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REPORT ON ARRANGEMENTS AND POSSIBILITIES FOR BUDGETIZING THE EUROPEAN DEVELOPMENT FUND

(presented by the Commission)

REPORT

ON ARRANGEMENTS AND POSSIBILITIES FOR BUDGETIZING THE EUROPEAN DEVELOPMENT FUND

To honour the undertaking it gave during the negotiations on the new Interinstitutional Agreement, the Commission is now presenting its report on the European Development Fund (EDF) budget, in which it looks at the problems involved (both budgetary and institutional) in budgetizing the EDF, and puts forward suggestions as to how budgetization might be achieved.

I - INTRODUCTION

The European Development Fund is the main financial instrument of EEC/ACP cooperation, both expenditure and receipts falling outside the general budget of the Communities. This form of cooperation comes under the Lomé Conventions to which the Community and 70 African, Caribbean and Pacific States (ACP) are the signatories.

The financial protocol annexed to the Lomé Conventions sets the overall amounts for Community contributions over a five-year period, comprising both EDF appropriations and loans granted by the EIB out of own resources.

Table 1 and Figure 1 (Annex II) show the changes in the initial allocations for successive EDFs - a total of ECU 28 437.3 million - and the distribution of these amounts between the ACP States and the OCT (Overseas Countries and Territories).¹

The EDFs are set up by internal agreements decided by the Council. They deal with the financing and administration of Community aid and have a duration of five years.

Implementation is on the basis of specific financial regulations and provisions (Annex I gives a list of the legal bases) and, because of their multiannual nature and the fact that appropriations remain available until exhausted, they are administered in a highly flexible manner.

The most recent EDF (the 7th, covering the five-year period from 1990 to 1994 as per

¹ The First EDF covered the so-called OCT colonies. On independence, these became the AAMS (Associated African and States of Madagascar) which concluded the Yaoundé I and II Conventions with the Community. When the United Kingdom acceded to the Communities in 1973, the association with the AAMS was extended to the Commonwealth countries and to other independent African States, giving rise to the Association of ACP States and the Lomé Conventions.

the financial protocol annexed to the Lomé IV Convention) was concluded for a ten-year period from 1 March 1990. In accordance with Article 4 of this Protocol a new financial protocol will be concluded for the second five-year period covered by the Fourth Lomé Convention.

The 8th EDF will, in theory, start up in March 1995. This date corresponds to the revision of the decision on own resources which will come into effect on 1 January 1995, as well as the scheduled accession of four EFTA countries (Austria, Finland, Norway and Sweden) to the European Community.

The 7th EDF entered into force on 1 September 1991 having been ratified by the national parliaments of the Member States; the initial sum involved was ECU 10 940 million (including ECU 140 million for the OCT), allocated between various financial instruments/measures amongst which can be cited:

- programmable aid (national indicative programmes and regional cooperation);
- structural adjustment;
- STABEX;
- SYSMIN;
- risk capital;
- interest rate subsidies;
- emergency aid;
- aid for refugees;
- Centre for Industrial Development (CID) and Technical Centre for Agricultural and Rural Cooperation (TCARC).

By way of comparison, the 7th EDF allocation represents about 38% of total commitment appropriations set aside for external action over the five-year period (1990-94), i.e. all of subsection B7 of the general budget (ECU 17 663 million) plus the 7th EDF, and it accounts for about 40-45% of aid to developing countries.

To give an idea of the budgetary size of the EEC/ACP financial protocols, it is sufficient to look at commitments made in 1993 under the EDF - these amounted to ECU 1 631 million compared with total commitment appropriations of ECU 4 255 million under heading 4 of the financial perspective. Total payment appropriations under the EDF for the same year amount to ECU 1 372 million, the corresponding value under heading 4 being ECU 2 718 million.

These figures clearly show the scale of development aid falling outside the general budget,² and therefore outside the budgetary procedure provided for by Article 203 of

² All other external activities of the Community (cooperation with the countries of Eastern and Central Europe and with Latin American and Asian developing countries, financial protocols with non-member Mediterranean countries, humanitarian and food aid etc.) are already entered in the budget.

the EEC Treaty, a state of affairs which runs counter to the principle of budgetary unity.

II - EDF - CURRENT SITUATION

II.1 Financing

Table 2 shows the duration, both anticipated and actual, of successive funds, together with the initial allocations and the allocations still available as at 31 December 1993.

The EDFs have an initial duration of five years, although this tends to be extended in practice (see also II.2 - Implementation).

There are several reasons for there being differences between the initial allocations and the allocations available each year: transfers of unused balances between the various EDFs; STABEX replenishments; transfers of STABEX replenishments; sundry revenue; and Council alterations to the initial allocations (cf. Tables II and VI (available resources AR)).

The amounts for the EDFs and the level of direct contributions from the Member States making up the Fund are determined using a fixed scale and are based on the internal agreements on the financing and administration of Community aid decided by the Council.

Table 3 shows the fixed scale of contributions by Member State for each of the seven EDFs as set out in each internal agreement. It is the Council which decides the annual contributions to the EDF on the basis of a proposal from the Commission.

