II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 24 November 1997

amending at mid-term, Decision 91/482/EEC on the association of the overseas countries and territories with the European Economic Community

(97/803/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 91/482/EEC of 25 July 1991 on the association of the overseas countries and territories with the European Economic Community [1], and in particular Article 240 (3) thereof,

Having regard to the internal Agreement on the financing and administration of Community aid in the framework of the second financial Protocol to the fourth Lomé Convention, signed in Brussels on 20 December 1995,

Having regard to the proposal from the Commission [2],

Whereas Article 240 of Decision 91/482/EEC stipulates that before the end of the first five years the Council, acting unanimously on a proposal from the Commission, shall establish the Community's financial assistance for the second five-year period opened by the said Decision and any amendments to its provisions;

Whereas the Council, in adopting Decision 96/109/EC of 29 January 1996 on transitional measures to be applied from 1 March 1995 in the context of the association of the overseas countries and territories with the European Community [3], took the necessary steps to ensure the continuity of financial assistance;

Whereas the financial assistance for the second period of application of Decision 91/482/EEC, which amounts to ECU 165 million under the eighth European Development Fund, hereinafter referred to as 'the Fund', and ECU 35 million in loans from the own resources of the European Investment Bank, hereinafter referred to as 'the Bank', may be maintained at unchanged levels in respect of non-programmable aid and increased accordingly in respect of financing for development projets and programmes implemented under the indicative programmes of the OCTs;

Whereas, in accordance with Article 240 (3) of Decision 91/482/EEC, the competent OCT authorities informed the Commission of the amendements or additions they desired through written memoranda and at meetings held in the context of Commission/Member State/OCT partnership; whereas the Commission then sent the Council a communication on the mid-term review of the association of the OCTs with the EC in which it recommended various amendments to the association; whereas these amendments take account, as far as possible, of the desires indicated above, the experience gained by the Commission in the first five years of implementing Decision 91/482/EEC, the new steps taken towards building the European Union since 1991 and the mid-term review negotiations on the fourth ACP-EC Convention;

Whereas by Decision 91/482/EEC the Council introduced the possibility of consultations with the local OCT authorities through creating the Commission/Member State/OCT partnership arrangement; whereas the memo-

[1] OJ L 263, 19. 9. 1991, p. 1.
[2] OJ C 139, 10. 5. 1996, p. 1.
[3] OJ L 26, 2. 2. 1996, p. 27.

randa drawn up preparatory to the mid-term review of that Decision showed the local authorities' enthusiasm for this practice; whereas the partnership arrangement should therefore be strengthened and consultations put on a regular footing;

Whereas the involvement of the Member State responsible for a country or territory remains central to this partnership arrangement and whereas there should therefore be close consultation with the responsible Member State regarding all activities covered by the partnership arrangement;

Whereas the introduction pursuant to Decision 91/482/EEC of free access for all products originating in the OCTs and the maintenance of cumulation for ACP and OCT originating products has given rise to the risk of conflict between two Community policy objectives, namely the development of the OCTs and the common agricultural policy; whereas serious disruption on the Community market for certain products subject to a common organization of the market has led on a number of occasions to the adoption of safeguard measures; whereas fresh disruption should be avoided by taking measures to create a framework conducive to regular trade flows and at the same time compatible with the common agricultural policy;

Whereas the mid-term review of the fourth Lomé Convention has produced a number of improvements designed to make cooperation more coherent and effective, to promote local initiatives through decentralized cooperation, to place a new emphasis on the development of trade and services and to step up dialogue in the context of the programming of EDF resources; whereas these improvements would also be desirable in the case of the OCTs and whereas Decision 91/482/EEC should therefore be amended accordingly, *mutatis mutandis*;

Whereas, lastly, Decision 91/482/EEC should be supplemented by a number of provisions designed to take more account of the human dimension of the association of the OCTs with the Community; whereas this can be done by making citizens of the OCTs eligible for a number of Community programmes open to citizens of the European Union; whereas this can also be done by providing for the recognition, in time, of diplomas acquired in the OCTs in respect of certain professions,

HAS DECIDED AS FOLLOWS:

Article 1

Decision 91/482/EEC shall be amended as follows:

A. THROUGHOUT THE DECISION

1. The words 'European Economic Community' shall be replaced by 'European Community', and the abbreviation 'EEC' by 'EC'.

2. The words 'Council of the European Communities' shall be replaced by 'Council of the European Union'.

3. The word 'Delegate' shall be replaced by 'Head of Delegation'.

B. PART ONE

GENERAL PROVISIONS OF EC-OCT COOPERATION

Article 2

4. In Article 2, the following paragraph shall be added:

'In support of the development strategies of the OCTs, due account shall be taken both of the objectives and priorities of the Community's cooperation and development policy and of the development policies and priorities of the Member States concerned and of the OCTs'.

Articles 7, 8 and 9

5. The chapter heading 'Decentralized cooperation and partnership' shall be replaced by 'Partnership'.

6. Articles 7, 8 and 9 shall be deleted.

C. PART TWO

THE AREAS OF EC-OCT COOPERATION

TITLE I

ENVIRONMENT

Article 16

7. Article 16 shall be replaced by the following:

'*Article 16*

The Community undertakes, for its part, to make every effort to ensure that international movements of hazardous and non-hazardous waste and radioactive waste are generally controlled, and emphasizes the importance of efficient international cooperation in this area.

With this in view, the Community shall prohibit all direct or indirect export of such waste, with the exception of exports of non-hazardous waste destined for recovery operations, to the OCTs while at the same time the relevant authorities of the OCTs shall prohibit the direct or indirect import into their territory of such waste from the Community or from any other country, without prejudice to specific international undertakings concerning these two areas that have been made, or may be made in future, in the competent international forums.

The relevant authorities of the OCTs undertake to monitor strictly the implementation of the prohibition measure referred to above.

1. These provisions shall not prevent a Member State to which an OCT has chosen to export waste for processing from returning the processed waste to the OCT of origin. In case of re-export to an OCT, a specimen of the consignment note, bearing the stamp of authorization, shall accompany each shipment.

2. As regards the Community, and without prejudice to paragraph 1, Council Regulation (EEC) No 259/93 of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community (*) shall apply.

   As regards those OCTs which, due to their constitutional status, are not Party to the Basle Convention, their relevant authorities shall expedite adoption of the necessary internal legislation and administrative regulations to implement this undertaking.

3. As regards imports into the Community from the OCTs of hazardous waste and of non-hazardous waste destined for final disposal, Articles 1 to 12 and 25 to 39 of Regulation (EEC) No 259/93 shall apply

4. The term 'hazardous waste' within the meaning of this Article shall cover categories of products listed in Annexes 1 and 2 to the Basle Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

   As regards radioactive waste, the applicable definitions and thresholds shall be those which will be laid down in the framework of the International Atomic Energy Agency (IAEA). In the mean time, the said definitions and thresholds shall be those specified in Annex VI.

