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Proposal for a

COUNCIL DECISION

**on the position to be adopted by the EU within the ACP-EU Council of Ministers
regarding a decision to reassign part of the unallocated resources of the 10th European
Development Fund (EDF) to Intra-ACP cooperation**

EXPLANATORY MEMORANDUM

The EU plays an active part in the formulation and implementation of new initiatives to assist developing countries. Such initiatives in favour of ACP countries make a significant contribution to poverty reduction, which is the main objective of both the ACP-EU Partnership Agreement and EU's development policy.

Under the 10th European Development Fund (EDF), Intra-ACP funds have been subject to a multi-annual strategy for the first time. Furthermore, the revised ACP-EU Partnership Agreement stipulates that a Mid-Term Review of the 10th EDF Intra-ACP strategy shall be carried out in the light of needs and performance and in close collaboration with the ACP side.

Since the initial programming of the 10th EDF Intra-ACP allocation in 2008, new proposals have emerged to meet specific needs arising both from ACP countries' existing priorities and from priorities set by the EU in the context of its development policy. The Intra-ACP Mid Term Review, prepared jointly with the ACP Secretariat, confirms the validity of the EU's general approach to Intra-ACP cooperation and therefore does not foresee any major revision of the strategy. However, requests for the financing of new activities within the existing strategic framework have been put forward both by the ACP Group and the EU side. The amount initially allocated to intra-ACP cooperation under the 10th EDF (EUR 2700 million) has proved insufficient to cover these new needs.

In these circumstances, and in accordance with paragraph 6 of Annex Ib to the ACP-EU Partnership Agreement, the Committee of Ambassadors acting on behalf of the Council of Ministers may reassign funds between the allocations set out in Annex Ib in order to meet programming requirements under one of such allocations. For calendar reasons and due to the urgency to respond to identified needs, this decision ought to be adopted by the forthcoming ACP-EU Council of Ministers in June 2012. The Commission therefore proposes, subject to the agreement of the Council, that the ACP-EU Council of Ministers adopts the attached decision providing for the transfer of EUR 195 million from the unallocated resources of the 10th EDF to the intra-ACP envelope.

The programming of the EUR 195 million is currently subject to discussions between the EU and the ACP sides. The use of the overall additional funds will be approved by the Commission, following the opinion of the EDF Committee.

The Commission proposes that EUR 100 million of such financial reallocation be earmarked for replenishment of the African Peace Facility and, if deemed appropriate by the Council, that Council conclusions be established accordingly.

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on the position to be adopted by the EU within the ACP-EU Council of Ministers regarding a decision to reassign part of the unallocated resources of the 10th European Development Fund (EDF) to Intra-ACP cooperation

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) Article 15 of 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 (hereafter the "ACP-EU Partnership Agreement") signed in Cotonou on 23 June 2000¹ and revised in Luxembourg on 25 June 2005² and in Ouagadougou on 22 June 2010³ establishes an ACP-EU Council of Ministers with powers to take decisions in accordance with the Agreement.
- (2) In accordance with paragraph 6 of Annex Ib, the Committee of Ambassadors, acting on behalf of the ACP-EU Council of Ministers, may reassign funds between allocations provided for in paragraph 2 of that Annex, in order to meet programming requirements under one of such allocations.
- (3) The balance of funds available under the 10th EDF envelope for Intra-ACP cooperation is insufficient to meet the programming requirements that emerged from its Mid-Term Review. It is proposed to transfer EUR 195 million from the 10th EDF unallocated resources to the envelope for Intra-ACP cooperation so as to allow for the financing of actions based on both EU and ACP existing priorities, including a replenishment of the African Peace Facility amounting to EUR 100 million.
- (4) Due to the meeting schedule of the ACP-EU joint institutions and the need to act rapidly to address urgent needs, this Decision should be adopted by the ACP-EU Council of Ministers in June 2012.

¹ OJ L 317, 15.12.2000, p.3.

² OJ L 287, 28.10.2005, p.4.

³ Provisional application from 1 November 2010 by ACP-EU Council Decision n° 2/2010 of 21 June 2010, OJ L287, 04.11.2010, p.3

- (5) The EU's position within the ACP-EU Council of Ministers should therefore be established with a view to adopting a decision to reassign part of the general reserve of the 10th EDF to the benefit of the appropriation intended for intra-ACP cooperation.

HAS ADOPTED THIS DECISION:

Article 1

The position of the European Union within the ACP-EU Council of Ministers, on the use of the general reserve of the 10th European Development Fund, is based on the attached draft decision of the ACP-EU Council of Ministers.

Formal and minor changes to the draft Decision of the ACP-EU Council of Ministers may be agreed without requiring this Decision including its annex to be amended.

Article 2

EUR 100 million out of the EUR 195 million financial reallocation shall be earmarked for the African Peace Facility.

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION OF THE ACP-EU COUNCIL OF MINISTERS

on reassigning part of the unallocated resources of the 10th European Development Fund (EDF) to Intra-ACP cooperation

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 2000⁴ and revised in Luxembourg on 25 June 2005⁵ and in Ouagadougou on 22 June 2010⁶ (hereinafter referred to as "the ACP-EU Partnership Agreement"), and in particular paragraph 6 of Annex Ib thereto,

Whereas:

- (1) 10th EDF Intra-ACP remaining funds are insufficient to meet the programming requirements which emerged from the 10th EDF Intra-ACP Mid-Term Review.
- (2) In order to continue providing a rapid and efficient response to situations of violent conflicts in Africa, the replenishment of the African Peace Facility is required.
- (3) To allow for the financing of ACP Group and EU priorities, the necessary amount should be transferred from the unallocated resources of the 10th European Development Fund to the envelope for Intra-ACP cooperation.
- (4) It is appropriate for the Council to adopt itself the present decision without delay,

HAS DECIDED AS FOLLOWS:

Article 1 - Intra-ACP cooperation

An amount of EUR 195 million shall be transferred from the reserve of the 10th EDF to the envelope for intra-ACP cooperation, in accordance with the objectives set out in Articles 11, 28, 29 and 30 of the ACP-EU Partnership Agreement.

Article 2 – Financing request

In accordance with Article 12b (a) of Annex IV to the ACP-EU Partnership Agreement, the ACP Council of Ministers requests the Commission to finance the activities proposed by EU and ACP sides, and notably to provide additional funding to the African Peace facility for a total amount of EUR 100 million.

⁴ OJ L 317, 15.12.2000, p.3.

⁵ OJ L 287, 28.10.2005, p.4.

⁶ OJ L287, 04.11.2010, p.3

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

Done at Vanuatu,

For the ACP-EU Council of Ministers
The President