Contributions are paid in four quarterly instalments each year; the amounts are determined by the Commission, taking into account the programming situation and cash requirements.

EDF finances are indivisible, and contributions may come from one or more Funds. For example, expenditure in 1985 and 1986 under the 3rd, 4th and 5th EDFs was paid for out of the resources of the 5th EDF; for the years 1991, 1992 and 1993, Lomé II, III and IV expenditure was funded by contributions from the 6th EDF.

According to the internal agreements relating to the financing and the administration of Community aid under the Lomé Conventions,³ any remaining balances of the Funds

³ Articles 7, 34 and 35.2 of the Agreement on the 7th EDF, Articles 7, 30 and 31.2 of the Agreements on the 5th and 6th EDFs and Articles 87, 32 and 33.2 of the Agreement on the 4th EDF; the Yaoundé I and II Conventions contained similar provisions.

set up under these agreements are to be used up in accordance with the rules applicable to the Fund concerned; upon expiry of the agreement, the Member States are still required to pay the uncalled portion of their contributions.

II.2 Implementation

The conventions and financial protocols are concluded for a limited period but do not lay down any deadline for implementation, whether in terms of commitments or payments.

The financial audits carried out by the Court of Auditors in recent years and the Commission's replies to them clearly demonstrate the sense of applying the same implementing principles and rules to the EDF as to the general budget.

Article 222 of the Lomé IV Convention assigns responsibility for implementing operations financed within the framework of the Convention to the ACP States and the Community working closely together. In particular, paragraph 4 stipulates that "the Community shall be responsible for taking financing decisions on projects and programmes" and paragraph 2 stipulates that the ACP States are to be responsible for implementing and managing projects and programmes, as well as for preparing, negotiating and concluding of contracts.

The tasks and role of the various executing officers, and especially of the Commission, the chief authorizing officer (Article 311 of the Lomé IV Convention) and the national authorizing officer (Articles 312 to 315) are also defined.

In order to give a better idea of EDF budgetary activity, the annual commitment and payment figures have been extracted from the financial statements for every year since 1959. Tables 4, 5, 6 and 7 and Figures 2, 3, 4.1 and 4.2 show the utilization rate for allocations under successive EDFs, in terms both of financing decisions (commitments) and assigned funds, and of payments.⁴ These tables and figures show that implementation is spread over a much longer period than the actual duration of the conventions and financial protocols. The available resources (AR) shown in the tables correspond to the allocations available for the year in question, including sundry revenue.

Finally, Table 8 and Figure 5 summarize trends in the implementation of commitments and payments, taking all the EDFs together.

⁴ The commitment is the decision to finance projects and programmes taken by the Commission or the chief authorizing officer; assigned funds, referred to in Article 70 of the EDF Financial Regulation, relate to contracts concluded with a view to implementing projects and programmes.

III - ARGUMENTS IN FAVOUR OF BUDGETIZATION

Since EDF appropriations are not entered in the general budget of the European Communities, they do not come under the annual budgetary procedure (Article 203 of the EEC Treaty).⁵ Thus the budgetary authority, and the European Parliament in particular, have no part in deciding the appropriations to be entered in the EDF budget, which is why Parliament has long called for the EDF to be included in the general budget.

The first time Parliament raised the matter of entering the EDF in the budget was in a resolution of 14 February 1973.⁶

On 12 June 1973,⁷ the Commission, with the support of the European Parliament, put forward a budgetization proposal which it justified on political and budgetary grounds. Although nothing came of the proposal, Member States showed themselves to be broadly in favour of budgetizing the 5th EDF.

On 10 January 1979,⁸ the Commission again proposed budgetizing the EDF; indeed, it was the Council's rejection of this proposal that was one of the reasons Parliament gave for throwing out the 1980 draft budget.

Since then, the Commission has always included a document containing financial information on the EDFs with the preliminary draft budget and, since 1977, Parliament has entered the EDF in the budget by means of two special chapters with token entries with the headings "European Development Fund - Cooperation with the ACP States" and "European Development Fund - Cooperation with the Overseas Countries and Territories associated with the Community". Information on the financial implementation of the EDFs was given for the first time in 1992 in an annex to the Financial Report of the European Communities.

The Commission again proposed budgetization of the EDF at the Intergovernmental Conference on the Treaty on European Union.

During the 1993 and 1994 budgetary procedures and the negotiations on the 1993-99 Interinstitutional Agreement, there were strong calls from Parliament for the EDF to be entered in the budget. In the meantime, it has made some ad hoc adjustments to the

⁵ Nonetheless, the European Parliament gives a discharge to the Commission for the financial management of the EDF in accordance with Article 33 of the internal agreement and Article 77 of the Financial Regulation on the Fourth ACP-EEC Convention. To a certain extent, therefore, the discharge procedure for the implementation of the general budget provided for in Article 206 of the EEC Treaty is therefore extended to the EDF.

⁶ OJ C 14, 27.3.73, p.25-26.

⁷ SEC(73)2149 final.

⁸ COM(79)4 final.

budget to enable figures on the Fund's operation to be recorded.