(*) OJ L 30, 6. 2. 1993, p. 1.'

TITLE V

INDUSTRIAL DEVELOPMENT, MANUFACTURING AND PROCESSING

Article 48

8. Article 48 shall be replaced by the following:

'*Article 48*

At the request of their relevant authorities, the OCTs may be eligible for the services of the Centre for the Development of Industry hereinafter referred to as 'the CDI', referred to in Articles 87 to 98 of the fourth Lomé Convention, the objectives and activities of which are described in Chapter 1, or those of the Euro-info Correspondence Centres (EICC) set up pursuant to the Community's business promotion policy, the objectives and activities of which are described in Chapter 2.

Any costs resulting from services provided by the CDI or the EICC for the benefit of the OCTs shall be financed from the funds provided for in Article 154 for whichever of the three groups the OCTs in question belong to.'

9. The following Chapter shall be inserted:

'Chapter 1

The Centre for the Development of Industry (CDI)'

Article 48a

10. The following Article shall be inserted:

'*Article 48a*

1. The CDI shall help to establish and strengthen industrial enterprises in the OCTs, especially by

encouraging joint initiatives by economic operators of the Community and of the OCTs. The CDI shall exercise selectiveness in undertaking its tasks, laying emphasis on opportunities for joint ventures and subcontracting.

2. The CDI shall:

(a) with a view to ensuring its effectiveness, focus its efforts on OCTs that have:

(i) included support for industrial development, or for the private sector in general, in their indicative programmes, as provided for in Article 187 (3) (b) and (c), and/or

(ii) obtained financial contributions and assistance from other Community institutions for the promotion and development of the private and/or the industrial sector;

(b) carry out its activities in the framework of the implementation of industrial-development or private-sector support projects established by the OCTs referred to in subparagraph (a) for their indicative programmes;

(c) step up its operational presence in the OCTs referred to in subparagraph (a), particularly with regard to the identification of projects and project promoters and to providing assistance for the presentation of such projects to the financing institutions;

(d) give priority to the identification of operators with viable small to medium-sized industrial projects and, in the case of those meeting the needs of the OCTs, to assisting them in their promotion and implementation.

3. The Commission, the Bank, and the CDI shall maintain operational cooperation in the context of their respective responsibilities. To this end, and to ensure the consistency of Community operations in support of the private sector in general and the industrial sector in particular in the OCTs referred to in paragraph 2 (a), the Commission shall, in consultation with the Bank and in liaison with the CDI, prepare support programmes for these sectors that incorporate guidelines for the strategy to be pursued.'

Article 48b

11. The following Article shall be added:

'Article 48b

1. In undertaking the tasks referred to in Article 48a the CDI shall operate by giving priority to viable projects. In particular, it shall:

(a) identify, appraise, evaluate, promote and assist in the implementation of economically viable, industrial projects of the OCTs;

(b) carry out studies and appraisals aimed at identifying practical opportunities for industrial cooperation with the Community in order to promote the industrial development of the OCTs and facilitating the implementation of appropriate schemes;

(c) supply information and also specific advisory services and expertise, including feasibility studies, with a view to expediting the establishment and/or restoration of industrial enterprises;

(d) identify potential partners of the OCTs and the Community for joint investment operations and assist in the implementation and follow-up;

(e) identify and provide information on possible sources of financing, assist in the presentation for financing and, where necessary, assist in the mobilization of funds from these sources for industrial projects in the OCTs;

(f) identify, collect, evaluate and supply information and advice on the acquisition, adaptation and development of appropriate industrial technology relating to specific projects and, where appropriate, assist in the setting up of experimental or demonstration schemes.

2. In order to improve the attainment of its objectives, the CDI, in addition to its main activities, may also pursue the following:

(a) carry out studies, market research and evaluation work and gather and disseminate all relevant information on the industrial cooperation situation and opportunities and notably on the economic environment, the treatment which potential investors may expect and the potential of viable industrial projects;

(b) help, in appropriate cases, to promote the marketing of OCT manufactures on their domestic markets and the markets of other OCTs, the ACP States and the Community in order to encourage optimum exploitation of installed or projected industrial capacity;

(c) identify industrial policy-makers, promoters and economic and financial operators in the Community and the OCTs, and organize and facilitate contacts and meetings of all kinds between them;

(d) identify, on the basis of needs indicated by the OCT, opportunities in industrial training, chiefly on the job, to meet the requirements of existing and planned industrial undertakings in the OCTs and, where necessary, assist in the implementation of appropriate schemes;

(e) gather and disseminate all relevant information concerning the industrial potential of the OCTs and trends of industrial sectors in the Community and the OCTs;

(f) promote the subcontracting and also the expansion and consolidation of regional industrial projects.'

12. The following chapter shall be inserted:

'Chapter 2

Euro-info Correspondence Centres (EICC)'

13. The following Article shall be inserted:

'Article 48c

In respect of the OCTs the tasks of the Euro-info Correspondence Centres (EICC) shall be to:

— disseminate Community information to OCT firms,

— gather and transmit to the Euro-info Centres (EIC) information from the OCTs may be of use to European small and medium-sized enterprises,

— answer general, legal, administrative and statistical questions from OCT firms about the European Union,

— answer general, legal, administrative and statistical questions from Community firms about the OCTs.

To achieve the greatest possible reciprocity in the exchange of information, the Commission shall ensure that Community firms have access to the same type of information and the same advisory/support services in relation to the OCTs as those offered by the Community to OCT firms.

Only one Correspondence Centre shall be set up per country or territory and each Centre may develop a sub-net-work to suit its own needs and resources in order to ensure as wide a dissemination of information and services as possible.'

14. The following Article shall be inserted:

'Article 48d

The following tools and services shall be made available to or be acquired by the Correspondence Centres for the proper performance of their work:

(a) documentation: a list of documents selected to form a basic library collection (to be acquired); terms and cost of acquisition;

(b) a specific software program (to be acquired) for creating and managing dossiers on specific issues and conducting searches on previous dossiers and existing document and databases;

(c) databases: a list of accessible databases (for which there is a charge) and terms and cost of connection;

(d) training: teach yourself courses (to be acquired), timetable of training sessions (specific Community matters, working of the EICs), fee-paying training sessions in database use, and annual conference of all EICs and EICCs (for all these activities, travel and accomodation expenses to be borne by the EICC);

(e) access to information officers of the central administration for replies to requests for information on Community-related matters;

(f) access to the capitalization database via the VANS: this EIC-network database contains questions and answers on mainly Community matters;

(g) electronic mail: the EICCs shall have access to the electronic mail system, in particular the EIC network's own environment.'

15. The following Article shall be inserted:

'Article 48e

1. A request for the establishment of a correspondence centre and the choice of host structure should be addressed to the Commission by the competent authorities of the country or territory through the channels provided for in Article 222.

