



EUROPEAN COMMISSION

Brussels, 7.12.2011
COM(2011) 836 final

2011/0396 (NLE)

Proposal for a

COUNCIL DECISION

on the position to be adopted by the European Union within the ACP-EU Council of Ministers concerning the multiannual financial framework for the period 2014 to 2020 of the ACP-EU Partnership Agreement

{SEC(2011) 1459}

{SEC(2011) 1460}

EXPLANATORY MEMORANDUM

The Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) 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 2000¹ provides for the adoption of financial protocols for each five year period.

The multiannual financial framework for the period 2008 to 2013 forms Annex Ib to that Agreement.

For the post-2013 multiannual financial framework, the European Commission presented in its Communication 'A budget for Europe 2020'² the overall volume (EUR 30 318.7 million in 2011 prices, i.e. EUR 34 275.6 million in current prices) proposed for the 11th EDF for cooperation with ACP countries and Overseas Countries and Territories (OCTs).

The Commission is presenting a Communication describing the main elements that could figure in the Internal Agreement for the 11th European Development Fund, for the period from 1 January 2014 to 31 December 2020³.

Annex I to the Cotonou Agreement also needs to be supplemented accordingly with an additional protocol for the 2014-2020 multiannual financial framework. So the Commission hereby proposes a new Annex 1c to be inserted in the Cotonou Agreement (The multiannual financial framework for the period 2014-2020).

The structure of the multiannual financial framework proposed for 2014-2020 and the share of the different EDF instruments broadly follow those applied to the 10th EDF, with the exception of the Investment Facility which will be financed from the reflows from the 9th and 10th EDFs' Investment Facilities. The assumption of the European Commission is that an agreement will be reached by the European Union and its Member States on laying down the financing mechanism (the 11th European Development Fund), the exact period to be covered (2014-2020), and the amount of funds to be allocated to that mechanism, for implementing the ACP-EU Partnership, and that the Representatives of the Governments of the Member States will agree on an Internal Agreement for an 11th European Development Fund.

¹ OJ L 317, 15.12.2000, p. 3. Agreement as amended by the Agreement signed in Luxembourg on 25 June 2005 (OJ L 287, 28.10.2005, p. 4) and by the Agreement signed in Ouagadougou on 22 June 2010 (OJ L 287, 4.11.2010, p. 3).

² COM(2011) 500.

³ COM(2011) 837.

Proposal for a

COUNCIL DECISION

on the position to be adopted by the European Union within the ACP-EU Council of Ministers concerning the multiannual financial framework for the period 2014 to 2020 of the ACP-EU Partnership Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 209 (2) in conjunction with Article 218 (9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Partnership Agreement between the members 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 2000⁴, as amended in Luxembourg on 25 June 2005⁵ and in Ouagadougou on 22 June 2010⁶ ('the ACP-EU Agreement') provides for the adoption of financial protocols for each five year period.
- (2) The European Union and its Member States, in accordance with paragraph 7 of Annex Ib to the ACP-EU Partnership Agreement, together with the ACP States, conducted a performance review, assessing among other things the degree of realisation of commitments and disbursements.
- (3) [On ...], the European Union and its Member States have agreed to lay down the financing mechanism (the 11th European Development Fund), the exact period to be covered (2014-2020), and the amount of funds to be allocated to that mechanism, for implementing the ACP-EU Partnership Agreement.
- (4) The Representatives of the Governments of the Member States have adopted an Internal Agreement on an 11th European Development Fund,

⁴ OJ L 317, 15.12.2000, p. 3. Agreement as rectified by OJ L 385, 29.12.2004, p. 88.

⁵ OJ L 209, 11.8.2005, p. 27.

⁶ OJ L 287, 4.11.2010, p. 3.

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken by the European Union within the ACP-EU Council of Ministers regarding the protocol on the multiannual financial framework for the period 2014-2020 shall be based on the draft Decision of the ACP-EU Council of Ministers attached hereto.

Article 2

After its adoption, the Decision of the ACP-EU Council of Ministers shall be published in the *Official Journal of the European Union*.

Done at Brussels, [...]

*For the Council
The President*

ANNEX

Draft

Decision of the ACP-EU Council of Ministers of

adopting a protocol on the multiannual financial framework for the period 2014-2020 under the Partnership Agreement between the members 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

THE ACP-EU COUNCIL OF MINISTERS,

Having regard to the Partnership Agreement between the members 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 2000⁷ as amended in Luxembourg on 25 June 2005⁸ and in Ouagadougou on 22 June 2010⁹ (the ‘ACP-EU Partnership Agreement’), and in particular Articles 95(2) and 100 thereof,

Whereas:

- (1) The European Union and its Member States together with the ACP States conducted a performance review, in accordance with paragraph 7 of Annex Ib to the ACP-EU Partnership Agreement, assessing among other things the degree of realisation of commitments and disbursements.
- (2) The European Union and its Member States have agreed to lay down the financing mechanism (the 11th EDF), the exact period to be covered (2014-2020), and the amount of funds to be allocated to that mechanism, for implementing the ACP-EU Partnership Agreement.
- (3) The protocol establishing the multiannual financial framework for the period 2014 to 2020 should be inserted into the Agreement as Annex Ic,

HAS DECIDED AS FOLLOWS:

Article 1

The Annex to this Decision is adopted as a new Annex Ic to the Partnership Agreement between the members 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, as revised in Luxembourg on 25 June 2005 and in Ouagadougou on 22 June 2010.

