Council Regulation (EU) No 566/2014 of 26 May 2014 amending Regulation (EC) No 617/2007 as regards the application of the transition period between the 10th EDF and the 11th EDF until the entry into force of the 11th EDF Internal Agreement

COUNCIL REGULATION (EU) No 566/2014

of 26 May 2014

amending Regulation (EC) No 617/2007 as regards the application of the transition period between the 10th EDF and the 11th EDF until the entry into force of the 11th EDF 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 (ACP) 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 'Internal Agreement'), and in particular Article 10(1) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Investment Bank,

Whereas:

(1) Council Decision 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 countries and with Overseas Countries and Territories, as well as for support expenditure, from 1 January 2014 until the entry into force of the 11th EDF.

(2) It is necessary to modify Council Regulation (EC) No 617/2007[(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.

(3) It is appropriate to modify in the same way the implementing rules for the operational and financial management of the Investment Facility during this transitional period.

(4) The organisation and functioning of the European External Action Service are established in Council Decision 2010/427/EU[(5)].

(5) Regulation (EC) No 617/2007 should be therefore amended accordingly,

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) No 566/2014. (See end of Document for details)*

HAS ADOPTED THIS REGULATION:

Article 1

For the transition period between the 10th EDF and the 11th EDF until the entry into force of the 11th EDF Internal Agreement, Articles 1 to 16 of Regulation (EC) No 617/2007 are replaced by those laid down in the Annex to this Regulation.

Article 2

This Regulation shall apply in accordance with Decision 2010/427/EU.

Article 3

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 Implementation 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 566/2014. (See end of Document for details)*

ANNEX

TITLE I

OBJECTIVES AND GENERAL PRINCIPLES

Article 1

Objectives and eligibility criteria

1 Geographic cooperation with the ACP countries and regions in the context of the European Development Fund (EDF) shall be founded on the objectives, basic principles and values reflected in the general provisions of 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[(6)] ("the ACP-EU Partnership Agreement").

2 In particular, and within the framework of the principles and objectives of the Union's external action, of the European Consensus on Development and of the Agenda for Change and subsequent modifications and additions thereto:

a the primary objective of cooperation under this Regulation shall be the reduction and, in the long term, the eradication of poverty;

b cooperation under this Regulation will also contribute to:

(i) fostering sustainable and inclusive economic, social and environmental development,

(ii) consolidating and supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law, and

(iii) implementing a rights-based approach encompassing all human rights.

The achievement of those objectives shall be measured using relevant indicators, including human development indicators, in particular Millennium Development Goal (MDG) 1 for point (a) and MDG 1 to 8 for point (b) and, after 2015, other indicators agreed at international level by the Union and its Member States.

3 Programming shall be designed so as to fulfil to the greatest extent possible the criteria for official development assistance (ODA) established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), taking into account the Union's aim to ensure that over the period 2014-20 at least 90 % of its overall external assistance be counted as ODA.

4 Actions covered by Council Regulation (EC) No 1257/96[(7)] and eligible for funding under that Regulation shall not, in principle, be funded under this Regulation, without prejudice to the need to ensure continuity of cooperation from crisis to stable conditions for development. In those cases, special consideration shall be given to ensuring that humanitarian relief, rehabilitation and development assistance are effectively linked and contribute to disaster risk reduction and resilience.

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) No 566/2014. (See end of Document for details)*

Article 2

General principles

1 In implementing this Regulation, consistency with other areas of Union external action and with other relevant Union policies and policy coherence for development shall be ensured, in accordance with Article 208 of the Treaty on the Functioning of the European Union (TFEU). To this end, measures financed under this Regulation, including those managed by the European Investment Bank (EIB), shall be based on the cooperation policies set out in documents such as arrangements, declarations and action plans between the Union and the third countries and regions concerned, and on the Union's decisions, specific interests, policy priorities and strategies.

