

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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EUROPEAN ECONOMIC COMMUNITY

Association between the EEC and Certain Non-European Countries
and Territories

The Director-General has received the following communication from the Council of the European Communities.

I have the honour to communicate to you, for the information of the CONTRACTING PARTIES, the Decision of the Council of the European Communities of 29 September 1970, defining for a further period of five years the provisions and modalities governing the association of certain non-European countries and territories with the Community.

This Decision will enter into force on the same date as the second Yaoundé Convention. Like the latter instrument, the new Decision represents a further stage in the continuity of the principles and objectives of the association as defined in the Rome Treaty (Part Four) following on the achievements attained through the various successive instruments for implementation of this association, namely: the Implementing Convention of 1957 annexed to the Rome Treaty, and the Decision of the Council of 25 February 1964.

The text of the Decision is attached hereto.

DECISION OF THE COUNCIL OF 29 SEPTEMBER 1970

concerning the association of the overseas countries and territories
with the European Economic Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and
in particular Article 136 thereof,

Having regard to the internal agreement concerning the financing and adminis-
tration of Community aids, signed at Yaoundé on 29 July 1969, and in particular
Article 1 thereof,

Having regard to the proposal of the Commission,

Having regard to the opinion of the Assembly,

Considering that it is necessary to establish for a further period the
provisions applicable to the association of the overseas countries and territories
with the Community, hereinafter referred to as "the countries and territories",

HEREBY DECIDES AS FOLLOWS:

Article 1

The provisions of this Decision have as their object to further the economic
and social development of the overseas countries and territories associated with
the Community by increasing their trade and by putting into effect measures of
financial intervention and technical co-operation.

The Community likewise intends to develop the economic relations established
between the Community and the overseas countries and territories and thus to
contribute to the strengthening of their economic structures.

TITLE I

TRADE

CHAPTER I

CUSTOMS DUTIES AND QUANTITATIVE RESTRICTIONS

Article 2

1. Products originating in the countries and territories shall, on importation into the Community, be admitted free of customs duties and charges having equivalent effect, but the treatment applied to these products may not be more favourable than that applied by the Member States among themselves.
2. The provisions of paragraph 1 above shall not, however, prejudice the import treatment applied to:
 - such products listed in Annex II of the Treaty as come under a common organization of the market within the meaning of Article 40 of the Treaty;
 - products subject, on importation into the Community, to specific rules as a result of the implementation of the common agricultural policy.

The provisions of Annex I to this Decision stipulate the conditions under which the Community shall determine the treatment to be applied, notwithstanding the general treatment in force vis-à-vis third countries, to the products referred to above, when such products originate in the countries and territories.

Article 3

1. Products originating in the Community or in the other countries and territories shall be imported into each country or territory free of customs duties and charges having equivalent effect.
2. The responsible authorities of a country or territory may, however, retain or introduce, under the terms of Annex II to this Convention, customs duties and charges having equivalent effect which are necessary to meet the development needs of the said country or territory or which are intended to contribute to its budget.
3. Identical treatment shall be granted in each country or territory to products originating in each of the Member States and in the other countries or territories.

Article 4

Where, in a country or territory, duties are levied on exports of its products to Member States or to the other countries or territories, these duties may not give rise, de jure or de facto, to any direct or indirect discrimination between Member States or the other countries or territories.

Article 5

1. Without prejudice to the special provisions laid down in this Decision, the Member States shall refrain from any measure or practice of an internal fiscal nature that directly or indirectly leads to discrimination between their own products and like products originating in the countries or territories.
2. Without prejudice to the special provisions laid down in this Decision, the responsible authorities of the countries and territories shall refrain from any measure or practice of an internal fiscal nature that directly or indirectly leads to discrimination between the products of those countries and territories and like products originating in the Community or in the other countries and territories.

Article 6

1. The Community shall not apply to imports of products originating in the countries and territories any quantitative restrictions or measures having equivalent effect other than those that the Member States apply among themselves.
2. The provisions of paragraph 1 above, however, shall not prejudice the import treatment accorded to the products referred to in Article 2(2a), and to products that are the subject of world agreements.

Article 7

1. Subject to the provisions of this Article, the responsible authorities of the countries and territories shall refrain from applying any quantitative restrictions or measures having equivalent effect to the importation of products originating in Member States, or in the other countries and territories.
2. The responsible authorities of the countries and territories may, under the terms and in accordance with the procedure laid down in Annex III to this Decision, retain or introduce quantitative restrictions or measures having equivalent effect on the importation of products originating in Member States or in the other countries and territories, in order to meet their development needs or in the event of difficulties in their balance of payments.

Quantitative restrictions or measures having equivalent effect may be applied, if necessary, at the same time as the tariff measures referred to in Article 3(2).

