

# ACP/EC Lomé Convention: agreement amending the 4th ACP/EC Convention

1996/0023(AVC) - 23/01/1996 - Legislative proposal

**OBJECTIVE:** the draft Decision is intended to enable the Council and the Commission (EC/ECSC) to conclude the mid-term revision of the fourth LOMÉ Convention with, in particular, the setting of a new financial budget for Community aid to the ACP countries, granted under the 8th EDF. **SUBSTANCE:** the revision of LOMÉ IV essentially concerns the following points: . setting of the overall level of Community aid to the ACP countries for the period 1995-2000 under the second financial protocol to LOMÉ IV at ECU 14.625 billion, of which ECU 12.967 bn is from the EDF and ECU 1.658 bn from the EIB, to which is added an overall contribution of ECU 200 m in aid to the overseas countries and territories (ECU 165 m from the EDF and ECU 35 m from the EIB), . introduction of a clause allowing aid to be suspended in the event of the violation of human rights, democracy or the rule of law, accompanied by a consultation mechanism which respects the partnership, . insertion of a reference to the principles of the market economy and to the importance of the private sector as an engine of development, . reform of the programming of aid to encourage sound management, without jeopardizing the predictability of aid, comprising the payment of 70% of the overall budget for each country and payment of the balance in the light of an assessment after three years, . priority given to regional cooperation to develop South-South trade, which currently accounts for only 6% of ACP countries' trade, . improvements to the trade component, through the granting of preferences for all agricultural products (industrial products are already exempt from customs duties) and a relaxation of the rules of origin, . ACP agricultural products exported to the Union will all benefit from a reduction in customs duties, their treatment varying according to their degree of sensitivity for the Community market: -list 1, products which have hitherto not enjoyed any preference: 16% reduction in customs duties for all products (except olives, olive oil, wine and lemons), -list 2, products subject to tariff quotas or reference amounts: conversion of quotas into ceilings for certain products and 15% reduction in customs duties outside ceilings, -list 3, products subject to timetables: general 15% reduction in customs duties outside the current timetables, except for certain products. As regards fisheries, annual quantities of tuna are increased by 1500 tonnes p.a. (from 2500 tonnes to 4000 tonnes) and by 500 tonnes of fillets. . the rules of origin have been made more flexible for all processed products (except for tuna, rice and certain textile products) as a result of extending the ACP cumulation to cover 16 adjacent non-ACP developing countries. . However, preferential tariffs no longer form the basis of ACP/EU relations, since future aid will be based on sustainable development (including investment in industry and the encouragement of commercial competitiveness).