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EUROPEAN COMMISSION

Brussels, 2.09.2010  
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**COMMISSION DECISION**

**of 2.09.2010**

**on the adoption and financing of a special measure in favour of Grenada to cope with the impact of the global crisis under the ad hoc Vulnerability Flex allocation for 2010**

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**on the adoption and financing of a special measure in favour of Grenada to cope with the impact of the global crisis under the ad hoc Vulnerability Flex allocation for 2010**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Partnership Agreement between the Member States of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000<sup>1</sup> and revised in Luxembourg on 25 June 2005<sup>2</sup> (hereinafter referred to as the 'ACP-EC Partnership Agreement'), and in particular Articles 3(5), 16, 17 and 18.2 of its Annex IV,

Having regard to Council Regulation (EC) 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund (hereinafter referred to as 'the 10th EDF') under the ACP-EC Partnership Agreement (hereinafter referred to as '10th EDF Implementing Regulation')<sup>3</sup>, and in particular Articles 7(4) and 8(1) thereof,

Having regard to Council Regulation (EC) No 215/2008 of 18 February 2008 on Financial Regulation applicable to the 10<sup>th</sup> European Development Fund<sup>4</sup> and in particular Article 25(1) thereof,

Having regard to Financing Agreement No 9814/GRD with Grenada on "Poverty Reduction through Private Sector Development, Employment and Growth", signed on 26/11/2007, and in particular Articles 2.3, 20.1 and 20.2 of the General Conditions applying to the 9<sup>th</sup> European Development Fund,

Whereas:

- (1) The Commission has adopted Decision C/2009/6135 of 06/08/2009 concerning an increase in allocations of resources for unforeseen needs from the 10th European Development Fund to support the most affected ACP countries coping with the impact of the global crisis, and setting up an ad hoc Vulnerability FLEX mechanism.
- (2) In the context of the application of the Vulnerability FLEX mechanism for the year 2010, the Commission has allocated an amount of Euros 264,000,000 from the reserve of the national and regional indicative programmes under the 10th EDF, to 19 ACP countries considered eligible pursuant to the criteria laid down in Commission

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<sup>1</sup> OJ L 317, 15.12.2000, p. 3.

<sup>2</sup> OJ L 287, 28.10.2005, p. 4.

<sup>3</sup> OJ L 152, 13.6.2007, p. 1.

<sup>4</sup> OJ L 78, 19.03.2008, p. 1

Decision N° C/2009/6135. The B-envelope for Grenada was increased by Euros 3,500,000.

- (3) The purpose of Financing Agreement No 9814/GRD with the Government of Grenada signed on 26/11/2007 is to contribute to “Poverty Reduction through Private Sector Development, Employment and Growth”.
- (4) The implementation modalities laid down in Decision C/2009/6135 of 06/08/2009 provide that in countries fulfilling the eligibility criteria for budget support, the Vulnerability FLEX support shall be provided preferably in the form of an addition to existing budget support programmes in view of immediately addressing the actual and/or forecasted budgetary consequences of the crisis. This should apply in the case of Grenada.
- (5) It is therefore necessary to increase the ceiling of the Fund Commitment of the above-mentioned Financing Agreement by Euros 3,500,000 from the 10<sup>th</sup> European Development Fund to a total amount of Euros 21,160,000, and to modify the TAPs accordingly,
- (6) The financing agreement did not explicitly contain a general condition reflecting the eligibility criteria linked to the implementation of the Grenada's national development or reform policy and strategy.
- (7) It is also necessary to modify/clarify the technical and administrative provisions of the Financing Agreement to make them fully compliant with budget support eligibility criteria.
- (8) The beneficiary has, in its letter of 15/03/2010, properly justified these measures.
- (9) The measure covered by this Decision is in conformity with the objectives of development finance co-operation as defined in Article 55 of the ACP-EC Partnership Agreement.
- (10) This decision constitutes a financing decision within the meaning of Article 16 of Annex IV to the ACP-EC Partnership Agreement and Article 67 of the Financial Regulation applicable to the 10<sup>th</sup> European Development Fund.
- (11) The measure provided for in this Decision is in accordance with the opinion of the European Development Fund Committee set up by article 8 of the Internal Agreement of 17 July 2006.

HAS DECIDED AS FOLLOWS:

*Article 1*

An additional European Union contribution to the "Poverty Reduction through Private Sector Development, Employment and Growth ", a description of which is attached in Annex I, is hereby approved for the amount of Euros 3,500,000 to be financed from envelope B of the 10<sup>th</sup> European Development Fund.

*Article 2*

Addendum No. 5 to Financing Agreement No 9814/GRD with Grenada signed on 26/11/2007, the text of which is attached to this decision in Annex II, is hereby approved.

Done at Brussels,

*For the Commission*

*Member of the Commission*

ANNEXES

I) Action Fiche Grenada: "Poverty Reduction through Private Sector Development, Employment and Growth"

II) Addendum No. 5 to Financing Agreement No. 9814/GRD – "Poverty Reduction through Private Sector Development, Employment and Growth " - CRIS Ref. No. 2007/020-805