3. Application of the quantitative restrictions or measures having equivalent effect provided for in paragraph 2 may not give rise, de jure or de facto, to discrimination between Member States, countries or territories.

4. The responsible authorities of the countries and territories in which imports come within the province of a State-trading monopoly or of any public body which, de jure or de facto, directly or indirectly limits imports, shall take any steps necessary to attain the objectives defined in this Title, and in particular that of non-discrimination between Member States or other countries and territories.

Article 8

The provisions of Articles 6 and 7 shall not preclude prohibitions or restrictions on imports, exports or transit justified on grounds of public morality, public policy, public security, the protection of human or animal life or health, or plant preservation, the protection of national treasures possessing artistic, historic or archaeological value, or the protection of industrial or commercial property.

However, such prohibitions or restrictions shall not constitute a means of arbitrary discrimination or a disguised restriction on trade.

Article 9

1. The concept of "originating products", for the purposes of implementing this Title, and of the methods of administrative co-operation relating thereto, defined pursuant to the Decision of the Council of 25 February 1964, concerning the association of the overseas countries and territories with the European Economic Community¹, shall continue to apply.

2. By a unanimous decision on a proposal by the Commission, the Council may adopt any amendment to the texts referred to in paragraph 1.

3. In so far as, for any given product, the concept of "originating products" has not yet been defined pursuant to one of the preceding paragraphs, the Community and the responsible authorities of the countries and territories shall continue to apply their own rules.

¹J.O. No. 93 of 11 June 1964, p. 1472/64.

CHAPTER II

PROVISIONS CONCERNING TRADE POLICY

Article 10

Without prejudice to special provisions for border trade or to Articles 11 and 12,

- the treatment applied in the countries and territories by virtue of this Title to products originating in the Community and likewise in the other countries and territories shall not be less favourable than that applied to products originating in the most-favoured third country;
- the treatment applied in the countries and territories by virtue of this Title to products originating in those countries or territories on exportation to the Community or to the other countries and territories shall not be less favourable than that applied to products exported to the most-favoured third country.

Article 11

1. Customs unions or free-trade areas may be maintained or established or economic co-operation agreements may be concluded between countries and territories.
2. The French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall keep the Commission informed, and the Commission shall in turn inform the other Member States thereof.

Article 12

1. Customs unions or free-trade areas may be maintained or established or economic co-operation agreements may be concluded between one or more countries or territories and one or more third countries situated in the same geographical area and at a comparable stage of development, provided that this does not affect the provisions concerning the origin of products in connexion with the application of this Decision.

The French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall keep the Commission informed and the latter shall in turn inform the other Member States thereof.

2. At the request of a Member State or of the Commission, there shall be consultations within the Council.

3. If these consultations reveal any incompatibility between the undertakings given by the countries and territories referred to in paragraph 1 and the principles and provisions of this Decision, the Council shall, in case of need, take any measures necessary for the smooth functioning of the association. It may also make any recommendation deemed useful.

Article 13

Customs unions or free-trade areas may likewise be maintained or established or economic co-operation agreements may be concluded between one or more countries or territories and one or more third countries, provided that such customs unions, free-trade areas or economic co-operation agreements are or remain compatible with the provisions of this Decision, and in particular Article 10 thereof, and with those adopted in implementation of Article 9.

The French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall keep the Commission informed, and the latter shall in turn inform the other Member States thereof.

At the request of a Member State or of the Commission, there shall be consultations within the Council.

Article 14

1. In the field of trade policy, the French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall inform the Commission of any measures concerning trade between the countries and territories and third countries. The Commission shall inform the other Member States thereof.

2. At the request of a Member State or of the Commission, there shall be consultations within the Council where such measures can harm the interest of one or more Member States or of the Community.

3. A Member State or the Commission may also request that consultations be held on trade policy measures adopted by a Member State vis-à-vis third countries, where such measures are likely to harm the interests of a country or territory.

CHAPTER III

SAFEGUARD CLAUSES

Article 15

1. If serious disturbances occur in a sector of the economy of a country or territory or jeopardize its external financial stability, the responsible authorities of the country or territory concerned may take protective measures.

These measures and the methods of applying them shall be notified immediately to the Commission by the French Republic and the Kingdom of the Netherlands, each in respect of matters within its competence.

The Commission shall inform the other Member States thereof. At the request of a Member State or of the Commission, the measures shall be the subject of consultations within the Council.

2. If serious disturbances occur in a sector of the economy of the Community or of one or more of its Member States, or jeopardize their external financial stability, or if difficulties arise which result in a deterioration in the economic situation of a region in the Community, the Commission may take, or may authorize the Member State or States concerned to take, the necessary protective measures, in particular those designed to remedy any diversion of trade.

At the request of any interested Member State, the Council shall decide by a qualified majority vote whether the Commission's Decision is to be maintained, revoked or amended.

