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2017/0274 (NLE)

Proposal for a

COUNCIL DECISION

on the financial contributions to be paid by Member States to finance the European Development Fund, including the ceiling for 2019, the annual amount for 2018, the first instalment for 2018 and an indicative and non-binding forecast for the expected annual amounts of contributions for the years 2020 and 2021

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The proposal covers:

- The ceiling for the annual amount of the contributions for 2019;
- The annual amount of the contributions for 2018;
- The amount of the first instalment of the contribution for 2018.
- Non-binding forecast for the expected annual amounts for the years 2020 and 2021.

The 11th European Development Fund (EDF) and other EDF funds which are still open (i.e. Eighth, Ninth and 10th EDF) are managed under the following set of rules:

- The current Partnership Agreement between the members of the African, Caribbean and Pacific Group of States on one side, and the European Community and its Member States on the other side (The 'ACP-EU Partnership Agreement') as last amended¹.
- The Internal Agreement between the Representatives of the Governments of the Member States of the European Union, 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 applies² (the 11th EDF 'Internal Agreement').
- Council Regulation (EU) 2015/323 on the Financial Regulation applicable to the 11th European Development Fund³ ("the 11th EDF Financial Regulation").

The documents mentioned above contain multi-annual commitments by Member States to support financially the EDF treasury. The 11th EDF Financial Regulation provides for regular contributions to be made by Member States to the EDF treasury against pre-determined financial commitments. Regular contributions are triggered by technical Council Decisions which reflect the implementation of financial commitments previously decided.

Some of the headings in the explanatory memorandum are therefore not applicable to regular contribution calls such as this one.

• Consistency with existing policy provisions in the policy area

Refer to point 1. Reasons for and objectives of the proposal.

• Consistency with other Union policies

Refer to point 1. Reasons for and objectives of the proposal.

¹ OJ L 317, 15.12.2000, p. 3

² OJ L 210, 6.8.2013, p. 1

³ OJ L 58, 3.3.2015, p. 17-38

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

In accordance with Article 21(7) of the 11th 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 52 of the 11th 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 22(1) of the 11th Financial Regulation calls for contributions shall 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 10th EDF for the EIB and amounts under the 11th EDF for the European Commission.

In accordance with Article 21(2) of the 11th EDF Financial Regulation, the Council shall decide on that proposal by 15 November.

In accordance with Article 2 of Council Decision (EU) 2017/1206⁴, the shares of Member States' contributions set out in Article 1(2) (a) of the Internal Agreements of the Eighth and Ninth EDF shall be reduced. The reduction shall be implemented against the third instalment 2017 and/or the first instalment 2018 Member States' contributions according to the option for adjustment chosen by each Member States.

Article 23(1) of the 11th 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.

- **Subsidiarity (for non-exclusive competence)**

Refer to point 1. Reasons for and objectives of the proposal.

- **Proportionality**

Refer to point 1. Reasons for and objectives of the proposal.

- **Choice of the instrument**

Refer to point 1. Reasons for and objectives of the proposal.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not relevant

- **Stakeholder consultations**

Not relevant

⁴ OJ L 173/15, 06.07.2017.

- **Collection and use of expertise**

Not relevant

- **Impact assessment**

Not relevant

- **Regulatory fitness and simplification**

Not relevant

- **Fundamental rights**

Not relevant

4. BUDGETARY IMPLICATIONS

Not relevant

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not relevant

- **Explanatory documents (for directives)**

Not relevant

- **Detailed explanation of the specific provisions of the proposal**

Not relevant

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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 Council Regulation (EU) 2015/323 of 2 March 2015 on the Financial Regulation applicable to the 11th European Development Fund⁵ ("the 11th EDF Financial Regulation"), and in particular Article 21(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In accordance with the procedure laid down in Article 21(2) of the 11th EDF Financial Regulation, the Commission shall present a proposal by 15 October 2017 specifying (a) the ceiling for the annual amount of the contribution for 2019; (b) the annual amount of the contribution for 2018; (c) the amount of the first instalment of the contribution for 2018; and (d) an indicative, non-binding forecast for the expected annual amounts of contributions for the years 2020-2021.
- (2) In accordance with Article 52 of the 11th EDF Financial Regulation, the European Investment Bank sent on 4 September 2017 to the Commission its updated estimates of commitments and payments under the instruments it manages.
- (3) Article 22(1) of the 11th EDF Financial Regulation provides that calls for contributions first use up the amounts provided for in previous EDFs. Therefore a call for funds under the 10th EDF for the EIB and 11th EDF for the Commission should be made.
- (4) Council Decision (EU) 2016/2026, of 15 November 2016 on the financial contribution to be paid by Member States to finance the European Development Fund, including the ceiling for 2018, the annual amount for 2017, the first instalment for 2017 and an indicative and non-binding forecast for the expected annual amounts for the years 2019 and 2020⁶ has set out the ceiling for the annual amount of the Member States' EDF contributions for 2018 at EUR 4 550 000 000 for the Commission, and at EUR 250 000 000 for the EIB.
- (5) Council Decision (EU) 2017/1206 of 4 July 2017 on the financial contribution to be paid by Member States to finance the European Development Fund, including the

⁵ OJ L 58, 3.3.2015, p. 17.

⁶ OJ L 313, 19.11.2016, p. 25.

second instalment for 2017⁷ has established a reduction of contribution from the Eighth and Ninth EDF decommitted funds for an amount of EUR 200 000 000.

HAS ADOPTED THIS DECISION:

Article 1

The ceiling for the annual amount of the Member States' EDF contributions for 2019 is hereby set at EUR 4 900 000 000. It shall be divided into EUR 4 600 000 000 for the Commission, and EUR 300 000 000 for the EIB.

Article 2

The annual amount of the Member States' EDF contributions for 2018 is hereby set at EUR 4 800 000 000. It shall be divided into EUR 4 550 000 000 for the Commission, and EUR 250 000 000 for the EIB.

Article 3

The individual European Development Fund contributions to be paid by the Member States to the European Commission and the European Investment Bank as the first instalment for 2018 are set out in the table in the Annex to this Decision.

Payments of those contributions may be combined with adjustments under the implementation of the reduction of contributions for an amount of EUR 200 000 000 from decommitted funds under the Eighth and Ninth EDF, following an adjustment plan communicated by each Member State.

Article 4

The indicative non-binding forecast for the expected annual amount of contributions for 2020 is hereby set at EUR 4 600 000 000 for the Commission and at EUR 300 000 000 for the EIB, and that for 2021 at EUR 4 700 000 000 for the Commission and 300 000 000 for the EIB.

Article 5

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

Done at Brussels,

For the Council
The President

⁷ OJ L 173, 6.7.2017, p. 15.