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COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION

EUROPEAN DEVELOPMENT FUND (EDF)

Estimate of commitments and payments and of contributions to be paid by the Member States for 2008 to 2013

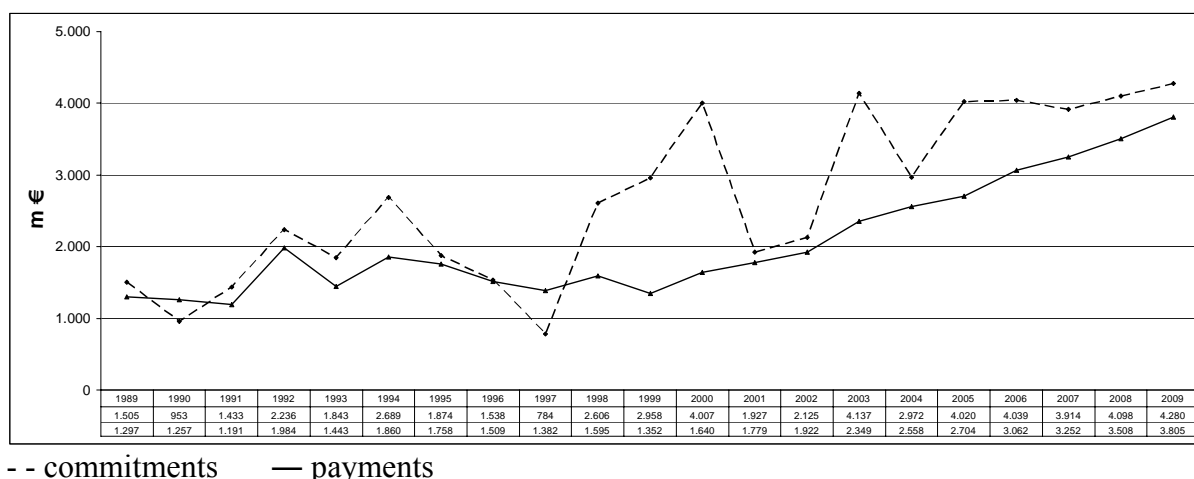
INTRODUCTION

In accordance with Article 7(1) and (5) of the Internal Agreement,¹ the Commission presents in this document estimates of commitments, payments and contributions for the period 2008 to 2013, taking into account the forecasts of the European Investment Bank (EIB) concerning the Investment Facility.

Since the entry into force of the 9th European Development Fund (EDF) in 2003, the Member States have made direct contributions to the EIB for the instruments it manages (the Investment Facility and interest-rate subsidies). This communication therefore draws a clear distinction between funds managed by the EIB under the 9th and 10th EDFs and those managed by the Commission.

As in previous years, this document consists mainly of tables accompanied by a few explanations to help interpretation.

The graph below gives an overview of the trend in commitments and payments (Commission² and EIB). It clearly shows the structural upward trend of payments since 2000.



¹ 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 (OJ L 247, 9.9.2006, p. 32).

² The commitments and payments for the Commission are “gross” figures, i.e. without the deduction of decommitments and recoveries.

1. FINANCIAL IMPLEMENTATION FORECASTS FOR 2008 AND 2009

The Commission and the EIB have updated their commitment and payment forecasts for 2008 and 2009 for each of the ACP³ countries and the OCTs⁴. The result and the amount of contributions necessary to finance the EDF are set out in Annexes 1 to 3 where they are compared with the figures given in the June 2008 communication⁵.

As regards the Commission, it should be stressed that, as a result of the late entry into force of the 10th EDF, the 2008 commitments will be very concentrated towards the end of the year. A slight delay in the workflow is bound to lead to relatively substantial slippage in projects between 2008 and 2009. The Commission would also point out that it closed the 7th EDF in September 2008 and initiated a procedure for closing the bank accounts in the ACP and OCT countries, which should rationalise treasury management. At the beginning of 2009 it is to replace the EDF computer accounting programme with a new one modelled on the programme used for the general budget.

The EIB notes that the estimated 2008 year-end balance is mainly based on a forecast of the capital and interest repayments, a large part of which is due in mid-December. These repayments are unpredictable and may be early or late.

The Commission urges the Council to make available all the contributions necessary to guarantee proper implementation of the EDF in 2008 and 2009. If the Council's decision on the third tranche for 2008 is less than the amount requested, the annual amount of the contributions for 2009 and the first tranche for 2009 should be increased accordingly. Otherwise the EDF will be forced to suspend payments in 2009.

In accordance with Article 57(4) of the Financial Regulation applicable to the 10th EDF⁶, the forecasts will be revised in the June 2009 communication.

2. FINANCIAL YEARS 2010 TO 2013

It should be remembered that the margin of error in medium-term estimates is high.

Following the entry into force of the 10th EDF, the Commission is obliged to propose a ceiling, for the first time, on the annual amount of the contributions for year n+2, i.e. 2010⁷. A figure of €280 million is proposed for the EIB and €3 500 million for the Commission.

