

**INTERNAL AGREEMENT
ON THE FINANCING AND ADMINISTRATION
OF COMMUNITY AID**

**INTERNAL AGREEMENT
ON THE MEASURES AND PROCEDURES REQUIRED FOR
IMPLEMENTATION OF THE THIRD ACP-EEC CONVENTION**

signed in Brussels on 19 February 1985

INTERNAL AGREEMENT
ON THE FINANCING AND ADMINISTRATION
OF COMMUNITY AID

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES,
MEETING WITHIN THE COUNCIL,

Having regard to the Treaty establishing the European Economic Community, (hereinafter referred to as the "Treaty");

Whereas the third ACP-EEC Convention, signed at Lomé on 8 December 1984 (hereinafter referred to as the "Convention"), set the aggregate amount of Community aid to the ACP States at 8 500 million ECU;

Whereas the representatives of the Governments of the Member States, meeting within the Council, agreed to set at 100 million ECU the amount of aid from the European Development Fund for the overseas countries and territories to which Part Four of the Treaty applies (hereinafter referred to as the "countries and territories"); whereas provision is also made for operations to the amount of 20 million ECU to be undertaken by the European Investment Bank (hereinafter referred to as the "Bank") from its own resources in the countries and territories;

Whereas the ECU used in application of this Agreement is defined in Council Regulation (EEC) No 2626/84 of 15 September 1984 amending Article 1 of Council Regulation (EEC) No 3180/78 changing the value of the unit of account used by the European Monetary Co-operation Fund or in any subsequent Council Regulation defining the composition of the ECU;

Whereas, in order to implement the Convention and the Decision concerning the countries and territories (hereinafter referred to as the "Decision"), a sixth European Development Fund should be established and a procedure should be laid down for the provision of funds and for contributions from Member States to these funds;

Whereas the rules for the management of financial co-operation should be determined, the procedure for programming, examining and approving aid should be decided and the detailed rules for supervising the use of the aid should be laid down;

Whereas a Committee of Representatives of the Governments of the Member States should be set up under the auspices of the Commission and a similar Committee should be set up under the auspices of the Bank;

Whereas the work done by the Commission and the Bank to apply the Convention and the corresponding provisions of the Decision should be harmonized; whereas it is therefore desirable that, as far as possible, the composition of the Committees set up under the auspices of the Commission and of the Bank should be identical;

Having regard to the Council Resolution of 5 June 1984 on the co-ordination of co-operation policies and operations within the Community;

After consulting the Commission,

HAVE AGREED AS FOLLOWS:

CHAPTER I

ARTICLE 1

1. The Member States hereby set up a European Development Fund (1985), hereinafter referred to as the "Fund".
2. (a) The Fund shall consist of 7 500 million ECU.
 - (b) The schedule of contributions to be made by the contributing States shall be drawn up as provided for in Annex I, which forms an integral part of this Agreement;
 - (c) The Council, acting unanimously, shall adopt the final schedule of contributions to be made by the Member States in accordance with the guidelines laid down in Annex II, which forms an integral part of this Agreement;
 - (d) The schedule referred to in (c) may be amended by Council Decision, reached unanimously, in the event of the accession of a new State to the Community.

ARTICLE 2

1. The amount stated in Article 1(2)(a) shall be allocated as follows:
 - (a) 7 400 million ECU for the ACP States, comprising:
 - 4 860 million ECU in the form of grants,

600 million ECU in the form of special loans,
600 million ECU in the form of risk capital,
925 million ECU in the form of transfers pursuant to
Part Three, Title II, Chapter 1, of the Convention
415 million ECU in the form of the special financing
facility pursuant to Part Three, Title II,
Chapter 3, of the Convention;

(b) 100 million ECU for the countries and territories,
comprising:

(i) 55 million ECU in the form of grants,
25 million ECU in the form of special loans,
15 million ECU in the form of risk capital,
token entry for the special financing facility
pursuant to the provisions of the
Decision relating to mining products;

(ii) 5 million ECU in the form of transfers for the
countries and territories, pursuant to those
provisions of the Decision which concern the
system for stabilizing export earnings.

2. Where a country or territory which has become independent
accedes to the Convention, the amounts indicated in
paragraph 1(b)(i) shall be reduced and those indicated in
paragraph 1(a) correspondingly increased by a decision of
the Council acting unanimously on a proposal from the
Commission.

In such cases, the country concerned will continue to be eligible for the funds provided for in paragraph 1(b)(ii), subject to the management rules laid down in Part Three, Title II, Chapter 3, of the Convention.

ARTICLE 3

To the amount laid down in Article 1(2)(a) shall be added 1 120 million ECU in the form of loans granted by the Bank from its own resources under the conditions laid down by it in accordance with its Statute.

These loans shall be allocated as follows:

- (a) the amount of 1 100 million ECU for financing operations to be carried out in the ACP States;
- (b) the amount of 20 million ECU for financing operations to be carried out in the countries and territories.