In case of emergency, the Member State concerned can take the necessary protective measures. It shall forthwith inform the Commission thereof, which shall inform the other Member States. The Commission may decide whether the measures are to be amended or revoked. The provisions of the preceding paragraph shall then be applicable.

In the event of serious difficulties in its balance of payments, a Member State may take the necessary measures under the provisions of Articles 108 and 109 of the Treaty.

The Council, acting on a proposal by the Commission and in accordance with the voting procedure prescribed in Article 111, paragraph 3 of the Treaty, shall decide on any adjustments to be made to the present paragraph, in relation with the institution of a common trade policy.

3. For the purpose of implementing paragraphs 1 and 2 above, priority shall be given to such measures as would least disturb the functioning of the association and of the Community. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen.

TITLE II

FINANCIAL AND TECHNICAL CO-OPERATION

Article 16

Under the conditions stated in this Title and in Annexes V, VI and VII to this Decision, the Community shall participate in measures calculated to promote the economic and social development of the countries and territories, by supplementing the efforts of the responsible authorities of the latter.

Article 17

For the purposes set out in Article 16, and for the duration of this Decision, an aggregate amount of 82 million units of account shall be supplied, with a view to covering the whole of the Community's aid, as follows:

- (a) 72 million units of account by the Member States. This amount shall be paid into the European Development Fund, hereinafter referred to as "the Fund" and shall be used as follows:

- 62 million units of account shall be used in the form of grants,
- 10 million units of account shall be used in the form of loans on special terms and contributions to the formation of risk capital, in particular in the form of share-holdings.

By way of indication, a table in Annex V to this Decision gives a breakdown.

- (b) Up to 10 million units of account by the European Investment Bank, hereinafter referred to as "the Bank", in the form of loans granted under the terms set out in Annex VI to this Decision and in the Statute of the Bank.

By way of indication, a table in Annex V to this Decision gives a breakdown.

Loans by the Bank may carry a rebate on the interest. The aggregate cost of the rebates on interest relating to loans granted to the overseas countries and territories after 1 June 1964 shall be charged to the amount of the grants.

Article 18

1. The amount fixed in Article 17 shall be used for the financing of schemes and programmes set up as far as possible within the framework of a development plan, and relating to:

- investments in the fields of production and of the economic and social infrastructure, in particular with a view to diversifying the economic structure of the countries and territories and, especially, to promoting their industrialization and their agricultural development;
- general technical co-operation activities or technical co-operation activities linked with investments;
- operations encouraging the marketing and the promotion of sales of products exported by the countries and territories.

2. Decisions on the various intervention measures provided for in paragraph 1 shall take into account:

- the desirability of carrying out integrated schemes by means of a convergent use of these measures;
- the desirability of promoting regional co-operation among the countries and territories and possibly between these and one or more neighbouring States.

Article 19

1. The competent authorities of the countries and territories shall inform the Commission, in so far as possible as soon as this Decision enters into force, of their development plans and programmes and of the intervention measures for which they intend to request financial aid.

They shall communicate any later amendments.

2. A file shall be transmitted to the Community for each scheme or programme for which financing is requested pursuant to Article 18, either by the competent authorities in agreement with the local authorities or the representatives of the population of the countries and territories concerned, or, with the agreement of those authorities, by the undertaking concerned, as appropriate.

However, the Community may, if need be, establish schemes or programmes for technical co-operation for the benefit of a country or territory. It shall first secure the agreement of the competent authorities of the country or territory concerned on the broad outlines of such schemes or programmes.

Article 20

The Community shall examine the requests for financing that are brought before it pursuant to the provisions of Article 19. It shall maintain such contacts with the competent authorities of the countries and territories as it may require in order that its decisions on the schemes or programmes submitted to it may be formulated in full knowledge of the facts, and in order to be able

to contribute to the promotion of a harmonious and balanced development of the various countries and territories. In examining these requests the Community shall take into account the particular problems facing the countries and territories which are at the greatest disadvantage, in such a way as to ensure that they receive appropriate financial and technical aid.

The country or territory or group of countries and territories concerned shall be informed of the decision taken regarding its request.

Article 21

Aid contributed by the Community for the purpose of carrying out certain schemes or programmes may, with the consent of the competent authorities of the country or territory or countries and territories concerned, take the form of co-financing in which, in particular, credit and development bodies and institutions of the countries and territories or of the Member States, third countries or international finance organizations may take part.

Article 22

Those entitled to benefit from the various forms of Community aid provided for in Article 18 shall be, as appropriate: the countries and territories, legal persons in the Member States or the countries and territories who are non-profit-making in their main capacity, who have a status of general interest, and who are subject in those Member States, countries and territories, to government inspection, officially recognized producer groups or similar bodies, or, if there are none and on exceptional grounds, the producers themselves.

