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2015/0246 (NLE)

Proposal for a

## **COUNCIL DECISION**

**on the financial contributions to be paid by Member States to finance the European Development Fund in 2015, including the third instalment for 2015**

## **EXPLANATORY MEMORANDUM**

Even though the 11<sup>th</sup> European Development Fund<sup>1</sup> (EDF) has entered into force, the new procedure concerning Member States' contributions as set out in Articles 21-24 of Council Regulation (EU) 2015/323 on the financial regulation applicable to the 11<sup>th</sup> European Development Fund<sup>2</sup> will apply for the first time for the first 2016 instalment. Article 63 of Council Regulation (EU) 2015/323 stipulates that the procedure concerning Member States' contributions laid down in its Articles 21 to 24 shall apply for the first time with regard to the contributions of the year  $N + 2$ <sup>3</sup>, provided that the 11<sup>th</sup> EDF Internal Agreement enters into force after the year  $N$  (1 March 2015 =  $N+1$ ), so those articles will apply for the  $N+2$  (1<sup>st</sup> call of contributions 2016). Until that date, the European Commission is still referring to the 10<sup>th</sup> EDF Financial Regulation<sup>4</sup>, Articles 57-61, for matters related to Member States' contributions.

As a consequence, and in accordance with Article 57(5) of the 10<sup>th</sup> EDF Financial Regulation, the present proposal covers:

- the amount of the third instalment of the contribution for 2015.

In accordance with Article 57(7) of the 10<sup>th</sup> EDF Financial Regulation, the amount managed by the Commission and the amount managed by the European Investment Bank (EIB) are specified separately.

In accordance with Article 145 of the 10<sup>th</sup> EDF Financial Regulation, the EIB has sent the Commission its updated estimates of commitments and payments under the instruments it manages.

In accordance with Article 58(2) of the Financial Regulation, calls for contributions should first use up the amounts available from previous EDFs, one after the other. The calls for contributions in this proposal, therefore, concern amounts under the 10<sup>th</sup> EDF for both the EIB and the Commission.

In accordance with Article 57(5) of the 10<sup>th</sup> EDF Financial Regulation, the Council must decide on this proposal at the latest 21 calendar days following the presentation by the Commission of its proposal and Member States must pay the third instalment at the latest 21 calendar days following the date on which the Council decision was notified to them.

In accordance with Article 1, second subparagraph of Council Decision 2013/759/EU regarding transitional EDF management measures from 1 January 2014 until the entry into force of the 11<sup>th</sup> European Development Fund ('Bridging Facility')<sup>5</sup>, the shares of Member States' contributions set out in Article 1(2)(a) of the Internal Agreements of the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> EDF shall be reduced accordingly, after the entry into force of the 11<sup>th</sup> EDF Internal Agreement. The reduction will have an impact in 2015, 2016 and 2017 Member States'

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<sup>1</sup> Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the functioning of the European Union applies, OJ L 210, 6.8.2013.

<sup>2</sup> OJ L 58, 3.3.2015, p. 17.

<sup>3</sup> Article 63 of Council Regulation (EU) 2015/323 reads: "*The procedure concerning Member States' contributions laid down in Articles 21 to 24 of this Regulation shall apply for the first time with regard to the contributions of the year  $N + 2$ , provided that the Internal Agreement enters into force between 1 October of year  $N$  and 30 September of year  $N + 1$ .*"

<sup>4</sup> Council Regulation (EC) 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10<sup>th</sup> European Development Fund, OJ L 78, 19.3.2008, p.1.

<sup>5</sup> OJ L 335, 14.12.2013, p. 48.

contributions to the Commission according to the option for adjustment chosen by each Member State.

Article 60(1) of the 10<sup>th</sup> EDF Financial Regulation provides that a Member State which fails to pay the instalment of the contribution due by the deadline will be required to pay interest on the amount unpaid; the arrangements for the payment of interest are specified in the same Article.

Proposal for a

## **COUNCIL DECISION**

### **on the financial contributions to be paid by Member States to finance the European Development Fund in 2015, including the third instalment for 2015**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies<sup>6</sup>, ("the 10<sup>th</sup> EDF Internal Agreement") and in particular Article 7 thereof,

Having regard to the Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10<sup>th</sup> European Development Fund (hereinafter referred to as "the 10<sup>th</sup> EDF Financial Regulation")<sup>7</sup>, and in particular Article 57(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In accordance with the procedure laid down in Articles 57 to 61 of the 10<sup>th</sup> EDF Financial Regulation, the Commission is presenting a proposal by 10 October specifying (a) the amount of the third instalment of the contribution for 2015, and (b) a revised annual amount of the contribution for the year 2015 in line with actual needs, in case where, in accordance with Article 7(3) of the 10<sup>th</sup> EDF Internal Agreement, the annual amount deviates from actual needs,
- (2) In accordance with the first paragraph of Article 145 of the 10<sup>th</sup> EDF Financial Regulation, the European Investment Bank has sent the Commission its updated estimates of commitments and payments under the instruments it manages,
- (3) Article 58(2) of the 10<sup>th</sup> EDF Financial Regulation provides that calls for contributions first use up the amounts provided for previous EDFs. Therefore a call for funds under the 10<sup>th</sup> EDF should be made,
- (4) In accordance with Article 1, second subparagraph of Council Decision 2013/759/EU regarding transitional EDF management measures from 1 January 2014 until the entry into force of the 11<sup>th</sup> European Development Fund ('Bridging Facility')<sup>8</sup>, the shares of Member States' contributions set out in Article 1(2)(a) of the Internal Agreements of the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> EDF shall be reduced accordingly, after the entry into force of the 11<sup>th</sup> EDF Internal Agreement. The reduction will have an impact in 2015, 2016 and

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<sup>6</sup> OJ L 210, 6.8.2013, p. 1

<sup>7</sup> OJ L 78, 19.3.2008, p. 1, as last amended on 11 April 2011, OJ L 102, 16/04/2011, p. 1

<sup>8</sup> OJ L 335, 14.12.2013, p. 48.

2017 Member States' contributions according to the option for adjustment chosen by each Member State.

- (5) The Council has adopted on 10 November 2014<sup>9</sup>, on a proposal made by the Commission, the decision to fix at EUR 3 400 000 000 the Commission's share and at EUR 200 000 000 the EIB's share of the Member States contributions to the EDF for 2015,
- (6) Following the request of both the Commission and the EIB, the total amount for 2015 respects the ceiling amended by the Council on the 6 June 2015<sup>10</sup> of EUR 3.400.000.000 in total, with the share for the Commission of EUR 3 200 000 000 and EUR 200 000 000 for the EIB's share.

HAS ADOPTED THIS DECISION:

#### *Article 1*

The individual EDF contributions to be paid by the Member States to the Commission as the third instalment for 2015 are set out in the table in the Annex 1a.

Payments of those contributions may be combined with adjustments under the implementation of the deduction of the funds committed under Council Decision 2013/759/EU regarding transitional EDF management measures from 1 January 2014 until the entry into force of the 11<sup>th</sup> European Development Fund, as set out in Annex 2c, following an adjustment plan communicated by each Member State to the Commission.

#### *Article 2*

This Decision shall apply from the date of its adoption.

#### *Article 3*

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council*  
*The President*

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<sup>9</sup> Interinstitutional File 2014/0298(NLE), Document Number 14565/14

<sup>10</sup> Interinstitutional File 2015/0132(NLE), Document Number 10257/15