

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM (76) 173

Brussels, 13th April 1976

## COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

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Re: EDF - EUROPEAN DEVELOPMENT FUND.

ESTIMATES AND SCHEDULES FOR CONTRIBUTIONS TO BE CALLED FOR:  
CONTRIBUTIONS TO THE 4th EDF FOR THE FINANCIAL YEAR 1976.



Article 7 of the internal Agreement on the financing and administration of Community aid programmes lays down that during the month following the coming into effect of the Convention the Commission must draw up and present to the Council an estimate of EDF financial operations likely to arise during the budgetary year and, on the basis of this and taking into account the resultant financial requirements, to draw up a schedule of contributions to called for from the Member States.

In accordance with these provisions, the purpose of the present Communication is to estimate the financial requirements of the 4th EDF for the financial year 1976 and, accordingly, the amounts of contributions necessary.

The Commission calculates that for the financial year 1976 the total contributions from the Member States to the 4th EDF should amount to 220 m. European units of account (e.u.a.), divided into two tranches, of which the first, amounting to 140 m. e.u.a. would fall due on 1.5.76, while the second, being the 80 m. e.u.a. balance, would fall due on 1.9.76.

The breakdown of expenditure on programmes under the 4th EDF in 1976 is as follows:

A) STABEX (Chapter I, Article I, paragraph 3, subparagraphs a) and c) of the internal Agreement on the financing and administration of Community aid programmes)

- amount carried over from the past financial year 1975 to be paid up at the end of the first half-year of 1976 79.000.000,--
- 50% of the 1976 annual tranche payable as an advance in the last quarter of 1976 39.500.000,--

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118.500.000,

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B) Expenditure on Commission Delegations  
in the ACP States

- Delegates' installation costs, the  
financing of which was decided upon  
by the Council on 1.8.75 (Advance  
from 3rd EDF to be settled) 3.500.000,--

- Current expenditure for 1976  
based on E.A.C.\*estimates:  
19.380.000,-- rounded off to: 20.000.000,--

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23.500.000,--

C) 1976 programme for Exhibitions  
and Trade Fairs, the financing  
of which was decided upon by  
the Commission on 15.12.75  
(Advance from 3rd EDF to be  
settled)

1.450.000,--

D) Interest rebates on EIB loans  
and contributions to operations  
for the formation of risk  
capital

10.000.000,--

E) New operations under the 4th  
EDF requiring probable financing  
during 1976

- exceptional aid

- Vocational training, Trade Promotion,  
Regional Cooperation and Industrial  
Cooperation

- all other kinds of projects

67.000.000,--

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220.450.000,--

rounded off in e.u.a. 220.000.000,--

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\* European Association for Cooperation - the Delegates'  
administrative organization

The sums given above under A) B) and C) call for no special comment.

Those under D) were determined after consultation with the EIB.

The figure given under E) is an estimate which the Commission feels able to make on the basis of the following considerations:

It is difficult, a priori, to determine a figure corresponding to the disbursements to be made in 1976 to meet the cost of executing conventional projects. This will depend, firstly, on the speed at which the ACP submit acceptable projects and, secondly, put these accepted projects into execution. This observation is particularly valid in respect of the new ACP who may have some difficulty in assimilating Community procedures.

However, in the light of present information the Commission is able to point out that:

- 1°) under the category of exceptional aid, two programmes concerning Somalia and Niger valued at 15.600.000 e.u.a. have already been submitted. Should these two applications from Somalia and Niger be granted, this might encourage other ACP States to hastily submit applications themselves, for fear of missing out on a non-programmable and mobilizable form of aid.
- 2°) it intends in 1976 to submit to the decision-making authorities projects relating to vocational training, Trade Promotion, Regional Cooperation and Industrial Cooperation valued at  $\pm$  78 m. e.u.a. and that expenditure relating to these projects seems likely to reach  $\pm$  17 m. e.u.a.

These are, in fact, fields in which it is relatively easier to forecast the dates of disbursements, since payments are made fairly soon after the financing decision.

- 3°) in the circumstances, in spite of it being very difficult to estimate the speed at which the first of the 4th EDF's projects of categories other than in 1 and 2 above will be put into execution, especially in the new ACP, ± 34 m. e.u.a. would seem a reasonable estimate for expenditure on this kind of project for 1976.

Finally - even if this observation is of relative significance only - the Commission feels able to note that the 67 m. e.u.a. which they estimate will be needed in 1976 to meet the expenditure under E) above constitutes a percentage of credits opened under the Lomé Convention roughly equivalent to that which, at the time, was called upon to cover the first-yearly expenditure for operations under both Yaoundé I and Yaoundé II.

## CONTRIBUTIONS TO THE 4th EDF TO BE CALLED FOR IN 1976

in e.u.a.

MEMBER, STATE	Contributions			
	%	Amount	Due on: 1.5.76	Due on: 1.9.76
Belgium	6,25	13.750.000,—	8.750.000,—	5.000.000,—
Denmark	2,40	5.280.000,—	3.360.000,—	1.920.000,—
Germany	25,95	57.090.000,—	36.330.000,—	20.760.000,—
France	25,95	57.090.000,—	36.330.000,—	20.760.000,—
Ireland	- ,60	1.320.000,—	840.000,—	480.000,—
Italy	12,—	26.400.000,—	16.800.000,—	9.600.000,—
Luxembourg	- ,20	440.000,—	280.000,—	160.000,—
Netherlands	7,95	17.490.000,—	11.130.000,—	6.360.000,—
United Kingdom	18,70	41.140.000,—	26.180.000,—	14.960.000,—
	100,—	220.000.000,—	140.000.000,—	80.000.000,—