2 The Union and the Member States shall work towards joint multiannual programming, based on partner countries' poverty reduction or equivalent development strategies. They may undertake joint action including joint analysis of and joint response to those strategies identifying priority sectors of intervention and in-country division of labour, by joint donor-wide missions and by the use of co-financing and delegated cooperation arrangements.

3 The Union shall promote a multilateral approach to global challenges and shall cooperate with Member States and partner countries in that respect. Where appropriate, it shall foster cooperation with international organisations and bodies and other bilateral donors.

4 Relations between the Union and its Member States and partner countries are based on and will promote shared values of human rights, democracy and the rule of law as well as the principles of ownership and of mutual accountability. Support to partners will be adapted to their development situation and commitment and progress with regard to human rights, democracy, the rule of law and good governance.

Furthermore, relations with partner countries shall take into account their commitment and track record in implementing international agreements and contractual relations with the Union, including within the area of migration as stipulated by the ACP-EU Partnership Agreement.

5 The Union shall promote effective cooperation with partner countries and regions in line with international best practice. It shall align its support with partners' national or regional development strategies, reform policies and procedures wherever possible, and support democratic ownership, as well as domestic and mutual accountability. To that end, it shall promote:

a a development process that is transparent, partner country or region led and owned, including the promotion of local expertise;

b a rights-based approach encompassing all human rights, whether civil and political, economic, social and cultural, in order to integrate human rights principles into the implementation of this Regulation, to assist partner countries in implementing their international human rights obligations and to support the right holders, with a focus on poor and vulnerable groups, in claiming their rights;

c the empowerment of the population of partner countries, inclusive and participatory approaches to development and a broad involvement of all segments of society in the development process and in national and regional dialogue, including political dialogue. Particular attention shall be given to the respective roles of parliaments, local authorities and civil society, inter alia, regarding participation, oversight and accountability;

d effective cooperation modalities and instruments in line with OECD/DAC best practices, including the use of innovative instruments such as blending grants and

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loans and other risk-sharing mechanisms in selected sectors and countries, and private sector engagement, with due regard to the issues of debt sustainability and the number of such mechanisms, and the requirement for systematic assessment of the impact in accordance with the objectives of this Regulation, in particular poverty reduction, as well as specific budget support mechanisms such as state building contracts. All programmes, interventions and cooperation modalities and instruments shall be adapted to the particular circumstances of each partner country or region, with a focus on programme-based approaches, on the delivery of predictable aid funding, on the mobilisation of private resources, including from the local private sector, on universal and non-discriminatory access to basic services, and on the development and use of country systems;

e mobilisation of domestic revenue and reinforcement of partner countries' fiscal policy with the purpose of reducing poverty and aid dependence;

f improved impact of policies and programming through coordination, consistency and harmonisation between donors to create synergies and avoid overlap and duplication, to improve complementarity and to support donor-wide initiatives and through coordination in partner countries and regions using agreed guidelines and best practice principles on coordination and aid effectiveness;

g results-based approaches to development, including through transparent and country-led results frameworks based on, where appropriate, internationally agreed targets and comparable and aggregatable indicators such as those of the MDGs, in order to assess and communicate the results, including the outputs, outcomes and impact of development aid.

6 The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, the development dimension of partnership agreements and triangular cooperation. The Union shall promote south-south cooperation.

7 In its development cooperation activities the Union shall, as appropriate, draw on and share the reform and transition experiences of Member States and the lessons learned.

8 The Union shall seek regular exchanges of information with the actors of the partnership in line with Article 4 of the ACP-EU Partnership Agreement.

TITLE II

PROGRAMMING AND ALLOCATION OF FUNDS

Article 3

General framework for allocating funds

1 The Commission shall determine the multiannual indicative resource allocations for each ACP country and region and for Intra-ACP cooperation on the basis of the criteria laid down in Articles 3, 9 and 12c of Annex IV to the ACP-EU Partnership Agreement, within the financial limits set out in Article 2 of 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[8] (the "Internal Agreement").