



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 27 November 2009

16422/09

**ACP 273
FIN 515
PTOM 46**

"I/A" ITEM NOTE

from : ACP Working Party
on : 20 November 2009
to : Permanent Representatives Committee / Council

No. Cion prop. : 15386/09 - COM (2009) 619 final

Subject : Council Decision on the ceiling for the annual amount of the contribution by
Member States to finance the European Development Fund in 2011

1. On 4 November 2009 the Commission submitted to the Council a proposal for a Council Decision establishing the ceiling of the financial contributions to be paid by the Member States to finance the European Development Fund (EDF) in 2011¹. This proposal, based on Article 57(2) and 58 of the Financial Regulation applicable to the 10th EDF², sets the ceiling for the annual amount of 2011 at EUR 4 170 000 000.

¹ The Commission proposal (doc. 15386/09) also contains the the annual amount of the contribution for 2010 and the amount of the first instalment of the contribution for 2010 that both have been the subject of a separate Council Decision (doc. 15445/09, adopted on 17 November 2009).

² OJ L 78 of 19/03/2008, p.1.

2. According to the Commission's estimations, EDF contributions for 2011 will consist mostly of funds coming from the 10th EDF (for which all 27 Member States contribute) and a minor part coming from the leftover of the 9th EDF (for which only 15 Member States contribute)³.
3. The ACP Working Party discussed several times the Commission proposal and, on 20 November 2009, unanimously reached an agreement on a Presidency compromise, reducing the Commission's request by EUR 270 million then setting the ceiling for 2011 at EUR 3 900 000 000.
4. The Working Party agreed to recommend that the Permanent Representatives Committee ask the Council, acting by qualified majority provided for in Article 7.2 of the Internal Agreement applicable to the 10th EDF⁴, to adopt the Decision, as set out in document 16421/09, under the "A" items of its Agenda and to include in its minutes the statement attached to the present Note.



³ Article 58.2 of the Financial Regulation applicable to 10th EDF states that "*calls for contributions shall first use up the amounts laid down for previous EDFs, one after the other*".

⁴ OJ L 247 of 9/09/2006, p.32.

Statement by the Commission

The Commission takes note that fixing the 2011 ceiling of European Development Fund (EDF) Contributions from Member States to € 3.690 million for the Commission and € 210 million for the EIB implies a reduction of the 2011 EDF cash flow for the Commission by € 260 million, while this ceiling allows for an increase in the EDF contributions for the Commission by 5.4% from 2010 to 2011.

The Commission reminds that its estimates for 2011 are based on an analysis of the current aid portfolio, financing decisions in the pipeline, crisis response measures and the anticipation of the 10th EDF mid term reviews. The Commission will adjust its aid management in the best possible manner within the limits of the agreed ceiling for 2011. It however maintains that further increases of the EDF cash flow in subsequent years will be necessary in the light of the pledges made by the EU and to absorb in due time the 10th EDF which is considerably higher than the 9th EDF.
