



**TREATY SERIES 2009
N° 5**

Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multi-annual 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

Done at Brussels on 17 July 2006

Signed on behalf of Ireland on 17 July 2006

Ireland's notification that the procedures required for the entry into force of this Agreement have been completed deposited with the General Secretariat of the Council of the European Union on 9 March 2007

Entered into force with respect to Ireland on 1 May 2008

Presented to Dáil Éireann by the Minister for Foreign Affairs

**INTERNAL AGREEMENT BETWEEN THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE
COUNCIL, ON THE FINANCING OF COMMUNITY AID UNDER THE
MULTI-ANNUAL 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**

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN COMMUNITY, MEETING WITHIN THE COUNCIL,

Having regard to the Treaty establishing the European Community,

After consulting the Commission,

After consulting the European Investment Bank,

Whereas:

(1) Paragraph 3 of Annex Ia 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, signed in Cotonou on 23 June 2000¹ (hereinafter referred to as ‘the ACP-EC Partnership Agreement’), states that ‘any required amendments to the multi-annual financial framework or relative parts of the Agreement shall be decided by the Council of Ministers by derogation from Article 95 of this Agreement’.

(2) The ACP-EC Council of Ministers, meeting in Port Moresby (Papua New Guinea) on 1 and 2 June 2006, adopted Annex Ib to the ACP-EC Partnership Agreement and agreed therein to set the aggregate amount of Community aid to the ACP States under the multi-annual financial framework for the period 2008 to 2013, within the framework of the ACP-EC Partnership Agreement, at EUR 21 966 million from the 10th European Development Fund (hereinafter referred to as the ‘10th EDF’) contributed by Member States.

(3) Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community² (hereinafter referred to as the ‘Association Decision’) is applicable until 31 December 2011. A new decision on the basis of Article 187 of the Treaty should be adopted before that date. Before 31 December 2007, the Council, acting unanimously on a proposal from the Commission, should set at EUR 286 million the amount from the 10th EDF for financial assistance over the period 2008-2013 to the overseas countries and territories (hereinafter referred to as the ‘OCTs’) to which part four of the Treaty applies.

¹ OJ L 317, 15.12.2000, p. 3. Agreement as amended by the Agreement signed in Luxembourg on 25 June 2005 (OJ L 287, 28.10.2005, p. 4).

² OJ L 314, 30.11.2001, p. 1.

(4) In accordance with Decision 2005/446/EC of the Representatives of the Governments of the Member States, meeting within the Council of 30 May 2005 setting the deadline for the commitment of the funds of the 9th European Development Fund (EDF)³ the date beyond which the funds of the 9th EDF managed by the Commission, the interest subsidies managed by the European Investment Bank (EIB) and the revenue accruing from the interest on these appropriations should no longer be committed is set at 31 December 2007. This date may be reviewed if necessary.

(5) In order to implement the ACP-EC Partnership Agreement and the Association Decision, a 10th EDF should be established and a procedure should be laid down for the allocation of funds and for contributions from Member States to those funds.

(6) A review covering all aspects of European Union spending and resources should be conducted on the basis of a report by the Commission in 2008 to 2009.

(7) The Representatives of the Governments of the Member States, meeting within the Council, have agreed to earmark an amount of EUR 430 million from the 10th EDF for support expenditure incurred by the Commission in the programming and implementation of the EDF.

(8) The rules for the administration of financial cooperation should be determined.

(9) On 12 September 2000, the Representatives of the Governments of the Member States, meeting within the Council adopted an Internal Agreement on the financing and administration of Community Aid under the Financial Protocol to the ACP-EC Partnership Agreement and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies⁴ (hereinafter referred to as the 'Internal Agreement for the 9th EDF').

(10) A Committee of Representatives of the Governments of Member States should be set up at the Commission (hereinafter referred to as the 'EDF Committee') and a similar Committee should be set up at the EIB. The work of the Commission and the EIB to apply the ACP-EC Partnership Agreement and the corresponding provisions of the Association Decision should be harmonised.

