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INFORMATION

From:	General Secretariat of the Council
To:	Working Party on Development cooperation and international partnerships
Subject:	Repeal of Article 38(6) NDICI Global Europe

In view of CODEV-PI (NDICI-Global Europe subgroup) on 16 June, please find enclosed a background document on the above, provided by the Commission services.

Repeal of Article 38(6) NDICI-Global Europe

Article 38(6) NDICI-Global Europe:

For the purposes of the Commission's accounting and its reporting of the risks covered by the External Action Guarantee, and in accordance with Article 209(4) of the Financial Regulation, eligible counterparts with which an External Action Guarantee agreement has been concluded shall provide the Commission and the Court of Auditors annually with the financial reports on financing and investment operations covered by this Regulation, **audited** by an independent external auditor, containing, inter alia, information on:

- (a) the risk assessment of financing and investment operations of the eligible counterparts, including information on Union liabilities measured in compliance with the accounting rules referred to in Article 80 of the Financial Regulation and International Public Sector Accounting Standards
- (b) the outstanding financial obligation for the Union arising from the EFSD+ operations provided to the eligible counterparts and their financing and investment operations, broken down by individual operation.

Article 212(4) Financial Regulation [(ex 209(4))]:

The authorising officer responsible for a financial instrument, a budgetary guarantee or a financial assistance shall produce a financial statement covering the period 1 January to 31 December, in accordance with Article 249 and in compliance with the accounting rules referred to in Article 80 and the International Public Sector Accounting Standards (IPSAS).

For financial instruments and budgetary guarantees implemented under indirect management, the authorising officer responsible shall ensure that unaudited financial statements covering the period 1 January to 31 December prepared in compliance with the accounting rules referred to in Article 80 and with IPSAS, as well as any information necessary to produce financial statements in accordance with Article 82(2), be provided by the entities pursuant to Article 62(1), first subparagraph, points (c)(ii), (iii), (v) and (vi), by 15 February of the following financial year and that **audited** financial statements be provided by those entities by 15 April of the following financial year.

Article 222(6) Financial Regulation [(ex 219(6))]:

Counterparts shall provide the Commission annually with:

- (a) a risk assessment and grading information concerning the operations covered by the budgetary guarantee as well as expected defaults;
- (b) information on the outstanding financial obligation arising for the Union from the budgetary guarantee, broken down by individual operations;
- (c) the total profits or losses deriving from the operations covered by the budgetary guarantee.