ARTICLE 4

An amount of up to 210 million ECU shall be set aside from the grant aid specified in Article 2(1)(a) and (b)(i) for financing the interest rate subsidies referred to in Article 196 of the Convention and in the corresponding provisions of the Decision. Any part of this amount not committed by the end of the period during which loans are granted by the Bank shall again become available as grant aid.

The Council may decide, on a proposal from the Commission drawn up in agreement with the Bank, to raise this ceiling.

ARTICLE 5

With the exception of loans granted by the Bank from its own resources, all financial operations undertaken for the benefit of the ACP States or the countries and territories in accordance with the Convention or the Decision shall be carried out under the conditions laid down in this Agreement and shall be charged to the Fund.

ARTICLE 6

1. Within one month of the entry into force of the Convention, and subsequently before 1 October of each year, the Commission shall draw up and communicate to the Council estimates of the commitments to be entered into during the budget year, taking into account the Bank's forecasts in respect of the operations which it manages.

2. In the same manner, the Commission shall establish and communicate to the Council a statement of the payments to be made in the budget year in question. On the basis of this statement and taking into account cash requirements, the Commission shall draw up a schedule of calls for contributions determining the dates on which payment is due; the detailed rules for payment of such contributions by the Member States shall be determined by the Financial Regulation referred to in Article 28. This schedule shall be submitted by the Commission to the Council, which shall decide thereon by the qualified majority laid down in Article 18(4).

If the contributions are insufficient to meet the actual requirements of the Fund in the budget year in question, proposals for supplementary payments shall be submitted by the Commission to the Council, which shall decide thereon as soon as possible by the qualified majority laid down in Article 18(4).

3. The Commission shall wholly or partially refrain from calling for an instalment due during a financial year when the amounts available are sufficient to cover payment requirements until the next due date.

4. Until used by the Commission for financing projects, action programmes or transfers adopted under the conditions laid down in Articles 10 to 21, 26 and 27, the funds obtained from the calls for contributions referred to in paragraph 2 shall remain deposited in special accounts opened by each Member State with its Treasury or with such bodies as it may designate, in accordance with the rules laid down by the Financial Regulations referred to in Article 28.

ARTICLE 7

1. Any remaining balance of the Fund shall be used up in accordance with the same rules as those laid down in the Convention, the Decision and this Agreement.

2. Upon expiry of this Agreement, Member States shall still be obliged to pay, as provided in Article 6, the portion of their contributions not yet called for.

ARTICLE 8

1. The Member States undertake to act as guarantor for the Bank, waiving any right to object and in proportion to their contributions to its capital, in respect of all financial commitments arising for its borrowers out of the loan contracts concluded by the Bank with its own resources in implementation both of Article 19⁴ of the Convention and the corresponding provisions of the Decision and, where appropriate, Article 83 of the Convention.
2. This guarantee shall be restricted to 75% of the total amount of the credits opened by the Bank under all the loan contracts; it shall be applied to cover all risks.
3. Notwithstanding the overall guarantee referred to in paragraphs 1 and 2, the Member States may, with regard to financial commitments under Article 83 of the Convention, act as guarantor for the Bank, in specific cases and at the latter's request, in respect of a percentage greater than 75% and up to 100% of the credits opened by the Bank under the corresponding loan contracts.
4. The undertakings arising from paragraphs 1 to 3 shall be the subject of guarantee contracts between each Member State and the Bank.

ARTICLE 9

1. Payments made to the Bank in respect of special loans granted to the ACP States, the countries and territories and the French overseas departments since 1 June 1964, as well as the proceeds and income from risk capital operations undertaken since 1 February 1971 for the benefit of those States, countries, territories and departments, shall be credited to the Member States in proportion to their contributions to the Fund from which the sums are derived, unless the Council decides unanimously, on a proposal from the Commission, to place them in reserve or allocate them to other operations.

Any commission due to the Bank for managing the loans and operations referred to in the first subparagraph shall be deducted in advance from these sums.

2. The amounts referred to in Article 2(1) shall be supplemented by any other revenue accruing to the Fund; without prejudice to Article 153(2) of the Convention and acting on a proposal from the Commission, the Council shall decide by the qualified majority referred to in Article 18(4) on the allocation of any such other revenue.

CHAPTER II

ARTICLE 10

1. Subject to Articles 19, 20 and 21 and without prejudice to the Bank's responsibilities for the administration of certain forms of aid, the Fund shall be administered by the Commission in accordance with the rules laid down in the Financial Regulation referred to in Article 28.

2. Subject to Articles 22, 23 and 24, risk capital and interest rate subsidies financed from the Fund's resources shall be administered by the Bank on behalf of the Community in accordance with its Statute and the rules laid down by the Financial Regulation referred to in Article 28.

ARTICLE 11

The Commission shall be responsible for implementing the aid policy defined by the Council and the general guidelines for financial and technical co-operation defined by the ACP-EEC Council of Ministers pursuant to Article 193 of the Convention.

