



EUROPEAN
COMMISSION

Brussels, 3.9.2025
COM(2025) 599 final

2025/0264 (CNS)

Proposal for a

COUNCIL DECISION

amending Decision (EU) 2021/1764 on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

{SWD(2025) 625 final} - {SWD(2025) 626 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Reasons for and objectives of the proposal

This proposal is made in the context of the multiannual financial framework (MFF) 2028-2034. The Communication ‘Dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034’¹ sets the political ambition to deliver on the Union’s priorities while acting with strength and unity on the global stage over the next decade.

One such priority is stepping up support under the Council Decision on the association of the Overseas Countries and Territories with the European Union, including relations between the European Union on one hand, and Greenland and the Kingdom of Denmark on the other (Decision on Overseas Association, including Greenland – DOAG)², for which the Commission proposes an amendment (see below).

The thirteen European Union (EU) Overseas Countries and Territories (OCTs)³ are all islands⁴, located in the Arctic, the Atlantic, the Caribbean, the Indian Ocean, and the Pacific⁵, with a combined population of approximately one million people. All of them have their Exclusive Economic Zones (EEZs) that, combined, constitute the world's largest EEZ, covering over 15 million square kilometres.

The OCTs are associated with the EU and constitutionally linked to Denmark (Greenland), France (six OCTs) and the Netherlands (six OCTs), on which they depend to varying degrees as non-sovereign countries or territories. Most OCTs enjoy wide-ranging autonomy, covering areas such as economic affairs, public health, home affairs and customs. Defence and foreign affairs usually remain within the remit of the respective EU Member States.

The OCTs are part of the related EU Member States, but not part of the EU (unlike the EU’s outermost regions⁶). Even if they are not part of the EU, they cannot be considered third countries either⁷ (see also below).

They do not form part of the single market and the Schengen area and are not bound by the EU’s *acquis*. They are subject to their own legislation in accordance with the respective distribution of competences with their EU Member States. However, the citizens of the OCTs are EU citizens (via their citizenship of the related EU Member States) with full citizens’ rights throughout the EU⁸.

¹ COM/2025/570

² Council Decision (EU) 2021/1764 of 5 October 2021.

³ Following the UK’s withdrawal from the EU on 31 January 2020, 12 UK OCTs left the association with the EU.

⁴ Except Adélie Land, one of the territories within the French Southern and Antarctic Lands (FSAL/TAAF), which is located in the content of Antarctic.

⁵ Atlantic: Saint Pierre and Miquelon (FR); Indian Ocean: French Southern and Antarctic Lands – FSAL/TAAF (FR); Arctic: Greenland (DK); Caribbean: Aruba, Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten (all six NL), and Saint Barthélemy (FR); Pacific: French Polynesia, New Caledonia, Wallis and Futuna (FR).

⁶ The EU’s outermost regions (nine islands), linked to France, Spain, and Portugal, are an integral part of the EU: Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and St Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain).

⁷ The association partnership between the OCTs and the EU dates back to the Treaty of Rome (1957) and is enshrined in Part IV of the Treaty of the Functioning of the EU (TFEU – Articles 198 to 204).

⁸ The citizens of the OCTs, except for those permanently residing in Greenland, have the right to vote in the European Parliament elections.

The current legal framework is established by the Decision on the Overseas Association, including Greenland (DOAG)⁹. It provides a single legal basis for all the OCTs with a dedicated budget chapter.

DOAG merges the former Greenland Decision¹⁰ with the last Overseas Association Decision (OAD)¹¹ as part of the simplification effort under the 2021-2027 MFF to reduce the number of external financing instruments, thereby streamlining their architecture and performance. The merge was also driven by the end of the European Development Fund (EDF) that provided financing to the OCTs other than Greenland (for the bilateral envelope). Greenland has a specific place in DOAG, notably because of its historical ties with the EU¹² and the uniqueness of the partnership.

DOAG is based on three pillars: dialogue, trade and financial cooperation. It provides for the institutional framework of the partnership, specifies unilateral trade preferences, and sets rules for effective programme implementation to pursue the objectives of the partnership.

Unlike the NDICI – Global Europe¹³ that established a funding instrument (2021-2027), DOAG is a Council Decision that establishes (i) an association of the OCTs with the Union in line with the Treaty provisions, and (ii) a funding programme for the association. Therefore, DOAG is one of the rare basic acts under external action that does not have a sunset clause linked to the duration of the MFF (except for its funding programme).

Different legislative procedures apply to NDICI–Global Europe and DOAG: ordinary legislative procedure and special legislative procedure¹⁴ respectively.

For these reasons, NDICI and DOAG could not be merged and adopted as one package during the 2021-2027 MFF. The same approach will apply for the MFF 2028-2034: a legal proposal for the EU partnership with the OCTs remains separate from Global Europe¹⁵ due to its distinctive legal nature.

The evaluations and other available evidence confirm that the purpose, the objectives, the institutional framework of the association with its areas of cooperation, as well as the trade provisions of the partnership as reflected in DOAG, remain largely relevant and fit for purpose, providing a clear response from the Union to underlying policy goals. However, considering its sunset clause, the funding programme for the association needs to be presented again, including its financial envelope and implementation modalities.

In this context, an amendment of DOAG is proposed under the upcoming MFF. The amendment will focus on the funding programme and other selected DOAG provisions to further develop the strategic dimension and to ensure greater impact while delivering on the objectives of the EU-OCT partnership.

⁹ See footnote 2.

¹⁰ Council Decision 2014/137/EU of 14 March 2014 (financed under the EU budget).

¹¹ Council Decision 2013/755/EU of 25 November 2013 (financed under the EDF, through direct contributions from EU Member States).

¹² Greenland joined the European Economic Community in 1973 through Denmark's membership, but it withdrew in 1985 (following a referendum) after securing Home Rule.

¹³ Regulation (EU) 2021/947 of 9 June 2021 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, pp. 1–78, ELI: <http://data.europa.eu/eli/reg/2021/947/oj>).

¹⁴ The Council acting unanimously on a proposal from the Commission and after consulting the European Parliament (Article 203 of the TFEU).

¹⁵ See footnote 13.

Consistency with existing policy provisions in the policy area

The association partnership between the OCTs and the EU dates back to the Treaty of Rome (1957) and is enshrined in Part IV of the Treaty of the Functioning of the EU (TFEU – Articles 198 to 204). The current rules and procedures of the OCTs-EU association are laid down in the Decision on the Overseas Association, including Greenland (DOAG), which has no end date linked to the duration of the MFF (except for its 2021-2027 funding programme).

The partnership with the OCTs is also referred to in the EU Strategy for Cooperation in the Indo-Pacific¹⁶, the EU's Arctic Policy 'A stronger EU engagement for a peaceful, sustainable and prosperous Arctic'¹⁷, and the 2023 Agenda for Relations between the EU and Latin America and the Caribbean¹⁸. In addition, the Samoa Agreement¹⁹ considers the geostrategic importance of the OCTs for cooperation with the African, Caribbean, and Pacific (ACP) states and provides for their observer status in joint institutions established under the Regional Protocols. The OCTs are also present in the Communication on the EU's outermost regions²⁰.

This stronger strategic importance is maintained in the amended DOAG where the OCTs and their sustainable development needs are part of the EU's response to global challenges. By focusing on the promotion of a green and blue economy, climate change adaptation and mitigation, disaster risk reduction, a secured and trusted digital connectivity, education, food security, as well as tourism and creative industries, the amended DOAG will ensure continuous close alignment with key international frameworks, including the Paris Agreement on Climate Change²¹, the 2030 Agenda for Sustainable Development²², the Sendai Framework for Disaster Risk Reduction (2015-2030)²³, the Kunming-Montreal Global Biodiversity Framework²⁴, the Addis Ababa Action Agenda²⁵, the Istanbul Convention on violence against women²⁶ and the Pact for the Future²⁷.

Consistency with other Union policies

Consistency and complementarity will be ensured among the Union's external financing instruments, in particular between the amended DOAG and Global Europe.

The amended DOAG will support the objectives of the Global Gateway strategy²⁸, the Union's external investment strategy, to help unlock investment opportunities in the OCTs

¹⁶ JOIN (2021) 24 of 16 September 2021.

¹⁷ JOIN (2021) 27 of 13 October 2021.

¹⁸ JOIN (2023) 17 of 7 June 2023.

¹⁹ Partnership Agreement between the European Union and its Member States, of the one part, and the Members of the Organisation of African, Caribbean and Pacific States, of the other part (OJ L, 2023/2862, 28.12.2023, ELI: http://data.europa.eu/eli/agree_international/2023/2862/oj).