(11) It is anticipated that Bulgaria and Romania will have joined the EU by 1 January 2008 and will adhere to the ACP-EC Partnership Agreement and to the present Internal Agreement according to their commitments undertaken pursuant to the Treaty of Accession of Bulgaria and Romania and the Protocol thereto.

(12) In its conclusions of 24 May 2005 the Council and the Representatives of the Governments of the Member States, meeting within the Council on accelerating progress towards attaining the Millennium Development Goals committed themselves to timely implementation and monitoring of the Paris Declaration on Aid Effectiveness of the Organisation for Economic Cooperation and Development (OECD) adopted at the High-Level Forum of Paris on 2 March 2005.

³ OJ L 156, 18.6.2005, p. 19.

⁴ OJ L 317, 15.12.2000., p.355

(13) The Official Development Assistance (ODA) targets referred to in the above mentioned conclusions should be recalled. When reporting expenditure within EDF to Member States and OECD Development Assistance Committee, the Commission should distinguish between ODA and non-ODA activities.

(14) On 22 December 2005, the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission adopted a Joint Statement on a European Union Development Policy: The European Consensus⁵,

(15) The EDF should continue to prioritise support to the least-developed and other low-income countries.

(16) On 11 April 2006, the Council approved the principle to fund the African Peace Facility from the intra-ACP funds for an amount of up to EUR 300 million covering the initial period 2008 to 2010. A comprehensive evaluation will take place during the third year, reviewing its modalities as well as the possibilities of alternative future funding sources, including CFSP funding.

Have agreed as follows:

⁵ OJ C 46, 24.2.2006, p.1

CHAPTER I FINANCIAL RESOURCES

Article 1

Resources of the 10th EDF

1. The Member States hereby set up a tenth European Development Fund, hereinafter referred to as ‘the 10th EDF’.

2. The 10th EDF shall consist of:

(a) An amount of up to EUR 22 682 million contributed by the Member States as follows:

| Member State | Contribution key | Contribution in EUR |
|----------------|------------------|---------------------|
| Belgium | 3,53 | 800 674 600 |
| Bulgaria (*) | 0,14 | 31 754 800 |
| Czech Republic | 0,51 | 115 678 200 |
| Denmark | 2,00 | 453 640 000 |
| Germany | 20,50 | 4 649 810 000 |
| Estonia | 0,05 | 11 341 000 |
| Greece | 1,47 | 333 425 400 |
| Spain | 7,85 | 1 780 537 000 |
| France | 19,55 | 4 434 331 000 |
| Ireland | 0,91 | 206 406 200 |
| Italy | 12,86 | 2 916 905 200 |
| Cyprus | 0,09 | 20 413 800 |
| Latvia | 0,07 | 15 877 400 |
| Lithuania | 0,12 | 27 218 400 |
| Luxembourg | 0,27 | 61 241 400 |
| Hungary | 0,55 | 124 751 000 |
| Malta | 0,03 | 6 804 600 |
| Netherlands | 4,85 | 1 100 077 000 |
| Austria | 2,41 | 546 636 200 |
| Poland | 1,30 | 294 866 000 |
| Portugal | 1,15 | 260 843 000 |
| Romania (*) | 0,37 | 83 923 400 |
| Slovenia | 0,18 | 40 827 600 |
| Slovakia | 0,21 | 47 632 200 |
| Finland | 1,47 | 333 425 400 |
| Sweden | 2,74 | 621 486 800 |
| United Kingdom | 14,82 | 3 361 472 400 |
| | | 22 682 000 000 |

(*) Estimated amount.

The amount of EUR 22 682 million shall be available from the entry into force of the multi-annual financial framework, of which

- (i) EUR 21 966 million shall be allocated to the ACP Group of States;

- (ii) EUR 286 million shall be allocated to the OCT;
- (iii) EUR 430 million shall be allocated to the Commission for support expenditure as referred to in Article 6, linked to programming and implementation of the EDF by the Commission.