ARTICLE 12

1. The Commission and the Bank shall provide each other periodically with appropriate information on the requests made to them for finance and on preliminary contacts made with them, before their requests were submitted, by the relevant bodies of the ACP States, the countries and territories, or other recipients of aid as provided for in Article 191 of the Convention and in the corresponding provisions of the Decision.

2. The Commission and the Bank shall keep each other informed of the progress made in appraising requests for finance. They shall exchange all general information in order to promote the harmonization of administrative procedures and the assessment of requests.

ARTICLE 13

1. The Commission shall appraise projects and action programmes which, pursuant to Article 197 of the Convention and the corresponding provisions of the Decision, could be financed by grants or special loans from the Fund's resources.

The Commission shall also appraise requests for transfers submitted pursuant to Part Three, Title II, Chapter 1, of the Convention and the corresponding provisions of the Decision, together with projects and action programmes eligible for the special financing facility pursuant to Part Three, Title II, Chapter 3, of the Convention.

2. The Bank shall appraise projects and action programmes which, pursuant to its Statute, Article 197 of the Convention and the corresponding provisions of the Decision, could be financed by loans from its own resources, with or without interest rate subsidies, or by risk capital.

3. Projects and action programmes which come under the industrial, agro-industrial, mining or tourism sectors, and energy-production, transport and telecommunications schemes linked to those sectors, shall be presented to the Bank, which shall examine whether they are eligible for one of the forms of aid it administers.

4. Where, in the course of appraisal of a project or action programme by the Commission or by the Bank, it is found that such project or programme could not be financed by one of the forms of aid administered by the institution in question, the latter will, having informed the potential recipient, transmit the request to the other institution.

ARTICLE 14

1. Without prejudice to general instructions which the Bank receives from the Community in respect of the recovery of principal and interest relating to special loans and operations under the special financing facility, the Commission shall undertake, on behalf of the Community, the financial execution of operations carried out with the Fund's resources in the form of grants, special loans, transfers or the special financing facility; it shall make payments in accordance with the Financial Regulation referred to in Article 28.

2. The Bank shall undertake, on behalf of the Community, the financial execution of operations carried out with the Fund's resources in the form of risk capital. In this context, the Bank shall act on behalf and at the risk of the Community. Any resulting rights, and particularly rights as creditor or owner, shall be vested in the Community.

3. The Bank shall undertake the financial execution of operations carried out in the form of loans from its own resources combined with interest rate subsidies from the Fund's resources.

ARTICLE 15

1. In order to ensure co-ordination between co-operation operations and improve complementarity between them and the Member States' bilateral aid, the Commission shall regularly and in good time communicate to the Member States the notes identifying projects which are to be appraised.

2. For their part the Member States shall communicate in good time to the Commission a periodically updated statement of any development aid they have granted or intend to grant.

3. The Member States and the Commission shall also communicate to each other any information they possess on other bilateral, regional or multilateral aid granted to or envisaged for ACP States.

4. The Bank shall regularly and confidentially inform the representatives of the Member States and of the Commission designated by name of any projects for the benefit of the ACP States which it intends to appraise.

ARTICLE 16

1. The programming provided for in Article 215 of the Convention shall be undertaken in each ACP State under the responsibility of the Commission.

2. In order to prepare the programming, the Commission, in consultation with the Member States, in particular those represented on the spot, and in conjunction with the Bank, shall undertake an analysis of each ACP State's economic situation so that any obstacles to development can be identified and any consequent necessary changes in line of policy can be assessed, account being taken of the sectoral policies pursued and the results which they have made it possible to achieve with the means deployed.

The analysis shall concern sectors in which the Community is particularly active and those for which a request for Community support may be envisaged; it shall take account of the interdependence between sectors and be based on a detailed assessment of past Community aid and of the lessons learned therefrom.

ARTICLE 17

1. For the purposes of Article 215 of the Convention, programming missions shall be undertaken in each ACP State under the responsibility of the Commission and with the participation of the Bank in order to establish the indicative programme of Community aid.

2. Before programming missions are sent out, the Commission shall, in collaboration with the Bank, prepare a brief document on each country giving the conclusions of the preparation of programming and setting out the sectors on which Community aid is to be concentrated.

An exchange of views shall take place between the representatives of the Member States, of the Commission and of the Bank, on the basis of this document, in order to assess the general framework of the Community's co-operation with each ACP State and to ensure, as far as possible, co-ordination and complementarity of Community aid and aid from the Member States.

3. Following the programming missions undertaken in the ACP States by the Commission and the Bank, the indicative programme of Community aid for each ACP State shall be forwarded to the Member States so that an exchange of views can take place between the representatives of the Member States, of the Commission and of the Bank. This exchange of views shall be held if the Commission or one or more Member States so request.