The following shall also be entitled to benefit:

(a) from grants devoted to general technical co-operation activities:

the specialized bodies and institutions or, on exceptional grounds, enterprises training specialists for third parties, and scholars, trainees or people taking part in training sessions;

(b) from loans from the Bank and the rebates on interest thereon, from loans on special terms or from contributions to the formation of risk capital, as well as possibly from grants made for technical co-operation activities linked with investments:

enterprises applying industrial and commercial management methods and incorporated within the meaning of Article 31, third and fourth paragraphs.

Article 23

1. As regards operations financed by the Community, participation in the letting out of contracts, invitations for tenders, purchasing and other contracts shall be open, on equal terms, to all natural and legal persons who are nationals of the Member States or the countries and territories.

2. The provisions of paragraph 1 shall not prejudice measures intended to encourage the participation of industrial or handicrafts production or works enterprises of the associated country or territory concerned, or of another associated country or territory in the same area, in the carrying out of public works contracts of limited size or of contracts for supplies of which there is a local production.

Article 24

The French Republic and the Kingdom of the Netherlands shall endeavour to secure from the responsible authorities of the countries and territories the maintenance of the provisions in force at 31 May 1969 with respect to the fiscal and customs arrangements applicable to contracts financed by the Community.

Article 25

1. The amounts allocated for financing schemes or programmes under the provisions of this Title shall be utilized in accordance with the purposes decided upon and shall be expended to the best economic advantage.

2. The management and upkeep of the economic and social infrastructure and of the production equipment set up by means of Community aids shall be the responsibility of the beneficiaries.

Article 26

The provisions of the present Title and of Annexes V, VI and VII to the present Decision shall likewise be applicable to the French overseas departments.

TITLE III

RIGHT OF ESTABLISHMENT, SERVICES, PAYMENTS AND CAPITAL

Article 27

The treatment granted in the countries and territories in the matter of the right of establishment or the provision of services shall not result, de jure or de facto, either directly or indirectly, in any discrimination between nationals or companies of each of the Member States.

Nevertheless, in a country or territory, nationals and companies of a Member State may benefit from the provisions of the preceding paragraph in respect of a given activity only in so far as the State to which they belong grants similar advantages for the same activity to the nationals and companies of the French Republic or the Kingdom of the Netherlands, as the case may be, and likewise to companies within the purview of the legislation of the country or territory concerned and established therein.

Article 28

Where in a country or territory nationals or companies of a State which is neither a Member State of the Community nor a country or territory are granted treatment more favourable than that which implementation of the provisions of this Title affords to nationals or companies of the Member States, such treatment shall be extended to nationals or companies of the Member States, excepting where it arises out of regional agreements.

Article 29

Without prejudice to the provisions relating to movements of capital, the right of establishment within the meaning of this Decision shall include the right to engage in and to exercise self-employed activities; to set up and manage undertakings and, in particular, companies; and to set up agencies, branches or subsidiaries.

Article 30

Services within the meaning of this Decision shall be deemed to be services normally provided against remuneration, provided that they are not governed by the provisions relating to trade, the right of establishment, or movements of capital. Services shall include in particular activities of an industrial character, activities of a commercial character, artisan activities and activities of the liberal professions, excluding activities of employed persons.

Article 31

Companies within the meaning of this Decision shall be deemed to be companies under civil or commercial law, including co-operative societies and other legal persons under public or private law, but not including non-profit-making bodies.

Companies of Member States, within the meaning of Article 27, first paragraph, shall be deemed to be companies constituted in accordance with the law of a Member State and having their registered office, central administration or main establishment in a Member State; nevertheless, for the establishment of agencies, branches or subsidiaries, the business of companies which have only their registered office in a Member State must have an effective and continuing link with the economy of that Member State.

Companies of the French Republic or the Kingdom of the Netherlands established in a country or territory, within the meaning of Article 27, second paragraph, shall be deemed to be companies constituted in accordance with the law of France or of the Netherlands, as the case may be, and having in that country or territory their registered office, central administration or main establishment; nevertheless, for the establishment of agencies, branches or subsidiaries, the business of companies which have only their registered office in the said country or territory must have an effective and continuing link with the economy of that country or territory.

Companies within the purview of the legislation of the country or territory concerned and established therein, within the meaning of Article 27, second paragraph, shall be deemed to be companies constituted in accordance with the legislation applicable in a given country or territory and having their registered office, central administration or main establishment in such country or territory; nevertheless, for the establishment of agencies, branches or subsidiaries, the business of companies which have only their registered office in the said country or territory must have an effective and continuing link with the economy of that country or territory.

Article 32

Payments relating to trade in goods, to services and capital and to wages, as also the transfer of such payments to the Member State or country or territory in which the creditor or the beneficiary is resident shall not be subject to any restriction, in so far as the movement of goods, services, capital or persons has been liberalized in implementation of the present Decision.