The main arguments in favour of budgetization are well known and are summarized below:

Since development cooperation policy is specifically referred to in Article 3(q) and Title XVII of the EC Treaty, the application of the principle of budgetary unity means that all Community revenue and expenditure should be entered in the budget.

If the EDF were to be included in the budget under heading 4 ("External action") of the financial perspective, both arms of the budgetary authority would have a full picture of the resources made available for development activities, and EC/ACP cooperation could be slotted into the Community's overall development cooperation policy. The Community's external action would, as a result, be more rational, consistent and transparent.

Furthermore, the second paragraph of Article C of the Treaty on European Union stipulates that "the Union shall in particular ensure the consistency of its external activities as a whole in the context of its external relations, security, economic and development policies", and that "the Council and the Commission shall be responsible for ensuring such consistency".

Moreover, the general budget already contains headings which concern developing countries (and thus the ACP States) and which cover such diverse areas as humanitarian and food aid, the environment, health, human rights and democracy.

The financial protocols concluded with the Mediterranean Basin countries, which are similar to the EDF, have been included in the budget from the outset.

Indeed, the principle of subsidiarity (Article 3b of the EC Treaty) provides that "in areas which do not fall within its exclusive competence, the Community shall take action ... only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States". Development policy is a typical example of action which "by reason of [its] scale or effects ... [can] be better achieved by the Community". The fact that the Member States have from the very beginning made the Commission responsible for implementing the Lomé Convention and for administering the EDF is evidence in itself of the benefits of action taken at Community level.

There is therefore plenty of justification for bringing the EDF into the Community's general budget and, in the long term at least, it ought to be financed from own resources. Entering the Fund could be seen as a substitute for the national expenditure which the Member States would otherwise have to commit with fewer guarantees of transparency and effectiveness.

EDF budgetization would thus be a continuation of the process that began on 1 January 1971 following the Council Decision of 21 April 1970 on the replacement of

financial contributions from Member States by the Communities' own resources.

The non-assignment of revenue rule implies that EC/ACP cooperation should, like all expenditure in the general budget, be financed from own resources and not by Member States making contributions according to a fixed scale.

IV - ARRANGEMENTS FOR BUDGETIZATION OF THE EDF

Budgetizing the EDF would mean that all the provisions of the EC Treaty, and especially Articles 199-209 on budgetary aspects, would have to be applied to the Fund, and the following in particular:

- the budgetary procedure for establishing the budget;
- compliance with the main budgetary principles (annuality, unity and universality);
- the provisions of the Financial Regulation applicable to the general budget of the Community; and
- the regulations on the own resources system.

IV.1 The contractual framework

One aspect which should not be overlooked in budgetizing the EDF is the maintenance of the contractual framework of the Lomé Convention and the global dialogue between the Community and the ACP States on cooperation and development policy and its implementation.

From the legal point of view, the Lomé Convention is not in itself an obstacle to budgetizing the EDF. Nor need budgetization stand in the way of the periodic bilateral negotiations between the Community and the ACP States on the financial protocols which are annexed to the conventions; it is these which will determine the framework for budgetizing the appropriations to be used to implement the agreements on a multiannual programming basis.

These protocols are the Community's most important legal and political commitments to the ACP States as a whole and must be honoured in full in the budget.

EDF budgetization should also take into account the allocation of responsibilities between the Community and the ACP States, as well as the role of the Lomé IV institutions, i.e. the Council of Ministers, the Committee of Ambassadors and the Joint Assembly.

Successive Lomé Conventions have recognized the role of the national authorities in implementing programmes, and it would be extremely difficult politically to call into question the participation of the ACP countries in planning and administering aid.

IV.2 Application of the budgetary procedure; institutional aspects

The role exercised by Parliament would be part of the normal budgetary procedure as provided for in the Treaties, just as it is for other kinds of expenditure. This is undoubtedly one of the most important issues in the budgetization debate.

The first important question is whether to classify the expenditure as compulsory or non-compulsory, although according to paragraph 16 of the new Interinstitutional Agreement, Parliament, the Council and the Commission "undertake to provide appropriations in the budget to honour the Community's internal and external legal obligations and policy commitments, with due regard for budgetary discipline and the fourth subparagraph of paragraph 13".

As the Lomé Convention and its annexed financial protocol stand at present, we are dealing with expenditure involving precise amounts and specific instruments of cooperation which stem from legal obligations contracted by the Community with non-member countries. Such expenditure should logically be classified as compulsory, as it is in the case of the financial protocols with non-member countries in the Mediterranean Basin.

However, in the Interinstitutional Agreement the three institutions agreed that expenditure on financial protocols with non-member countries which are concluded or renewed will be considered non-compulsory. Thus when the Mediterranean financial protocols which expire at the end of October 1996 are renewed, the expenditure will be classified as non-compulsory. This lends weight to the argument that EDF expenditure should be treated in the same way.

However, the debate between those in favour of classifying EDF expenditure as compulsory because of the need to respect international contractual commitments, and those in favour of treating it as non-compulsory by analogy with external operations, including PHARE and TACIS, is not the only issue.