4. If need be, and at least once during the period covered by the Convention, the representatives of the Member States, of the Commission and of the Bank shall examine progress in implementing the indicative programmes and any amendments to be made thereto at the request of the ACP States concerned.

5. The exchange of views referred to in paragraphs 2 and 3 and the examination referred to in paragraph 4 shall take place in a Programming Committee consisting of representatives of the Member States and of the Bank and chaired by a representative of the Commission.

The Programming Committee shall also consider the general guidelines contemplated for the implementation of regional co-operation.

ARTICLE 18

1. A Committee (hereinafter called the "EDF Committee") consisting of representatives of the governments of the Member States shall be set up under the auspices of the Commission.

The EDF Committee shall be chaired by a Commission representative, and its secretariat shall be provided by the Commission.

A representative of the Bank shall take part in its work.

2. The Council, acting unanimously, shall adopt the rules of procedure of the EDF Committee.

3. On a transitional basis, until a decision is taken pursuant to the first subparagraph of paragraph 5, the votes of the Member States in the EDF Committee shall be weighted as follows:

Belgium	6
Denmark	3
Germany	27
Greece	2
France	24
Ireland	2
Italy	13
Luxembourg	1
Netherlands	8
United Kingdom	17

4. The EDF Committee shall act by a qualified majority of 70 votes.

5. The weightings laid down in paragraph 3 and where appropriate the qualified majority mentioned in paragraph 4 shall be amended, by a decision of the Council, acting unanimously, in the case referred to in Article 1(2)(c).

The weightings laid down in paragraph 3 and the qualified majority mentioned in paragraph 4 may be amended by a decision of the Council, acting unanimously, in the case referred to in Article 1(2)(d).

ARTICLE 19

1. The EDF Committee shall give its opinion on financing proposals, submitted to it by the Commission, for projects or action programmes to be financed by grants or special loans or special financing facility resources, amended, if appropriate, to take account of any comments made by the ACP State or States concerned.

2. The financing proposals shall set out the relevance of the projects or action programmes to the development prospects of the country or countries concerned and how they fit in with the sectoral policies receiving Community support. They shall mention the use to which such countries have put previous Community aid in the same sector; any existing project evaluations for that sector shall be attached.

ARTICLE 20

1. If the EDF Committee requests substantial changes in the financing proposal, or in the absence of a favourable opinion on the proposal, the Commission shall consult the representatives of the ACP State or States concerned.

Following such consultations, the Commission shall communicate the results to the Member States at the next meeting of the EDF Committee.

2. Following the consultations referred to in paragraph 1 the Commission may re-submit the financing proposal, after review or extension, to the EDF Committee at one of its subsequent meetings.

3. If the EDF Committee still refuses to deliver a favourable opinion, the Commission shall inform the ACP State or States concerned, which may then request either:

- that the matter be brought before the ACP-EEC Ministerial Committee referred to in Article 193 of the Convention (hereinafter called the "Article 193 Committee"); or
- that it or they be given a hearing by the Community's decision-making bodies, on the conditions set out in Article 21(2).

ARTICLE 21

1. The financing proposals, together with the opinion of the EDF Committee, shall be submitted to the Commission for its decision.

2. If the Commission decides to differ from the opinion expressed by the EDF Committee or if the Committee has not delivered a favourable opinion, the Commission shall either withdraw the financing proposal or, at the earliest opportunity, refer the proposal to the Council, which shall decide on it according to the same voting procedure as the EDF Committee.

In the latter case the ACP State concerned may, if it has not decided to refer the matter to the Article 193 Committee, forward to the Council, in accordance with Article 220(7) of the Convention, any additional information it considers necessary before the final decision is taken and may be heard by the President and the members of the Council.

3. Save in exceptional circumstances the Community shall take a final decision within a maximum period of four months of communication of the financing proposal to the ACP State or States concerned.

4. The Commission shall regularly inform the EDF Committee of all requests for financing officially submitted to it by one or more ACP States, irrespective of whether such requests are selected by its departments.

ARTICLE 22

1. A Committee (hereinafter called the "Article 22 Committee") consisting of representatives of the governments of the Member States shall be set up under the auspices of the Bank.

The Article 22 Committee shall be chaired by the representative of the Member State currently chairing the Board of Governors of the Bank; its secretariat shall be provided by the Bank.

A representative of the Commission shall take part in its work.

2. The Council, acting unanimously, shall adopt the rules of procedure of the Article 22 Committee.

3. The weighting of the votes of the Member States and the qualified majority applicable to the Article 22 Committee shall be those resulting from the application of Article 18(3), (4) and (5).

ARTICLE 23

1. The Article 22 Committee shall deliver an opinion on requests for loans with interest rate subsidies and on proposals for financing by risk capital which are submitted to it by the Bank.

The Commission representative may, at meetings, submit the Commission's assessment of these proposals. This assessment shall cover the conformity of the projects with Community development aid policy, with the objectives of financial and technical co-operation laid down by the Convention and with the general guidelines adopted by the ACP-EEC Council of Ministers.