Article 2

⁷ OJ L 317, 15.12.2000, p. 3. Agreement as rectified by OJ L 385, 29.12.2004, p. 88.

⁸ OJ L 209, 11.8.2005, p. 27.

⁹ OJ L 287, 4.11.2010, p. 3.

This Decision shall enter into force on the day on which it is adopted.

Done at [...], [...]

For the ACP-EU Council of Ministers

The President

ANNEX

The following Annex shall be inserted in the ACP-EU Partnership Agreement:

"ANNEX Ic

Multiannual financial framework for the period 2014 - 2020

1. For the purposes set out in this Agreement and for a period starting on 1 January 2014, the overall amount of financial assistance available to the ACP States within this multiannual financial framework shall be EUR 34 718.4 million, as specified in points 2 and 3.
2. The sum of EUR 32 218.4 million under the 11th European Development Fund (EDF), shall be made available from the entry into force of the multiannual financial framework. It shall be allocated between the cooperation instruments as follows:
 - (a) EUR 27 658.2 million to finance national and regional indicative programmes. This allocation will be used to finance:
 - the national indicative programmes of individual ACP States ;
 - the regional indicative programmes of support for regional and inter-regional cooperation and integration of Groups of ACP States;
 - (b) EUR 3 960.2 million to finance intra-ACP and inter-regional cooperation with many or all of the ACP States. This envelope shall include structural support to the CDE and the CTA, and to the Joint Parliamentary Assembly. It shall also cover assistance with the operating expenditure of the ACP Secretariat referred to in points 1 and 2 of Protocol No 1 ‘on the operating expenditure of the joint institutions’;
 - (c) EUR 600 million to finance the Investment Facility in accordance with the terms and conditions set out in Annex II ‘Terms and conditions of financing’) to this Agreement, under the form of grants for the financing of the interest rate subsidies and project-related technical assistance provided for in Articles 1, 2 and 4 of that Annex over the period of the 11th EDF.
3. The operations financed under the Investment Facility, including the corresponding interest rate subsidies, shall be managed by the European Investment Bank (EIB). An amount of up to EUR 2 500 million in addition to the 11th EDF shall be made available by the EIB in the form of loans from own resources and will be subject to a revision clause at mid term. These resources shall be granted for the purposes set out in Annex II to this Agreement, in accordance with the conditions laid down in the statutes of the EIB and the relevant provisions of the terms and conditions for investment financing in that Annex. All other financial resources under this multiannual financial framework shall be administered by the Commission.
4. After 31 December 2013 or after the date of entry into force of this multiannual financial framework, whichever is the later, balances from the 10th EDF or from previous EDFs and funds decommitted from projects under these EDFs shall no

longer be committed, unless the Council of the European Union decides otherwise by unanimity, with the exception of the remaining balances and reimbursements of the amounts allocated for the financing of the Investment Facility, excluding the related interest rate subsidies, and the remaining balances of the primary agricultural export receipt stabilisation guarantee system (STABEX) under the EDFs prior to the 9th EDF.

5. The overall amount of this multiannual financial framework shall cover the period from 1 January 2014 to 31 December 2020. The funds of the 11th EDF, and, in the case of the Investment Facility, the funds stemming from reflows, shall no longer be committed beyond 31 December 2020, unless the Council of the European Union decides otherwise by unanimity, on a proposal from the Commission. However, the funds subscribed by Member States under the 9th and 10th EDF to finance the Investment Facilities shall remain available after 31 December 2020 for disbursement.
6. The Committee of Ambassadors, acting on behalf of the ACP-EU Council of Ministers, may, within the overall amount of the multiannual financial framework, take appropriate measures in order to meet programming requirements under one of the allocations provided for in point 2, including the reassignment of funds between these allocations.
7. The Parties may decide to conduct a performance review, assessing the degree of realisation of commitments and disbursements, as well as the results and impact of the aid provided. This review would be undertaken on the basis of a proposal prepared by the Commission.
8. Any Member State may provide the Commission or the EIB with voluntary contributions to support the objectives of the ACP-EU Partnership Agreement. Member States may also co-finance projects or programmes, for example in the framework of specific initiatives to be managed by the Commission or the EIB. ACP ownership of such initiatives at the national level must be guaranteed."