²⁰ COM(2022) 198 I of 3 May 2022.

²¹ Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, pp. 1–3, ELI: <http://data.europa.eu/eli/dec/2016/1841/oj>).

²² 'Transforming our world: the 2030 Agenda for Sustainable Development': adopted at the United Nations Sustainable Development Summit on 25 September 2015 (A/RES/70/1).

²³ 'Sendai Framework for Disaster Risk Reduction (DRR)': adopted on 18 March 2015 and endorsed by the United Nations General Assembly on 3 June 2015 (A/RES/69/283).

²⁴ 'The Kunming-Montreal Global Biodiversity Framework': adopted in the fifteenth meeting of the Conference of the Parties (COP 15) to the Convention on Biological Diversity (CBD) on 19 December 2022.

²⁵ 'Addis Ababa Action Agenda of the Third International Conference on Financing for Development', adopted on 16 June 2015 and endorsed by the United Nations General Assembly on 27 July 2015 (A/RES/69/313).

²⁶ 'Council of Europe Convention on preventing and combating violence against women and domestic violence', (CETS No. 210) entered into force on 1 August 2014, <https://www.coe.int/en/web/conventions/full-list?module=treaty-detail&treaty-num=210>.

²⁷ 'The Pact for the Future', adopted by the United Nations General Assembly on 22 September 2024 (A/RES/79/1).

²⁸ Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank 'The Global Gateway' (JOIN (2021) 30 of 21 December 2021).

and help them to integrate more effectively into EU's and global value and supply chains, while advancing the sustainable development goals.

Furthermore, in this framework, consistency and complementarity will also be ensured with the Union's trade and investment, economic cooperation, industrial policies, security and other sectoral cooperation by supporting the external dimension of Union internal policies.

In particular, serving the new foreign economic policy and in synergy with the European Competitiveness Fund²⁹, the amended DOAG will enhance the Union's and OCTs' competitiveness and economic security, in particular by contributing to the sustainability, resilience, security and diversification of value and supply chains, reflecting high standards of responsible business practice, and by increasing economic opportunities.

The presented framework will harness the potential of mutually beneficial partnerships for sustainable development in the Union and in the OCTs alike.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

Legal basis

The association between the EU and the OCTs is enshrined in Part IV of the Treaty on the Functioning of the EU (TFEU – Articles 198-204). The detailed rules and procedures of the association are laid down in DOAG, based on Article 203 of the TFEU, under which such act is adopted in accordance with a special legislative procedure.

Articles 198-204 of the TFEU also apply to Greenland, subject to the specific provisions set out in the Protocol No 34 on special arrangements for Greenland annexed to the TFEU.

Subsidiarity (for non-exclusive competence)

DOAG's added value lies in its ability to address the purpose of the association as defined in Article 198 of the TFEU: *'... to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Union as a whole'* that individual EU Member States (even those having special links with the OCTs) could not achieve on their own.

With increasing global competition, the OCTs assume renewed importance, together with the outermost regions, as strategic outposts of Europe, members of the European family within their respective regions, that bolster the EU's global presence by helping promote EU interests and advance EU values across the four corners of the world.

This stronger strategic importance is also reflected in the amended DOAG where the OCTs and their sustainable development needs are part of the EU's response to global challenges.

The amended DOAG will achieve this by enhancing OCTs' competitiveness, strengthening their resilience, and reducing their economic and environmental vulnerability, while promoting cooperation between them and other partners, including ACP/non-ACP states and territories and the EU's outermost regions, under the umbrella of the Global Gateway strategy. Such action at Union level is considered necessary to ensure the OCTs are effectively integrated into relevant EU's regional and global initiatives and the related value and supply chains, driving sustainable development.

²⁹ Regulation (EU) No.../... of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, and repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/696, (EU) 2021/697, (EU) 2021/783, (EU) 2023/588, (EU) 2023/1525, (EU) 2023/2418, (EU) (EDIP) (OJ L [...], [...], ELI: ...).

Compared to individual national actions, the EU, together with its Member States, can achieve greater impact by incentivising and pooling together public and private investments to the benefit of the OCTs, and by coordinating common positions and speaking with a stronger voice in multilateral and regional fora on issues important for the OCTs.

Proportionality

In line with the principle of proportionality, the proposed amending Decision does not go beyond what is necessary to achieve its objectives.

Choice of the instrument

In accordance with Article 203 of the Treaty on the Functioning of the European Union, which sets out the special legislative procedure to be used to adopt detailed rules and the procedure for the association of the OCTs with the Union, the proposal takes the form of an amending Council Decision, ensuring its uniform application, binding nature in its entirety and direct applicability.

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

Ex-post evaluations/fitness checks of existing legislation

In March 2024, an evaluation³⁰ was presented that simultaneously covered two distinct yet related exercises: (i) the final evaluation of the European External Financial Instruments (EFIs) underpinning EU external cooperation under the 2014-2020 MFF, along with the off-budget EDF; and (ii) the mid-term evaluation of the EFIs forming the basis for the EU's external cooperation under the 2021-2027 MFF.

The mid-term evaluation assessed the extent to which the four newly rationalised EFIs³¹, including DOAG, are fit for purpose, in accordance with the priorities of the 2021-2027 MFF and with a view to ensuring the effective implementation of the EU's external assistance.

With regard to responsiveness to EU and OCTs' policy priorities, the evaluation finds that DOAG is broadly aligned with overarching EU policy objectives and notably strengthens the focus on shared and mutual interests. This marks a significant evolution from the 11th EDF, which did not explicitly articulate joint priorities in its partnership with the OCTs.

Concerning efficiency and flexibility in programming and delivery, the evaluation identifies substantial improvements in operational clarity, effectiveness, and overall coherence. DOAG has adopted a more geographically structured approach than its predecessor and is accompanied by programming guidelines that emphasise inclusive processes based on genuine partnerships with the OCTs. Nonetheless, the evaluation notes persisting challenges, particularly in aligning the OCTs' unique status with the geographical coverage of the EFIs and the EU's internal administrative structures.

From the standpoint of internal and external EU linkages, the report underscores that DOAG has strengthened coherence between geographic and thematic funding streams. The Decision also reinforces integration across various EU external action instruments, as evidenced in the

³⁰ European Commission: Directorate-General for International Partnerships, McKellar, L., Massey, C., Smaïl, T., Bellot Le Hellidu, S. et al., European Union's external financing instruments (2014-2020 and 2021-2027). Volume I, Synthesis report, Publications Office of the European Union, 2024. <https://data.europa.eu/doi/10.2841/05549>.

³¹ The Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE); the Instrument for Pre-Accession Assistance III (IPA III); the DOAG; and the European Instrument for International Nuclear Safety Cooperation (INSC).

OCTs' Multiannual Indicative Programmes, which clearly articulate intended synergies. Additionally, the report recognises improvements stemming from the DOAG's more strategic use of the Sustainable Development Goals (SDGs) and enhanced engagement with external actors to promote alignment and complementarity.

In its concluding remarks, the report emphasises that:

- i. the partnership within DOAG remains strong thanks to the long and deep political and cultural relationship between the OCTs and Europe.
- ii. the consolidation and rationalisation of external financing instruments³² has simplified the regulatory framework and streamlined programming and financial allocation processes, which are now largely unified under the DOAG;

Stakeholder consultations

For the mid-term evaluation, the consultation approach involved collecting input from a wide range of stakeholders on the external financing instruments, including DOAG, through an **open public consultation**. The summary report on the results of the consultation carried out in the framework of the mid-term evaluation has been published on the 'Have Your Say' website and it provides an overview of the received contributions. A **targeted consultation** was also undertaken for the mid-term evaluation, to gather the views of specific categories of stakeholders. In the context of targeted consultations, EU Member States experts, development agencies of the EU Member States, civil society and local authorities' networks and platforms, Development Financial Institutions, and the United Nations were consulted through dedicated meetings. The summary of these targeted consultations can be found in the synopsis report of the stakeholder consultation, in annex V of the mid-term evaluation.

Collection and use of expertise

The mid-term evaluation report and associated Staff Working Document were largely based on the independent study carried out by external consultants. All five compulsory evaluation criteria (i.e. effectiveness, efficiency, relevance, coherence and the EU added value) were assessed in this study. The evaluation criteria of impact and sustainability were also covered. The evaluation methods used included: (i) a review of documentation and analytical data; (ii) interviews with beneficiaries and other major stakeholders; (iii) a series of targeted surveys; (iv) targeted consultations and an open public consultation. This expertise was also used as evidence base for the *ex ante* evaluation of this proposal, together with the results of the open public consultations as explained above.