In addition, the Bank shall inform the Article 22 Committee of any loans without interest rate subsidies that it intends to grant in the oil sector.

2. The document submitted to the Article 22 Committee by the Bank shall, in particular, explain the relevance of the project to the development prospects of the country or countries concerned and, where appropriate, indicate the situation as regards repayable aid granted by the Community and holdings acquired by it and the use made of previous aid in the same sector; any existing project evaluations for that sector shall be attached.

3. Where the Article 22 Committee delivers a favourable opinion in respect of a request for a loan with an interest rate subsidy, the request, together with the reasoned opinion of the Committee and, where appropriate, the assessment of the Commission representative, shall be submitted for a decision to the Board of Directors of the Bank, which shall act in accordance with the provisions of the Bank's Statute.

In the absence of a favourable opinion from the Article 22 Committee, the Bank shall either withdraw the request or decide to uphold it. In the latter event the request, together with the reasoned opinion of the Committee and, where appropriate, the assessment given by the Commission representative, shall be submitted for a decision to the Bank's Board of Directors, which shall act in accordance with the provisions of the Bank's Statute.

4. Where the Article 22 Committee delivers a favourable opinion in respect of a proposal for financing by risk capital, the proposal shall be submitted for a decision to the Bank's Board of Directors, which shall act in accordance with the provisions of the Bank's Statute.

In the absence of a favourable opinion from the Article 22 Committee, the Bank, in accordance with Article 220 of the Convention, and in particular paragraphs 5, 6 and 7 thereof, shall inform the representatives of the ACP State or States concerned, who may request either:

- that the matter be referred to the Article 193 Committee;
or
- that they be given a hearing by the competent body of the Bank.

At the end of that hearing, and within the time limits laid down in Article 220(8) of the Convention, the Bank may either:

- decide not to follow up the proposal; or
- request that the Member State chairing the Article 22 Committee refer the matter to the Council as soon as possible.

In the latter case, the proposal shall be submitted to the Council together with the reasoned opinion of the Article 22 Committee and, where appropriate, the assessment of the Commission representative and any further information which the ACP State concerned considers the Council requires.

The Council shall act in accordance with the same voting procedure as the Article 22 Committee.

If the Council confirms the Article 22 Committee's position, the Bank shall withdraw its proposal.

If, however, the Council is in agreement with the Bank's proposal, the Bank shall implement the procedures laid down in its Statute.

ARTICLE 24

Subject to such adjustments as are necessary to take account of the nature of the operations financed and of the procedures laid down in the Statute of the Bank, the latter shall inform the Article 22 Committee regularly of all requests for financing officially submitted to it, irrespective of whether they are selected by its departments.

ARTICLE 25

1. The Commission and the Bank shall ascertain, each for their respective parts, how the Community aid they administer is used by the ACP States, the countries and territories or any other recipients.
2. They shall also ascertain, each for their respective parts and in close collaboration with the relevant authorities of the country or countries concerned, how projects financed with Community aid are used by the recipients.
3. When ascertaining how Community aid and projects are used, as provided for in paragraphs 1 and 2, the Commission and the Bank shall examine the extent to which the objectives referred to in Articles 185 and 186 of the Convention and in the corresponding provisions of the Decision have been attained.
4. The Commission and the Bank shall inform the Council at least once a year of their findings pursuant to paragraphs 1, 2 and 3. The report by the Commission and the Bank shall also contain an assessment of the impact of Community aid on the economic and social development of the recipient countries.

The Council, acting by the qualified majority laid down in Article 18(4), shall take the necessary measures.

5. The Council shall be informed periodically of the results of work done by the Commission and the Bank on the evaluation of projects being carried out or completed, particularly in relation to development objectives set.

CHAPTER III

ARTICLE 26

1. The amounts of the transfers referred to in Articles 157 and 167 of the Convention and in the corresponding provisions of the Decision, and the contributions to the replenishment of resources referred to in Article 172 of the Convention and in the corresponding provisions of the Decision, shall be expressed in ECU.

2. Payments shall be made in the currency of one or more Member States chosen by the Commission after consultation of the ACP State or the relevant authorities of the countries and territories.

ARTICLE 27

1. Each year the Commission shall draw up a comprehensive report for the Member States on the operation of the system of stabilization of export earnings and the use made by the ACP States of the funds transferred.

The report shall indicate in particular the effect of the transfers made on the development of the sectors to which they were allocated.

2. Paragraph 1 shall also apply as regards the countries and territories.

CHAPTER IV

ARTICLE 28

The provisions for implementing this Agreement shall be the subject of a Financial Regulation adopted, upon the entry into force of the Convention, by the Council, acting by the qualified majority laid down in Article 18(4), on the basis of a Commission draft, after an opinion has been delivered by the Bank on the provisions of concern to it and by the Court of Auditors established under Article 206 of the Treaty.

