



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL DECISION

on the adoption of the position by the Community within the ACP-EC Committee of Ambassadors regarding the use of unallocated resources from the eight European Development Fund

(presented by the Commission)

EXPLANATORY MEMORANDUM

Decision No 1/2000 of the ACP-EC Council of Ministers of 27 July 2000¹ laying down transitional measures for the period from 2 August 2000 until the entry into force of the Cotonou Agreement provides for advanced application of the Agreement and continued application of some of the provisions of the revised fourth Lomé Convention.

Decisions N° 2/2000 and N° 3/2000 of the ACP-EC Council of Ministers of 15 December 2000² refer to the granting of financial support to an investment financing scheme for industrial and business development in the ACP countries and the definition of specific financial measures to ensure the continuity of certain activities of the 8th EDF before the entry into force of the ACP-EC Partnership Agreement.

However, there are a certain number of other activities that are not covered explicitly by the above transitional measures, on which the ACP-EC Council of Ministers must take a decision. During its meeting on 11 May 2001, the ACP-EC Council of Ministers delegated to the ACP-EC Committee of Ambassadors the power to take such a decision, on the basis of Articles 195 (b), 219 (2) (d), 245 (2), 257 and 282 (5) of the fourth ACP-EC Convention.

1. CENTRE FOR THE DEVELOPMENT OF ENTERPRISE (CDE)/ CENTRE FOR THE DEVELOPMENT OF AGRICULTURE (CTA)

The ACP-EC Partnership Agreement signed in Cotonou on 23 June states that the Centre for the Development of Enterprise (CDE) will support the implementation of private sector development strategies in the ACP countries by providing non-financial services to ACP companies and businesses and also support to joint initiatives set up by Community and ACP traders. The mission of the Centre for the Development of Agriculture (CTA) will be to strengthen policy and develop institutional capacity linked with information and communication systems and also the information and communication management capacities of ACP agricultural and rural development organisations.

The Decision mentioned above (N° 1/2000) on the transitional measures provides for advance application of the provisions concerning the CDE and CTA in Annex III to the ACP-EC Partnership Agreement. In line with this decision, Decision N° 3/2000 included the allocation of € 22 million for the CDE for the financial year 2001 and € 12 million for the CTA for the same financial year, from unallocated resources from the 8th EDF, as an advance on the 9th EDF, which has not yet entered into force (in the Financial protocol of the ACP-EC Partnership Agreement, € 90 million of the 9th EDF are earmarked for the CDE and € 70 million for the CTA).

Considering that the ratification of the ACP-EC Partnership Agreement and the Financial Protocol is unlikely to take place before the beginning of 2002, a new provision should be taken to cover the 2002 financial year for the CDE and the CTA. The CDE will need an overall sum of € 23 million to cover the 2002 financial year. The requirements of the CTA for the same financial year are € 13.7 million. In these circumstances and in order to make these financial resources available, it is necessary

¹ OJ L 195, 1.8.2000, p. 46.

² OJ L 17, 19.1.2001, p. 20 and OJ L 8, 12.1.2001, p. 38

for the ACP-EC Committee of Ambassadors to authorise the use, in the form of an advance on the 9th EDF, of unallocated resources from the 8th EDF.

2. RESOURCES FOR EMERGENCY ASSISTANCE

An appropriation of € 140 million was available for aid under Article 254 of the Lomé Convention, which allowed for emergency assistance. However, Article 2 (c) of the Second Financial Protocol provided that on the expiry of the protocol, save for a decision to the contrary by the Council of Ministers, these funds would revert to the assets of the Fund for the purpose of financing other operations coming within the scope of development finance co-operation. Therefore, provision should be made for maintaining the necessary resources to allow these actions to continue up to the entry into force of the 9th EDF³.