Ex ante evaluation

Beyond the March 2024 mid-term evaluation, a number of other sources have been used to assess the performance and analyse the added value of the EU's action in relation to the OCTs, including the annual reports from the Commission to the Council on the implementation of the financial assistance provided to the OCTs³³ and the annual programme performance statements³⁴. In addition, some OCTs, such as Greenland³⁵, French Polynesia³⁶,

³² DOAG merges the former Greenland Decision (see footnote 8) with the last OAD (see footnote 9) as part of the simplification effort under the 2021-2027 MFF.

³³ COM(2022) 287 of 15 June 2022, COM(2023) 474 final of 02 August 2023, COM (2024) 437 final of 04 October 2024, COM (2025) 334 final of 27 June 2025.

³⁴ Programme Performance Statements (Overseas Countries and Territories, including Greenland) of 2022, 2023, and 2024: [Decision on the Overseas Association, including Greenland - Performance - European Commission](#).

³⁵ [Greenland 2021/AGILE REPORT/ | Public Expenditure and Financial Accountability \(PEFA\)](#).

³⁶ [French Polynesia 2022 | Public Expenditure and Financial Accountability \(PEFA\)](#).

and Saint Pierre and Miquelon³⁷, have been evaluated using the Public Expenditure and Financial Accountability (PEFA) methodology, which measures the performance of public finance management systems against internationally recognised standards. Regular progress and monitoring reports, final implementation reports, annual reports provided for the budget support payment requests, as well as field visits, mission reports, and *aides-mémoire* of dialogue meetings were also a useful source of information for this evaluation.

While the *ex ante* evaluation broadly confirms the conclusions of both the mid-term and the stakeholder consultation, it provides a more comprehensive analysis of the DOAG performance, its EU added value, as well as lessons learned and challenges. It also sets out proposed solutions to address these challenges, outlines the future structure of the financial assistance, and the priority areas that should guide the implementation.

The evaluation demonstrates DOAG's consistently high performance towards the achievement of desired outcomes. In particular, the evidence shows that DOAG:

- Is on track to effectively deliver its objectives, reaffirming the strategic dimension of the partnership.
- Has successfully integrated the former Greenland Decision³⁸ and is delivering on the partnership with Greenland.
- Has promoted coherence with the broader EU financing architecture.

While the evaluation concludes that DOAG has been fit for purpose, several challenges were identified in the following areas:

- Adaptation to global trends and integration into regional economies.
- Coherence with the broader EU financing architecture.
- Effective dialogue.

Based on the analysis of the performance and the added value of the EU action, and taking due account of the lessons learned and challenges identified, the evaluation proposes a set of amendments to further reinforce DOAG's strategic dimension and to ensure more impact while delivering on the objectives of the EU-OCT partnership.

The amendments concern the DOAG body text and Annex I. Annexes II, III, and IV were significantly updated during the 2021-2027 MFF negotiations and remain fit for purpose. The proposed changes aim at:

- Boosting the strategic investment agenda under the Global Gateway.
- Reinforcing coherence within the broader EU financing architecture, including enhanced eligibility and access to Union programmes and external financing instruments.
- Strengthening focus and enhancing structure of the dialogue.

Regulatory fitness and simplification

DOAG merges the former Greenland Decision³⁹ with the last OAD⁴⁰ as part of the simplification effort under the 2021-2027 MFF to reduce the number of external financing instruments, thereby streamlining their architecture and performance.

³⁷ [St Pierre and Miquelon 2022 /AGILE REPORT/ | Public Expenditure and Financial Accountability \(PEFA\).](#)

³⁸ Council Decision 2014/137/EU of 14 March 2014.

³⁹ Council Decision 2014/137/EU of 14 March 2014.

In terms of implementation, unless otherwise specified, DOAG refers to NDICI-Global Europe, streamlining procedures through a common regulatory frame and increasing alignment between both basic acts.

The amended DOAG ensures the reference to Global Europe for the implementation of financial cooperation, unless otherwise specified in the amending Decision. In terms of aligning rules, horizontal provisions from the Performance Regulation⁴¹ will provide the amended DOAG and the other programmes/instruments under the MFF with a coherent and harmonised framework and will make it easier for partners and implementing agents to understand.

Fundamental rights

One of the Treaty-based general objectives of the EU's external action (Article 3(5) and Articles 8 and 21 TEU) is to support and promote democracy, the rule of law and respect for human rights. The OCTs are parts of the territory of three EU Member States. They are subject to their own legislation in accordance with the respective distribution of competences with the Member States to which they are linked. The OCTs' legal framework for fundamental rights is in line with the principles upheld by the EU. Under the amending Decision, those principles will remain integral throughout all actions, recognising their essential role in achieving the SDGs.

4. BUDGETARY IMPLICATIONS

The European Commission proposes to allocate an indicative financial envelope of EUR 999 million (in current prices) to the association's funding programme for 2028-2034. The detailed estimated financial impact of this proposal is presented in the legislative financial and digital statement enclosed with this proposal.

5. OTHER ELEMENTS

Implementation plans and monitoring, evaluation and reporting arrangements

Implementation plans and monitoring, evaluation and reporting arrangements will follow the rules set out in the Performance Regulation⁴².

Detailed explanation of the specific provisions of the proposal

The proposed amendments aim at:

- Boosting the strategic investment agenda under the Global Gateway.
- Reinforcing the coherence with the broader EU financing architecture.
- Strengthening focus and improving the structure of the dialogue with the OCTs.

Boosting the strategic investment agenda under the Global Gateway

To bring the EU-OCTs partnership more in line with the commitments under the Global Gateway strategy, it is proposed to merge allocations for territorial (bilateral) and regional cooperation for OCTs, and prepare a separate financing envelope for Greenland, dividing financing as follows:

⁴⁰ Council Decision 2013/755/EU of 25 November 2013.

⁴¹ [Performance Regulation]

⁴² [Performance Regulation]

- i. the cooperation with the OCTs other than Greenland, and
- ii. the cooperation with Greenland,

while providing for flexible implementation modalities.

It is proposed these two pillars to be complemented by an allocation for studies and technical assistance as well as by an unallocated emerging challenges and priorities cushion (a non-allocated fund), to increase flexibility as well as the ability of the Union to respond to unforeseen needs, building on the experience of the current DOAG.

It is also proposed to bring joint initiatives between the OCTs (currently ‘regional cooperation’) as well as between them and ACP/non-ACP states and territories, EU’s outermost regions and relevant regional bodies (currently ‘intra-regional cooperation’) under a single ‘regional cooperation’ framework. This would offer more flexibility in establishing effective partnerships to promote sustainable development and mutual learning. A specific reference to ‘intra-regional cooperation’ would therefore be deleted as obsolete.

The proposed approach would allow for greater flexibility in structuring financial cooperation and creating synergies with existing tools and instruments, including under the Global Gateway strategy, in a more targeted and interconnected way. This would further unlock investment opportunities in the OCTs and help them integrate more effectively into EU and global value and supply chains and related regional initiatives - enhancing financial (and political) leverage and impact.

Reinforcing coherence with the broader EU financing architecture

It is proposed to further reinforce the ‘external’ DOAG dimension specifying the eligibility and access of the OCTs to relevant Union programmes and external financing instruments by consistently applying related cross-references/mirror clauses across all relevant basic acts. The objective is to increase the complementarities of EU actions and strengthen the integration of the OCTs into the EU’s competitiveness agenda.

To this end, it is proposed that:

- The OCTs are eligible for the global pillar of the Global Europe instrument and DOAG would apply Global Europe’s strengthened toolbox, including budget support, also in the form of or in combination with policy-based loans, budgetary guarantees, financial instruments, blending and technical assistance, that would allow comprehensive investment support packages to be built in the OCTs.
- Projects in OCTs could benefit from funding from the European Competitiveness Fund (ECF), and other relevant Union programmes, based on the selection criteria under these Programmes.

The ECF’s comprehensive architecture would allow it to accompany OCTs’ Global Gateway-related projects along the entire investment journey, from research, through scale-up, industrial deployment, to manufacturing, in addition to and/or in complementarity with DOAG. The fund could also help leverage and de-risk private investment.

DOAG will follow the horizontal rules of Regulation (EU, Euratom) [XXX] [Performance Regulation] for monitoring, reporting, evaluation and communication

It is also proposed that DOAG include necessary exceptions to allow for more financial flexibility and simplified rules, e.g. for the comitology procedure for action plans and measures with relatively little funding and for the programming process, i.e. replacing

multiannual indicative programmes by annual or multiannual action plans in situations where one single action is planned for the entire MFF.