2. An agreement providing for, *inter alia*, sufficient human, material and financial resources shall be concluded between the EICC and the Commission.

3. At the request of the competent authorities and in accordance with the procedures set out in Part Three, Title III of this Decision, part-financing may be made available to the EICC host structure from the grant aid available under the local or regional indicative programme.

4. The following criteria shall be used to select applicant host structures of the EICCs:

— experience of the applicant structure in assisting and advising businesses and a business-oriented attitude to small and medium-sized enterprises,

— representativeness in respect of the business sector in the applicant country or territory,

— knowledge of European issues,

— the will and the ability to ensure reciprocity of services to OCT and Community firms,

— the potential for financial independence,

— willingness to employ as staff for the Centre, people with a good command of English or French and experience of computers,

— provision of computer and communications equipment that complies with the specifications,

— an undertaking to serve all small and medium-sized enterprises equally without discrimination as to status or sector, where appropriate in liaison with other EICs or EICCs on the network.'

TITLE IX

DEVELOPMENT OF SERVICES

Chapter 4

Transport, communications and informatics

Article 79

16. In Article 79, the figure '1' shall be inserted at the beginning of the sole paragraph and the following paragraphs 2 and 3 shall be added:

'2. With a view to contributing to the promotion and development of the OCT maritime trade, the Contracting Parties may, in the framework of the implementation of development finance cooperation, give special attention within the existing instruments to the facilitation and encouragement of access for OCT maritime operators to the resources provided for in this Decision, in particular as regards projects and programmes for improving the competitiveness of their maritime services.

3. The Community may give assistance in the form of risk-capital and/or loans by the Bank to finance projects and programmes in the sectors set out in this Article.'

TITLE X

TRADE DEVELOPMENT

Article 84

17. Article 84 shall be replaced by the following:

'*Article 84*

With a view to attaining the objectives set out in Article 100, the Community shall implement measures for the development of trade at all stages up to final distribution of the product.

The object is to ensure that the OCTs derive the maximum benefit from the provisions of this Decision and may participate under the most favourable conditions in the Community, domestic, subregional, regional and international markets by diversifying the range and increasing the value and the volume of the OCTs' trade in goods and services.

To this end the competent OCT and Community authorities undertake to ensure that high priority is given to trade development programmes in the context of establishing national and regional programmes as provided for in Article 187 and other relevant provisions of this Decision.'

Article 85

18. In Article 85, paragraphs 1 and 2 shall be replaced by the following:

'1. In addition to developing trade between the OCTs and the Community, particular attention shall be given to operations designed to increase the OCTs' self-reliance and improve regional cooperation in trade and services.

2. Within the instruments provided for in this Decision and in accordance with the provisions set out in relation thereto, operations shall be undertaken at the request of the competent OCT authorities, particularly in the following areas:

— support for the addition of appropriate macro-economic policies necessary for trade development,

— support for the creation or reform of appropriate legal and regulatory frameworks as well as for the reform of administrative procedures,

— the establishment of coherent trade strategies,

— support for the OCT in developing their internal capacities, information systems and awareness of the role and importance of trade in economic development,

— support for strengthening the infrastructure related to trade and in particular support for the OCTs efforts to develop and improve supportive service infrastructure, including transport and storage facilities, in order to ensure their effective participation in the distribution of goods and services and in order to enhance the flow of exports from the OCTs,

— development of human resources and professional skills in the field of trade and services, in particular in the processing, marketing, distribution and transport sectors for the Community, regional and international markets,

— support to private-sector development and, in particular, to small and medium-sized enterprises for product identification and development, market outlets and export-oriented joint-ventures,

— support for OCT actions aimed at encouraging and attracting private-investment and joint-venture operations,

— the establishment, adaptation and strengthening of organizations in the OCTs dealing with the development of trade and services, particular attention being paid to the special needs of organizations in the least-developed OCTs,

— support for the OCTs efforts to develop and improve the quality of their products, adapt them to market requirements and diversify their outlets,

— support for the OCTs' efforts to penetrate third-country markets more effectively,

— market development measures including increasing contacts and exchanges of information between economic operators in the OCTs, ACP States, the Member States and third countries,

— support for OCTs in the application of modern marketing techniques in production-oriented sectors and programmes, in particular in areas such as rural development and agriculture.'

TITLE XI

CULTURAL AND SOCIAL COOPERATION

19. The title 'Cultural and social cooperation' shall be replaced by 'Cultural and social cooperation, health, combating drug abuse and money laundering'.

Article 88

20. In the last line of Article 88 the words 'and nutrition' shall be replaced by 'and combating drug abuse'.

Article 88a

21. The following Article shall be inserted:

'Article 88a

1. The Community recognizes the importance of the health sector in ensuring the sustainable and self-reliant development of the OCTs. The aim of co-operation shall be to facilitate the right of access of the greatest number of people to adequate health care, thus promoting equity and social justice, alleviating suffering, reducing the economic burden of disease and mortality, and promoting the effective participation of the community in operations to improve health and well-being.

The attainment of these aims calls for:

— a systematic, long-term approach to the improvement and strengthening of the health sector,

— the definition of comprehensive national health guidelines and programmes,

— improved management and use of existing human, financial and physical resources.

2. To this end, cooperation in this sector shall seek to support functional and sustainable health services which are financially affordable, culturally acceptable, geographically accessible and technically competent. It shall seek to promote an integrated approach to the creation of health services based on the extension of preventive care, the improvement of curative care and complementarity between hospital-based and basic-level services, in accordance with primary health care policy.

3. Cooperation in the health sector may provide support for:

— the improvement and extension of basic health services and also the strengthening of hospitals and maintenance of equipment, acknowledged as essential for the smooth operation of the health system as a whole,

— health-sector planning and management, including the strengthening of statistical services, and the formulation of health-financing strategies at territorial, regional and district levels, this last level being the focal point for coordination of basic services, provision of specialist services and implementation of programmes to stamp out widespread diseases,

— schemes to integrate traditional medicine in modern health care,

— essential drug programmes and strategies, including local production units for basic drugs and consumables, taking account of traditional pharmacy, in particular the use of medicinal plants, which is something that should be studied and developed,

— training of staff in the context of an overall programme, from public health planners, administrators, management staff and specialists, down to the personnel working in the field, this training being tailored to the actual responsibilities borne at each level,

— support for training and information programmes and campaigns aimed at stamping out endemic diseases, improving environmental hygiene, combating the use of narcotic drugs, the spread of transmitted diseases and other health scourges in the framework of integrated health systems,

— the building up of research institutes, university departments and specialist schools in the OCTs, notably in the field of public health.

4. One of the aims of cooperation is to increase the efficiency of policies and measures to prevent the production and distribution and illicit trafficking of all kinds of drugs, narcotics and psychotropic substances, as well as preventing and reducing drug abuse, takng into account work done in this connection by international bodies.

