

II

(Acts whose publication is not obligatory)

COUNCIL

DECISION No 1/2006 OF THE ACP-EC COUNCIL OF MINISTERS

of 2 June 2006

specifying the multiannual financial framework for the period 2008 to 2013 and modifying the revised ACP-EC Partnership Agreement

(2006/608/EC)

THE ACP-EC 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 2000 ⁽¹⁾, as revised in Luxembourg on 25 June 2005 ⁽²⁾ (hereinafter referred to as the ACP-EC Partnership Agreement), and in particular paragraph 3 of Annex Ia thereto,

Whereas:

- (1) Annex Ia to the ACP-EC Partnership Agreement concerning the multiannual financial framework of co-operation under the ACP-EC Partnership Agreement for the period after the Ninth European Development Fund (EDF) states that the European Union shall maintain its aid effort to ACP States under the ACP-EC Partnership Agreement at least at the same level as that of the Ninth EDF, also adding the effects of inflation, growth within the EU and enlargement to 10 new Member States in 2004, but does not specify the exact period covered (five or six years), the amount or the financing instrument (general budget or new EDF).
- (2) At the conclusion of the negotiations on the revision of the ACP-EC Partnership Agreement in Brussels on 23 February 2005, the EU undertook to propose a precise amount and the application period as soon as possible.
- (3) The European Council of 16 December 2005 decided on the exact period to be covered (six years), the amount (EUR 22 682 million at current prices) and the financing instrument (10th EDF).

- (4) The ACP Group of States should remain eligible for additional resources under other financial instruments as laid down in the respective instruments in accordance with Declaration XV annexed to the ACP-EC Partnership Agreement. When the ACP Group of States via the EDF contribute to international or inter-regional initiatives from the EDF, the visibility of this contribution should be ensured,

HAS DECIDED AS FOLLOWS:

Article 1

The modifications 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, set out in the Annex to this Decision, are approved by the ACP-EC Council of Ministers.

Article 2

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

Done at Port Moresby, 2 June 2006.

For the ACP-EC Council of Ministers
The President
O. ROJAS

⁽¹⁾ OJ L 317, 15.12.2000, p. 3.

⁽²⁾ OJ L 209, 11.8.2005, p. 26.

ANNEX

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

'ANNEX *Ib*

Multiannual financial framework for the period 2008 to 2013

1. For the purposes set out in this Agreement and for a period starting on 1 January 2008, the overall amount of the financial assistance for the ACP Group of States within this multiannual financial framework shall be EUR 23 966 million, as specified in points 2 and 3.
2. The sum of EUR 21 966 million under the 10th European Development Fund (EDF), shall be made available on entry into force of the multiannual financial framework. It shall be allocated between the instruments of cooperation as follows:
 - (a) EUR 17 766 million to finance national and regional indicative programmes. This allocation will be used to finance:
 - (i) the national indicative programmes of the ACP Group of States in accordance with Articles 1 to 5 of Annex IV to this Agreement concerning implementation and management procedures;
 - (ii) the regional indicative programmes of support for regional and inter-regional cooperation and integration of ACP Group of States in accordance with Articles 6 to 11, 13(1) and 14 of Annex IV to this Agreement concerning implementation and management procedures;
 - (b) EUR 2 700 million to finance intra-ACP and inter-regional cooperation with many or all of the ACP Group of States, in accordance with Articles 12, 13(2) and 14 of Annex IV to this Agreement concerning implementation and management procedures. This envelope shall include structural support to the joint institutions: the CDE and the CTA referred to and supervised in accordance with the rules and procedures set out in Annex III to this Agreement, and the Joint Parliamentary Assembly referred to in Article 17 of this Agreement. This envelope shall also cover assistance for the operating expenditures of the ACP Secretariat referred to in points 1 and 2 of Protocol 1 attached to this Agreement;
 - (c) EUR 1 500 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, comprising an additional contribution of EUR 1 100 million to the resources of the Investment Facility, managed as a revolving fund, and EUR 400 million under the form of grants for the financing of the interest rate subsidies provided for in Articles 2 and 4 of that Annex over the period of the 10th 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 2 000 million in addition to the 10th EDF shall be made available by the EIB in the form of loans from own resources. 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 2007 or after the date of entry into force of this multiannual financial framework, whichever is the later, balances from the Ninth 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 balances and funds decommitted after the date of entry into force resulting from the system guaranteeing the stabilisation of export earnings from primary agricultural products (STABEX) under the EDFs prior to the Ninth EDF, and the remaining balances and reimbursements of the amounts allocated for the financing of the Investment Facility, excluding the related interest rate subsidies. The funds possibly committed after 31 December 2007 until the entry into force of this Agreement, as referred to above, will be used exclusively to ensure the working ability of the EU administration and to cover the ongoing costs to sustain running projects until the 10th EDF comes into force.

5. The overall amount of this multiannual financial framework shall cover the period from 1 January 2008 to 31 December 2013. The funds of the 10th EDF, apart from amounts allocated to the Investment Facility, excluding the related interest subsidies, shall no longer be committed beyond 31 December 2013, unless the Council of the European Union decides otherwise by unanimity, on a proposal from the Commission.
 6. The Committee of Ambassadors, acting on behalf of the ACP-EC 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 will 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 will be undertaken on the basis of a proposal prepared by the Commission in 2010. It shall contribute to a decision on the amount of the financial cooperation after 2013.
 8. Any Member State may provide the Commission or the EIB with voluntary contributions to support the objectives of the ACP-EC 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 at the national level of such initiatives must be guaranteed.'
-

DECLARATIONS

Declarations concerning the multiannual financial framework for the period 2008 to 2013 agreed at the 31st session of the ACP-EC Council of Ministers Port Moresby, Papua New Guinea 1 and 2 June 2006

1. *EPAs*: EU Declaration:

The Economic Partnership Agreements, as development instruments, aim to foster smooth and gradual integration of the ACP States into the world economy, especially by making full use of the potential of regional integration and South-South trade.

The Commission reconfirms the importance of further steps towards coherent regional integration and sectoral policy reforms, and that the gradually arising needs from the implementation of EPAs will be taken into account in the programming dialogue with the ACP on the end of term review of the Ninth EDF and on the resources of the 10th EDF, covering the time period after the entry into force on 1 January 2008.

Moreover, the European Union recalls its commitments to substantially increase Aid for Trade by 2010 in addition to the EDF resources.

2. *Decommitted funds*: Community Declaration:

Based on the performance review in 2010 and a proposal by the Commission, the Council of the European Union will consider a decision by unanimity on the transfer of any funds decommitted from ACP projects funded out of the Ninth and previous EDFs into the reserves of the 10th EDF. Given the important development objectives pursued by EPAs, the Council of the European Union will, in its consideration, also pay attention to giving further support to structural adjustment costs and other development needs in the implementation of EPAs.

3. *Interest subsidies*: Community Declaration:

Acknowledging the high adaptation costs to which the sugar protocol countries are confronted as a result of the EC sugar reforms, the EIB shall endeavour to direct part of the resources of the investment facility and of its own resources towards investments in the sugar sector of the ACP sugar protocol countries. An amount of up to EUR 100 million shall be mobilised where applicable and on the basis of the eligibility criteria set out in Annex II to the Cotonou Agreement from the envelope for grants for the financing of the interest subsidies foreseen in paragraph 2(c) of Annex I(b) to the Cotonou Agreement.
