Council Regulation (EU) No 567/2014 of 26 May 2014 amending Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund as regards the application of the transition period between the 10th European Development Fund and the 11th European Development Fund until the entry into force of the 11th European Development Fund Internal Agreement

COUNCIL REGULATION (EU) No 567/2014

of 26 May 2014

amending Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund as regards the application of the transition period between the 10th European Development Fund and the 11th European Development Fund until the entry into force of the 11th European Development Fund Internal Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, as last amended[(1)] ('the ACP-EU Partnership Agreement'),

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies[(2)] ('the 10th EDF Internal Agreement'), and in particular Article 10(2) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the Court of Auditors,

Having regard to the opinion of the European Investment Bank,

Whereas:

(1) Council Decision No 2013/759/EU[(3)] established transitional European Development Fund (EDF) management measures ('Bridging Facility') to ensure the availability of funds for cooperation with African, Caribbean and Pacific (ACP) States and with Overseas Countries and Territories (OCTs), as well as for support expenditure, from 1 January 2014 until the entry into force of the 11th EDF Internal Agreement.

(2) It is necessary to modify Council Regulation (EC) No 215/2008[(4)] as regards the operational and financial management by the Commission of the Bridging Facility in the transition period between the 10th EDF and the 11th EDF until the entry into force of the 11th EDF Internal Agreement and the 11th EDF Implementation Regulation.

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) No 567/2014. (See end of Document for details)*

(3) It is appropriate to modify in the same way the implementing rules for the operational and financial management of the Investment Facility implemented by the European Investment Bank (EIB) during this transitional period and until the entry into force of the 11th EDF Internal Agreement.

(4) Regulation (EC) No 215/2008 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

For the transition period between the 10th EDF and the 11th EDF, Articles 1 to 159 of Regulation (EC) No 215/2008 are replaced by those laid down in the Annex to this Regulation.

Article 2

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

It shall apply until the entry into force of the 11th EDF Financial Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 26 May 2014.

For the Council

The President

Ch. VASILAKOS

***Changes to legislation:** There are currently no known outstanding effects for the Council Regulation (EU) No 567/2014. (See end of Document for details)*

ANNEX

PART ONE

MAIN PROVISIONS

TITLE I

Subject Matter, Scope And General Provisions

Article 1

Scope

This Regulation lays down the rules for the financial implementation of the resources of the European Development Fund (EDF) and the presentation and auditing of its accounts.

Article 2

Relation to Regulation (EU, Euratom) No 966/2012

1 Unless specifically provided otherwise, direct references in this Regulation to the provisions of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council[(5)] shall be deemed to include also references to the corresponding provisions of Commission Delegated Regulation (EU) No 1268/2012[(6)].

2 References in this Regulation to the applicable provisions of Regulation (EU, Euratom) No 966/2012 shall not be deemed to include procedural provisions which are not relevant to the EDF, in particular those concerning the empowerment to adopt delegated acts.

3 Internal references in Regulation (EU, Euratom) No 966/2012 or in Delegated Regulation (EU) No 1268/2012 shall not render the provisions referred to indirectly applicable to the EDF.

4 Terms used in this Regulation shall have the same meaning as those in Regulation (EU, Euratom) No 966/2012, with the exception of the definitions referred to in points (a) to (e) of Article 2 of that Regulation.

However, for the purposes of this Regulation, the following terms in Regulation (EU, Euratom) No 966/2012 shall be defined as follows:

a "budget" or "budgetary" means "EDF";

b "budgetary commitment" means "financial commitment";

c "institution" means "the Commission";

d "appropriations" or "operational appropriations" means "EDF resources";

e "budget line" or "line in the budget" means "allocation";

f "basic act" means, according to the relevant context, the 10th EDF Internal Agreement, Council Decision 2013/755/EU[(7)] ("the Overseas Association Decision"), or Council Regulation (EC) No 617/2007[(8)] ("the Implementation Regulation");

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) No 567/2014. (See end of Document for details)*

g "third country" means any beneficiary country or territory covered by the geographical scope of the EDF.

5 The interpretation of this Regulation shall aim at preserving coherence with Regulation (EU, Euratom) No 966/2012 unless such interpretation would be incompatible with the specificities of the EDF as provided for in the ACP-EU Partnership Agreement, the 10th EDF Internal Agreement, the Overseas Association Decision, or the Implementation Regulation.

Article 3

Periods, dates and time limits

Unless otherwise provided, Council Regulation (EEC, Euratom) No 1182/71[(9)] shall apply to deadlines set by this Regulation.

Article 4

Protection of personal data

This Regulation is without prejudice to the requirements of Directive 95/46/EC of the European Parliament and of the Council[(10)] and to the requirements of Regulation (EC) No 45/2001 of the European Parliament and of the Council[(11)].

Article 29 of Delegated Regulation (EU) No 1268/2012 concerning information on transfers of personal data for audit purposes shall apply.

TITLE II

Financial Principles

Article 5

Financial principles

The EDF resources shall be implemented in compliance with the following principles:

(a) unity and budgetary accuracy;

(b) unit of account;

(c) universality;

(d) specification;

(e) sound financial management;

(f) transparency.

The financial year shall run from 1 January to 31 December.

***Changes to legislation:** There are currently no known outstanding effects for the Council Regulation (EU) No 567/2014. (See end of Document for details)*

Article 6

Principles of unity and budgetary accuracy

No revenue shall be collected and no expenditure effected unless booked to the EDF.

Article 8(2) and (3) and the first subparagraph of Article 8(4) of Regulation (EU, Euratom) No 966/2012 shall apply.

Article 7

Principle of unit of account

Article 19 of Regulation (EU, Euratom) No 966/2012 on the use of the euro shall apply *mutatis mutandis*.

Article 8

Principle of universality

Without prejudice to Article 9 of this Regulation, total revenue shall cover total estimated payments.

All revenue and expenditure shall be entered in full without any adjustment against each other, and without prejudice to Article 23 of Regulation (EU, Euratom) No 966/2012 concerning rules on deductions and exchange rate adjustments, which shall apply.

However, the revenue referred to in point (c) of Article 9(2) of this Regulation shall automatically decrease payments made against the commitment from which it was generated.

The Union may not raise loans within the framework of the EDF.

Article 9

Assigned revenue

1 Assigned revenue shall be used to finance specific items of expenditure.

2 The following shall constitute assigned revenue:

- a financial contributions from Member States and third countries, including in both cases their public agencies, entities or natural persons; and from international organisations to certain external aid projects or programmes financed by the Union and managed by the Commission or the European Investment Bank (EIB) on their behalf in accordance with Article 10 of the Implementation Regulation;
- b revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests;
- c revenue arising from the repayment, following recovery, of amounts wrongly paid;
- d revenue generated by interest on pre-financing payments, subject to Article 8(4) of Regulation (EU, Euratom) No 966/2012;
- e repayments and revenues generated by financial instruments pursuant to Article 140(6) of Regulation (EU, Euratom) No 966/2012;