5. Cooperation shall comprise the following:

(a) training, education, health promotion and rehabilition of addicts, including projects for the reintegration of addicts into work and social environments;

(b) measures to encourage alternative economic opportunities, for example programmes for the alternative development of areas used for the illicit production of narcotic plants, linked to effective enforcement measures;

(c) technical, financial and administrative assistance relating to the monitoring of precursors trade, and the establishment of standards equivalent to those adopted by the Community and international authorities concerned, notably by the ex-Chemical Action Task Force;

(d) technical, financial and administrative assistance relating to the prevention, treatment and reduction of drug abuse;

(e) technical assistance and training, and the establishment of standards to prevent money laundering equivalent to those adopted by the Community and other international bodies, in particular the Financial Action Task Force (FATF);

(f) exchange of relevant information for the implementation of points (a) to (e).'

TITLE XII

REGIONAL COOPERATION

Article 90

22. In Article 90 (4), the second subparagraph shall be replaced by the following:

'It shall include regional cooperation between OCTS, ACP States, overseas departments, the Canary Islands, the Azores and Madeira, in accordance with Article 98. The funding to cover the participation of ACP States, overseas departments, the Canary Islands, the Azores and Madeira shall be additional to the funds allocated to the OCTS pursuant to this Decision.'

Article 91

23. In Article 91 (1), the third indent shall be replaced by the following:

'— one or more of the OCTS and one or more ACP States, overseas departments, the Canary Islands, the Azores or Madeira,'.

Article 92

24. In Article 92 (1), point (d) shall be replaced by the following:

'(d) acceleration of economic diversification in order to stimulate complementary in production and intensification of cooperation and development within and between OCT regions, and between these regions and ACP States, overseas departments, the Canary Islands, the Azores and Madeira;'.

25. In Article 92 (1), point (h) shall be replaced by the following:

'(h) expansion of the OCTs' markets by promoting trade among OCTs and between OCTs, ACP

States, neighbouring third countries and overseas departments, the Canary Islands, the Azores and Madeira;'.

26. In Article 98, paragraph 1 shall be replaced by the following:

'1. Within the context of regional cooperation particular attention shall be given to accelerating economic diversification in order to simulate complementarity in production and intensification of cooperation and development within and between OCT regions and between these regions and the ACP States, the overseas departments and the Canary Islands, the Azores and Madeira.'

In Article 98, the introductory part of paragraph 3 shall be replaced by the following:

'3. In administering the European Development Fund (EDF) and the Structural Funds, and in accordance with the rules on eligibility for the respective Funds, the Commission will ensure that the OCTs (EDF), the overseas departments, the Canary Islands, the Azores and Madeira (Structural Funds) and the ACP States (EDF) may receive financing from Community funds for regional projects or programmes carried out jointly by OCTs, overseas departments and ACP States within the same geographical area subject to the following:'.

D. PART THREE

THE INSTRUMENTS OF EC-OCT COOPERATION

TITLE I

TRADE COOPERATION

Chapter 1

General trade arrangements

Article 101

27. Article 101 is hereby amended as follows:

— paragraph 1 shall be replaced by the following:

'1. Products originating in the OCTs shall be imported into the Community free of import duty.',

— in paragraph 3, the first indent shall be replaced by the following:

'— agricultural products listed in Annex II to the Treaty nor to products covered by Council Regulation (EC) No 3448/93 of 6 December 1993 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products (*),

(*) OJ L 318, 20. 12. 1993, p. 18.'

— paragraphs 4 and 5 shall be deleted.

Article 102

28. Article 102 shall be replaced by the following:

'Article 102

Without prejudice to Articles 108a and 108b, the Community shall not apply to imports of products originating in the OCTs, any quantitative restrictions or measures having equivalent effect.'

Article 108

29. In Article 108, paragraph 1 shall be replaced by the following:

'1. For the purposes of implementing this Chapter and without prejudice to paragraph 2 or Articles 108a and 108b:

— the concept of originating products and the methods of administrative cooperation relating thereto are laid down in Annex II,

— the conditions for entry, into the Community, of products not originating in the OCTs but in free circulation in an OCT, and the methods of administrative cooperation relating thereto, are laid down in Annex III.'

30. In Article 108, paragraph 2 shall be replaced by the following:

'2. (a) The Council, acting unanimously on a proposal from the Commission, shall decide on the adjustment of the rules of origin set out in Annex II for products of particular interest for the present and future development of the OCTs, in order to meet the specific problems linked to the OCTs' economic and geographical structure, in the light of the objectives set out in Articles 3 (r) and 132 (1) of the Treaty.

(b) Until this Decision expires:

— ACP/OCT cumulation of origin for rice and sugar (HS code 1006, 1701, 1702, 1703 and 1704), as provided for in Articles 108a and 108b, shall apply as soon as the revised Decision enters into force,

— in respect of other products falling within Chapters 1 to 24 of the HS code, ACP/OCT cumulation of origin shall cease to apply as of the date on which the adjustments to the rules of origin made in accordance with the procedure laid down in (a) take effect.

(c) Any other amendments to Annexes II and III shall be adopted by the Council acting unanimously on a Commission proposal.'

Paragraph 3 shall be deleted.

Article 108a

31. The following Article shall be inserted:

'Article 108a

1. With regard to products falling within HS code 1006 and without prejudice to the possible increases referred to in paragraphs 2 and 3, the ACP/OCT cumulation of origin referred to in Article 6 of Annex II shall be allowed up to a total annual quantity of 160 000 tonnes expressed as husked rice equivalent, which will include the tariff quota for rice originating in the ACP States provided for in the fourth Lomé Convention.

To that end, the issue of import licences shall be spaced out over the year in a series of periods laid down to ensure balanced market management.

An initial issue of import licences for a quantity of 35 000 tonnes expressed as husked rice equivalent shall be made to the OCTs in January each year. OCT imports may reach the level of 160 000 tonnes referred to in the first paragraph, including the above-mentioned 35 000 tonnes, without prejudice to any increases referred to in paragraphs 2 and 3, in so far as the ACP States do not actually use their direct export possibilities under the quota referred to in the first subparagraph.

2. In accordance with the procedure laid down in Article 22 of Regulation (EC) No 3072/95, the Commission may increase the quantity referred to in paragraph 1 of this Article by a maximum of 20 000 tonnes expressed as husked rice equivalent if, during April and once it has a sufficiently clear picture of the current Community marketing year, it finds that such an increase will not disrupt the Community market.

3. If the Commission finds, as from 1 August, that there is an established risk of a shortage of Indica rice on the Community market, it may, by way of derogation from paragraphs 1 and 2 and in accordance with normal management procedures, increase the above quantities.