(b) The funds referred to in Annex I to the ACP-EC Partnership Agreement and Annex II A of the Association Decision and allocated under the 9th EDF to finance the resources of the Investment Facility set out in Annex II C of the Association Decision (hereinafter referred to as the 'Investment Facility') are not affected by Decision 2005/446/EC setting the date beyond which the funds of the 9th EDF may no longer be committed. These funds shall be transferred to the 10th EDF and be managed according to the implementation arrangements for the 10th EDF from the date of entry into force of the multi-annual financial framework for the period 2008 to 2013 under the ACP-EC Partnership Agreement and the date of entry into force of Council decisions regarding the financial assistance to the OCT for the period 2008 to 2013.

3. After 31 December 2007, or after the date of entry into force of the multi-annual financial framework for the period 2008 to 2013 if this date falls later, balances from the 9th EDF or from previous EDFs shall no longer be committed, with the exception of the balances and funds de-committed after this date of entry into force resulting from the system guaranteeing the stabilisation of export earnings from primary agricultural products (Stabex) under the EDFs prior to the 9th EDF and of those funds referred to in paragraph 2(b). Those funds possibly committed after 31 December 2007 until the entry into force of the present agreement, as referred to above, will exclusively be used to ensure the working ability of the EU administration and to cover the ongoing costs to sustain running projects until the 10th EDF comes into force.

4. Funds de-committed from projects under the 9th EDF or from previous EDFs after 31 December 2007 shall no longer be committed, unless decided otherwise by the Council unanimously, on the basis of a proposal by the Commission, with the exception of the funds de-committed after this date of entry into force resulting from the systems guaranteeing the stabilisation of export earnings from primary agricultural products (Stabex) under the EDFs prior to the 9th EDF which shall be automatically transferred to the respective national indicative programmes referred to in Article 2(a)(i) and Article 3(1) and of those funds referred to in paragraph 2(b).

5. The total amount of resources of the 10th EDF shall cover the period from 1 January 2008 to 31 December 2013. The funds of the 10th EDF shall no longer be committed beyond 31 December 2013 unless the Council decides otherwise unanimously, on a proposal from the Commission.

6. The revenue from interest generated on operations financed under commitments made under previous EDFs and on the funds of the 10th EDF managed by the Commission and deposited with the paying agents in Europe referred to in Article 37(1) of Annex IV to the ACP-EC Partnership Agreement shall be credited to one or more bank accounts opened in the name of the Commission and shall be used in

accordance with the terms of Article 6. The use of the revenue from interest generated on the funds of the 10th EDF managed by the EIB, will be determined in the framework of the Financial Regulation referred to in Article 10(2).

7. Should a new State accede to the EU, the allocation of contributions referred to in paragraph 2(a) shall be amended by a decision of the Council acting unanimously, on the basis of a proposal from the Commission.

8. Financial resources may be adjusted by a decision of the Council acting unanimously, in accordance with Article 62(2) of the ACP-EC Partnership Agreement.

9. Any Member State may, without prejudice of the decision making rules and procedures set out in Article 8, provide to the Commission or the FIB voluntary contributions to support the objectives of the ACP-EC Partnership Agreement. Member States may also co-finance projects or programmes for example in the framework of specific initiatives to be managed by the Commission or the EIB. ACP ownership at the national level of such initiatives shall be guaranteed.

The Implementation and Financial Regulation referred to in Article 10, shall include the necessary provisions for co-financing by the EDF, as well as for co-financing activities implemented by Member States. Member States shall inform the Council in advance of their voluntary contributions.

10. The Council shall, in accordance with paragraph 7 of the Financial Protocol of the ACP-EC Partnership Agreement, together with the ACP States, conduct a performance review, assessing the degree of realisation of commitments and disbursements, and the results and impact of the aid provided. The review shall be undertaken on the basis of a proposal to be prepared by the Commission in 2010. This performance review shall contribute to a decision on the amount of the financial cooperation after 2013.

