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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	3 October 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2024) 434 final
Subject:	Proposal for a COUNCIL DECISION on the financial contributions to be paid by the parties to the European Development Fund as a third instalment for 2024

Delegations will find attached document COM(2024) 434 final.

Encl.: COM(2024) 434 final

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Brussels, 3.10.2024
COM(2024) 434 final

2024/0239 (NLE)

Proposal for a

COUNCIL DECISION

on the financial contributions to be paid by the parties to the European Development Fund as a third instalment for 2024

EN EN

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• **Reasons for and objectives of the proposal**

The proposal concerns a Council Decision on the third instalment of the financial contributions to the 11th European Development Fund to be paid by parties to the European Development Fund ('EDF') in 2024.

The 11th EDF and other EDF funds that are still open (that is to say the 9th and 10th EDF) are managed under the following set of rules:

(a) 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 applies[1] (the 11th EDF 'Internal Agreement');

(b) Council Regulation (EU) 2018/1877 on the Financial Regulation applicable to the 11th European Development Fund[2] (the '11th EDF Financial Regulation').

(c) Council Decision (EU) 2020/2233 concerning the commitment of the funds stemming from reflows under the ACP Investment Facility from operations under the 9th, 10th and 11th European Development Funds[3];

(d) Council Decision (EU) 2022/1223[4] concerning the allocation of funds de-committed from projects under the 10th and 11th European Development Funds for the purpose of financing actions addressing the food security crisis and economic shock in African, Caribbean and Pacific (ACP) countries following Russia's war of aggression against Ukraine.

The documents referred to in points (a) to (d) contain multi-annual commitments by the parties to support the EDF treasury financially. The 11th EDF Financial Regulation provides for regular contributions to be made by the parties to the EDF treasury against pre-determined financial commitments. Regular contributions are triggered by technical Council Decisions that 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.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• **Legal basis**

In accordance with Article 19(5) of the 11th EDF Financial Regulation, the Council must decide on this proposal at the latest 21 calendar days following the presentation, by the European Commission acting on behalf of the European Union, of this proposal.

[1] OJ L 210, 6.8.2013, p. 1
[2] OJ L 307, 3.12.2018, p. 1-21
[3] OJ L 437, 28.12.2020, p.188-191
[4] OJ L 188 du 15.7.2022, p. 147

2024/0239 (NLE)

Proposal for a

COUNCIL DECISION

on the financial contributions to be paid by the parties to the European Development Fund as a third instalment for 2024

THE COUNCIL OF THE EUROPEAN UNION,

Having regard 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 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 applies[5] and in particular Article 7(2) in conjunction with Article 14(3) thereof,

Having regard to the Council Regulation (EU) 2018/1877[6] of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323[7] , and in particular Article 19(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) In accordance with Article 46 of Council Regulation (EU) 2018/1877, the European Investment Bank (‘EIB’) is to send to the Commission its updated estimates of commitments and payments under the instruments it manages.

(2) In accordance with Article 19(5) of Council Regulation (EU) 2018/1877, the Commission is to present a proposal by 10 October 2024 specifying the amount of the third instalment of the contribution for 2024.

(3) Pursuant to Article 20(1) of Council Regulation (EU) 2018/1877 calls for contributions are to first use up the amounts provided for in previous European Development Funds (‘EDF’). Therefore, a call for funds pursuant to Regulation (EU) 2018/1877, for the EIB and for the Commission should be made.

(4) Pursuant to Article 152 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (‘the withdrawal agreement’), the United Kingdom of Great Britain and Northern Ireland (the ‘United Kingdom’) is to remain party to the EDF until the closure of the 11th EDF and all previous unclosed EDFs. However, pursuant to Article 153 of the withdrawal agreement the United Kingdom’s share in

[5] OJ L 210, 6.8.2013, p.1

[6] OJ L 307, 3.12.2018, p.1

[7] OJ L 58, 3.3.2015, p.17-38

decommitted funds from projects under the 11th EDF, where those funds have been decommitted after 31 December 2020, or previous EDFs are not to be reused.

(5) Council Decision (EU) 2023/2586[8] , sets the annual amount of the contribution to be paid by the parties to the EDF for 2024 at EUR 1 200 000 000[9] for the Commission, and at EUR 300 000 000 for the European Investment Bank.

(6) In order to allow for the prompt application of the measures provided for in this Decision, this Decision should enter into force on the day of its publication in the Official Journal of the European Union,

HAS ADOPTED THIS DECISION:

Article 1

The amount of the contributions to be paid by the parties to the European Development Fund as a third instalment for 2024 is hereby set at EUR 350 000 000. It shall be paid as follows :

(a) for the Commission, EUR 250 000 000 and

(b) for the European Investment Bank (EIB), EUR 100 000 000.

Article 2

The individual European Development Fund contributions shall be paid by the parties to the European Development Fund to the Commission and the European Investment Bank as the third instalment for 2024, in accordance with the Annex.

Article 3

This Decision shall enter into force on the date of its publication in the Official Journal of the European Union.

Done at Brussels,

For the Council
The President

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8 COUNCIL DECISION (EU) 2023/2586 of 13 November 2023 on the financial contributions to be paid by the parties to the European Development Fund to finance that fund, specifying the ceiling for 2025, the annual amount for 2024, the amount of the first instalment for 2024 and an indicative, non-binding forecast for the expected annual amounts of contributions for the years 2026 and 2027.

9 Council Regulation (EU) 2018/1877 of 26 November 2018 on the Financial Regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p.1.), Art. 20(5):“Where negative interest is applied to the account referred to in paragraph 3 of this Article, the Member State concerned shall, at the latest on the date of payment of each instalment referred to in Article 19, credit the account with an amount corresponding to the amount of such negative interest applied until the first day of the month preceding the payment of the instalment.’