4. For the purposes of implementing the ACP/OCT cumulation rules set out in paragraphs 1, 2 and 3, milling or semi-milling operations shall be considered as sufficient to confer the status of OCT-originating products.

5. The Commission shall adopt the implementing arrangements by the same procedure.

6. The quantities set out in the preceding paragraphs may not be carried over from one year to the next.'

Article 108b

32. The following Article shall be inserted:

'Article 108b

1. The ACP/OCT cumulation of origin referred to in Article 6 of Annex II shall be allowed for an annual quantity of 3 000 tonnes of sugar falling within tariff headings HS 1701, 1702, 1703 and 1704.

2. For the purposes of implementing the ACP/OCT cumulation rules referred to in paragraph 1, forming sugar lumps or colouring shall be considered as sufficient to confer the status of OCT-originating products.

3. The quantity referred to in paragraph 1 may not be carried over from one year to the next.'

33. Chapter 2 shall be repealed.

TITLE II

COOPERATION IN THE FIELD OF COMMODITIES

Chapter 1

Stabilization of export earnings from agricultural commodities (Stabex)

Article 115

34. In Article 115, paragraph 1:

— point 24 shall be replaced by the following:

'24. Fresh bananas 0803 00 11 and 19',

— the following point shall be added:

'50. Karakul skins	ex 4301 30 00 ex 4302 13 00 ex 4302 30 31'.

Article 121

35. In Article 121, the following paragraph shall be added:

'5. Other than the reduction referred to in paragraph 2, there shall be no further reduction as a result of a shortfall in the resources of the system if, in the case of the least-developed OCTs, the transfer basis reduced in accordance with paragraph 2 is less than ECU 0,5 million.'

Article 129

36. Article 129 shall be replaced by the following:

'Article 129

1. Should the examination of:

(a) marketed production in the application year by comparison with the reference period; or

(b) total exports as a share of marketed production over the same period; or

(c) the share of total exports going to the Community over the same period; or

(d) the sum of the figures referred to in (b) and (c)

reveal a large decline, consultations shall be held between the Commission and the competent authorities of the country or territory to determine whether the transfer basis is to be maintained or reduced, and if reduced, to what extent.

2. For the purpose of applying paragraph 1, a decline shall be deemed to be large if it is at least 20 %.'

TITLE III

DEVELOPMENT FINANCE COOPERATION

Chapter 1

General provisions

Section 4

Scope of financing

Article 147

37. In Article 147, point (g) shall be replaced by the following:

'(g) the human and material resources, supplementary to those borne by the OCTs which are strictly necessary for efficient and effective administration and supervision of projects and programmes financed by the Fund'.

Section 6

Eligibility for financing

Article 153

38. In Article 153 (2), point (g) shall be replaced by the following:

'(g) agents of decentralized cooperation from OCTs and from the Community, to enable them to undertake economic, cultural, social and educational projects and programmes in the OCTs in the framework of decentralized cooperation.'

Chapter 2

Financial cooperation

Section 1

Financial resources

Article 154a

39. The following Article shall be inserted:

'Article 154a

1. For the purposes set out in Chapter 1 of this Title, and for a period of five years commencing on 1 March 1995, the overall amount of the Community's financial assistance shall be ECU 200 million.

This amount shall comprise:

(a) ECU 165 million from the Fund, allocated as follows:

(i) for the purposes set out in Articles 143, 144 and 147, ECU 127 million in the form of grants;

(ii) for the purposes set out in Articles 143, 144 and 147, ECU 30 million in the form of risk capital;

(iii) for the purposes set out in Articles 114 to 136, ECU 5,5 million in the form of transfers from the Stabex facility for the stabilization of export earnings;

(iv) for the purposes set out in Articles 137 to 142, ECU 2,5 million in the form of grants from the Sysmin facility;

(b) for the purposes set out in Articles 143, 144 and 147, not more than ECU 35 million from the Bank in the form of loans from own resources in accordance with the terms and conditions provided for by its statute. These loans shall be subject to the provisions of Article 157 on interest rate subsidies.

2. The Bank shall administer loans from its own resources, including interest-rate subsidies, and risk capital. All other financial resources provided for in this Decision shall be administered by the Commission.

3. The amount referred to in paragraph 1 (a) (i) shall be allocated as follows:

(a) ECU 105 million to finance projects and programmes, which shall be broken down as follows:

(i) United Kingdom OCTs ECU 19,2 million;

(ii) French OCTs ECU 50,3 million;

(iii) Dutch OCTs ECU 35,5 million;

(b) ECU 10 million to finance regional projects and programmes in the OCT, including regional programmes to develop trade and services within the meaning of Article 85 and the partnership arrangements referred to in Articles 234 and 235;

(c) ECU 8,5 million to finance the interest rate subsidies referred to in Article 157;

(d) a special allocation of ECU 3,5 million, of which:

(i) ECU 3 million for emergency aid as provided for in Article 164,

and

(ii) ECU 0,5 million to aid refugees, returnees and displaced persons as provided for in Article 165;

(iii) should the appropriations provided for pursuant to one of the Articles referred to above be exhausted before the expiry of this Decision, transfers may be made from the appropriations provided for in the other Article;

(iv) on the expiry of this Decision, appropriations not committed for emergency assistance or aid for refugees, returnees and displaced persons shall be returned to the Fund for the purpose of financing other operations coming within the scope of development finance cooperation, unless the Council, by a qualified majority, decides otherwise;

(v) Should all the special appropriations be exhausted before the expiry of this Decision, the Council shall adopt by a qualified majority, on a proposal from the Commission, appropriate measures to deal with the situations referred to in Articles 164 and 165.'

Section 2

Terms and conditions of financing

Article 155

40. In Article 155, paragraph 4 shall be replaced by the following:

'4. Where financial assistance is granted to the final recipient through an intermediary or directly to the final beneficiary in the private sector:

(a) the terms on which the assistance may be made available by the intermediary to the final recipient or directly to the final beneficiary in the private sector shall be laid down in the financing agreement or loan contract, and

(b) any financial benefit accruing to the intermediary from the on-lending transaction, or resulting from direct lending operations to the final beneficiary in the private sector, shall be used for development purposes, on the conditions laid down in the financing agreement or the loan contract, after taking into account administrative costs, exchange and financial risks, and the cost of technical assistance given to the final recipient.'

Article 155a

41. The following Article shall be inserted:

'Article 155a

Any funds remaining from those earmarked for special loans under the fifth and sixth Funds, whether for a country or territory or region, which have not been committed by the date of this Decision, plus any funds decommitted following closures, shall be used for grants.

The Chief Authorizing Officer of the Fund shall implement this conversion.'

Article 156

42. In Article 156:

— the introductory words of paragraph 1 shall be replaced by the following:

'1. Risk capital may be deployed in the form of loans, equity participation or other quasi-capital assistance.',

— in paragraph 1, the following point shall be inserted:

'(ba) Quasi-capital assistance may consist of shareholders' advances, convertible bonds, loans with participating rights or any other similar form of assistance.'