Another equally important question is the fixing of the allocation for the EDF and the need to give recipient countries some guarantees in respect of the amounts earmarked for them. Creating a special sub-heading for the EDF under heading 4 of the financial perspective would be a compromise that would render the compulsory/non-compulsory problem more or less redundant; it would guarantee the level of appropriations detailed in the financial protocol and would ensure that the consistency and flexibility needed to properly implement the Community's external actions was preserved.

In view of the complexity and diversity of the ACP/EEC cooperation instruments, the institutions need to reach an agreement on a suitable budget nomenclature and structure for EDF appropriations. In particular, they need to make it easier to effect any necessary transfers between instruments as provided for in the Lomé Convention.

Under subsection B7 there is already a title (B7-1) consisting of two chapters

("Cooperation with the ACP States" and "Cooperation with the Overseas Countries and Territories"); under each of these is a series of articles dealing with various financial instruments or operations. This would be a good starting point for setting up an appropriate structure.

IV.3 Bringing the EDF within the annual budget framework

EDF budgetization involves putting the Fund into an annual budget straitjacket, the general rule being that the appropriations authorized for one year are in effect restrictive estimates and lapse if they have not been used up by the end of the year.

Applying the annuality principle to the EDF,⁹ with budgetary authorization for the duration of the year and rules on the utilization and cancellation of appropriations, would entail substantial changes in the way in which the Fund is administered.

Although the principle is not currently applied to the EDF, that is not a reason for not entering the Fund in the budget. It would mean that the initial financial programming would have to be respected and the rules on budgetary discipline complied with, so the rate of implementation would be more predictable than it is at present.

Moreover, the rolling multiannual programming system (a series of instalments corresponding to commitment targets), proposed in the negotiating brief for the mid-term review of the Lomé IV Convention,¹⁰ would actually make it easier to implement EC/ACP cooperation policy on an ongoing basis within the annual budget framework. While it would not affect the principle of setting targets for five years, it would mean that countries were no longer entitled to a fixed financial allocation, the amount of which remained the same irrespective of the situation.

An analysis of the implementation of the various EDFs suggests that applying the annuality principle might result in carryovers of appropriations. One way of minimizing the problem would be to introduce a similar scheme to the one the Interinstitutional Agreement applies to allocations of commitment appropriations provided in the financial perspective for the Structural Funds and the Cohesion Fund. This allows the transfer to subsequent years, in excess of the corresponding ceilings on expenditure, of allocations not used in the previous year.

In conclusion, the analogy with the problems encountered in implementing the Structural Funds suggests there is scope for using differentiated appropriations and for transferring amounts between years under the Interinstitutional Agreement; this should mean being able to enter EDF appropriations into the general budget without interfering with the implementation of the corresponding cooperation activities and it

⁹ The first paragraph of Article 199, the first paragraph of Article 202, and Article 203(1) of the EC Treaty, and Article 1(2) of the Financial Regulation.

¹⁰ Council Brief (General Affairs) of 7.2.1994, particularly Section B, pages 7 and 8.

should ensure the continuity of operations under the EC/ACP cooperation policy.

IV.4 Budgetary implementation of the EDF when part of the general budget

The experience gained in the field of development cooperation operations financed from the general budget shows that despite the diversity of regions, countries and instruments, the implementation of development aid programmes and economic restructuring programmes is not adversely affected by the obligation to respect the principles of budgetary orthodoxy.

The first question to address is the connection between the system used for the financial implementation of the EDF (commitments, assigned funds and payments) and the system for implementing the general budget.

Article 17 of the Financial Regulations of 11 November 1986 (86/548/EEC) and of 29 July 1991 (91/491/EEC) applicable to the 6th and 7th EDFs respectively is no different from Article 36 of the Financial Regulation applicable to the general budget of the European Communities.

This means that EDF commitments can be assimilated to commitments under the general budget in accordance with the procedures laid down in Articles 36-39 of the Financial Regulation.

Generally speaking, apart from a group of clearly identified provisions, which are specific to the implementation of the Lomé Convention, the EDF Financial Regulation has many points in common with the Financial Regulation applicable to the general budget.

In view of the above, the EDF could therefore, with a few specific amendments, be implemented in accordance with the existing Financial Regulation.

One consequence of this would be that legal commitments entered into for measures extending over more than one financial year would contain a time limit for implementation (Article 1(7)). As far as the EDF is concerned, the financing agreements and contracts already contain time limits, so the commitment proposals could include these dates as well.

The specific provisions referred to above would chiefly concern the following areas:

- implementation measures (the arrangements for awarding contracts, committee procedure, the various financial instruments and other measures for implementing cooperation agreements);
- personnel responsible for administration and implementation (chief authorizing officer, national authorizing officer, delegates, paying agents and the ACP-EEC Committee);

- imprest accounts;
- STABEX;
- the use of interest on deposits;¹¹
- the guarantee for EIB loans.

Some of these provisions ought to remain in the Convention between the recipient States and the Community because they directly involve the responsibility of the ACP States, while others could be included in a Council Regulation on ACP-EEC cooperation, replacing the internal agreements and the EDF financial regulation; this regulation would be similar to the Council regulations on financial and technical assistance and economic cooperation with the Asian and Latin American developing countries and to the implementing rules for the Mediterranean protocols.