3. PEACE-BUILDING, CONFLICT PREVENTION AND RESOLUTION

The Community and the ACP States have agreed to pursue an active, comprehensive and integrated policy of peace-building and conflict prevention and resolution. Within this framework there is a need to support countries, which emerge from cross-border conflicts, in order to consolidate their peace efforts. It is therefore proposed to allocate resources to support for conflict prevention and resolution, especially for demobilisation, and reintegration of former combatants, in accordance with Article 11 (2) and (3) of the ACP-EC Partnership Agreement, put into early application by Decision N° 1/2000 of the ACP-EC Council of Ministers.

4. ADDITIONAL RESOURCES FOR INTRA-ACP PROJECTS AND PROGRAMMES

Article 164 (1) (d) of the revised fourth Lomé Convention established a basis for actions relating to intra-ACP regional co-operation. Such actions are intended to support the development of all ACP countries, either through support for ACP institutions, or through support in certain thematic areas. Insufficient funds remain allocated to this co-operation to allow the continuation of such activities in 2001 and 2002. Additional resources would be used for activities in the fields of reproductive health and private sector support.

Reproductive health: in signing up to the International Development Targets, now referred to as Millennium Development Goals, the international community, including the European Community, has committed itself to reducing maternal deaths by 75% by 2015. A sub-target is to increase the proportion of births attended by a skilled attendant to 80% by 2005. The reproductive health allocation would be used for targeted activities in ACP countries with high maternal mortality rates. The EC support aims to strengthen government responses to sexual and reproductive health needs; to ensure consistent, affordable and high quality services and commodity supplies; and to strengthen the role of in-country non-governmental partners. Priority interventions will include essential obstetric care for life threatening emergencies and skilled attendance at delivery, underpinned by access to family planning and management of unwanted pregnancies. In order to achieve

³ On July 26th, uncommitted balances of the appropriation for emergency assistance were € 11.4 million.

sustainable improvements in these elements, the design of policies and interventions shall aim at the improved functioning of health systems as a whole.

Private sector support: this allocation would be used for the continuation of the following programmes:

- The EU-ACP Business assistance scheme, aiming at increasing competitiveness of ACP enterprises and strengthening capacity of private sector and non-financial intermediaries through better access to effective business development services.
- DIAGNOS, which provides assistance to ACP national and regional authorities in the analysis of the private sector conditions in ACP countries and in the preparation of private sector development policies and operations.
- The EU-ACP Business forum, which facilitates dialogue with the private sector.

For all these reasons, the Commission is proposing that the Council adopt the attached decision on the position to be adopted by the Community within the ACP-EC Committee of Ambassadors regarding a decision on the use of unallocated resources from the 8th EDF.

Proposal for a

COUNCIL DECISION

on the adoption of the position by the Community within the ACP-EC Committee of Ambassadors regarding the use of unallocated resources from the eighth European Development Fund

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 310 in conjunction with the second subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Decision no 1/2000 of the ACP-EC Council of Ministers of 27 July 2000 laid down transitional measures for the period from 2 August 2000 until the ratification of the Cotonou Agreement. Article 2 of that decision indicates that provisions of the fourth Lomé convention as revised by the Agreement signed in Mauritius on 4 November 1995, regarding the ACP-EC Council of Ministers' power of decision on the use of unallocated resources from the 6th, 7th and 8th EDFs, remains applicable.
- (2) The ACP-EC Council of Ministers on 11 May 2001 delegated the power to decide on the use of unallocated resources from the Eighth European Development Fund to the ACP-EC Committee of Ambassadors, on the basis of Articles 195 (b), 219 (2) (d), 245 (2), 257 and 282 (5) of the revised Fourth Lomé Convention and Article 2 (e) of Decision N° 1/2000 of the ACP-EC Council of Ministers regarding transitional measures.
- (3) The position of the Community within the ACP-EC Committee of Ambassadors should be set out with a view to the adoption by the latter of a decision on the use of unallocated resources from the eighth EDF.

HAS DECIDED AS FOLLOWS:

Article 1

The position taken by the Community within the ACP-EC Committee of Ambassadors on the use of unallocated resources from the 8th EDF shall be based on the draft decision of the ACP-EC Committee of Ambassadors attached as annex.

Article 2

Minor changes to the draft decision may be agreed without any need for a further decision by the Council.