Article 33

Throughout the whole duration of the loans and share-holdings referred to in Chapter III of Annex VI to this Decision,

- the foreign currency necessary for the repayment of capital, interest and commissions on loans granted for schemes to be carried out in the countries and territories shall be made available to debtors;
- the foreign currency required for the transfer of all the sums representing the income and profits from operations contributing to the formation of the risk capital of undertakings shall be made available to the Bank.

Article 34

The competent authorities shall make every endeavour to apply liberal exchange arrangements as regards investments in the countries and territories and transfers connected with the movements of capital resulting therefrom when these are made by persons residing in the Member States.

The nationals and companies of Member States shall be treated on an equal footing in the countries and territories in respect of their investments and capital movements resulting therefrom.

Article 35

The Council shall take all necessary measures for the implementation of the present Title, in accordance with the voting rules prescribed by the Treaty in the matters concerned.

To this end, it shall draw up directives and make decisions, acting upon a proposal by the Commission. In addition, it shall formulate recommendations and opinions.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 36

This Decision shall enter into force at the same time as the internal agreement concerning the financing and administration of Community aids, signed at Yaoundé on 29 July 1969.

Article 37

This Decision shall be valid for a period of five years from the date of its entry into force, and shall expire not later than 31 January 1975.

Article 38

The countries and territories to which this Decision applies are listed in Annex VIII hereto.

Article 39

Before the expiry of this Decision of the Council, acting by a unanimous vote, shall determine the provisions to be made for implementation of the principles set forth in Articles 131 to 135 of the Treaty.

Article 40

The date of entry into force of this Decision shall be published in the Official Gazette of the European Communities.

Article 41

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

Done at Brussels on 29 September 1970

By the Council

The President

(s.) S. von BRAUN

Copy certified correct

CALMES

Secretary-General

ANNEX I

concerning the implementation of Article 2(2)
of the Decision

Article 1

1. The Community shall determine, case by case, what treatment is to be accorded to imports of each of the products or groups of products referred to in Article 2(2) of the Decision, when such products originate in the countries and territories, where the latter have an economic interest in exporting the said products.

The treatment which the Community applies to these products shall be more favourable than the general treatment applied to like products originating in third countries.

2. However, if, in respect of a specific product, the economic situation of the Community so justifies, the latter may, by way of exception, refrain from according special treatment to imports of that product from the countries and territories.

Article 2

If the products referred to in Article 2(2a) of the Decision are liable to customs duties at the time of importation into the Community and if no provision concerning trade in those products with third countries is laid down under the common agricultural policy, imports of such products into the Community shall, notwithstanding the provisions of Article 2 and provided that these products originate in the countries and territories, be governed by the provisions of Article 2(1) of the Decision.

Article 3

1. The treatment established for the various products on the basis of this Annex shall be applied until the expiry of the Decision.

2. However, in the event of a change in the Community organization of markets, the Community reserves the right to change the treatment established.

3. In such an event, the Community undertakes, in the framework of the new treatment, to maintain advantages for the countries and territories comparable with those they enjoyed previously.

ANNEX II

concerning the implementation of Article 3
of the Decision

Article 1

The development needs of the countries and territories referred to in Article 3(2) of the Decision are those arising from:

- the implementation of economic development programmes aimed at raising their general standard of living;
- the needs of their economic development, in particular where necessary to encourage the setting up of branches of production for the purpose of raising their general standard of living;
- the need to achieve equilibrium in their balance of payments and to alleviate such difficulties as are encountered in the main in their efforts to expand their domestic markets and those due to instability of their terms of trade;
- the necessity of achieving a rapid and sustained growth of their receipts from exports.

Article 2

The French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall communicate to the Commission within a period of three months from the entry into force of this Decision, the customs tariff or the complete list of customs duties and charges having equivalent effect which the countries and territories impose on products originating in the Community, in the other countries and territories and in third countries.

Duties and charges having equivalent effect which remain applicable to products originating in the Community or in the other countries and territories by virtue of the provisions of Article 3(2) of the Convention shall be specified in this communication.

The Commission shall communicate to the Member States the customs tariffs or the list referred to in paragraph 1 and, if need be, shall inform the Council of its comments thereon.

At the request of a Member State or of the Commission, there shall be consultations within the Council on these customs tariffs or lists.

Article 3

1. The French Republic and the Kingdom of the Netherlands, each acting within its respective competence, shall inform the Commission in good time of any customs duties or charges having equivalent effect which it intends to introduce or increase in accordance with the provisions of Article 3(2) of the Decision.

This communication shall be accompanied by all relevant economic and financial information making it possible to assess the need to introduce or retain such measures.