IV.5 Financing the EDF from own resources

Applying the principle of budgetary universality would mean that EDF appropriations entered in the general budget would be financed from own resources like all other appropriations. Applying the non-assignment of revenue rule would therefore put an end to any discussion over the fixed distribution of expenditure between Member States. This in turn would mean that there would no longer be any need for Member States' parliaments to ratify the internal agreements.

It is therefore that the ceiling for heading 4 of the financial perspective would have to be raised as well as the ceiling for own resources, since the Fund cannot be budgetized at the expense of other appropriations in the budget.

Given the likely timescale for the Lomé IV negotiations the 8th EDF amount will not be known until the beginning of 1995. At present, therefore, it is impossible to be precise about the level of the increase in the own resources ceiling although a reasonable assumption might be to maintain cooperation with the ACP countries at its

¹¹ In the STABEX system (Articles 192 (Lomé IV) and 153 (Lomé III)), interest earned must be credited to the system's resources. The internal agreement for the 7th EDF (Article 9(2)) provides for interest on deposits with the paying agents in Europe to be used to cover the administrative and financial costs arising from the cash management of the Fund and under certain conditions, the cost of studies or consultancy services, if authorized to do so by a decision of the EEC Council of Ministers. The EDF's internal rules of procedure provide for revenue accruing from a project to be reallocated to the project itself. The budget's rules on this practice are much more strict. Thus to avoid any implicit reductions in the amounts available for a project, there needs to be a special procedure for reallocating such revenue to the project.

current level for the five-year period from 1 March 1995 (8th EDF); this would require an increase in the own resources ceiling, expressed as a percentage of GNP, of around 0.04%. The increase would be offset by a corresponding reduction in EDF payments.

1995-99 is also the period of validity of the forthcoming decision replacing Council Decision 88/376 (EEC, Euratom) on the system of own resources. It will therefore be necessary to adjust the annual ceilings for total own resources to include the new amounts, while taking into account the likely enlargement of the Community. These adjustments will be decided by the Council, acting unanimously on a proposal from the Commission after Parliament has delivered its opinion. Since the new own resources decision has to be adopted by the Council in the next two months if it is to be ratified before 1 January 1995, negotiations over EDF budgetization would mean having to amend the decision later.

IV.6 Financing the EDF from the financial contributions of Member States

Declaration No 12 on the European Development Fund which is annexed to the Treaty on European Union states that "the Conference agrees that the European Development Fund will continue to be financed by national contributions in accordance with the current provisions".

In view of the above, it is not unreasonable to wonder whether the EDF's present financing system could still be retained if the Fund was entered in the budget. What would be the advantages and difficulties of this?

The first point worth mentioning is that while the principle of budgetary unity would be respected, the principle of budgetary universality would not. The rule on non-assignment of revenue to expenditure would be breached, which would mean having to include provisions on the adoption of a fixed scale for EDF financing and the allocation of this revenue to the Fund in both the decision on the system of the Communities' own resources and the Financial Regulation.

On the other hand, this financing system would have the following advantages:

- it would not run counter to Declaration No 12 annexed to the Union Treaty;
- it would make it possible to appraise, on the basis of actual experience, the financing of the EDF from the year 2000 from own resources.

A transition period would help those Member States which will be faced with a higher financial burden if financing is from own resources to adjust their own medium-term financial forecasts;

- it would help show that budgetizing the EDF will not damage the Community's

twenty-year relationship with the ACP States;

- it would make it easier to integrate and identify the Community effort in the financial perspective of the European Union.

A special reserve would also be needed, the financing for which would come under the EDF; it would be used to respond promptly to any expenditure requirements arising in unforeseen circumstances.

V. CONDITIONS FOR EDF BUDGETIZATION

- V.1 The European Parliament succeeded in having the following statement to be annexed to the Interinstitutional Agreement: "The Council undertakes to examine, on the basis of a report from the Commission, the detailed arrangements and possibilities for entering the 8th EDF in the budget from 1995 onwards".

The Council declared that this statement does not contradict the "Declaration on the European Development Fund" annexed to the Treaty on European Union. In addition, Article 130w(3) in Title XVII "Development cooperation" of the EC Treaty stipulates that "the provisions of this article shall not affect cooperation with the African, Caribbean and Pacific countries in the framework of the ACP-EEC Convention".

The Council has always been against bringing the EDF into the general budget of the Community for political and financial reasons. The fixed scale used for determining Member States' contributions to the EDF fairly closely reflects their bilateral development cooperation policies.

Under the present system, entering the 8th EDF in the budget would obviously mean increasing the level of own resources financed from the GNP-based resource, which would be an important aspect in the budgetization issue.

Compared with the ad hoc scale currently used for financing the EDF, the GNP scale¹² for 1994 shows that some countries would have to make larger contributions (see Table 9).