Done at Brussels,

*For the Council
The President*

ANNEX

DRAFT

DECISION OF THE ACP-EC COMMITTEE OF AMBASSADORS

on the use of unallocated resources from the Eighth European Development Fund

THE ACP-EC COMMITTEE OF AMBASSADORS,

Having regard to the Fourth ACP-EC Convention, as amended by the Agreement signed in Mauritius on 4 November 1995, in particular Articles 195 (b), 219 (2) (d), 245 (2), 257 and 282 (5) thereof,

Having regard to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000,

Whereas:

1. With Decision no 1/2000, the ACP-EC Council of Ministers on 27 July 2000 adopted transitional measures for the period from 2 August 2000 until the ratification of the ACP-EC Partnership Agreement, envisaging the anticipated application of certain provisions of the Partnership Agreement as well as the continued application of certain provisions of the fourth Lomé convention as revised by the Agreement signed in Mauritius on 4 November 1995⁴. Article 2 of that decision indicates that provisions of the Lomé Convention, regarding the ACP-EC Council of Ministers' power of decision on the use of unallocated resources from the 6th, 7th and 8th EDFs, remain applicable.
2. The ACP-EC Council of Ministers on 11 May 2001 delegated the power to decide on the use of unallocated resources from the Eighth European Development Fund to the ACP-EC Committee of Ambassadors, on the basis of Articles 195(b), 219(2)(d), 245(2), 257 and 282 (5) of the revised Fourth Lomé Convention and Article 2(e) of Decision N° 1/2000 of the ACP-EC Council of Ministers regarding transitional measures.
3. To ensure the continuation of the activities of the Centre for the Development of Enterprise (CDE) and the Centre for the Development of Agriculture (CTA), the necessary funds should be made available to cover the financial requirements for the 2002 financial year.
4. To ensure that the Community continues the delivery of emergency assistance as referred to in article 254 of the revised ACP-EC Convention it is appropriate to maintain the allocation foreseen in Article 2 (a) of the Second financial protocol.
5. To ensure that the Community contributes to efforts of peace-building, conflict prevention and resolution, especially by facilitating the demobilisation and reintegration of former combatants, it is appropriate to create an allocation to this effect.

⁴ OJ L 195, 1.8.2000, p. 46.

6. To ensure the financing of certain activities it is appropriate to allocate supplementary resources to intra-ACP regional co-operation, particularly in favour of reproductive health and private sector support.

HAS DECIDED AS FOLLOWS:

Article 1 – CDE/CTA

1. The following shall be taken from unallocated 8th EDF resources (general reserve), as an advance on the 9th EDF:
 - A maximum of € 23 million to finance the CDE budget in 2002
 - A maximum of € 13.7 million to finance the CTA budget in 2002
2. Any unexpended balances from the funds for the CDE and the CTA not used for the 2002 financial year shall be automatically carried over to the 2003 financial year.

Article 2 – Emergency assistance

Until the entry into force of the Financial Protocol of the Partnership Agreement, uncommitted balances of the allocation for emergency assistance as referred to under Article 254 of the amended Fourth ACP-EC Convention and Article 2 (a) of its Second Financial Protocol shall remain allocated to emergency assistance.

Article 3 – Peace-building, conflict prevention and resolution

An amount of € 50 million shall be taken from unallocated 8th EDF resources (general reserve) for actions in the field of peace-building, conflict prevention and resolution, in accordance with Article 11(2)-(3) of the ACP-EC Partnership Agreement.

Article 4 – Intra-ACP

An amount of € 94 million shall be taken from unallocated 8th EDF resources (general reserve) for the use of intra-ACP regional co-operation. Within this amount, € 44 million shall be a specific allocation for a new initiative in the field of reproductive health and € 50 million shall be a specific allocation for private sector development.

Article 5

The Chief Authorising Officer of the EDF is requested to take the measures necessary to give effect to this Decision, which shall enter into force on the day it is adopted.

Done at

*For the ACP-EC Committee of Ambassadors
The President*