2. The Commission shall forthwith inform the other Member States of the measures contemplated and shall communicate to them the information referred to in paragraph 1. It shall, if need be, inform them of its comments on these measures.

At the request of a Member State or of the Commission, there shall be consultations within the Council on these measures, before their entry into force. If these consultations are not held within a period of two months after the date upon which the French Republic or the Kingdom of the Netherlands has informed the Commission of the measures contemplated, the measures may be applied.

3. In a justified emergency, these measures may be put into force provisionally before consultations are held, provided that the Commission is informed at the same time.

Article 4

With a view to the levying of customs duties and charges having equivalent effect which are retained or introduced in accordance with Article 3(2) of the Decision, the dutiable value to be taken into consideration shall be the effective value of the goods, at the time and place of their introduction into the customs territory, for a sale made under conditions of full competition between an independent buyer and an independent seller.

ANNEX III

concerning the implementation of Article 7
of the Decision

Article 1

The development needs referred to in Article 7(2) of the Decision are those listed in Article 1 of Annex II.

Article 2

1. The quantitative restrictions and measures having equivalent effect in force at the time of the entry into force of the Decision which are retained by a country or territory in accordance with Article 7(2) of the Decision shall be communicated to the Commission not later than three months after the said entry into force together with all the explanations required to enable the need for retaining them to be assessed.

The Commission shall forthwith inform the other Member States of the measures and shall communicate to them the information referred to in paragraph 1. It shall, if need be, inform them of its comments on these measures.

At the request of a Member State or of the Commission, there shall be consultations within the Council on these measures.

2. The French Republic and the Kingdom of the Netherlands shall communicate to the Commission, in good time and each acting within its respective competence, the quantitative restrictions and measures having equivalent effect which the responsible authorities of a country or territory intend to introduce in accordance with Article 7(2) of the Decision, together with all the explanations required to enable the need for introducing them to be assessed.

The Commission shall forthwith inform the other Member States of the measures envisaged and shall communicate to them the information referred to in the preceding paragraph. It shall, if need be, inform them of its comments on these measures.

At the request of a Member State or of the Commission there shall be consultations within the Council on these measures, within a period of one month.

In a justified emergency, and in particular where agricultural products of the countries and territories are concerned, these measures may be put into force provisionally before consultations are held, provided that the Commission is informed at the same time.

3. The Council shall hold the consultations referred to in paragraphs 1 and 2 within a period of two months after the date upon which the measures were communicated to the Commission. If the consultations are not held within this period, the measures may be maintained or established.

Article 3

The measures referred to in Article 2 shall be applied subject to the maintenance by the country or territory concerned of import possibilities open without discrimination to products originating in the Community or in the other countries and territories.

These measures shall be progressively relaxed in such a way as to disappear, in so far as possible, by the end of a period to be determined in each case.

Article 4

If the disposal of a particular product meets with difficulties on the domestic market of a country or territory, the responsible authorities of such country or territory may, notwithstanding Article 3, and provided that the Commission is informed thereof in advance, suspend imports of this product for a limited period, to be determined case by case, provided that the existence of these difficulties is established and that all relevant explanations are furnished to enable the need to prohibit imports to be assessed.

The Commission shall forthwith inform the other Member States of the measures contemplated and of the explanations referred to in the preceding paragraph. It shall, if need be, inform them of its comments on these measures.

At the request of a Member State or of the Commission, there shall be consultations within the Council on these measures, before their entry into force.

ANNEX IV

Declaration concerning the implementation
of the general system of preferences
within the framework of the United Nations Conference
on Trade and Development

The provisions of the Decision, and in particular Article 3 thereof, shall not prejudice the implementation of a general system of preferences, and in particular the participation therein of the overseas countries.

ANNEX V

Tables showing breakdowns referred to in Article 17 of the Decision

Country Interventions	French overseas territories and departments	Overseas countries with which the Netherlands maintains special relations	Total of interventions
Grants	30 M.U.A.	32 M.U.A.	62 M.U.A.
Loans on special terms	6 M.U.A.	4 M.U.A.	10 M.U.A.
Total of grants and loans on special terms	36 M.U.A.	36 M.U.A.	72 M.U.A.

Country	French overseas territories and departments	Overseas countries with which the Netherlands maintains special relations	Total of interventions
Amount of interventions in the form of loans by the Bank	maximum of 5 M.U.A.	maximum of 5 M.U.A.	maximum of 10 M.U.A.

ANNEX VI

concerning the administration of financial aids

CHAPTER I

NATURE OF THE OPERATIONS

Article 1

The investments provided for in Article 18 of the Decision shall comprise:

- (a) directly productive investments, in particular in the fields of industry and tourism;
- (b) development measures concerning the economy of rural areas, in particular measures to improve production structures, to diversify production and to increase productivity, especially by means of short-term measures. These development measures may include some applied research within the framework of integrated projects;
- (c) investments in the economic and social infra-structure, including a basic infra-structure for industry and handicrafts.

