II

(Acts whose publication is not obligatory)

COUNCIL

DECISION No 2/2003 OF THE ACP-EC COUNCIL OF MINISTERS
of 16 May 2003
on the use of the reserve of the long-term development envelope of the ninth European Development Fund for debt alleviation

(2003/451/EC)

THE ACP-EC COUNCIL OF MINISTERS,

Having regard to the ACP-EC Partnership Agreement signed in Cotonou (Benin) on 23 June 2000, hereinafter referred to as 'the ACP-EC Agreement', and in particular paragraph 8 of its Annex I,

Whereas:

(1) By Decisions Nos 1/1999 of 8 December 1999, 2/2001 of 20 December 2001 and 3/2002 of 23 December 2002, the ACP-EC Council of Ministers allocated resources to debt alleviation mechanisms in favour of highly indebted poor ACP countries for a total amount of EUR 1 185 million. From this amount, EUR 545 million was earmarked for alleviation of outstanding debt and debt servicing obligations to the Community and EUR 680 million as a contribution to the Highly Indebted Poor Countries (HIPC) trust fund administered by the International Development Association.

(2) To ensure continued support for debt alleviation mechanisms in favour of highly indebted poor ACP countries, it is appropriate to allocate supplementary resources to intra-ACP cooperation for a total amount of EUR 335 million. However, the envelope for regional cooperation and integration as defined in paragraph 3(b) of Annex I to the ACP-EC Agreement is exhausted. The necessary resources will therefore be transferred from unallocated resources of the ninth EDF long-term development envelope,

HAS DECIDED AS FOLLOWS:

Article 1

Debt relief

An amount of EUR 335 million shall be transferred from unallocated resources of the ninth EDF long-term development envelope to the intra-ACP allocation under the envelope for regional cooperation and integration, and used for debt relief in favour of ACP countries that are eligible under the initiative in favour of HIPCs in accordance with Article 66 of the ACP-EC Agreement. This amount can be used for the following purposes:

— meeting the outstanding debt and debt servicing obligations to the Community of ACP countries that are eligible under the HIPC initiative (EUR 135 million),

— contributing to the financing of the HIPC Trust Fund to the benefit of ACP countries (EUR 200 million).

Article 2

Financing

In accordance with Article 13(2)(b) of Annex IV to the ACP-EC Agreement, the ACP-EC Council of Ministers requests the Commission to finance support for debt relief for a total amount of EUR 335 million, as defined in Article 1 of this decision.

Article 3

Final provision

The ACP States, the Community and its Member States shall be required, each for its own part, to take the necessary steps to implement this Decision.

Article 4

Entry into force

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

Done at Brussels, 16 May 2003.

For the ACP-EC Council of Ministers
The President
S. RIALUTH VOHOR