ARTICLE 29

1. At the end of each financial year the Commission shall adopt the revenue and expenditure account and the balance sheet of the Fund.
2. Without prejudice to paragraph 4, the Court of Auditors established under Article 206 of the Treaty shall also exercise its powers in respect of the Fund's operations. The conditions under which the Court exercises its powers shall be laid down in the Financial Regulation referred to in Article 28.
3. The discharge for the financial management of the Fund shall be given to the Commission by Parliament on the recommendation of the Council, which shall act by the qualified majority laid down in Article 18(4).
4. The operations financed from the resources of the Fund managed by the Bank shall be subject to the control and discharge procedures laid down by the Statute of the Bank for all its operations. Each year the Bank shall send the Commission and the Council a report on the execution of operations financed from the resources of the Fund managed by the Bank.

5. The Commission shall draw up periodically, in agreement with the Bank, lists of the information it receives from the latter in order to assess how the Bank is carrying out its brief and to encourage close co-ordination between the Commission and the Bank.

ARTICLE 30

1. The remaining balance of the Fund set up under the Internal Agreement of 1969 on the financing and administration of Community aid shall continue to be administered as provided in that Agreement and in accordance with the rules and regulations in force on 31 January 1975.

The remaining balance of the Fund set up under the Internal Agreement of 1975 on the financing and administration of Community aid shall continue to be administered as provided in that Agreement and in accordance with the rules and regulations in force on 1 March 1980.

The remaining balance of the Fund set up under the Internal Agreement of 1979 on the financing and administration of Community aid shall continue to be administered as provided in that Agreement and in accordance with the rules and regulations in force on 28 February 1985.

2. In the event of successful completion of projects financed from the Funds referred to in paragraph 1 being jeopardized by a lack of resources owing to the remaining balance being used up, proposals for additional financing may be submitted by the Commission under the conditions laid down in Article 19.

ARTICLE 31

1. This Agreement shall be approved by each Member State in accordance with its own constitutional requirements. The Government of each Member State shall notify the General Secretariat of the Council of the European Communities when the procedures required for its entry into force have been completed.

2. This Agreement is concluded for the same duration as the Convention. However, it shall remain in force for as long as is necessary for all the operations financed under the Convention to be fully executed.

ARTICLE 32

This Agreement, drawn up in a single original in the Danish, Dutch, English, French, German, Greek and Italian languages, each of these texts being equally authentic, shall be deposited in the archives of the General Secretariat of the Council of the European Communities, which shall transmit a certified copy to each of the governments of the signatory States.

Udfærdiget i Bruxelles, den nittende februar nitten
hundrede og femogfirs.

Geschehen zu Brüssel am neunzehnten Februar Neunzehnhundert-
fünfundachzig.

Έγινε στις Βρυξέλλες, στις δέκα εννέα φεβρουαρίου χίλια
εννιακόσια ογδόντα πέντε.

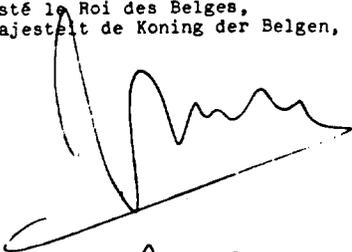
Done at Brussels on the nineteenth day of February in the
year one thousand nine hundred and eighty-five.

Fait à Bruxelles, le dix-neuf février mil neuf cent
quatre-vingt-cinq.

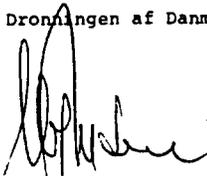
Fatto a Bruxelles, addì diciannove febbraio millenovecento-
ottantacinque.

Gedaan te Brussel, de negentiende februari negentien-
honderdvijfentachtig.

Pour Sa Majesté le Roi des Belges,
voor Zijne Majesteit de Koning der Belgen,



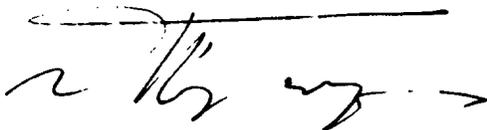
For Hendes Majestet Dronningen af Danmark,



Für den Präsidenten der Bundesrepublik Deutschland,



Για τον Πρόεδρο της Ελληνικής Δημοκρατίας,



Pour le Président de la République française,



For the President of Ireland,

Keats de Berra

Per il Presidente della Repubblica italiana,

Enrico Cuccia

Pour Son Altesse Royale le Grand-Duc de Luxembourg,

Am.

Voor Hare Majesteit de Koningin der Nederlanden,

Beatrix

For Her Majesty the Queen of the United Kingdom of
Great Britain and Northern Ireland,

Michael Butler

Schedule of contributions to be made
by the States contributing to the Fund
(Article 1(2)(b))

		(million ECU)
Belgium		296,94 (*)
Denmark		155,82 (*)
Federal Republic of Germany		1 954,40
Greece		93,03
France		1 768,20
Ireland		41,30
Italy		943,80
Luxembourg		14,00
Netherlands		423,36 (*)
United Kingdom		1 243,20
Spain } Portugal }	estimate	565,95
		7 500 00

(*) Provisional figure (1983 VAT base); the final contribution will be fixed by reference to the 1984 VAT base (see Annex II, point 3(a)).