Article 2

The technical co-operation linked with investments provided for in Article 18 of the Decision shall in particular comprise:

- (a) development planning and special and regional development studies;
- (b) technical, economic and commercial studies, and research and field studies required to prepare schemes;
- (c) help in preparing files;
- (d) help with the carrying out and supervision of work;
- (e) temporary help in setting up, starting and running particular investments or units of equipment, including, in so far as necessary, training of the staff responsible for the operation and maintenance of the investments and equipment;
- (f) temporary responsibility for technicians and the supply of consumer goods required for the proper implementation of investment schemes.

Article 3

The general technical co-operation provided for in Article 18 of the Decision shall in particular comprise:

- (a) the provision of grants for study, training schemes and correspondence courses for the training and advanced vocational instruction of nationals of the countries and territories, to be carried out in principle in the said countries and territories;
- (b) the organization of specialized training programmes in the countries and territories, in particular for the staff of the public services and establishments of the countries and territories or of their business undertakings;
- (c) the sending to the countries and territories, at the latter's request, of experts, advisers, technicians and instructors from the Member States or the countries and territories for a specific assignment and for a fixed period;
- (d) the supply of materials for experiments and demonstrations;
- (e) the organization of short training courses for nationals of the countries and territories and of advanced courses for civil servants of the said countries and territories;
- (f) sectorial studies;
- (g) studies of the prospects, and of the means to be employed, for the development and diversification of the economies of the countries and territories;
- (h) general information and documentation for the purpose of encouraging the economic and social development of the countries and territories, the development of trade between these countries and territories and the Community, and the achievement of the objectives of financial and technical co-operation.

Article 4

The aid for marketing and sales promotion provided for in Article 18 of the Decision shall be intended:

- (a) to improve the structures and methods of working of the bodies, departments or undertakings participating in the development of the foreign trade of the countries and territories, or to encourage the setting up of such bodies, departments or undertakings;
- (b) to encourage the participation of the countries and territories in international trade fairs and exhibitions;
- (c) to train foreign trade and sales promotion specialists;
- (d) to engage in market research and market studies and to encourage their use;
- (e) to improve the dissemination of information in the Community and in the countries and territories with a view to developing trade.

CHAPTER II

FINANCING PROCEDURE

Article 5

1. Schemes and programmes shall be financed by grants, by loans on special terms, by loans from the Bank, possibly carrying a rebate on interest, or by several of these methods simultaneously.

Further, undertakings applying industrial and commercial management methods may benefit, for their investments, from contributions to the formation of their risk capital.

2. However, the technical co-operation activities provided for in Article 2, 3 and 4, shall be financed by grants.

Article 6

Loans intended for the financing of economic investment projects shall be granted either directly to their beneficiary or possibly through the intermediary of the country or territory concerned or of a local development financing body acting as a financial intermediary.

The conditions and procedure for the grant of these loans by the intermediary borrower to their final beneficiary shall be decided upon simultaneously and by common consent between the intermediary borrower and the Community institutions responsible for the granting of the loan.

Article 7

1. Loans on special terms shall be used for financing the whole or part of investment schemes of general interest to the economy of the country or territory in which they are to be carried out, in so far as the earning capacity of such schemes and the economic situation of the countries and territories at the time when the loan is granted permit of such financing.

2. Such loans may be granted for a maximum period of forty years and may carry deferment of amortization for a maximum period of ten years. They shall enjoy favourable terms of interest.

3. The Community shall lay down the terms under which loans are to be granted and the procedures for effecting and recovering them.

Article 8

1. The Bank shall examine the eligibility of schemes, and shall grant loans from its own resources, in accordance with the terms, conditions and procedures laid down in its Statute.

2. The amortization period for each loan made by the Bank shall be determined on the basis of the economic and financial characteristics of the scheme in question: this period may not exceed twenty-five years.
3. The interest rate applied shall be that employed by the Bank at the time of the signature of the loan. The rebates which such loans may carry may not reduce the effective interest rate to be borne by the beneficiary to less than 3 per cent. However, in the case of loans granted through the intermediary of development financing bodies under governmental control, the minimum rate to be borne by the intermediary borrower may not be less than 2 per cent.
4. The total sum of the rebates on interest calculated at its value at the time of the signature of the loan, at a rate and in accordance with a procedure to be determined by the Community, shall be paid directly into the Bank.

Article 9

With a view to aiding the carrying out of schemes of general interest to the economy of the country or territory concerned, the Community may contribute to the formation of risk capital, to the benefit of the beneficiaries referred to in Article 22(b) of the Decision, by backing up their own funds by taking up shareholdings or by other appropriate methods.