Article 2

Resources allocated for the ACP States

The amount of EUR 21 966 million referred to in Article 1 (2)(a)(i) shall be allocated between the instruments of cooperation as follows:

(a) EUR 17 766 million to finance national and regional indicative programmes. This allocation will be used to finance

(i) the national indicative programmes of the ACP States in accordance with Articles 1 to 5 of Annex IV to the ACP-EC Partnership Agreement;

(ii) the regional indicative programmes of support for regional and inter-regional cooperation and integration of ACP States in accordance with Articles 6 to 11, 13(1) and 14 of Annex IV to the ACP-EC Partnership Agreement.

b) EUR 2700 million to finance intra-ACP and inter-regional cooperation with many or all of the ACP States, including, in accordance with Articles 12, 13(2) and 14 of Annex IV to the ACP-EC Partnership Agreement concerning implementation and management procedures. This envelope shall include structural support to the joint institutions: the CDE and the CTA referred to and supervised according to the rules and procedures set out in Annex III to the ACP-EC Partnership Agreement, and the Joint Parliamentary Assembly referred to in Article 17 thereof. This envelope shall also cover assistance for the operating expenditures of the ACP Secretariat referred to in points 1 and 2 of Protocol 1 attached to the ACP-EC Partnership Agreement;

(c) Part of the resources referred to under points (a) and (b) may be used to respond to external shocks and for unforeseen needs, including, as appropriate, for complementary short-term humanitarian relief and emergency assistance where such support cannot be financed from the Community budget, to mitigate the adverse effects of short-term fluctuations in export earnings.

(d) EUR 1500 million in the form of an allocation to the EIB to finance the Investment Facility in accordance with the terms and conditions set out in Annex II to the ACP-EC Partnership Agreement, comprising an additional contribution of EUR 1100 million to the resources of the Investment Facility, managed as a revolving fund, and EUR 400 million under the form of grants for the financing of the interest rate subsidies provided for in Articles 2 and 4 of Annex II to the ACP-EC Partnership Agreement over the period of the 10th EDF.

Article 3

Resources allocated for the OCTs

1. The amount of EUR 286 million referred to in Article 1 (2)(a)(ii) shall be allocated according to the Council Decision to be taken before 31 December 2007 amending the Association Decision to Article 187 of the Treaty, of which EUR 256 million to finance national and regional indicative programmes, and EUR 30 million in the form of an allocation to the EIB to finance the Investment Facility in accordance with the Association Decision.

2. Where an OCT becomes independent and accedes to the ACP-EC Partnership Agreement, the amount indicated in paragraph 1 shall be reduced and those indicated in Article 2(a)(i) correspondingly increased by a decision of the Council acting unanimously on a proposal from the Commission.

Article 4

Loans from the EIB's own resources

1. To the amount allocated to the investment facility under the 9th EDF referred to in Article 1(2)(b) and the amount referred to in Article 2(d) shall be added an indicative amount of up to EUR 2030 million in the form of loans granted by the EIB from its own resources. These resources shall be allocated for an amount of up to EUR 2000 million for the purposes set out in Annex II to the ACP-EC Partnership Agreement and for an amount of up to EUR 30 million for the purposes set out in the Association

Decision, in accordance with the conditions specified in its statutes and the relevant provisions of the terms and conditions for investment financing as laid down in Annex II to the ACP-EC Partnership Agreement and the Association Decision.

2. The Member States shall undertake to act as guarantor for the EIB, waiving any right to object and in proportion to their contributions to its capital, in respect of all financial commitments arising for borrowers under contracts concluded by the EIB for loans from its own resources pursuant to Article 1 of Annex II to the ACP-EC Partnership Agreement and the corresponding provisions of the Association Decision.