— in paragraph 1, point (c) shall be replaced by the following:

'(c) The terms of risk capital operations shall depend on the characteristics of each project or programme financed and shall in general be more favourable than those of subsidized loans. In the case of loans to the OCTs or to intermediaries the interest rate shall, in any case, be less than 3 %.'

— in paragraph 1 the following points shall be added:

'(d) Risk capital resources may be used in support of pre-investment studies and technical assistance, as provided for in Article 175 (g). In such cases, the loans shall be repaid only if the investment is carried out.

(e) Equity participation or other quasi-capital assistance shall be remunerated on the basis of the performance of the project or programme considered and profits generated shall be shared between the Community and the parties engaged in the said project or programme.'

— in paragraph 2, point (b) shall be replaced by the following:

'(b) in the case of risk capital financing for small and medium-sized enterprises, hereinafter referred to as "SME", the exchange-rate risk shall be shared by the Community, of the one part, and by the other parties involved, of the other. On average, the foreign exchange risk shall be shared equally.'

Article 157

43. In Article 157, the following subparagraph shall be inserted:

'(ba) in the case of direct financing of the private sector for strictly commercial projects, the rate of subsidy referred to in subparagraph (b) shall not apply.'

Article 158

44. In Article 158, point (a) shall be replaced by the following:

'(a) contribute, through the resources it manages, to the economic and industrial development of the OCTs on a national and regional scale; and to this end, finance as a priority productive projects and programmes, or other investments aimed at promoting the private sector, in industry, agro-industry, tourism, mining, energy and in transport and telecommunications linked to these sectors. These sectoral priorities shall not exclude the possibility of the Bank's financing, from its own resources, productive projects and programmes in other sectors, including commercial agriculture;'.

Articles 161a to 161c

45. In Chapter 2 of Title III, the following section shall be inserted:

'Section 3a

Decentralized cooperation

Article 161a

1. With a view to strengthening and diversifying the basis for the long-term development of the OCTs, and in order to encourage all agents from the OCTs and the Community which are in a position to contribute to the autonomous development of the OCTs to put forward and implement initiatives, EC-OCT cooperation shall support, within limits laid down by the country or territory concerned and by Member States responsible for these OCTs, development operations within the framework of decentralized cooperation, in particular where they combine the efforts and resources of organizations from the OCTs and their counterparts from the Community. This form of cooperation shall, in particular, aim at making available for the development of the OCTs, the capabilities, innovative operating methods and resources of the agents of decentralized cooperation.

2. The agents referred to in this Article are decentralized public authorities, rural and village groups, cooperatives, trade unions, teaching and research institutions, non-governmental development organizations, other associations, groups and agents which are able and wish to contribute to the development of the OCTs on their own initiative, provided that these agents and/or operations are non-profit-making.

Article 161b

1. In the framework of EC-OCT cooperation special efforts shall be made to encourage and support the initiatives of OCT agents and, in particular, to reinforce the capabilities of these OCT agents. In this framework, cooperation shall support the activities of OCT agents, either on their own or in association with similar agents from the Community, which make their capabilities, experience, technological and organizational capacities or financial resources available to their OCT counterparts.

2. The cooperation shall encourage agents from the OCTs and from the Community to provide supplementary financial and technical resources for the development effort where appropriate, including encouragement of partnerships between such agents. The cooperation may provide decentralized cooperations with financial and/or technical support drawn from the resources of this Decision under the conditions laid down in Articles 161c, 161d and 161e.

3. This form of cooperation shall be organized in accordance with the role and the prerogative of the public authorities of the OCTs.

Article 161c

1. Decentralized cooperation operations may be supported through the financial resources of the indicative programme or counterpart funds. The extent of the support shall be that which is necessary for the successful implementation of the proposed operations provided that the viability of the proposed operations has been established in accordance with the provisions for development finance cooperation.

2. Projects or programmes under this form of cooperation may or may not be linked to programmes in the sectors of concentration of the indicative programmes, but may be a way of achieving the specific objectives of the indiative programme or the results of initiatives by decentralized agents.

Article 161d

1. Projects and programmes undertaken within the framework of decentralized cooperation shall be subject to the approval of the competent authorities of the country or territory concerned. These operations shall be financed with contributions from:

(a) the Fund, in which case the contribution shall not normally exceed three-quarters of the total cost of each project, or programme, and may not exceed ECU 300 000. The amount representing the Fund's contribution shall be drawn from the grant allocation of the national or regional indicative programme;

(b) the agents of decentralized cooperation, provided that the financial, technical, material and other resources brought in by such agents is not, as a general rule, less than 25 % of the estimated cost of the project/programme, and

(c) exceptionally, by the competent authorities of the country or territory concerned, either in the form of financial contribution or through the use of public equipment or the supply of services.

2. The procedures applicable to projects and programmes financed within the framework of decentralized cooperation shall be those laid down in the development finance cooperation chapter, in particular, those referred to in Article 196.

Article 161e

In addition to the possibilities offered to the agents of decentralized cooperation in this section, in Articles 162 and 163 relating to microprojects and in Article 184 (2) (c) on technical cooperation schemes and Article 206 on emergency assistance, the competent authorities may request or may agree to the participation of agents of decentralized cooperation in the implementation of other Fund projects and programmes, in particular, those performed by direct labour, in conformity with Article 205 and other relevant provisions of this Decision.'

Chapter 5

Implementation procedures

Section 1

Programming

Article 187

46. Article 187 is hereby amended as follows:

— the introductory words of paragraph 1, 'At the beginning of the period covered by this Decision' shall be replaced by the words 'At the beginning of the second five-year period covered by this Decision',

— paragraph 3 shall be replaced by the following:

'3. As soon as each country and territory has been notified of the total amount available to it, the competent authorities shall draw up and submit to the Community a draft indicative programme on the basis of, and consistent with, its development objectives and priorities. The draft indicative programme shall contain:

(a) the priority development objectives of the country or territory concerned at local and regional levels;

(b) the focal sector or sectors on which support should be concentrated, with emphasis on poverty alleviation and sustainable development, and the resources to be deployed for that purpose;

(c) the most appropriate measures and operations for attaining the objectives in the focal sector or sectors;

(d) wherever possible, specific and clearly indentified projects and programmes, and especially those which constitute a follow-up to existing projects and programmes;

(e) where appropriate, the amounts set aside for use by the CDI or for the establishment of an EICC, as provided for in Article 48;

(f) any proposals for regional projects and programmes;

(g) a timetable for the implementation of the indicative programme, including commitments and disbursements;

(h) the reserve set aside for insurance against possible claims, and to cover cost increases and contingencies.'