If it were decided to finance the EDF from the financial contributions of Member States, it would be possible to use an ad hoc scale for the 8th EDF (the

¹² This scale (GNP of each Member State compared with the Community's GNP, at market prices) is a well-defined macroeconomic scale (Council Directive of 13 February 1989 on the harmonization of the completion of gross national product at market prices) which reflects the capacity of Member States to contribute and constitutes an objective criterion.

second EDF of the Lomé IV Convention) within the budget to finance EDF expenditure (subject to a modification of the decision on the system of the Communities' own resources, see IV.6). This scale could, for example, correspond to the average of the present GNP and EDF scales and could be used for a transitional period since a new EC/ACP Convention will not be negotiated until the year 2000.

- V.2 If the response from Parliament and the Council to this report is encouraging, formal negotiations would have to be started on the basis of a Commission proposal. Such negotiations are likely to be difficult and would probably not be concluded until the completion of the budgetary procedure for 1995.

Such a proposal would consist of two components which could be presented one after the other:

- amendment to the decision on the system of own resources;
- regulation on ACP/EC cooperation for financing development.

Before a proposal can be drawn up, the amount of the 8th EDF will need to be known and this is not likely before the beginning of 1995. The Commission, therefore, would be unable to propose any amendment of the own resources decision before then.

EDF budgetization would therefore not be effective until 1996.

- V.3 Implementation of the current EDF (5th, 6th and 7th EDFs) will continue along the same lines as at present until all the available appropriations are utilized, irrespective of whether the 8th EDF is entered in the budget or not.

This means that there will still have to be a separate treasury for the current EDFs, alongside the general budget treasury. However, this does not mean that the EDF accounting function cannot be combined with that for the general budget. In addition, consideration might be given to harmonizing administrative and banking circuits; this would make for a smoother transition from the current EDF system to the general budget system.

ANNEX I

**Legal bases, financial regulations and provisions relating to the
European Development Funds**

Legal bases, financial regulations and provisions relating to the European Development Funds

1st EDF

- (a) Legal basis**
Convention provided for by Article 136 of the Treaty of Rome (EEC) and annexed to that Treaty
- (b) Financial regulations and provisions**
 - Council Regulation No 5 (OJ 33, 31.12.1958)
 - Council Regulation No 6 (OJ 33, 31.12.1958)
 - Commission Regulation No 7 (OJ 12, 25.2.1959)
 - Commission Regulation (OJ 79, 30.8.1962)

2nd EDF (Yaoundé I)

- (a) Legal basis**
Yaoundé Convention of 20 July 1966 (OJ 93, 11.6.1964)
- (b) Institution of EDF**
Internal Agreement (OJ 93, 11.6.1964)
- (c) Financial regulations and provisions**
 - Council Financial Regulation No 64/356 EEC (OJ 93, 11.6.1964)
 - Commission Regulation No 62/65 (OJ 81, 11.5.1965)

3rd EDF (Yaoundé II)

- (a) Legal basis**
Yaoundé II Convention of 29 July 1969 (OJ L 282, 28.12.1970)
- (b) Institution of EDF**
Internal Agreement (OJ L 31, 8.2.1971)
- (c) Financial regulations and provisions**
 - Council Financial Regulation No 71/68 EEC (OJ L 31, 8.2.1971)
 - Council Regulation No 2798/73 of 14 May 1973 (OJ L 288, 15.10.1973)

4th EDF (Lomé I)

- (a) Legal basis concerning ACP States**
 - Lomé Convention of 28 February 1975 (OJ L 25, 30.1.1976)
 - Council Decision 76/568/EEC of 29 June 1976 (OJ L 176, 1.7.1976)
- (b) Legal basis concerning OCT and OD**
Council Decision 76/568/EEC of 29 June 1976
- (c) Institution of EDF**
Internal Agreement of 11 July 1975

- (d) Financial regulations and provisions
- Financial Regulation No 76/647/EEC of 27 July 1976 (OJ L 229, 20.8.1976)
 - Internal Agreement of 11 July 1975 (OJ L 25, 30.1.1976) last amended on 19 March 1979 (OJ L 72, 23.3.1979)
 - Council Decision 75/250/EEC of 21 April 1975 (OJ L 104, 24.4.1975)

5th EDF (Lomé II)

- (a) Legal basis concerning ACP States
Second EEC/ACP Convention signed at Lomé on 31 October 1979 (Lomé II)
- (b) Legal basis concerning OCT and OD
Council Decision 80/1186/EEC of 16 December 1980 (no longer concerns the OT)
- (c) Institution of EDF
Internal Agreement of 20 November 1979
- (d) Financial regulations and provisions
Financial Regulation 81/215/EEC of 17 March 1981

6th EDF (Lomé III)

- (a) Legal basis concerning ACP States
Third EEC/ACP Convention signed at Lomé on 8 December 1984 (Lomé III)
- (b) Legal basis concerning OCT and OD
Council Decision 86/283/EEC of 30 June 1986 (no longer concerns the OT)
- (c) Institution of EDF
Internal Agreement of 19 February 1985
- (d) Financial regulations and provisions
Financial Regulation 86/548/EEC of 11 November 1986

7th EDF (Lomé IV)

- (a) Legal basis concerning ACP States
Fourth EEC/ACP Convention signed at Lomé on 15 December 1989 (Lomé IV)
- (b) Legal basis concerning OCT
Council Decision 91/482/EEC of 25 July 1991
- (c) Institution of EDF
Internal Agreement of 16 July 1990
- (d) Financial regulations and provisions
Financial Regulation 91/491/EEC of 29 July 1991