Guidelines on the final schedule of contributions
to be made by the States contributing to the Fund
(Article 1(2)(c))

1. The recipients of the amount fixed in Article 1(2)(a) shall include Angola and Mozambique irrespective of the date on which those two States accede to the Convention.
2. The abovementioned amount was fixed taking into account the enlargement of the Community to include Portugal and Spain. Article 195(2)(b) of the Convention does not therefore apply to the enlargement to include Portugal and/or Spain.

On enlargement, the present Member States will therefore endeavour to negotiate contributions by Portugal and Spain at a level which will not be less than 7,7%.

3. As already reflected in Annex I, the amount of the contributions of Portugal and Spain will be used:
 - (a) to reduce the rates of contribution to be made by Belgium, Denmark and the Netherlands by three-quarters of the difference between their rates on the 1984-based VAT scale and their rates under the Lomé II scale;
 - (b) in the case of the balance, to reduce the contributions by Greece, France, Ireland and Luxembourg proportionally, so that the sizes of their shares are as nearly as possible what they would have contributed under the Lomé II scale of contributions assuming a Fund of 7 000 million ECU.

4. If the contributions by Portugal and Spain are fixed overall at a total of less than 7,54%, the contributions of the present Member States will be adjusted.

5. The Federal Republic of Germany, Italy and the United Kingdom will not contribute more than 1 954,4 million ECU, 943,8 million ECU and 1 243,2 million ECU respectively.

6. If the estimates of Portuguese and Spanish contributions are not fulfilled, to the point where serious imbalances are created, the problem will be re-examined.

INTERNAL AGREEMENT
ON THE MEASURES AND PROCEDURES
REQUIRED FOR IMPLEMENTATION OF
THE THIRD ACP-EEC CONVENTION

INT/CEE/ACP/I/ 37

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES
OF THE EUROPEAN ECONOMIC COMMUNITY, MEETING IN THE COUNCIL,

Having regard to the Treaty establishing the European Economic Community (hereinafter called "the Treaty") and the Third ACP-EEC Convention signed at Lomé on 8 December 1984, (hereinafter called "the Convention"),

Whereas the representatives of the Community will have to adopt common positions in the Council of Ministers provided for by the Convention (hereinafter called the "Council of ACP-EEC Ministers"); whereas, moreover, implementation of the decisions, recommendations and opinions of this Council may require, as the case may be, action by the Community, joint action by the Member States or action by a Member State;

Whereas, therefore, it is necessary for the Member States to specify the conditions for determining, in the fields for which they are competent, the common positions to be adopted by the representatives of the Community within the Council of ACP-EEC Ministers; whereas, in the same fields, it will also be for them to take the measures implementing such decisions, recommendations and opinions of that Council as may require joint action by the Member States or action by a Member State;

Whereas provision should, likewise, be made for the Member States to communicate to one another and to the Commission any Treaty, Convention, Agreement or arrangement and any part of a Treaty, Convention, Agreement or arrangement which concerns matters dealt with in the Convention and which has been, or will be, concluded between one or more Member States and one or more ACP States;

Whereas procedures should also be laid down whereby Member States may settle any disputes which may arise between them with regard to the Convention;

After consulting the Commission,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

1. The common position to be supported by the representatives of the Community in the Council of ACP-EEC Ministers when the latter considers matters for which the Member States are competent shall be adopted by the Council, acting unanimously after consulting the Commission.

2. Where, pursuant to Article 271 of the Convention, the Council of ACP-EEC Ministers envisages delegating to the Committee of Ambassadors provided for by the Convention the power to take decisions or put forward recommendations or opinions in the fields for which the Member States are competent, the common position shall be adopted by the Council, acting unanimously after consulting the Commission.

3. Common positions which the representatives of the Community support in the Committee of Ambassadors shall be adopted in the same manner as those laid down in paragraph 1.

ARTICLE 2

1. Decisions and recommendations adopted by the Council of ACP-EEC Ministers in the fields for which the Member States are competent shall be implemented by acts adopted by the latter.

2. Paragraph 1 shall also apply in respect of decisions and recommendations adopted by the Committee of Ambassadors pursuant to Article 272 of the Convention.

ARTICLE 3

Any Treaty, Convention, Agreement or arrangement, or any part of a Treaty, Convention, Agreement or arrangement, of whatever form or nature, which has been, or will be, concluded between one or more Member States and one or more ACP States and which concerns matters dealt with in the Convention, shall be communicated at the earliest opportunity by the Member State or States concerned to the other Member States and to the Commission.

At the request of a Member State or of the Commission, any texts so communicated shall be discussed by the Council.

