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(Acts whose publication is not obligatory)

COUNCIL

DECISION No 6/2005 OF THE ACP-EC COUNCIL OF MINISTERS

of 22 November 2005

concerning the use of the remaining EUR 482 000 000 of the conditional EUR 1 000 000 000 under the ninth EDF for cooperation with ACP countries

(2006/111/EC)

THE ACP-EC COUNCIL OF MINISTERS,

ACP-EC commitments on the international scene, taking into account the principles of urgency and poverty focus, concentration of aid and absorption capacity.

Having regard to the ACP-EC Partnership Agreement signed at Cotonou on 23 June 2000, and in particular paragraph 8 of Annex 1 thereto,

Whereas:

(1) In accordance with Declaration XVIII to the ACP-EC Partnership Agreement, out of the total amount of EUR 13 500 000 000 of the ninth EDF for ACP countries, only EUR 12 500 000 000 were released upon the entry into force of the Financial Protocol on 1 April 2003.

(2) The Council decided that, in the light of the outcome of the mid-term reviews of the country strategies and of the performance review of the EDF it would decide by the end of 2005 on the mobilisation of a second allocation of EUR 250 000 000 for the Water Facility and on the use of the remaining EUR 500 000 000 of the conditional EUR 1 000 000 000 for purposes to be agreed.

(3) The ninth EDF, including the balances transferred from the previous EDFs, will be entirely committed by the end of 2007 without allowing the Community to fully comply with its international commitments and to respond to new international initiatives.

(4) A selection of proposals has been made for the total amount of EUR 482 000 000 on the basis of the obligations resulting from the ACP-EC Partnership Agreement and on the basis of the so far unmet joint

(5) Under the existing implementation modalities of the Centre for the Development of the Enterprise (CDE) and the Technical Centre for Agriculture and Rural Cooperation (CTA) the annual budgetary needs are estimated at respectively EUR 18 000 000 and EUR 14 000 000. It is therefore proposed to earmark EUR 32 000 000 out of the long-term development envelope released from the remaining conditional billion in resources to cover the functioning of the CDE and CTA during the year 2006, in compliance with Annexes I and III to the ACP-EC Partnership Agreement.

(6) Considering the high expectations generated by the launch of the EU Energy Initiative, the crucial contribution of energy to the achievement of the MDGs, and the critical importance for the poor of access to cost-effective and environmentally sound energy services, it is therefore suggested that the proposed ACP/EU Energy Facility be financed with an indicative amount of EUR 220 000 000 from the conditional balances and that the totality of this amount be transferred to the intra-ACP envelope for this purpose.

(7) To contribute to reducing the vulnerability of the ACP beneficiary countries to commodity shocks it is proposed to earmark an indicative amount of up to EUR 25 000 000 from the remaining balance of the conditional EUR 1 000 000 000 to contribute to the international commodity risk management financing facility in line with Article 68(5) of the ACP-EC Partnership Agreement and to transfer the entire amount to the intra-ACP envelope for this purpose.

- (8) It is proposed to put aside an indicative amount of EUR 30 000 000 from the remaining balance of the conditional EUR 1 000 000 000 to contribute to the initial phase of a capacity building programme to help the ACP adapt to the new Community sanitary and phytosanitary rules and to transfer the entire amount to the intra-ACP envelope for this purpose.
- (9) To contribute to a pan-African support programme, it is proposed to earmark an indicative amount of up to EUR 50 000 000 from the remaining balance of the conditional EUR 1 000 000 000, and to transfer the amount to the intra-ACP envelope for this purpose.
- (10) The 'Education for all' Fast Track Initiative primarily relies on existing funding mechanisms in partner countries. As it proved impossible to provide support to the FTI in a systematic way through the 2004 national mid-term review exercise, it is proposed that an indicative amount of EUR 63 000 000 be contributed to the Fast Track Initiative from the remaining balances of the conditional billion and that the amount be transferred to the intra-ACP for this purpose.
- (11) Having regard to the agreement within the ACP-EC Council of Ministers on 24 June 2005, it is proposed to use EUR 62 000 000 for the World Fund to fight HIV/AIDS, tuberculosis and malaria,

HAS DECIDED AS FOLLOWS:

Article 1

The allocation of EUR 482 000 000 of the conditional EUR 1 000 000 000 under the ninth European Development Fund shall be distributed as follows:

- (a) EUR 352 000 000 to the envelope for support for long-term development, referred to in paragraph 3(a) of the Financial Protocol;
- (b) EUR 48 000 000 to the envelope for regional cooperation and integration, referred to in paragraph 3(b) of the Financial Protocol;
- (c) EUR 82 000 000 to the Investment Facility, referred to in paragraph 3(c) of the Financial Protocol.

The allocation shall be allocated in accordance with Article 2 of this Decision by transferring EUR 320 000 000 from the long-term development envelope and EUR 82 000 000 from the Investment Facility to the intra-ACP allocation of the envelope for regional cooperation and integration.

Article 2

The allocation of EUR 482 000 000 will contribute to the financing of the following actions:

- (a) up to EUR 220 000 000 to the EU Energy Initiative;
- (b) up to EUR 25 000 000 for the contribution to the International Commodity Risk Management Financing Facility in favour of the ACP countries;
- (c) an indicative amount of EUR 30 million to assist the ACP countries in adapting to the new EU sanitary and phytosanitary rules;
- (d) up to EUR 50 000 000 to strengthen the African Union in the implementation of its pan-African mandate;
- (e) an indicative amount of EUR 63 000 000 as a contribution to the 'Education for All' Fast Track Initiative;
- (f) up to EUR 62 000 000 for the contribution to the World Fund to fight HIV/AIDS, tuberculosis and malaria;
- (g) EUR 32 000 000 coming from the envelope for support for long-term development referred to in paragraph 3(a)(i) and (ii) of the Financial Protocol shall be allocated to the financing of the budget of the Centre for Development of Enterprise (CDE) and of the Technical Centre for Agriculture and Rural Cooperation (CTA).

Article 3

This Decision shall enter into force on the day of its adoption.

Done at Brussels, 22 November 2005.

For the ACP-EC Council of Ministers

The President

A. JOHNSON