Proposal for a

COUNCIL DECISION

amending Decision (EU) 2021/1764 on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 203 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Parliament¹,

Acting in accordance with a special legislative procedure,

Whereas:

- (1) Council Decision (EU) 2021/1764² establishes the rules and the procedure for the association of the Union with the Overseas Countries and Territories (OCTs), including Greenland as from 1 January 2021. It also establishes the funding programme for the association (the ‘Programme’) for the period from 1 January 2021 to 31 December 2027.
- (2) In the context of adoption of the new Multiannual Financial Framework (‘MFF’) and the overall relevance of the Decision (EU) 2021/1764 in addressing the purpose and the underlying policy objectives of the association, Decision (EU) 2021/1764 should be amended.
- (3) The strategic focus, coherence and flexibility of the Programme and the policy dialogue framework of the Decision should be further enhanced to ensure more impact while delivering on the objectives of the association of the Union with the OCTs.
- (4) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and Union spending programmes. To that effect, and in line with the objectives of the association, the funding should duly consider the evolving policy needs and Union’s priorities as identified in relevant documents published by the Commission, in Council conclusions and European Parliament resolutions while ensuring sufficient predictability for the budget implementation.

¹ OJ C [...], [...], p. [...].

² Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6, ELI: <http://data.europa.eu/eli/dec/2021/1764/OJ>).

- (5) The implementation of the amended Decision (EU) 2021/1764 should support the Global Gateway strategy³, the Union's external investment strategy to advance the sustainable development goals together with partner countries and territories. Complementarities between actions under the Global Gateway strategy and its toolbox should be strengthened to help unlock investment opportunities in the OCTs and promote their more effective integration into Union's regional cooperation frameworks.
- (6) The amended Decision (EU) 2021/1764 should enhance the Union's and OCTs' competitiveness, by contributing to the sustainability, resilience, security and diversification of value and supply chains, reflecting high standards of responsible business practice, and by increasing economic opportunities. Consistency between the implementation of the Union's trade, economic security, and industrial policies and Decision (EU) 2021/1764 should be ensured. In particular, synergies should be fostered between the Programme established by Decision (EU) 2021/1764 and the European Competitiveness Fund established by Regulation (EU).../...of the European Parliament and the Council⁴, to harness the potential of mutually beneficial partnerships for sustainable development in the Union and the OCTs.
- (7) The OCTs represent unique and strategic assets that benefit the Union as a whole – including proximity to third countries, exceptional conditions for space and astrophysics research, abundant renewable energy potential, rich biodiversity, extensive maritime zones, and availability of mineral resources. The European Competitiveness Fund should leverage their potential as geostrategic outposts, particularly in support of the Union's objectives on security, preparedness, regional value chains, and competitiveness.
- (8) The structure of the dialogue between the Union and the OCTs, especially through the annual forum and the four trilateral consultations each year should be reviewed to enhance its strategic impact.
- (9) To ensure consistent implementation, the rules and procedures laid down in Regulation (EU).../...of the European Parliament and of the Council⁵ [Global Europe] should apply to the implementation of Decision (EU) 2021/1764, where appropriate, and the implementing provisions under that Decision should refer to the provisions provided for in Regulation (EU).../....
- (10) Decision (EU) 2021/1764 is to be implemented in accordance with Regulation (EU, Euratom).../...⁶ [Performance Regulation] which establishes the rules for the expenditure tracking and the performance framework for the budget, including rules for ensuring a uniform application of the principles of 'do no significant harm' through on a single and simple guidance and the gender equality principle referred to in Article 33(2), points (d) and (f), of Regulation (EU, Euratom) 2024/2509 of the European Parliament and the Council respectively, rules for monitoring and reporting on the performance of Union programmes and activities, rules for establishing a Union

³ Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - The Global Gateway (JOIN/2021/30 December 2021).

⁴ Regulation (EU) No.../... of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, and repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/696, (EU) 2021/697, (EU) 2021/783, (EU) 2023/588, (EU) 2023/1525, (EU) 2023/2418, (EU) (EDIP) (OJ L [...], [...], ELI: ...).

⁵ Regulation (EU) No.../... of the European Parliament and of the Council on establishing the Global Europe (OJ L [...], [...], ELI: ...).

⁶ [Performance Regulation]

funding portal, rules for the evaluation of the programmes, as well as other horizontal provisions applicable to all Union programmes such as those on information, communication and visibility.

- (11) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council⁷ applies to the Programme. It lays down the rules on the establishment and the implementation of the general budget of the Union, including the rules on grants, prizes, non-financial donations, procurement, financial assistance, and indirect management in the form of financial instruments and budgetary guarantees. For the purpose of the Amended Decision (EU) 2021/1764, current prices are calculated by applying a fixed 2% deflator.
- (12) To ensure consistency, the budgetary guarantee and financial instruments, including when combined with non-repayable support in blending operations, under the amended Decision (EU) 2021/1764 should be implemented in accordance with the applicable rules of the Global Europe mechanisms or the ECF InvestEU Instrument through agreements concluded for that type of support under Global Europe delivery mechanisms or the ECF InvestEU Instrument.
- (13) Where Union support under Decision (EU) 2021/1764 is to be provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, it is necessary that such support is provided exclusively through the Global Europe delivery mechanisms or the ECF InvestEU Instrument in accordance with the applicable rules of the Global Europe delivery mechanisms or the ECF InvestEU Instrument.
- (14) In order to amend non-essential elements of this Decision, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend the provisioning rate. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁸. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (15) In order to ensure uniform conditions for the implementation of the Programme through the relevant implementing acts, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁹.
- (16) Decision (EU) 2021/1764 should therefore be amended accordingly to ensure the continuation of the partnership between the Union and the OCTs under the 2028-2034 MFF,

⁷ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

⁸ OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstitut/2016/512/oj.

⁹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).

HAS ADOPTED THIS DECISION:

Article 1
Amendments to Decision (EU) 2021/1764

Decision (EU) 2021/1764 is amended as follows:

- (1) in Article 1, the second paragraph is replaced by the following:

‘This Decision establishes the funding programme for the association (the ‘Programme’) for the period from 1 January 2028 to 31 December 2034. It lays down the objectives of the Programme, the budget for the period from 2028 to 2034, the forms of Union funding and the rules for providing such funding as set out in Annex I’;
- (2) in Article 3(5), point (b) is replaced by the following:

‘(b) to support and to cooperate with Greenland in addressing its major challenges such as the raising of its education level and economic diversification, and to contribute to the capacity of the administration of Greenland to formulate and implement national policies.’;
- (3) Article 5 (2) is amended as follows:
 - (a) point (a) is replaced by the following

‘(a) the sustainable diversification of OCTs’ economies, including their further integration in world and regional economies, and in the specific case of Greenland, also the need to increase the skills of its labour force’;
 - (b) point (e) is replaced by the following:

‘(e) the sustainable management of natural resources, including raw materials, as well as the conservation and sustainable use of biodiversity and ecosystem services’;
 - (c) point (m) is replaced by the following:

‘(m) the development of regional cooperation in the Arctic, the Caribbean, the Indian Ocean, the Atlantic and the Pacific.’;
 - (d) point (n) is deleted;
- (4) in Article 14(1), points (a) and (b) are replaced by the following:
 - ‘(a) an OCTs-EU forum for dialogue (the ‘OCTs-EU Forum’), which shall meet every two years to bring together OCTs’ authorities, representatives of the Member States and the Commission. Members of the European Parliament, representatives of the EIB and representatives of the outermost regions shall, where appropriate, be associated with the OCTs-EU Forum;
 - (b) trilateral consultations between the Commission, the OCTs and the Member States to which they are linked, which shall be held on a regular basis. Those consultations shall be organised at least three times a year on the initiative of the Commission or at the request of OCTs and of the Member States to which they are linked. Member States shall be informed about the results of the consultations appropriately’;
- (5) Article 75 is replaced by the following:

‘Article 75

Budget

1. The indicative financial envelope for the implementation of the Programme for the period 2028-2034 shall be EUR 999 000 000 in current prices.
2. The amount referred to in paragraph 1 of this Article is without prejudice to the application of provisions providing for flexibility in the Council Regulation (EU/Euratom) .../...* [MFF Regulation], Regulation (EU) .../... of the European Parliament and of the Council ** [Global Europe] and Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council***.
3. The financial envelope referred to in paragraph 1 and the amounts of additional resources referred to in paragraphs 4 and 5 may also be used for technical and administrative assistance for the implementation of the Programme such as preparatory, monitoring, control, audit and evaluation activities, information and communication activities, including corporate communication on the political priorities of the Union in the external area, and corporate information technology systems and platforms, and all other technical and administrative assistance, including the financing of staff and staff-related expenses incurred by the Commission for the management of the Programme at headquarters, Union delegations and Commission Offices.
4. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions to the Programme. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e), or Article 21(5) of Regulation (EU, Euratom) 2024/2509.
5. The cumulative net reflows stemming from the OCT Investment Facility set out in Article 3(3) of Annex IV to Decision 2013/755/EU shall constitute external assigned revenues to top-up the non-allocated fund referred to in Article 1(1), point (c), of Annex I to this Decision, from the moment they become available. Without prejudice to the decisions to be taken with respect to the subsequent Multiannual Financial Frameworks, after 31 December 2034, and until their depletion, the cumulative net reflows shall constitute contributions to the next OCT financing Programme which replaces this Programme.

