

COUNCIL

DECISION No 2/2004 OF THE ACP-EC COUNCIL OF MINISTERS

of 30 June 2004

on the revision of the terms and conditions of financing for short-term fluctuations in export earnings (Annex II to the ACP-EC Partnership Agreement signed in Cotonou)

(2004/647/EC)

THE ACP-EC COUNCIL OF MINISTERS,

Having regard to the ACP EC Partnership Agreement signed in Cotonou on 23 June 2000, and in particular, Article 100 thereof,

Whereas:

- (1) The importance of a system of additional support in order to mitigate the adverse effects of any instability in export earnings has been emphasised in the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000.
- (2) In accordance with Article 68(3) of the ACP-EC Partnership Agreement, the least-developed, landlocked and island ACP States shall receive more favourable treatment.
- (3) In accordance with Article 11 of Annex II to the Agreement, the provisions of chapter 3 of that Annex on financing for short-term fluctuations in export earnings shall be subject to review at the latest after two years of operation and subsequently at the request of either Party.
- (4) In order to improve the functioning of the system on financing for short-term fluctuations in export earnings and ensure that it responds more adequately to its objectives,

HAS DECIDED AS FOLLOWS:

Article 1

Article 9(1) of Annex II to the ACP-EC Partnership Agreement shall be replaced by the following:

'1. Eligibility for additional resources shall be established by:

- (a) a 10 % (2 % in the case of least-developed, landlocked and island States) loss of export earnings from goods compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year;

or

a 10 % (2 % in the case of least-developed, landlocked and island States) loss of export earnings from the total of agricultural or mineral products compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year for countries where the agricultural or mineral export revenues represent more than 40 % of total export revenues from goods; and

- (b) a 2 % worsening in the programmed public deficit programmed for the year in question or forecast for the following year.'

Article 2

This Decision shall enter into force on the day of its adoption.

Done at Brussels, 30 June 2004.

*The Chairman of the ACP-EC Committee
of Ambassadors*

by delegation, for the ACP-EC Council of Ministers

J. OBIA