



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 27 June 2006 (28.06)  
(OR. en,es)**

**10648/2/06  
REV 2**

**LIMITE**

**ACP 94  
FIN 273  
PTOM 33  
RELEX 417**

**REVISED "I/A" ITEM NOTE**

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from : ACP Working Party  
on : 23 June 2006  
to : COREPER/Council

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No. Cion prop.: 7631/06 ACP 37 FIN 103 PTOM 10 RELEX 166

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Subject : Internal Agreement between 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 2008-2013 in accordance with the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and revised in Luxembourg (Grand Duchy of Luxembourg) on 25 June 2005 and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies

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1. On 20 March 2006 the Commission forwarded two proposals to the Council concerning:
  - (a) the Multiannual Financial Framework establishing a 10th European Development Fund for the period 2008-2013.

The 31st session of the ACP-EC Council of Ministers held in Port Moresby on 1 and 2 June 2006 adopted the Multiannual Financial Framework for cooperation with the ACP countries during the period 2008-2013, together with statements concerning (i) the impact of EPAs on the ACP countries, (ii) the transfer of de-committed funds of previous EDFs into the 10th EDF and (iii) the interest-rate subsidies of the Investment Facility of Cotonou;

(b) an Internal Agreement on the financing of Community aid under the Multiannual Financial Framework.

2. The ACP WP at its meeting on 23 June 2006 reached agreement on the Internal Agreement and specified that the texts of the Decision concerning the Multiannual Financial Framework, the statements attached thereto and the Internal Agreement on Financing should be published in the same Official Journal.
3. Coreper is invited to forward to the Council, for formal adoption, the text of the Decision for the Internal Agreement on Financing, as set out in 8944/06, after finalisation by the Legal/Linguistic experts and to suggest that the Council insert in its minutes the statements attached to this Note.

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Statement by the Council

*"The Council considers that the revenue from interest generated on the funds of the 10th EDF managed by the Bank should be accrued to the Investment Facility".*

Statement by Spain

"Without prejudice to EU cooperation with the OCTs being governed in accordance with the EC Treaty, Spain highlights the apparent contradiction between Council Decision 2001/822/EC of 27 November 2001 and the EU's Development Policy Statement at the end of 2005, which states that:

*Development aid will continue to support poverty-stricken people in all developing countries, including both low- and middle-income countries. (Art. 10).*

Given that most OCTs are high-income countries in terms of development cooperation, it does not seem consistent with the European Consensus on Development that these countries should deprive poor countries of cooperation funds from both the EDF and the Community budget.

Spain trusts that this anomaly will be resolved as soon as possible and that the Commission will bear this issue in mind until the Council in 2011 re-examines the Community's arrangements for funding the OCTs."