CONFERENCE ON ACCESSION TO THE EUROPEAN UNION – CROATIA –

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AD 31/11

LIMITE

CONF-HR 18

ACCESSION DOCUMENT

Subject: EUROPEAN UNION COMMON POSITION

Chapter 35 - Other issues

Item 1: European Development Fund

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This position of the European Union is based on its general position for the Accession Conference with Croatia (CONF-HR 2/05), and is subject to the negotiating principles endorsed by the

Conference (CONF-HR 5/05), in particular:

any view expressed by either party on a chapter of the negotiations will in no way prejudge

the position which may be taken on other chapters;

- agreements - even partial agreements - reached during the course of the negotiations on

chapters to be examined successively may not be considered as final until an overall

agreement has been established;

as well as to the requirements set out in points 13, 16 and 26 of the Negotiating Framework.

The EU underlines the importance for Croatia of compliance with the Stabilisation and Association

Agreement as well as the Accession Partnership, which constitute basic elements of the enhanced

pre-accession strategy.

AD 31/11 CONF-HR 18/11 2
LIMITE EN

Item 1: European Development Fund

Croatia will become party to the Cotonou ACP-EC Partnership Agreement, as revised in 2005 and 2010, upon accession automatically by means of the relevant clause in the Act of Accession to the European Union.

Croatia will accede to the European Development Fund (EDF) as of the entry into force of the new Multiannual Financial Framework of Cooperation following its accession to the Union and will contribute to it as from the 1 January of the second calendar year following the date of its accession.

The EU recalls that it has already been agreed with Croatia in the context of accession negotiations under chapter 30, External Relations, that the amount of Croatia's contribution to the European Development Fund will be decided by the Council, in accordance with the Internal Agreement establishing the European Development Fund, following its accession to the Union.

The EU notes that in the event that the EDF no longer remains the financial instrument of the Partnership Agreement, and the EDF becomes 'budgetised', no specific contribution will be required from Croatia to the EDF and the normal funding mechanisms for the EU budget (own resources rules) will apply.

The EU draws Croatia's attention to the possibility of further *acquis* in this area.

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Subject to Croatia's acceptance of the above considerations, the EU notes that, at this stage, the issue of the European Development Fund does not require further negotiations.

In view of all the above considerations, the EU will, if necessary, return to this chapter at an appropriate moment.