Article 188

47. Article 188 shall be replaced by the following:

'Article 188

1. The draft indicative programme shall be the subject of an exchange of views between the relevant authorities of the country or territory concerned and the Community, due regard being given to the local needs of the country or territory; the indicative programme shall then be adopted by agreement between the Community and the relevant authorities of the country or territory concerned on the basis of the draft indicative programme proposed by those authorities.

2. The indicative programme shall specify all the elements referred to in Article 187 (3) and, where the country or territory has a sufficiently large indicative amount, shall allocate 70 % of the indicative amount.

3. The indicative programme shall be sufficiently flexible to ensure that operations are kept constantly in line with the objectives and to take account of any changes occurring in the economic situation, priorities and objectives of the country or territory concerned. It may be revised at the request of the country or territory.

In the case of OCTs referred to in paragraph 2, it shall be reviewed when the country or territory concerned has achieved a high level of commitments in the implementation of the programme and, in any case not later than three years after the entry into force of the second five years of application of this Decision.

4. At the end of the review referred to in the second subparagraph of paragraph 3, the resources required for completing the implementation of the indicative programme may be allocated giving due consideration to:

(a) the indicative allocation;

(b) progress made in the implementation of the elements of the programme referred to in Article 187 (3) and the agreed timetable of commitments and disbursements, in the light of the annual reports of the head of delegation and of the Local Authorizing Officer referred to in Article 190 (3);

(c) the state of preparation of the activities the competent authorities of the country or territory concerned intend to undertake within the framework of the second phase of the indicative programme, and

(d) the specific situation of the country or territory concerned.

5. Following the review referred to in paragraphs 3 and 4 above and, in any case, not later than the end of the period laid down in Article 154a, any unallocated resources remaining from the programmable resources shall be used for financing operations falling within the scope of development finance cooperation, notably those relating to programmable assistance.'

Article 189

48. Article 189 shall be replaced by the following:

'Article 189

The Community and the competent authorities of the OCT shall take all necessary measures to ensure that indicative programmes are adopted in the shortest possible time and, save in exceptional circumstances, within one year of the entry into force of this revised Decision.'

Section 2

Identification, preparation and appraisal of projects

Article 193

49. In Article 193 (2), the following point shall be added:

'(i) the compatibility with the OCTs' trade policies and trade development programmes and the impact on their competitiveness in the domestic, regional, international and Community markets.'

Section 3

Financing proposals and decisions

Article 196

50. Article 196 shall be replaced by the following:

'Article 196

1. With a view to expediting procedures and in derogation from the provisions set out in Articles 194 and 195, financing decisions may deal with multiannual programmes where financing concerns:

(a) training;

(b) decentralized operations;

(c) microprojects;

(d) trade promotion and trade development;

(e) sets of operations of a limited scale in a specific sector;

(f) project/programme management support;

(g) technical cooperation;

(h) use of the services of the CDI or the establishment of an EICC;

(i) implementation of the Commission/Member State/OCT partnership arrangement.

2. In cases referred to in paragraph 1, the competent authorities of the OCT concerned may submit to the head of delegation a multiannual setting out the broad outlines, the types of actions envisaged and the financial commitment proposed.

The financing decision on each multiannual programme shall be taken by the Chief Authorizing Officer. The letter from the Chief Authorizing Officer to the Local Authorizing Officer notifying such a decision shall constitute the financing agreement within the meaning of Article 197.

Within the framework of multiannual programmes thus adopted, the OCT Authorizing Officer or, when the case arises, the agent of decentralized cooperation which has been delegated functions for this purpose or, in appropriate cases, other eligible beneficiaries shall implement each individual action in accordance with the relevant provisions of this Decision and the terms of the financing agreement referred to in the second subparagraph. Where the implementation is to be carried out by decentralized agents or other eligible beneficiaries, the Local Authorizing Officer and the Head of Delegation shall maintain financial responsibility and monitor the operations regularly with a view to enabling them, *inter alia*, to carry out their obligations pursuant to paragraph 3.

3. At the end of each year, the Local Authorizing Officer in consultation with the Head of Delegation, shall forward a report to the Commission on the implementation of the programmes.'

TITLE IV

GENERAL PROVISIONS FOR THE LEAST-DEVELOPED OCTS

Article 230

51. In Article 230 (1), the following shall be added:

'— Saint-Pierre-et-Miquelon.'

Article 231

52. In Article 231, the following point shall be inserted:

'7a. Stabex — Article 121 (5)'.

E. PART FOUR

PROVISIONS RELATING TO ESTABLISHMENT AND SERVICES

Article 232

53. Article 232 shall be replaced by the following text:

'Article 232

1. As regard the arrangements applicable to establishment and provision of services, in line with Article 132 (5) of the Treaty and subject to paragraphs 2 and 3 of this Article:

— each Member State shall treat nationals and companies or enterprises of the OCTs for which it does not have responsibility on a non-discriminatory basis,

— the relevant authorities of the OCTs shall treat nationals and companies or enterprises of Member States on a non-discriminatory basis.

2. The relevant authorities of a country or territory may, however, adopt regulations to aid their inhabitants and local activities in derogation from the rules normally applicable to nationals, companies or enterprises of all Member States as long as such derogations are confined to sensitive sectors of the OCTs' economy and are intended to promote or support local employment.

(a) Such derogations may be granted by the Commission at the request of the relevant authorities of the country or territory concerned and after consultation within the framework of the partnership provisions of Articles 234 to 236.

(b) Such a request must be accompanied by reasons indicating in particular the sectors concerned, the duration and other procedures envisaged. It shall be notified to the Commission, which shall inform the Member States and take a decision within three months. If the Commission has not acted within that period, the derogation shall be deemed to have been approved.

(c) Such derogations shall be published in the *Official Journal of the European Communities.*

3. If a Member State is not bound under Community law, or else national law, to accord non-discriminatory treatment for a given activity to inhabitants of a country or territory who are nationals of a Member State or enjoy a legal status specific to a country or territory, or for companies or enterprises established in a country or territory and covered by the definition in Article 233, the authorities of that country or territory shall not be bound to accord such treatment.'

54. The following Article shall be inserted:

'Article 233a

1. The Community shall apply to the OCTs the undertakings under the General Agreement on Trade in Services (GATS) under the conditions laid down in the said Agreement and in accordance with this Decision.

2. As regards the arrangements governing trade in services, the OCTs shall afford nationals, companies or enterprises of the Member States treatment that is no less favourable than that which they extend to nationals, companies or enterprises of third countries.'

55. The following Article shall be inserted:

'Article 233b

1. With a view to the ultimate recognition of professional qualifications acquired in the OCTs, the Commission and the Member States concerned shall start work with a view to producing a list of professional qualifications acquired in the OCTs by OCT nationals that could be recognized in the Member States as long as these qualifications comply with the minimum training levels required by the Community.

The qualifications in question concern only the professions of doctor, dentist, midwife, general nurse, pharmacist and veterinary surgeon.