* Council Regulation (EU/Euratom) .../...* [MFF Regulation] (OJ L [...], [...], ELI: ...).

** Regulation (EU) .../... of the European Parliament and of the Council** [Global Europe] (OJ L [...], [...], ELI: ...).

*** Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/OJ>).;

(6) Article 76 is amended as follows:

(a) point (a) is replaced by the following:

‘(a) programmable aid’ means the non-repayable aid allocated to the OCTs in order to finance territorial and regional strategies when applicable or priorities set out in programming documents;’;

(b) point (g) is deleted;

(7) Article 80 is deleted;

(8) Articles 81 and 82 are replaced by the following:

General principle

1. Unless otherwise specified in this Decision, the Programme shall be implemented in accordance with this Decision, Regulation (EU, Euratom) .../... 2024/2509, and, as appropriate, the following provisions of Regulation (EU) .../... [Global Europe]:
 - (a) Title II with the exception of Article 13(2), third subparagraph, Article 13(3), Article 19(1), Article 19(2), points (a) and (b), and Article 26(1);
 - (b) Article 29.

The eligibility rules set out in Article 20(1) and (4) to (12) of Regulation (EU) [Global Europe] shall apply to all actions financed under this Programme.

2. The rules and procedures concerning carry overs, annual instalments, repayments, revenue and recoveries from financial instruments financed under this Programme or its predecessors, and surpluses from the budgetary guarantees and financial assistance provisioned by this Programme or its predecessors, laid down in Article 22 of Regulation (EU) Global Europe shall apply to the implementation of the Programme.
3. Union support provided under this Programme in the form of loans shall be provided within the maximum amount referred to in Article 24(1) of Regulation (EU) [Global Europe].

A loan shall be made available to a Member State for the benefit of an OCT or, by way of derogation from article 223(1) of the Financial Regulation, to an OCT depending on the arrangements applicable between the OCT and the Member State to which this OCT is linked.

The Commission shall adopt decisions, by means of implementing acts, making available the loan amount to an OCT and setting out the availability period of the loan which shall not go beyond three years after the end of the multiannual financial framework. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 90(5). If that decision is part of an action plan or measure, Article 82 shall apply.

4. Where Union support under the Decision is provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, it shall be exclusively provided through the Global Europe delivery mechanism or ECF InvestEU Instrument and implemented in accordance with the applicable rules of the Global Europe delivery mechanism or ECF InvestEU Instrument through agreements concluded for that type of support under the Global Europe delivery mechanisms or ECF InvestEU Instrument.

Union support under the Programme in the form of a budgetary guarantee shall be provided within the maximum amount of the budgetary guarantee established by the Regulation (EU) .../... [Global Europe] or Regulation .../... (EU) [ECF].

Where the Programme makes use of the Global Europe delivery mechanism or ECF InvestEU Instrument, it shall provide the provisioning for the budgetary guarantee and the financing to financial instruments, including when combined with non-repayable support in the form of a blending operation.

5. Provisioning shall be constituted for loans made available to OCTs referred to in paragraph 3.

The provisioning rate shall be set at 9%.

The Commission shall review the provisioning rate under the first subparagraph every year in accordance with the assessment referred to in Article 41(5), point (g), of Regulation (EU, Euratom) 2024/2509 and in line with the Commission's risk management framework.

The Commission is empowered to adopt delegated acts in accordance with Article 88 to amend the provisioning rate referred to in subparagraph 2.

Article 82

Adoption of multiannual indicative programmes, actions plans and measures

1. The Commission shall adopt, under this Decision, multiannual indicative programmes as referred to in Article 15 of Regulation (EU).../... [Global Europe].
2. For countries and territories, and regions, where one single action is planned during the entire programming period, the multiannual indicative programme is replaced by an annual or multiannual action plan.
3. The programming documents, action plans and measures shall be adopted by means of implementing acts in accordance with the examination procedure referred to in Article 90(5).
4. The procedure referred to in paragraph 3 of this Article shall not be required for:
 - (a) actions plans and individual measure for which the Union's funding does not exceed EUR 2 000 000;
 - (b) special and support measures for which the Union's funding does not exceed EUR 5 000 000.';
- (9) in Article 83(2), point (d) is replaced by the following:

‘(d) OCTs or Union financial intermediaries promoting and financing private and public investments in the OCTs;’;
- (10) Article 84 is replaced by the following:

‘Article 84

Eligibility for regional financing

1. A regional allocation may be used for operations benefiting and involving either of the following entities:
 - (a) two or more OCTs regardless of their location;
 - (b) OCTs and the Union as a whole;
 - (c) one or more regional bodies of which OCTs are members;
 - (d) one or more OCTs regardless of their location and at least one of the following:
 - (i) one or more outermost regions referred to in Article 349 TFEU;

- (ii) one or more ACP States and/or one or more non-ACP States or territories¹⁰;
 - (iii) one or more regional bodies of which OCTs, or ACP States or outermost regions are members.
 - (iv) one or more entities, authorities or other bodies from at least one OCT, being members of an EGTC in accordance with Article 8(2).
2. The funding to enable participation of the ACP States, outermost regions and other countries and territories to OCT regional cooperation programmes shall be additional to funds allocated to the OCTs under this Programme.
 3. The participation of ACP States, outermost regions and other countries or territories in actions established pursuant to this Programme shall be envisaged only to the extent that:
 - (a) equivalent provisions exist in the framework of relevant Union's programmes or in the relevant funding programmes of third countries and territories not covered by Union programmes;
 - (b) the principle of proportionality is respected, taking into account the capacities of stakeholders, in particular their financial capacities under instruments of the Union for cooperation with other countries.';
- (11) Article 85 is amended as follows:
- (a) paragraphs 1 and 2 are replaced by the following:
 - '1. Unless otherwise provided for in the relevant basic acts, natural persons from an OCT and, where applicable, the relevant public and private bodies and institutions in an OCT, shall be eligible to participate in and for funding from Union programmes under the same conditions as persons from and entities established in the Member State to which they are linked, subject to possible arrangements applicable to that Member State.
 2. The OCTs shall also be eligible for support under Union's external financing instruments subject to the rules, objectives and arrangements of those programmes. The OCTs shall be eligible for support under Regulation (EC) No 1257/96.¹¹ non-governmental organisations established in OCTs shall be eligible for financing in accordance with Article 7 of Regulation (EC) No 1257/96.';
 - (b) paragraph 4 is replaced by the following:
 - '4. The OCTs, with the support of relevant stakeholders, shall report to the Commission on their participation in the Union programmes, at mid-term and at the end of the period 2028 to 2034.';
- (12) Article 86 is deleted;
- (13) in Article 88, paragraph 2 is replaced by the following:
- '2. The Commission shall be empowered to adopt delegated acts in accordance with Article 89 in order to amend Article 81(5).';

¹⁰ The term 'territories' means the 12 UK OCTs which were listed in Annex II to the TFEU at the time of the notification received by the European Council on 29 March 2017 of the UK's withdrawal from the European Union and Euratom based on Article 50 TEU.

¹¹ Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1, ELI: <http://data.europa.eu/eli/reg/1996/1257/OJ>).

- (14) in Article 89, paragraph 2 is replaced by the following:
‘2. The power to adopt delegated acts referred to in Article 88 shall be conferred on the Commission for a period of validity of this Decision.’;
- (15) Article 91 is deleted;
- (16) Article 93 is amended as follows:
- (a) paragraph 2 is replaced by the following:
‘2. This Decision shall not affect the continuation or modification of actions initiated pursuant to Decision 2013/755/EU and Decision (EU) 2021/1764 before its amendment by Decision (EU) .../... [*the number of this Decision to be added by the OP*] which shall continue to apply to those actions respectively until their closure.’;
- (b) paragraph 4 is replaced by the following:
‘4. If necessary, appropriations may be entered in the Union budget beyond 2034 to cover the expenses provided for in Article 75(4) to enable the management of actions not completed by 31 December 2034.’;
- (17) Annex I is amended in accordance with the Annex to this Decision.

