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"I/A" ITEM NOTE

From:	ACP Working Party
To:	Permanent Representatives Committee (Part 2)/Council
No. Cion doc.:	14081/13 - COM(2013) 660 final
Subject:	Draft Council Regulation on the financial regulation applicable to the 11th European Development Fund - Adoption

1. On 24 and 26 June 2013 Member States of the European Union signed the Internal Agreement establishing the 11th European Development Fund¹. This Agreement is to enter into force on the first day of the second month following the notification of its ratification by the last Member State. The ratification procedures of the Internal Agreement are currently underway.
2. Article 10(2) of the Internal Agreement provides that a Financial Regulation shall be adopted by the Council, acting by a qualified majority as laid down in Article 8 of the Internal Agreement, on the basis of a proposal from the Commission and after an opinion has been delivered by the EIB on those provisions concerning it, and by the Court of Auditors.

¹ 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 (OJ L 210, 6.8.2013, p.1).

3. On 25 September 2013 the Commission submitted to the Council a proposal for a Council Regulation on the financial regulation applicable to the 11th European Development Fund².
4. On 2 December 2013 the European Investment Bank delivered its opinion³.
5. The Court of Auditors delivered its opinion on 20 November 2013⁴.
6. The ACP Working Party amended the Commission proposal and agreed on the text on 24 January 2014.
7. Against that background, COREPER is invited to confirm the agreement and to recommend that the Council, as an "A" item on its agenda:
 - adopt, following the entry into force of the Internal Agreement establishing the 11th European Development Fund and acting by the qualified majority provided for in Article 8 of this Agreement, the Regulation as set out in document 10178/14 after finalisation by the legal/linguistic experts;
 - order that the statement by the Commission set out in the annex to this note be entered in the minutes of the Council's meeting.

² Doc. 14081/13.
³ Doc. 17219/13.
⁴ OJ C 370, 17.12.2013, p. 1.

Commission statement on the use of EU trust funds

Union trust funds for thematic actions shall only be created if they are embedded in a coherent policy framework and if the intention of other donors to co-finance the trust fund is demonstrated.

The creation of Union trust funds for thematic actions shall be duly justified in terms of added value of the Union and additionality when compared to other existing funding channels, such as other types of financing in the EDF, and also with regard to the existence of comparable trust funds managed by international organisations.