2. The list of professional qualifications referred to in paragraph 1 shall be established by the Council, acting unanimously on the basis of a Commission proposal in respect of a future Decision on the association of the OCTs with the European Community.'

F. PART FOUR a

COMMUNITY PROGRAMMES FOR INDIVIDUALS

56. The following Article shall be inserted:

'Article 233c

The following programmes shall apply to OCT nationals, within the framework of the quota of their Member State:

1. Education and training programmes:

   (a) Leonardo, set up by Council Decision 94/819/EC of 6 December 1994 [1],

   (b) Socrates, set up by Decision No 819/95/EC of the European Parliament and of the Council of 14 March 1995 [2],

   (c) Youth for Europe III, set up by Decision No 818/95/EC of the European Parliament and of the Council of 14 March 1995 [3].

2. Business programmes:

   (a) Interprise,

   (b) Europartenariat,

   (c) BC-NET (Business Cooperation Network),

   (d) BCC (Business Cooperation Centre),

   (e) Artisanat,

   (f) Euromanagement,

   (g) Seed capital, set up by Council Decision 97/15/EC of 9 December 1996 [4].

3. Research, development and innovation programmes:

   (a) INFO 2000, set up by Council Decision 96/339/EC of 20 May 1996 [5],

   (b) telematic applications, set up by Council Decision 94/801/EC of 23 November 1994 adopting a specific programme for research and technological development, including demonstration, in the field of telematics applications of common interest (1994 to 1998) [6],

   (c) innovation, set up by Council Decision 94/917/EC of 15 December 1994 [7].

4. Cultural and audiovisual programmes:

   (a) MEDIA II, development and distribution, set up by Council Decision 95/563/EC of 10 July 1995 [8] and MEDIA II, training set up by Decision 95/564/EC of 22 December 1995 [9],

   (b) Kaleidscope, set up by Decision No 719/96/EC of the European Parliament and of the Council of 29 March 1996 [10],

   (c) film festivals [11].

5. The HRTP Japan programme (human resources training programme in Japan) and topical missions, set up by Council Decision of 18 May 1992 [12].

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[1] OJ L 340, 29. 12. 1994, p. 8.
[2] OJ L 87, 20. 4. 1995, p. 10.
[3] OJ L 87, 20. 4. 1995, p. 1.
[4] OJ L 6, 10. 1. 1997, p. 25.
[5] OJ L 129, 30. 5. 1996, p. 24.
[6] OJ L 334, 22. 12. 1994, p. 1.
[7] OJ L 361, 31. 12. 1994, p. 101.
[8] OJ L 321, 30. 12. 1995, p. 25.
[9] OJ L 321, 30. 12. 1995, p. 33.
[10] OJ L 99, 20. 4. 1996, p. 20.
[11] OJ C 176, 10. 6. 1997, p. 40. Established for the current year by the call for proposals of 15 October 1997.
[12] OJ L 144, 26. 5. 1992, p. 19.'

G. PART FIVE

COMMISSION/MEMBER STATE/OCT PARTNERSHIP

Article 234

57. Article 234 shall be replaced by the following:

'*Article 234*

Community action shall be based on close consultation between the Commission, the Member State responsible for a country or territory and the relevant local authorities of such countries or territories. Such consultations shall hereinafter be referred to as "partnership".'

Article 235

58. Article 235 shall be replaced by the following:

'*Article 235*

1. Partnership shall cover the programming, preparation, financing, monitoring and evaluation of operations carried out by the Community pursuant to this Decision, and any problem arising in relations between the OCTs and the Community.

2. To this end, working parties of the OCT association, of an advisory nature and made up of the three partners referred to in Article 234, shall be set up either on the basis of geographical area or by group of OCTs under the responsibility of a single Member State, notably at the request of the OCT concerned. These working parties shall be set up:

— on an *ad hoc* basis to deal with specific problems, or

— on a permanent basis, if possible annual, for the remainder of the period covered by this Decision.

3. The Commission shall chair the working parties. A representative of the Bank shall be present at meetings when matters concerning it are on the agenda.

The expenses incurred by the OCTs in attending partnership meetings may be covered by a financial contribution under the territorial or regional programmes of the European Development Fund at the request of the relevant authorities of the OCTs concerned, in accordance with the procedures laid down in Title III of this Decision concerning development financing cooperation.'

H. ANNEX II

CONCERNING THE DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND METHODS OF ADMINISTRATIVE COOPERATION

59. In Article 3 (2), point (d) shall be replaced by the following:

'(d) "customs value" shall be understood as meaning the value established in accordance with the 1994 Agreement on the implementation of Article VII of the General Agreement on Tariffs and Trade (World Trade Organization Agreement on customs value).'

60. In Article 6, paragraph 4 shall be replaced by the following:

'4. Without prejudice to Articles 108a and 108b, paragraphs 2 and 3 shall apply to any working or processing carried out in the OCTs, including the operations listed in Article 3 (3).'

61. In Article 13, the following terms shall be added to paragraph 3:

'ANNETTU JÄLKIKÄTEEN', 'UTFÄRDAT I EFTERHAND'.

Article 14

Issue of a duplicate certificate EUR. 1

62. In Article 14, the following term shall be added:

'KAKSOISKAPPALE'.

Article 21

Form EUR.2

63. In Article 21 (2), first line, the date '30 April 1991' shall be replaced by '30 April 1997'.

64. In Article 21 (2), fourth line, the date '1 October 1988' shall be replaced by '1 October 1994'.

Article 30

Derogations

65. In Article 30 (8), point (a) shall be replaced by the following:

'(a) The Council and the Commission shall take all the necessary measures to ensure that a decision is taken promptly and in any case not later than 60 working days after receipt of the request by the chairman of the Customs Code Committee — Origin Section. In this context, Decision 90/523/EEC shall apply *mutatis mutandis* to the OCTs.'

66. In Article 30, paragraph 10 shall be replaced by the following:

'10. Should a derogation cause serious disturbance in sectors of activity of some regions of the Community, it shall be re-examined in accordance with the procedure set out in Article 249 of Council Regulation (EEC) No 2913/92 (*), without prejudice to the emergency measures that the Commission is authorized to take.

Following this examination, the decision may be amended or revoked.

(*) OJ L 302, 19. 10. 1992, p. 1.'

TITLE IV

CEUTA AND MELILLA

67. In Title IV of Annex II, 'Canary Islands, Ceuta and Melilla', and in Article 31, of which this Title consists, all references to the 'Canary Islands' shall be deleted.

J. ANNEX V

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68. Annex V shall be deleted.

Article 2

This Decision shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

However the commitments provided for in Article 154a shall not apply before the date of the entry into force of the Internal Agreement.

Article 3

This Decision shall be published in the *Official Journal of the European Communities.*

Done at Brussels, 24 November 1997.

For the Council

The President

J. POOS