Article 2

Entry into force and application

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2028.

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE	3
1.1. Title of the proposal/initiative	3
1.2. Policy area(s) concerned	3
1.3. Objective(s)	3
1.3.1. General objective(s)	3
1.3.2. Specific objective(s)	3
1.3.3. Expected result(s) and impact	3
1.3.4. Indicators of performance	3
1.4. The proposal/initiative relates to:	4
1.5. Grounds for the proposal/initiative	4
1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative	4
1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.	4
1.5.3. Lessons learned from similar experiences in the past	4
1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments	5
1.5.5. Assessment of the different available financing options, including scope for redeployment	5
1.6. Duration of the proposal/initiative and of its financial impact	6
1.7. Method(s) of budget implementation planned	6
2. MANAGEMENT MEASURES	8
2.1. Monitoring and reporting rules	8
2.2. Management and control system(s)	8
2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed	8
2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them	8
2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)	8
2.3. Measures to prevent fraud and irregularities	9
3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE	10
3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected	10

3.2.	Estimated financial impact of the proposal on appropriations	12
3.2.1.	Summary of estimated impact on operational appropriations.....	12
3.2.1.1.	Appropriations from voted budget	12
3.2.1.2.	Appropriations from external assigned revenues	17
3.2.2.	Estimated output funded from operational appropriations.....	22
3.2.3.	Summary of estimated impact on administrative appropriations.....	24
3.2.3.1.	Appropriations from voted budget	24
3.2.3.2.	Appropriations from external assigned revenues	24
3.2.3.3.	Total appropriations	24
3.2.4.	Estimated requirements of human resources.....	25
3.2.4.1.	Financed from voted budget.....	25
3.2.4.2.	Financed from external assigned revenues	26
3.2.4.3.	Total requirements of human resources	26
3.2.5.	Overview of estimated impact on digital technology-related investments	28
3.2.6.	Compatibility with the current multiannual financial framework.....	28
3.2.7.	Third-party contributions	28
3.3.	Estimated impact on revenue	29
4.	DIGITAL DIMENSIONS	29
4.1.	Requirements of digital relevance.....	30
4.2.	Data	30
4.3.	Digital solutions	31
4.4.	Interoperability assessment	31

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Decision amending the Decision on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland: DOAG)

1.2. Policy area(s) concerned

External Action

1.3. Objective(s)

1.3.1. General objective(s)

The general objective of the amending Decision is to promote the sustainable economic and social development of the overseas countries and territories (OCTs) and to establish close economic relations between them and the Union as a whole. The association shall pursue this general objective by enhancing the OCTs' competitiveness, strengthening the OCTs' resilience, reducing their economic and environmental vulnerability and by promoting cooperation between them and other partners. Furthermore, the aim of this amending Decision is to preserve the existing ties between the Union on the one hand, and Greenland and Denmark on the other, acknowledging the increased geostrategic position of Greenland in the Arctic, and to preserve existing ties between the Union and the other OCTs, acknowledging their geostrategic positions in the Caribbean, the Indian Ocean, the Atlantic, and the Pacific.

1.3.2. Specific objective(s)

The specific objectives of this Decision are the following:

- (a) to foster and support cooperation with OCTs, including in addressing their major challenges and reaching the SDGs,
- (b) to support and to cooperate with Greenland in addressing its major challenges, notably by raising the education level and strengthening the capacity of its public administration to formulate and implement national policies; and
- (c) to support the sustainable development of strategic sectors - including critical raw materials, renewable energy, secured and trusted digital connectivity, and sustainable tourism - within the framework of a strengthened partnership between the European Union and Greenland

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The association shall serve primarily to further the interests and prosperity of the inhabitants of the OCTs in order to lead them to the sustainable economic, social, environmental and cultural development to which they aspire. Moreover, the Union financial assistance allocated through the partnership should continue to bring a European perspective to the development of OCTs and should keep reinforcing the close and long lasting ties between the Union and the OCTs. It also should keep strengthening the position of OCTs as advanced outposts of the Union, based on the

common values and history which link the partners, while enhancing their integration and cooperation with regional and international partners.

1.3.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

The output and result indicators for the purpose of monitoring progress and achievements of this programme will correspond to the common indicators provided under Regulation (EU, Euratom) .../... (Performance Regulation).

1.4. **The proposal/initiative relates to:**

- ☐ a new action
- ☐ a new action following a pilot project / preparatory action¹
- ☒ the extension of an existing action
- ☐ a merger or redirection of one or more actions towards another/a new action

1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

The long-term objective of the Decision is to promote the economic and social development of the OCTs and to establish close economic relations between them and the Union as a whole. The association shall pursue this in the short term by the enhancement of the OCTs' competitiveness, the strengthening of the OCTs' resilience, the reduction of their economic and environmental vulnerability and the promotion of cooperation between them and other partners.

1.5.2. *Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.*

Reasons for action at EU level (*ex-ante*)

The OCTs have been associated with the European Union since the entry into force in 1958 of the Treaty of Rome (Part Four TFEU). The association of the OCTs with the Union flows from the constitutional relations that these countries and territories have with three Member States, namely Denmark, France and the Netherlands. The OCTs are not part of the Union's territory or single market, nor are they bound by the EU *acquis*. In addition, most of the OCTs face particular challenges due to their size, location, remoteness and narrow economic base.

DOAG has been deemed fit for purpose by the Commission's External Financial Instrument mid-term review. The guiding principle should be to preserve what works well.

The amended DOAG will therefore continue enhancing reciprocal relation focused on mutually beneficial cooperation with the OCTs and placing special emphasis on priorities which are relevant to them, such as the enhancement of their

¹ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

competitiveness, the strengthening of their resilience and reduction of their vulnerability, and promotion of the cooperation between OCTs and their regional, European and international partners.

The EU adds value through stable funding, flexible instruments, and technical expertise, particularly in areas like climate action, competitiveness, regional integration, and food security.

Against this background, the EU will pursue its relationship with OCTs through the financing of territorial/bilateral and regional programmes through the means of the amended DOAG and the 2028-2034 MFF.

Moreover, the EU's global network of delegations provides continuous insight into local needs and dynamics, enabling for resource reallocation when necessary and for responsive and complementary action alongside Member States. This enhances the political dialogue and the cooperation, which is increasingly channelled through joint programming with Member States.

The EU is also able to complement Member States activities in dealing with potentially dangerous situations or in case of particularly costly interventions, such as crisis exacerbated by climate change to which the OCTs are frequently exposed.

Finally, the DOAG is adopted through a special legislative procedure, thereby precluding its adoption as part of Global Europe, which is subject to the ordinary legislative procedure.

Expected generated EU added value (*ex-post*).

With regard to the current Commission's priorities and global geopolitical context, there is a need to align cooperation and partnerships to expanded EU geopolitical ambitions. In particular, this implies removing artificial geographic divides hampering the pursuit of global and geopolitical leverage in the regions.

The amended DOAG thus aims to become more flexible while improving coherence in globalising the EU financial support by regions and to improve the OCTs eligibility for relevant EU programmes and external action instruments, with the purpose to promote increased complementarities of actions under the Global Gateway and stronger integration of the OCTs into EU's regional cooperation.

1.5.3. *Lessons learned from similar experiences in the past*

DOAG consolidates previously separate instruments concerning the OCTs – the Overseas Association Decision and the Greenland Decision – thereby streamlining the EU's external action architecture and improving overall coherence. It establishes, for the first time a single, unified instrument financed from the EU budget and applicable to all EU OCTs. Noticeably, DOAG does not have an end date, necessary for the long-term economic and trade provisions applicable to the OCTs (except for its funding programme that is linked to the duration of the 2021-2027 MFF).

Moreover, by including a referral clause to NDICI-Global Europe for the implementation of cooperation, it has significantly increased alignment with other European Financing Instruments. DOAG has been deemed fit for purpose and its early implementation demonstrates positive synergies between geographic and thematic funding streams, illustrating improved integration and complementarity within the EU's development cooperation framework.

The amended DOAG is expected to continue along this trajectory.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

The amended DOAG aims at ensuring full complementarity with the most relevant post-2027 legislative acts particularly:

Global Europe, in order to ensure coherence and effectiveness, the amending Decision will, unless otherwise specified, apply the implementation, evaluation and monitoring provisions of Global Europe.