3. The guarantee referred to in paragraph 2 shall be restricted to 75 % of the total amount of credits opened by the EIB under all the loan contracts, but shall cover all risks.

4. The undertakings referred to in paragraph 2 shall be the subject of guarantee contracts between each Member State and the EIB.

Article 5

Operations managed by the EIB

1. Payments made to the FIB in respect of special loans granted to the ACP States, the OCTs and the French overseas departments, together with the proceeds and income from risk capital operations, under the EDFs prior to the 9th EDF shall be credited to the Member States in proportion to their contributions to the EDF to which the sums relate, unless the Council decides unanimously, on a proposal from the Commission, to place them in reserve or allocate them to other purposes.

2. Any commission due to the FIB for managing the loans and operations referred to in paragraph 1 shall be deducted in advance from the sums to be credited to the Member States.

3. Proceeds and income received by the EIB from operations under the Investment Facility under the 9th and 10th EDF shall be used for further operations under that Facility, in accordance with Article 3 of Annex II to the ACP-EC Partnership Agreement and after deduction of exceptional expenses and liabilities arising in connection with the Investment Facility.

4. The EIB shall be remunerated on a full indemnity basis for the management of the Investment Facility operations referred to in paragraph 3, in accordance with Article 3(la) of Annex II to the ACP-EC Partnership Agreement.

Article 6

Resources reserved for support expenditure linked to the EDF

1. The resources of the EDF shall cover the costs for support measures. The resources referred to in Article 1(2)(a)(iii) and Article 1(5) shall cover costs linked to the programming and implementation of the EDF which are not necessarily covered by the strategy support papers and multi-annual indicative programmes referred to in the Implementation Regulation referred to in Article 10(1).

2. The resources for support measures may cover expenditure associated with:

(a) the preparation, follow-up, monitoring, accounting, audit and evaluation activities directly necessary for the programming and implementation of the resources of the EDF managed by the Commission:

b) the achievement of these objectives, through development policy research activities, studies, meetings, information, awareness-raising, training and publication activities; and

(c) computer networks for the exchange of information, and any other administrative or technical assistance expenditure that the Commission may incur for the management of the EDF.

They shall also cover expenditure both at Commission headquarters and in Delegations on the administrative support needed to manage operations financed under the ACP-EC Partnership Agreement and the Association Decision.

They shall not be assigned to core tasks of the European public service, i.e. the Commission's permanent staff.

CHAPTER II IMPLEMENTATION AND FINAL PROVISIONS

Article 7 Contributions to the 10th EDF

1. Each year, the Commission, taking into account the EIB's forecasts concerning the management and operation of the Investment Facility, shall establish and communicate to the Council by 15 October a statement of the commitments, payments and the annual amount of the calls for contributions to be made in the current and the two following budget years. These amounts shall be based on the capacity to deliver the proposed level of resources effectively.

2. Upon a proposal from the Commission, specifying the part for the Commission and the EIB, the Council shall decide by qualified majority, as laid down in Article 8, on the ceiling for the annual amount of the contribution for the second year following the proposal from the Commission (n+2) and, within the ceiling decided the previous year, on the annual amount of the call for contribution for the first year following the proposal from the Commission (n+1).

3. Should the contributions decided according to paragraph 2 deviate from the EDF's actual needs during the financial year in question, the Commission shall submit proposals to amend the contribution amounts within the ceiling referred to in paragraph 2 to the Council, which shall take a decision by qualified majority as laid down in Article 8.

4. The calls for contribution cannot exceed the ceiling referred to in paragraph 2 nor can the ceiling be increased except when decided by the Council by qualified majority

as laid down in Article 8 in cases of special needs resulting from exceptional or unforeseen circumstances such as post-crisis situations. In this case, the Commission and the Council shall ensure that contributions correspond to expected payments.

5. Each year, the Commission, taking into account the EIB's forecasts, shall communicate to the Council by 15 October its estimates of commitments, disbursements and contributions for each of the three years following the years referred to in paragraph 1.