The table below sets out the result of the forecasts for 2008-2013. The relatively high gap between payments and contributions for the EIB is due to the fact that, since 2007, some of the payments have been financed by loan repayments.

³ African, Caribbean and Pacific States.

⁴ Overseas Countries and Territories.

⁵ COM(2008) 354 final of 13.6.2008. The figures for the Investment Facility are as given by the EIB during discussions in the Council (see Council document 121/08 ACP of 16.6.2008).

⁶ OJ L 78, 19.3.2008, p. 1.

⁷ Article 7 of the Internal Agreement (see footnote 1).

**Forecast of commitments, payments and contributions
2008-2013**

€ million

	2008	2009	2010	2011	2012	2013
Commitments						
Commission	3578	3750	3750	3750	3750	3200
EIB	520	530	550	550	550	470
Payments						
Commission	3140	3375	3550	3650	3700	3700
EIB	368	430	450	450	450	370
Contributions						
Commission	3000	3300	3500	3575	3625	3625
EIB	240	200	280	230	210	200

ANNEX 1 – Forecast commitments for 2008 and 2009 (EUR million)

	2008		2009	
	June 2008 ⁸ communication	Revised	June 2008 communication	Revised
Regions				
East Africa	529	778		949
West Africa	1 096	1 486		790
Central Africa	207	482		352
Caribbean	99	123		355
Pacific	30	39		106
Southern Africa	730	170		712
Subtotal	2 692	3 076		3 264
Other				
Peace Facility	300	0		300
Other ⁹	36	502		186
Total for the Commission	3 029	3 578	3 750	3 750
Investment Facility	450	450	450	450
Interest-rate subsidies	50	70	50	80
Total for EIB instruments	500	520	500	530
TOTAL	3 529	4 098	4 250	4 280

⁸ COM(2008) 354 final of 13.6.2008 (see also Council document 121/08 ACP of 16.6.2008 with figures revised by the EIB).

⁹ Includes certain support expenditures, e.g. to support joint institutions and the ACP Secretariat, and mobilisation of the "B" envelope in connection, inter alia, with the food price crisis.

ANNEX 2 – Forecast payments for 2008 and 2009 (EUR million)

	2008		2009	
	June 2008 communication ¹⁰	Revised	June 2008 communication	Revised
Regions				
East Africa	578	627		844
West Africa	858	804		916
Central Africa	373	324		457
Caribbean	256	217		264
Pacific	76	68		85
Southern Africa	354	366		380
Sub-total	2 493	2 406		2 946
Other				
Peace Facility	45	41		23
Water Facility	99	71		43
Energy Facility	p.m.	29		27
Risk capital ¹¹	77	51		51
Debt relief (HIPC)	180	180		0
Infrastructure Trust Fund	40	40		1
Other ¹²	172	288		282
<i>SUBTOTAL</i>	3 106	3 106	3 168	3 373
Stabex	14	34	32	25
<i>Total for the Commission</i>	3 120	3 140	3 200	3 375
Investment Facility	370	310	400	350
Interest-rate subsidies	50	58	50	80
<i>Total for EIB instruments</i>	420	368	450	430
TOTAL	3 540	3 508	3 650	3 805

Gross payments, i.e. without recoveries being deducted.

¹⁰ See footnote 8.

¹¹ Including interest-rate subsidies under the previous EDFs.

¹² See footnote 9.

ANNEX 3 - Financial situation estimated for 2008, 2009 and 2010¹³ (EUR million)

		June 2008 communication*			Revised		
		Commission	EIB	Total	Commission	EIB	Total
Balance at 31.12.2007**		57	77	134	57	77	134
2008	2008 contributions, of which:	3000	270	3270	3000	240	3240
	<i>1st tranche</i>	1635	170	1805	1635	170	1805
	<i>2nd tranche</i>	1000	70	1070	1000	70	1070
	<i>3rd tranche</i>	365	30	395	365	0	365
	Reflows		120	120		140	140
	Recoveries, interest and other	75		75	75		75
	Total payments	-3120	-420	-3540	-3140	-368	-3508
	Stabex payments (already financed)	14		14	34		34
Balance at 31.12.2008		26	47	73	26	89	115
2009	2009 contributions, of which:	3100	370	3470	3300	200	3500
	<i>1st tranche</i>				1750	70	1820
	<i>2nd tranche</i>				1100	110	1210
	<i>3rd tranche</i>				450	20	470
	Reflows		80	80		170	170
	Recoveries, interest and other	75		75	75		75
	Total payments	-3200	-450	-3650	-3375	-430	-3805
	Stabex payments (already financed)	32		32	25		25
Balance at 31.12.2009		33	47	80	51	29	80
2010	2010 contributions				3500	280	3780
	Reflows					200	200
	Recoveries, interest and other				75		75
	Total payments	3325	-470	2855	-3600	-450	-4050
	Stabex payments (already financed)				32		32
	Balance at 31.12.2010					58	59