Other EU policies and programmes: The OCTs will remain eligible to all EU policies and programmes except if stated otherwise in relevant regulations.

1.5.5. Assessment of the different available financing options, including scope for redeployment

N/A

1.6. Duration of the proposal/initiative and of its financial impact

☐ limited duration

- ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ unlimited duration

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned

☒ Direct management by the Commission

- ☒ by its departments, including by its staff in the Union delegations;
- ☒ by the executive agencies

☐ Shared management with the Member States

☒ Indirect management by entrusting budget implementation tasks to:

- ☒ third countries or the bodies they have designated
- ☒ international organisations and their agencies (to be specified)
- ☒ the European Investment Bank and the European Investment Fund
- ☒ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☒ public law bodies
- ☒ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☒ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☒ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

External expenditure requires the ability to use all foreseen management modes, as relevant and decided during the implementation.
--

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

An implementation report will be published by the Commission no later than four years after the start of the programme's implementation, in order to assess the progress made towards the achievement of their objectives, in line with Regulation (EU, Euratom).../... (Performance Regulation). A retrospective evaluation will be carried out by the Commission at the latest three years after the end of the MFF period with a view to assessing the effectiveness, efficiency, relevance, coherence and Union added value of the programme.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Budget implementation methods

Regarding the management modes, there are no fundamental changes foreseen and the experience acquired by the Commission services and implementing actors under the predecessor programmes will contribute to better results in the future.

The actions to be financed under this Decision will be implemented under direct management by the Commission from headquarters and/or through the Union delegations and under indirect management by any of the entities listed in Article 62(1) first subparagraph, (c) of the new Financial Regulation in order to better achieve the objectives of the Regulation.

Concerning indirect management, as stated in Article 157 of the new Financial Regulation, such entities must ensure a level of protection of the EU's financial interests equivalent to the one under direct management. An ex ante pillar assessment of the entities' systems and procedures will be carried out, in accordance with the principle of proportionality and with due consideration for the nature of the action and the financial risks involved. Where the implementation requires so or there have been reservations expressed in Annual Activities Reports, action plans with specific mitigation measures will be defined and implemented. Besides, appropriate supervisory measures imposed by the Commission may accompany the implementation. The internal control / management process is designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of the operations, the reliability of the financial reporting and compliance with the relevant legislative and procedural framework.

Effectiveness and efficiency

To ensure the effectiveness and efficiency of the operations (and to mitigate the high level of risk in the external assistance environment), in addition to all the elements of the Commission wide strategic policy and planning process, internal audit environment

and other requirements of the Commission's Internal Control Framework, the implementing services will continue to have a tailored aid management framework in operation under all the instruments which will include:

- A devolved management of the majority of external assistance by Union delegations in the field.
- Clear and formalised lines of financial accountability (from the Delegated Authorising officer (Director General)) by means of a sub-delegation from the Sub-delegated Authorising Officer (Director) at headquarters to the Head of Delegation;
- Regular reporting from Union delegations to headquarters, including an annual Statement of Assurance by the Head of Delegation;
- Provision of a substantial programme of training for staff both at headquarters and in delegations,
- Significant headquarters/delegation support and guidance (including via internet);
- Regular supervision missions to delegations every 3 to 6 years;
- A project and programme cycle management methodology including: quality support tools for the design of the intervention, the delivery method, financing mechanism, management system, assessment and selection of any implementing partners, etc.; programme and project management, monitoring and reporting tools for effective implementation including regular external on-the-spot monitoring of projects; and significant evaluation and audit components. Simplifications will be sought by extending, where appropriate and feasible, the use of simplified cost options. There will be a continuation of a risk-differentiated controls approach in accordance with the underlying risks.

Financial Reporting and Accounting

The implementing services will continue to pursue the highest standards of accounting and financial reporting using the Commission's corporate financial system (SUMMA) as well as external aid specific tools such OPSYS.

In relation to compliance with the relevant legislative and procedural framework, compliance control methods are set out in Section 2.3 (measures to prevent fraud and irregularities).

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The operational environment of cooperation under this instrument is characterised by the risks of not achieving the instrument's objectives, suboptimal financial management and/or of not complying with the applicable rules (legality and regularity errors) related to:

- Economic and political instability and natural disasters and extreme climatic events that may lead to difficulties and delays in the design and implementation of interventions, particularly in fragile states;

- limited institutional and administrative capacity in partner countries that may lead to difficulties and delays in the design and implementation of interventions;
- geographically dispersed interventions (covering approximately many states, territories and regions) may pose logistical and resource challenges to monitoring - particularly any ‘on-the-spot’ follow-up of activities;
- diversity of potential partners or beneficiaries with their diverse internal control structures and capacities can fragment and therefore reduce the effectiveness and efficiency of the Commission’s available resources to support and monitor implementation;
- limited availability of qualitative and quantitative data on the outcomes and impact of external assistance implementation in partner countries may hinder the Commission’s ability to report on and be accountable for results.

In order to deal with the risk of financial errors, the Commission will perform the appropriate *ex ante* and *ex post* controls. When possible and applicable the performance of systems audits will work as a tool to identify root causes of errors in the entities’ control systems and trigger the necessary mitigating measures.

Moreover, to strengthen its effectiveness in preventing errors, management deficiencies and irregularities, the Commission is setting up a system for an ongoing targeted risk assessment at contract and at entity level. Key factors increasing the likelihood of a high error rate and a negative impact on sound financial management, in particular linked also to historical data of previous controls and monitoring haven been identified and aggregated in a risk profiling dashboard. The dashboard will provide an important tool to target more effectively future controls, monitoring efforts and other means of mitigation to sensibly reduce the risks of errors, management deficiencies and irregularities.

Given the high risk environment, the systems need to anticipate a significant occurrence of potential compliance errors in transactions and build in a high level of prevention, detection and correction controls as early as possible, before or during, in the payment process. This means in practice that compliance controls will place most reliance on significant *ex-ante* checks on a multiannual basis by both external auditors and Commission staff in the field before final project payments (while still executing some *ex-post* audits), going well beyond the financial safeguards required by the Financial Regulation. This framework include:

- *Ex-ante* transaction checks performed by Commission staff;
- Audits and verifications (both mandatory and risk based) including the European Court of Auditors;
- Retrospective checks (on a risk basis) and recoveries.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

The internal control/management costs planned for the overall (operational + administrative) commitments on the expenditure portfolio financed by the General Budget of the EU for the period 2028-2034 refers only to the costs of the Commission, excluding Member States or entrusted entities. Entrusted entities can withhold up to 7% for the administration of funds, which could partially be used for control purposes. These management costs take into account all staff at headquarters and in delegations, infrastructure, travel, training, monitoring, evaluation and audit contracts (including those launched by beneficiaries).

While improvements in the nature and targeting of management activities and compliance checks in relation to the portfolio will continue to be pursued, these costs are globally necessary to effectively and efficiently achieve the objectives of the instruments at a minimal risk of non compliance (error rate below 2% on an annual basis). They are significantly less than risks involved in removing or scaling back internal controls in this high risk area.

The compliance objective for the Instrument is to maintain the historic level of risk of non-compliance (risk at payment / error rate) and the residual error (risk at closure, estimated on a multiannual basis after all planned controls and corrections have been executed on closed contracts) below 2% on an annual basis. Where weaknesses are identified, targeted corrective measures will be implemented in the light of ensuring minimum error rates.