ARTICLE 4

1. Any Member States having concluded with any ACP State a Treaty, Convention, Agreement or arrangement or part of a Treaty, Convention, Agreement or arrangement concerning investment promotion and protection, whether or not before entry into force of this Agreement, shall communicate the text at the earliest opportunity to the General Secretariat of the Council, which shall inform the other Member States and the Commission.

2. Any Member State contemplating concluding with an ACP State a Treaty, Convention, Agreement or arrangement or part of a Treaty, Convention, Agreement or arrangement concerning investment promotion and protection may communicate its intention to the other Member States and the Commission through the General Secretariat of the Council.

3. At the request of any interested Member State, exchanges of views may take place within the Council on the basis of the communications referred to in paragraphs 1 and 2. A Member State which has started negotiations that have been the subject of such exchanges of views shall communicate to the other Member States and the Commission through the General Secretariat of the Council any further information of use to them. At the conclusion of the negotiations it shall communicate to them in the same manner the initialled text of the agreement reached as a result of the negotiations.

ARTICLE 5

Should a Member State consider it necessary to invoke Article 278 of the Convention in matters for which the Member States are competent, it shall first consult the other Member States.

If the Council of ACP-EEC Ministers has to reach a decision on the action by the Member State referred to in the first paragraph, the position put forward by the Community shall be that of the Member State concerned, unless the representatives of the Governments of the Member States, meeting in the Council, decide otherwise.

ARTICLE 6

Disputes arising between Member States concerning the Convention, the Protocols attached thereto or the Internal Agreements signed for implementation of the Convention shall, at the request of the earliest petitioner, be submitted to the Court of Justice of the European Communities in the manner laid down in the Treaty and in the Protocol on the Statute of the Court of Justice annexed to the Treaty.

ARTICLE 7

The representatives of the Governments of the Member States, meeting in the Council, may at any time, after consulting the Commission, amend or supplement this Agreement.

ARTICLE 8

This Agreement shall be approved by each Member State in accordance with its own constitutional requirements. The government of each Member State shall notify the General Secretariat of the Council of the completion of the procedures required for the entry into force of the Agreement.

Provided that the provisions of the first paragraph have been complied with, this Agreement shall enter into force at the same time as the Convention. It shall remain in force for the duration of that Convention.

ARTICLE 9

This Agreement, drawn up in a single original in the Danish, Dutch, English, French, German, Greek and Italian languages, all seven texts being equally authentic, shall be deposited in the archives of the General Secretariat of the Council, which shall transmit a certified copy to each of the Governments of the Signatory States.

Udfærdiget i Bruxelles, den nittende februar nitten
hundrede og femogfirs.

Geschehen zu Brüssel am neunzehnten Februar Neunzehnhundert-
fünfundachzig.

Έγινε στις Βρυξέλλες, στις δέκα εννέα Φεβρουαρίου χίλια
εννιακόσια ογδόντα πέντε.

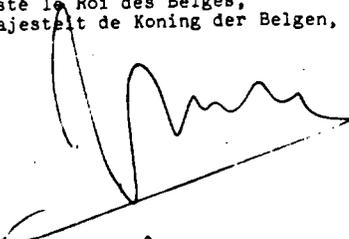
Done at Brussels on the nineteenth day of February in the
year one thousand nine hundred and eighty-five.

Fait à Bruxelles, le dix-neuf février mil neuf cent
quatre-vingt-cinq.

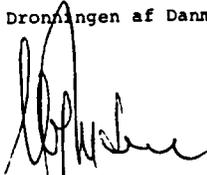
Fatto a Bruxelles, addì diciannove febbraio millenovecento-
ottantacinque.

Gedaan te Brussel, de negentiende februari negentien-
honderdvijfentachtig.

Pour Sa Majesté le Roi des Belges,
voor Zijne Majestéit de Koning der Belgen,



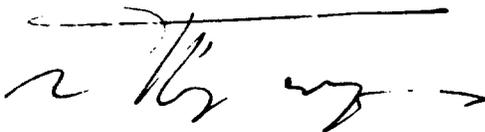
For Hendes Majestæt Dronningen af Danmark,



Für den Präsidenten der Bundesrepublik Deutschland,



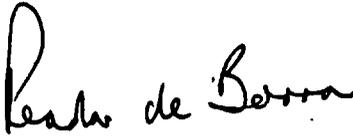
Για τον Πρόεδρο της Ελληνικής Δημοκρατίας,



Pour le Président de la République française,



For the President of Ireland,



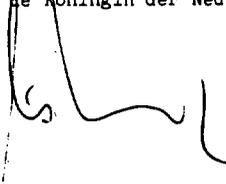
Per il Presidente della Repubblica italiana,



Pour Son Altesse Royale le Grand-Duc de Luxembourg,



Voor Hare Majesteit de Koningin der Nederlanden,



For Her Majesty the Queen of the United Kingdom of
Great Britain and Northern Ireland,