ANNEX II

**Tables showing the allocations and implementation of the
various European Development Funds**

TABLE 1

EUROPEAN DEVELOPMENT FUNDS AND EIB: ACP STATES AND OCT									
Initial allocations - ECU million current prices									
Fund (Convention)	Entry into force	EDF	EDF-ACP	EDF-OCT	EDF-OCT/EDF (%)	EIB	EIB-ACP	EIB-OCT	EDF + EIB
1st EDF (Treaty of Rome, Part IV) 1959-1964	1.1.58	581,3		581,3	100,0				581,3
2nd EDF (Yaoundé I) 1964-1970	1.7.64	730,0	666,0	64,0	8,8	70,0	64,0	6,0	800,0
3rd EDF (Yaoundé II) 1970-1976	1.1.71	900,0	828,0	72,0	8,0	100,0	90,0	10,0	1.000,0
4th EDF (Lomé I) 1975-1980	1.4.76	3.150,0	3.000,0	150,0	4,8	400,0	390,0	10,0	3.550,0
5th EDF (Lomé II) 1980-1985	1.1.81	4.636,0	4.542,0	94,0	2,0	700,0	685,0	15,0	5.336,0
6th EDF (Lomé III) 1985-1990	1.5.86	7.500,0	7.400,0	100,0	1,3	1.120,0	1.100,0	20,0	8.620,0
7th EDF (Lomé IV) 1990-1995	1.9.91	10.940,0	10.800,0	140,0	1,3	1.225,0	1.200,0	25,0	12.165,0
TOTAL		28.437,3	27.236,0	1.201,3		3.615,0	3.529,0	86,0	32.052,3

GRAPH 1

EDF - initial allocations (ECU million)