2.3. Measures to prevent fraud and irregularities

There are no fundamental changes foreseen in the measures to prevent fraud and irregularities, and the experience acquired by the Commission services and implementing actors under the predecessor programmes will contribute to better results in the future. The Compliance framework is made up inter alia of the following significant components:

Preventative measures

- Compulsory core training covering fraud issues for aid management staff and auditors;
- Provision of guidance (including via internet) including existing manual of procedures such as the INTPA Companion, PRAG and the Financial Management Toolkit (for implementing partners);
- *Ex-ante* assessment to ensure that appropriate anti-fraud measures to prevent and detect fraud in the management of Union funds are in place in the authorities managing the relevant funds under joint and decentralised management);
- *Ex-ante* screening of the anti-fraud mechanisms available in the partner country as part of the assessment of the eligibility criterion of public finance management for receiving budget support (i.e. active commitment to fight fraud and corruption, adequate inspection authorities, sufficient judicial capacity and efficient response and sanction mechanisms);

–	Effective anti-fraud mechanisms to prevent and detect fraud, corruption, and other illegal activities affecting the financial interests of the Union, including cyber-attacks.
	<u>Detective and corrective measures</u>
–	Suspension of EU funding where there is a serious fraud case, including large scale corruption, until the authorities have taken appropriate action with a view to correcting and preventing such fraud in the future;
–	EDES (Early Detection Exclusion System);
–	Suspension/termination of contract;
	Anti-fraud strategies of the services concerned, aligned with the objectives and priorities of the Commission's anti-fraud strategy (CAFS) and its corresponding Action Plan ensures that the systems used for spending EU funds in third countries enable relevant data to be retrieved with a view to feeding this data into fraud risk assessment and management (e.g. double funding, inflation of costs, rigged tender procedures, conflict of interest, collusion); and wherever necessary, networking groups and adequate IT/digital tools aimed at early detection and prevention of fraud risks and fraud cases related to the external aid sector could be set up.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- New budget lines requested

Heading of multiannual financial framework	Budget line		Type of expenditure
	Number		Diff./Non-diff.
3	08 01 02 - <u>Support expenditure for overseas countries and territories</u>		<u>Non-diff.</u>
3	08 03 01 – <u>All overseas countries and territories</u>		<u>Diff</u>
3	08 03 02 – <u>Overseas countries and territories other than Greenland</u>		<u>Diff</u>
3	08 03 03 - <u>Greenland</u>		<u>Diff</u>
3	08 03 99 - <u>Completion of previous programmes and activities</u>		<u>Diff</u>

Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	3	
			TOTAL MFF 2028-2034
Operational appropriations			
08 03 01 – All overseas countries and territories	Commitments	(1a)	44
	Payments	(2a)	p.m.
08 03 02 – Overseas countries and territories other than Greenland	Commitments	(1b)	425
	Payments	(2b)	p.m.
08 03 03 - Greenland	Commitments	(1c)	530
	Payments	(2c)	p.m.
Appropriations of an administrative nature financed from the envelope of specific programmes ¹			
08 01 02 - Support expenditure for overseas countries and territories		(3)	p.m.
TOTAL appropriations	Commitments	= 1a+1b+1c+3	999
	Payments	= 2a+2b+2c+3	p.m.

¹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL appropriations under HEADING 4 of the multiannual financial framework		(Total commitments = Total payments)	2.441	2.441	2.441	2.441	2.441	2.441	2.441	17.087
---	--	--------------------------------------	-------	-------	-------	-------	-------	-------	-------	--------

EUR million (to three decimal places)

TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
		Commitments							
		Payments							
		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year	Year	Year	Year	Year	Year	Year	TOTAL 2028 - 2034
	2028	2029	2030	2031	2032	2033	2034	
HEADING 4								
Human resources	2.240	2.240	2.240	2.240	2.240	2.240	2.240	15.680
Other administrative expenditure ¹	0.201	0.201	0.201	0.201	0.201	0.201	0.201	1.407
Subtotal HEADING 4	2.441	2.441	2.441	2.441	2.441	2.441	2.441	17.087
Outside HEADING 4								
Human resources	3.040	3.040	3.040	3.040	3.040	3.040	3.040	21.280
Other expenditure of an administrative nature ²	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal outside HEADING 4	3.040	3.040	3.040	3.040	3.040	3.040	3.040	21.280
TOTAL	5.481	5.481	5.481	5.481	5.481	5.481	5.481	38.367

3.2.4. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources
- ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
• Establishment plan posts (officials and temporary staff)							
20 01 02 01 (Headquarters and Commission's Representation Offices)	7	7	7	7	7	7	7
20 01 02 03 (EU Delegations)	3	3	3	3	3	3	3
(Indirect research)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
(Direct research) ³	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other budget lines (specify)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
• External staff (in FTEs)							
20 02 01 (AC, END from the 'global envelope')	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
20 02 03 (AC, AL, END and JPD in the EU Delegations)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

¹ The appropriations for "Other administrative expenditure" will be filled in at a later stage.

² The appropriations for "Other expenditure of an administrative nature" will be filled in at a later stage.

³ The staff will be financed from the Euratom R&T Programme.

Admin. Support line	- at Headquarters	10	10	10	10	10	10	10
[08.01.02]	- in EU Delegations	14	14	14	14	14	14	14
(AC, END - Indirect research)		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
(AC, END - Direct research) ⁴		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other budget lines (specify) - Heading 4		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other budget lines (specify) - Outside Heading 4		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL		34	34	34	34	34	34	34

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	Exceptional additional staff*		
		To be financed under Heading 4 or Research	To be financed from BA line	To be financed from fees
Establishment plan posts	10	p.m.	N/A	p.m.
External staff (CA, SNEs, INT)	14	p.m.	10	p.m.

Description of tasks to be carried out by:

Officials and temporary staff	Contribution to the conceptualisation/definition of EU co-operation and the implementation of multi-annual and annual programming of the Overseas Countries and Territories, including reporting. Following budgetary and financial matters, as well as audit and evaluation plans. Contributing to Policy Dialogue. Section management.
External staff	Contribution to the conceptualization/definition of the EU co-operation with the OCTs, including the political/policy dialogue and the implementation of multi-annual and annual programming.

3.2.5. Overview of estimated impact on digital technology-related investments

TOTAL Digital and IT appropriations	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028 - 2034
HEADING 4								
IT expenditure (corporate)	0.279	0.279	0.279	0.279	0.279	0.279	0.279	1.953
Subtotal HEADING 4	0.279	0.279	0.279	0.279	0.279	0.279	0.279	1.953
Outside HEADING 4								

Policy IT expenditure on operational programmes	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal outside HEADING 4	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☐ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)
- ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation
- ☐ requires a revision of the MFF

3.2.7. Third-party contributions

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	Total
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on other revenue
 - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ⁵						
		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034

⁵ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

Article								
---------------	--	--	--	--	--	--	--	--

For assigned revenue, specify the budget expenditure line(s) affected.

N/A

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

N/A

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

N/A

4.2. Data

N/A

4.3. Digital solutions

The European Commission will be responsible for developing and maintaining the digital solution. Without prejudice to Regulation (EU) 2016/679, the European Commission shall ensure the security, integrity, authenticity and confidentiality of the data collected and stored for the purpose of this regulation.

4.4. Interoperability assessment

N/A

4.5. Measures to support digital implementation

N/A



EUROPEAN
COMMISSION

Brussels, 3.9.2025

COM(2025) 599 final

ANNEX

ANNEX

to the

[...]

**Proposal for a
COUNCIL DECISION
amending Decision (EU) 2021/1764 on the Association of the Overseas Countries and
Territories with the European Union including relations between the European Union
on the one hand, and Greenland and the Kingdom of Denmark on the other**

{SWD(2025) 625 final} - {SWD(2025) 626 final}

ANNEX

Annex I is amended as follows:

(1) the title is replaced by the following:

‘Union funding’;

(2) Article 1 is replaced by the following:

‘Article 1

Allocation principles

The Union funding provided under this Decision shall respect the Union’s vision, its strategic orientations and priorities and shall be allocated based on the following principles:

(a) The territorial (bilateral) and regional programmable support for the long-term development of all the OCTs, in particular shall finance the initiatives referred to in the programming document. Where appropriate, the programming document shall pay particular attention to actions aimed at strengthening governance and the institutional capacities of the beneficiary OCTs and, where relevant, the likely timetable of the envisaged actions.

The amount for the territorial (bilateral) cooperation shall be allocated on the basis of the specificities, needs, development level and performance of the OCTs in accordance with a limited set of specific criteria, taking into account the population, where relevant, Gross Domestic Product (GDP), poverty and inequality, the level of previous allocations, the OCTs’ absorption capacities, exceptional situation and constraints due to the geographical isolation of OCTs as mentioned in Article 9.

The amount for regional cooperation shall be implemented in coordination with Article 7 of this Decision, in particular regarding the areas of mutual interest referred to in Article 5 of this Decision and through consultation via the instances of the EU-OCTs partnership referred to in Article 14 of this Decision. Coordination shall be sought with other relevant Union financial programmes and instruments, such as those covering the cooperation with relevant ACP and non-ACP states and territories as well as the outermost regions referred to in Article 349 TFEU.

(b) A non-allocated fund for all the OCTs, shall inter alia:

- (i) ensure an appropriate response of the Union in the event of unforeseen circumstances;
- (ii) address new needs or emerging challenges, such as migratory pressure at the Union’s or its neighbours’ borders;
- (iii) promote new international initiatives and priorities.

2. The Commission, following an assessment of the implementation of this Decision, may decide on the re-allocation of any non-committed funds mentioned in this Article, including to the territorial (bilateral) and regional allocations.’;

(3) Article 3 is deleted.]