6. As regards funds transferred from previous EDFs to the 10th EDF in accordance with Article 1 (2)(b) and Article 1(3), the contributions of each Member State shall be calculated in proportion to the contribution of each Member State to the EDF in question.

As regards funds of the 9th EDF and the previous EDF that are not transferred to the 10th EDF, the impact on the contribution of each Member State shall be calculated in proportion to the contribution of each Member State to the 9th EDF.

7. The detailed rules for the payment of contributions by the Member States shall be determined by the Financial Regulation referred to in Article 10(2).

Article 8

The European Development Fund Committee

1. A Committee (hereinafter 'the EDF Committee') consisting of Representatives of the Governments of the Member States shall be set up at the Commission for those resources of the 10th EDF which the Commission administers. The EDF Committee shall be chaired by a Commission representative and its secretariat shall be provided by the Commission. A representative of the EIB shall take part in its work.

2. Within the EDF Committee, the votes of the Member States shall be weighted as follows:

| Member State | Votes EU-27 |
|----------------|-------------|
| Belgium | 35 |
| Bulgaria (*) | [1] |
| Czech Republic | 5 |
| Denmark | 20 |
| Germany | 205 |
| Estonia | 1 |
| Greece | 15 |
| Spain | 79 |
| France | 196 |
| Ireland | 9 |
| Italy | 129 |
| Cyprus | 1 |

| Member State | Votes EU-27 |
|-----------------|-------------|
| Latvia | 1 |
| Lithuania | 1 |
| Luxembourg | 3 |
| Hungary | 6 |
| Malta | 1 |
| Netherlands | 49 |
| Austria | 24 |
| Poland | 13 |
| Portugal | 12 |
| Romania (*) | [4] |
| Slovenia | 2 |
| Slovakia | 2 |
| Finland | 15 |
| Sweden | 27 |
| United Kingdom | 148 |
| Total EU-25 | 999 |
| Total EU-27 (*) | [1 004] |

(*) Estimated vote.

3. The EDF Committee shall act by a qualified majority of 720 votes out of 999, expressing a vote in favour by at least 13 Member States. The blocking minority shall consist of 280 votes.

4. Should a new State accede to the EU, the weightings laid down in paragraph 2 and the qualified majority referred to in paragraph 3 shall be amended by a decision of the Council, acting unanimously.

5. The Council shall adopt the rules of procedure of the EDF Committee acting unanimously.

Article 9

The Investment Facility Committee

1. A Committee (hereinafter the 'Investment Facility Committee') consisting of Representatives of the Governments of the Member States and of a representative of the Commission shall be set up under the auspices of the EIB. The EIB shall provide the Committee's secretariat and support services. The Chairperson of the Investment Facility Committee shall be elected by and from within the members of the Investment Facility Committee.

2. The Council shall adopt the rules of procedure of the Investment Facility Committee, acting unanimously.

3. The Investment Facility Committee shall act by a qualified majority, as laid down in Article 8(2) and 8(3).

Article 10 *Implementing provisions*

1. Without prejudice to Article 8 of this Agreement and the Member States' voting rights thereunder, all the relevant provisions of Articles 14 to 30 of the Internal Agreement for the 9th EDF shall remain in force pending the Council decision on an Implementation Regulation for the 10th EDF. This Implementation Regulation shall be decided upon by unanimity, based on a proposal by the Commission and after consulting the EIB.

The Implementation Regulation shall contain appropriate modifications and improvements to the programming and decision-making procedures, as well as harmonise Community and EDF procedures as far as possible, including on co-financing aspects. It shall furthermore establish particular management procedures for the Peace Facility. Recalling that financial and technical assistance for the implementation of Articles 11(6), 11a and 11b of the ACP-EC Partnership Agreement will be financed by specific instruments other than those intended for the financing of the ACP-EC Cooperation, activities developed under these provisions need to be approved by prior specified budgetary management procedures.