* COM(2008) 354 final of 13.6.2008 (see also Council document 121/08 ACP of 16.6.2008 with revised figures for the EIB)

** minus contributions paid in advance

¹³ Funds available for operations

ANNEX 4 - 2008 EDF Contributions by Member State (EUR)

Member State	Scale %	1st tranche		2nd tranche		3rd tranche		TOTAL for all tranches
		paid EIB	paid Commission	paid EIB	paid Commission	payable to EIB	payable to Commission	
GERMANY	23.36	39 712 000	381 936 000	16 352 000	233 600 000	0	85 264 000	756 864 000
BELGIUM	3.92	6 664 000	64 092 000	2 744 000	39 200 000	0	14 308 000	127 008 000
DENMARK	2.14	3 638 000	34 989 000	1 498 000	21 400 000	0	7 811 000	69 336 000
SPAIN	5.84	9 928 000	95 484 000	4 088 000	58 400 000	0	21 316 000	189 216 000
FRANCE	24.30	41 310 000	397 305 000	17 010 000	243 000 000	0	88 695 000	787 320 000
GREECE	1.25	2 125 000	20 437 500	875 000	12 500 000	0	4 562 500	40 500 000
IRELAND	0.62	1 054 000	10 137 000	434 000	6 200 000	0	2 263 000	20 088 000
ITALY	12.54	21 318 000	205 029 000	8 778 000	125 400 000	0	45 771 000	406 296 000
LUXEMBOURG	0.29	493 000	4 741 500	203 000	2 900 000	0	1 058 500	9 396 000
NETHERLANDS	5.22	8 874 000	85 347 000	3 654 000	52 200 000	0	19 053 000	169 128 000
PORTUGAL	0.97	1 649 000	15 859 500	679 000	9 700 000	0	3 540 500	31 428 000
UNITED KINGDOM	12.69	21 573 000	207 481 500	8 883 000	126 900 000	0	46 318 500	411 156 000
AUSTRIA	2.65	4 505 000	43 327 500	1 855 000	26 500 000	0	9 672 500	85 860 000
FINLAND	1.48	2 516 000	24 198 000	1 036 000	14 800 000	0	5 402 000	47 952 000
SWEDEN	2.73	4 641 000	44 635 500	1 911 000	27 300 000	0	9 964 500	88 452 000
TOTAL	100.00	170 000 000	1 635 000 000	70 000 000	1 000 000 000	0	365 000 000	3 240 000 000

ANNEX 5 - 2009 EDF Contributions by Member State (EUR)

Member State	Scale %	1st tranche		2nd tranche		3rd tranche		TOTAL for all tranches
		payable to EIB	payable to Commission	payable to EIB	payable to Commission	payable to EIB	payable to Commission	
GERMANY	23.36	16 352 000	408 800 000	25 696 000	256 960 000	4 672 000	105 120 000	817 600 000
BELGIUM	3.92	2 744 000	68 600 000	4 312 000	43 120 000	784 000	17 640 000	137 200 000
DENMARK	2.14	1 498 000	37 450 000	2 354 000	23 540 000	428 000	9 630 000	74 900 000
SPAIN	5.84	4 088 000	102 200 000	6 424 000	64 240 000	1 168 000	26 280 000	204 400 000
FRANCE	24.30	17 010 000	425 250 000	26 730 000	267 300 000	4 860 000	109 350 000	850 500 000
GREECE	1.25	875 000	21 875 000	1 375 000	13 750 000	250 000	5 625 000	43 750 000
IRELAND	0.62	434 000	10 850 000	682 000	6 820 000	124 000	2 790 000	21 700 000
ITALY	12.54	8 778 000	219 450 000	13 794 000	137 940 000	2 508 000	56 430 000	438 900 000
LUXEMBOURG	0.29	203 000	5 075 000	319 000	3 190 000	58 000	1 305 000	10 150 000
NETHERLANDS	5.22	3 654 000	91 350 000	5 742 000	57 420 000	1 044 000	23 490 000	182 700 000
PORTUGAL	0.97	679 000	16 975 000	1 067 000	10 670 000	194 000	4 365 000	33 950 000
UNITED KINGDOM	12.69	8 883 000	222 075 000	13 959 000	139 590 000	2 538 000	57 105 000	444 150 000
AUSTRIA	2.65	1 855 000	46 375 000	2 915 000	29 150 000	530 000	11 925 000	92 750 000
FINLAND	1.48	1 036 000	25 900 000	1 628 000	16 280 000	296 000	6 660 000	51 800 000
SWEDEN	2.73	1 911 000	47 775 000	3 003 000	30 030 000	546 000	12 285 000	95 550 000
TOTAL	100.00	70 000 000	1 750 000 000	110 000 000	1 100 000 000	20 000 000	450 000 000	3 500 000 000