



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.4.2006
COM(2006)185 final

Proposal for a

COUNCIL DECISION

on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision to reassign part of the reserve of the 9th European Development Fund (EDF) envelope for long-term development

(presented by the Commission)

EXPLANATORY MEMORANDUM

The European Community plays an active part in the formulation and implementation of new initiatives to aid developing countries. Such initiatives in favour of the ACP countries make a significant contribution to poverty reduction, the main objective of both the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000 and the Community's development policy.

Since the initial programming of the 9th EDF regional allocation, new initiatives have been developed to meet specific needs arising from the ACP countries' existing priorities and from the priorities set by the EU in the context of its development policy, in particular intra-ACP cooperation, which benefits many or all ACP States.

The amount initially allocated to intra-ACP cooperation under the 9th EDF (EUR 300 million) has proved to be too little to cover these new initiatives. Once the reserve for regional cooperation was exhausted, in addition to regular transfers of the unexpended balances of the previous Funds (6th, 7th and 8th EDFs), the reserve of 9th EDF envelope for long-term development had to be mobilised several times in order to increase the intra-ACP appropriation (also done by drawing on the conditional sum of EUR 1 billion of the 9th EDF total that was initially set aside), which now stands at EUR 2 573 million.

This amount is fully committed and no regional or intra-ACP reserve remains available to finance new initiatives.

In these circumstances, in accordance with paragraph 8 of Annex I, the Financial Protocol to the ACP-EC Partnership Agreement, the ACP-EC Council of Ministers may take appropriate measures when the resources provided for in any of the instruments of the Agreement are exhausted.

The Commission therefore proposes, subject to the agreement of the Council, that the ACP-EC Council of Ministers adopt the attached decision providing for the transfer of EUR 110 million from the reserve of the 9th EDF envelope for long-term development to the appropriation for intra-ACP cooperation within the framework of the envelope for regional cooperation. This total amount will be assigned as follows:

- EUR 70 million for the EU-Africa Partnership for Infrastructure, of which EUR 60 million for a trust fund to be managed by the European Investment Bank (EIB) and EUR 10 million to finance preparatory actions and studies for the Africa infrastructure plan;
- some EUR 20 million to promote the integration of the ACP states in world trade, of which some EUR 10 million for increasing Community support for the multilateral initiative, "the integrated framework", and about EUR 10 million for continuing the Community project to help the ACP States participate more actively in the World Trade Organisation (WTO);
- some EUR 20 million for various actions such as the financing of a sugar research project to underpin measures to accompany reform in countries covered by the sugar protocol (about EUR 9 million), the creation of a Erasmus Mundus "window" for the ACP States (about EUR 5 million), support for the trust fund of the African Union's African Peer Review Mechanism (about EUR 2 million) and support for UN-HABITAT's participatory programme to upgrade slums in ACP countries (about EUR 4 million);

For these reasons, the Commission proposes that the Council adopt the attached decision on the use of the reserve of the 9th EDF envelope for long-term development.

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on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision to reassign part of the reserve of the 9th European Development Fund (EDF) envelope for long-term development

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 310 in conjunction with Article 300(2), second indent thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Article 15 of the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005 establishes an ACP-EC Council of Ministers with powers to take decisions in accordance with the Agreement, and paragraph 8 of Annex I authorises it to take appropriate measures if the funds provided for in any of the instruments of the Agreement are exhausted.
- (2) The funds of the 9th EDF envelope for regional cooperation and integration are exhausted. The Community's position within the ACP-EC Council of Ministers should therefore be established with a view to adoption of a decision to reassign part of the reserve of the 9th EDF envelope for long-term development to the benefit of the appropriation intended for intra-ACP cooperation within the framework of the envelope relating to regional cooperation,

HAS DECIDED AS FOLLOWS:

Article 1

The Community shall take the following position within the ACP-EC Council of Ministers on the use of the reserve of the long-term development envelope of the 9th European Development Fund, based on the attached draft decision of the ACP-EC Council of Ministers.

Minor changes may be made to this draft decision without a new Council Decision being necessary.

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION OF THE ACP-EC COUNCIL OF MINISTERS

on reassigning part of the reserve of the long-term development envelope of the 9th European Development Fund

THE ACP-EC COUNCIL OF MINISTERS,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States (hereinafter referred to as the "ACP States") of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000¹ and revised in Luxembourg on 25 June 2005² (hereinafter referred to as "the ACP-EC Partnership Agreement"), and in particular paragraph 8 of Annex I thereto,

Whereas:

- (1) The funds available for regional cooperation and the integration are committed.
- (2) Additional resources should be allocated to help set up an EU-Africa Partnership for Infrastructure that will facilitate interconnectivity on a continental scale and promote regional integration.
- (3) Additional resources should be allocated to better integrate the ACP states in international trade in follow-up to the actions already carried out by the European Community.
- (4) Additional resources should be allocated to support sugar research designed to underpin existing measures to accompany reform in countries covered by the sugar protocol.
- (5) Additional resources should be allocated to enable the ACP states to take advantage of the ERASMUS MUNDUS programme.
- (6) Additional resources should be allocated to support the African Union's African Peer Review Mechanism aimed at encouraging political stability, economic growth and sustainable development.
- (7) Additional resources should be allocated for action plans to upgrade slums in specific areas of the ACP countries.

¹ OJ L 317, 15.12.2000, p.3.

² OJ L 287, 28.10.2005, p.4.

HAS DECIDED AS FOLLOWS:

Article 1 - Intra-ACP cooperation under the envelope for regional cooperation and regional integration

An amount of €110 million shall be transferred from the reserve of the long-term development envelope of the 9th EDF to the allocation for intra-ACP cooperation within the regional cooperation envelope, in accordance with the objectives set out in Articles 28, 29 and 30 of the ACP-EC Partnership Agreement. This amount can be used for the following purposes:

- 1.1 Setting-up an EU-Africa Partnership for Infrastructure (EUR 70 million): a contribution of EUR 60 million for a trust fund to be managed by the European Investment Bank (EIB) and EUR 10 million to finance preparatory actions and studies for the infrastructure plan in Africa;
- 1.2 Promoting the integration of the ACP states in world trade (up to EUR 20 million): up to EUR 10 million for stepping up Community support for the multilateral initiative, "the integrated framework", and up to EUR 10 million for continuing the Community project to help the ACP States participate more actively in the World Trade Organisation (WTO);
- 1.3 Finance the following actions in favour of many or all ACP States (up to EUR 20 million): the financing of a sugar research project to underpin measures to accompany reform in countries covered by the sugar protocol (up to EUR 9 million), the creation of a ERASMUS MUNDUS "window" for the ACP States (up to EUR 5 million), support for the trust fund of the African Union's African Peer Review Mechanism (up to EUR 2 million) and support for UN-HABITAT's participatory programme to upgrade slums in ACP countries (up to EUR 4 million);

Article 2 – Request for support

In accordance with Article 13(2) of the Annex IV of the ACP-EC Partnership Agreement, the ACP-EC Council of Ministers invites the Commission to finance the actions foreseen in Article 1.

Article 3 – Entry into force

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

Done at

*For the ACP-EC Council of Ministers
The President*