2. A Financial Regulation shall be adopted before the entry into force of the ACP-EC Partnership Agreement by the Council, acting by a qualified majority as laid down in Article 8, on the basis of a proposal from the Commission and after an opinion has been delivered by the EIB on those provisions concerning it and by the Court of Auditors.

3. The Commission will present its proposals for the regulations referred to in paragraphs (1) and (2) foreseeing, *inter alia*, the possibility of delegating the implementation of tasks to third parties.

Article 11 *Financial implementation, accounting, audit and discharge*

1. The Commission shall undertake the financial implementation of the envelopes it manages on the basis of Article 1(8), Article 2(a), (b) and (c), Article 3(1) and Article 6 and shall undertake the financial execution of projects and programmes in accordance with the Financial Regulation referred to in Article 10(2). For the recovery of sums unduly paid, decisions of the Commission shall be enforceable in accordance with Article 256 of the EC Treaty.

2. The EIB shall manage the Investment Facility and conduct operations thereunder on behalf of the Community, in accordance with the rules set out in the Financial Regulation referred to in Article 10(2). In so doing, the EIB shall act on behalf of, and at the risk of, the Community. Any rights resulting from such operations, in particular rights as creditor or owner, shall be vested in the Member States.

3. The EIB shall undertake, according to its statutes and best banking practice, the financial implementation of operations carried out by means of loans from its own resources as referred to in Article 4, where applicable combined with interest rate subsidies drawn from the EDF's grant resources.

4. For each financial year, the Commission shall draw up and approve the accounts of the EDF and send them to the European Parliament, the Council and the Court of Auditors.

5. The Commission shall make the information referred to in Article 10 available to the Court of Auditors so that the latter may, on the basis of the documentary evidence, carry out checks on the aid provided from EDF resources.

6. Each year, the EIB shall send the Commission and the Council its Annual Report on the implementation of operations financed from the EDF resources it manages.

7. Subject to paragraph 9 of this Article, the Court of Auditors shall exercise the powers conferred on it by Article 248 of the EC Treaty in respect of the EDF's operations. The conditions under which the Court of Auditors exercises its powers shall be laid down in the Financial Regulation referred to in Article 10(2).

8. The discharge for the financial management of the EDF, excluding operations managed by the EIB, shall be given to the Commission by the European Parliament on the recommendation of the Council, acting by a qualified majority as laid down in Article 8.

9. The operations financed from the EDF resources managed by the EIB shall be subject to the control and discharge procedure laid down by the Statute of the EIB for all its operations.

Article 12

Revision clause

Article 1(3) and the Articles contained in Chapter II, with the exception of amendments to Article 8, may be amended by the Council, acting unanimously and on a proposal from the Commission. The EIB shall be associated with the Commission's proposal on matters relating to its activities and those of the Investment Facility.

Article 13

Ratification, entry into force and duration

1. Each Member State shall approve this Agreement in accordance with its own constitutional requirements. The Government of each Member State shall notify the General Secretariat of the Council of the European Union when the procedures required for the entry into force of this Agreement have been completed.

2. This Agreement shall enter into force on the first day of the second month following the notification of the approval of this Agreement by the last Member State.

3. This Agreement is concluded for the same duration as the multi-annual financial framework of Annex Ib to the ACP-EC Partnership Agreement. However, notwithstanding Article 1(4), this Agreement shall remain in force for as long as is necessary for all the operations financed under the ACP-EC Partnership Agreement and the Association Decision and the said multi-annual financial framework to be fully executed.

Article 14
Authentic languages

This Agreement drawn up in a single original in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovak, Slovenian, Spanish and Swedish languages, each of these texts being equally authentic, shall be deposited in the archives of the General Secretariat of the Council of the European Union, which shall transmit a certified copy to each of the governments of the signatory States.

Done at Brussels on the seventeenth day of July in the year two thousand and six.