These contributions shall constitute only a minority stake. They may be made together with a loan from the Bank or in exceptional cases with a loan on special terms.

CHAPTER III

UTILIZATION OF THE AIDS

Article 10

1. The files referred to in Article 19(2) of the Decision shall be transmitted to the Community through the intermediary of the Commission.

However, schemes for which a loan, possibly carrying a rebate on interest, is requested from the Bank, or for which a contribution to the formation of risk capital is requested, shall be transmitted to the Bank.

2. The method of financing indicated in the request shall not prejudice the financing procedure decided upon by the Community.

Article 11

1. Financial aid may be used to cover import expenses and local expenditure required to carry out approved investment schemes.

2. Such aid may not be used to cover current administrative, maintenance and operating expenses.

Article 12

The provisions relating to monopolies and to quantitative restrictions retained or introduced in pursuance of Article 7 of the Decision and of Annex III shall not apply to imports into a country or territory where such imports are financed by Community aid.

Article 13

The Community and the countries and territories shall associate themselves with all measures necessary to ensure that the amounts assigned by the Community are utilized in accordance with the provisions of Articles 23 and 25 of the Decision.

Article 14

The general conditions and clauses applicable to the award and execution of public works contracts financed by the Fund shall be the subject of a recommendation to be adopted unanimously by the Council of the Communities, on a proposal by the Commission, and addressed to the Government of the French Republic and the Government of the Kingdom of the Netherlands.

Article 15

1. The competent authorities of the countries and territories shall be responsible for the carrying out of the schemes presented in pursuance of Article 19(2) of the Decision and financed by the Community. Further, the recipient undertakings shall be responsible for the carrying out of schemes they have submitted.

2. The competent authorities of the countries and territories and, where appropriate, the specialized institutions or other specialized bodies of the Member States or the countries and territories, shall be responsible for the carrying out of technical co-operation activities.

Article 16

Financial and administrative expenses arising out of the administration of the Fund, as also the costs of supervising schemes and programmes, shall be charged to the resources set aside for grants.

ANNEX VII

concerning the value of the unit of account

Article 1

The value of the unit of account used to express sums in the Decision or in the provisions adopted in implementation thereof shall be 0.88867088 grammes of fine gold.

Article 2

The parity of the currency of a Member State in relation to the unit of account defined in Article 1 shall be the relation between the weight of fine gold contained in this unit of account and the weight of fine gold corresponding to the parity of such currency as declared to the International Monetary Fund. Should there be no declared parity, or should the rates of exchange applied to current payments differ from the parity by a margin greater than that authorized by the Monetary Fund, the weight of fine gold corresponding to the parity of the currency shall be calculated on the basis of the rate of exchange applied in the Member State, for current payments, on the date of the calculation, to a currency directly or indirectly defined and convertible into gold, and on the basis of the parity of that convertible currency as declared to the Monetary Fund.

Article 3

The unit of account, as defined in Article 1 above, shall remain unchanged throughout the whole effective duration of the Decision. However, if before the date of expiry of the Decision there should ensue a uniformly proportionate alteration in the parity of all currencies in relation to gold, by a decision of the International Monetary Fund, under Article 4, section 7 of its Articles of Agreement, then the weight of fine gold defining the unit of account shall vary in inverse ratio to such alteration.

If one or more Member States should not implement the decision of the International Monetary Fund referred to in the preceding paragraph, the weight of fine gold defining the unit of account shall vary in inverse ratio to the alteration decided upon by the International Monetary Fund. However, the Council shall examine the situation thus created and, on a proposal of the Commission and after obtaining the opinion of the Monetary Committee, shall take the necessary measures by qualified majority vote as provided for in Article 13, paragraph 3 of the internal agreement concerning the financing and administration of Community aids.

ANNEX VIII

LIST OF COUNTRIES AND TERRITORIES REFERRED
TO IN ARTICLE 38 OF THE DECISION

(a) Other countries:

Surinam and the Netherlands Antilles

(b) Overseas territories:

St. Pierre and Miquelon, Comoro Archipelago, French Territory of the Afars and the Issas, New Caledonia and dependencies, Wallis and Futuna Islands, French Polynesia, Southern and Antarctic territories.

ANNEX IX

DECLARATION BY THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS

The Government of the Kingdom of the Netherlands draws attention to the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954 and in particular to the autonomy of the non-European parts of the Kingdom so far as certain provisions of the Decision are concerned and to the fact that this Decision has consequently been taken in co-operation with the Governments of Surinam and of the Netherlands Antilles pursuant to the constitutional procedures in force in the Kingdom.

It declares that accordingly, and without prejudice to the rights and obligations deriving for it from the Treaty and the Decision, the Governments of Surinam and of the Netherlands Antilles will carry out the obligations deriving from that Decision.