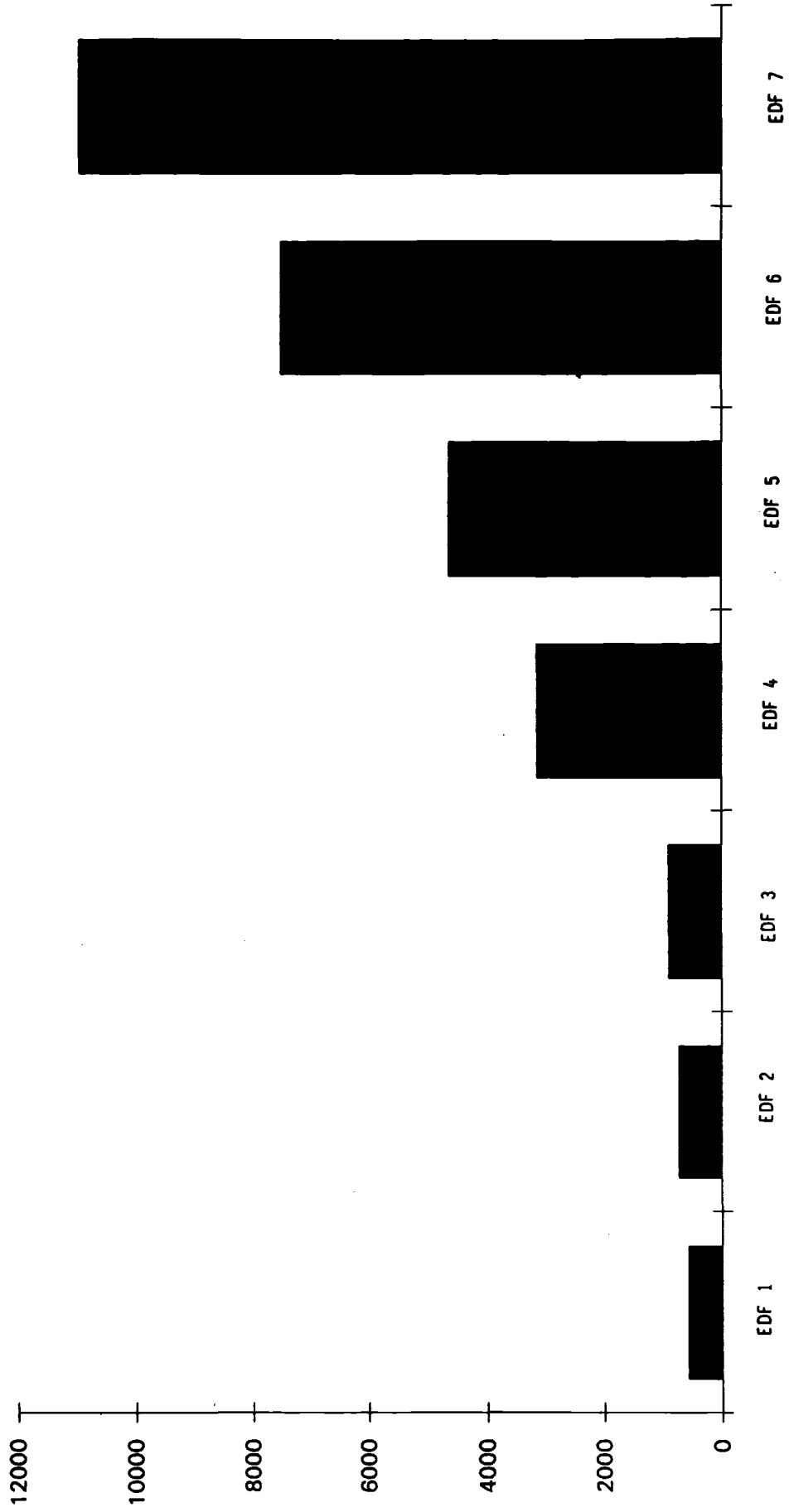


TABLE 2

EUROPEAN DEVELOPMENT FUND: ACP STATES AND OCT									
Allocations - ECU million (31.12.1993)									
Fund (Convention)	Entry into force	Terminated	Initial EDF	EDF-ACP Init. alloc.	EDF-OCT Init. alloc.	EDF alloc. available	EDF-ACP alloc. available	EDF-OCT alloc. available	Sundry revenue
1st EDF (Treaty of Rome, Part IV) 1959-1964	1.1.58	31.12.81	581,3		581,3	569,4		569,4	
2nd EDF (Yaoundé I) 1964-1970	1.7.64	31.12.84	730,0	666,0	64,0	730,4	667,3	63,1	
3rd EDF (Yaoundé II) 1970-1976	1.1.71	31.12.87	900,0	828,0	72,0	887,3	820,8	66,5	
4th EDF (Lomé I) 1976- 1980	1.4.76	31.12.90	3.150,0	3.000,0	150,0	3.053,3	2.972,7	80,6	
5th EDF (Lomé II) 1980- 1985	1.1.81	03.12.93	4.636,0	4.542,0	94,0	4.207,4	4.142,6	64,8	
6th EDF (Lomé III) 1985-1990	1.5.86	Rc 92,4% Rp 70,3%	7.500,0	7.400,0	100,0	8.086,9	7.933,3	103,5	50,1
7th EDF (Lomé IV) 1990-1995	1.9.91	Rc 41,6% Rp 15,5%	10.940,0	10.800,0	140,0	11.555,8	11.401,0	154,8	
TOTAL			28.437,3	27.236,0	1.201,3	29.090,5	27.937,7	1.102,7	50,1
Rc = rate of implementation in commitments (financing decisions)									
Rp = rate of implementation in authorizations									

TABLE 3

EDF Distribution scale														
Initial allocations ECU million														
	1st EDF	Scale 1st EDF (%)	2nd EDF	Scale 2nd EDF (%)	3rd EDF	Scale 3rd EDF (%)	4th EDF	Scale 4th EDF (%)	5th EDF	Scale 5th EDF (%)	6th EDF	Scale 6th EDF (%)	7th EDF	Scale 7th EDF (%)
BELGIUM	69,99	12,04	69,00	9,45	80,00	8,89	196,875	6,25	273,524	5,90	296,94	3,96	433,2340	3,96
DENMARK							75,600	2,40	115,900	2,50	166,82	2,08	227,0320	2,08
GERMANY	200,03	34,41	246,50	33,77	298,50	33,17	817,425	25,95	1.311,988	28,30	1.954,40	26,06	2.840,4800	25,96
GREECE											93,03	1,24	133,9200	1,22
SPAIN											499,80	6,66	644,9990	5,90
FRANCE	200,03	34,41	246,50	33,77	298,50	33,17	817,425	25,95	1.186,816	25,60	1.768,20	23,58	2.665,8920	24,37
IRELAND							18,900	0,60	27,816	0,60	41,30	0,55	60,0325	0,55
ITALY	39,99	6,88	100,00	13,70	140,60	15,62	378,000	12,00	533,140	11,50	943,80	12,58	1.417,7720	12,96
LUXEMBOURG	1,28	0,22	2,00	0,27	2,40	0,27	6,300	0,20	9,272	0,20	14,00	0,19	20,7385	0,19
NETHERLANDS	69,99	12,04	66,00	9,04	80,00	8,89	250,425	7,95	343,064	7,40	423,36	5,64	609,1200	5,57
PORTUGAL											66,15	0,88	96,1400	0,88
UNITED KINGDOM							589,050	18,70	834,480	18,00	1.243,20	16,58	1.790,6400	16,37
TOTAL	581,30	100,00	730,00	100,00	900,00	100,00	3.150,000	100,00	4.636,000	100,00	7.500,000	100,00	10.940,000	100,00

TABLE 4

RATE OF IMPLEMENTATION OF EDF											
(outturn in payments - ECU million)											
	EDF 1	EDF 2	EDF 3	EDF 4	EDF 5	EDF 6	EDF 7	TOTAL EDF	GENERAL BUDGET	EDF / GB (in %)	
1980	3,4							3,4	21,2	16,0	
1981	15,8							15,8	34,0	46,5	
1982	53,3							53,3	41,5	128,4	
1983	85,3							85,3	39,8	164,1	
1984	83,4							83,4	46,8	178,2	
1985	84,8	21,9						106,7	76,6	139,3	
1986	76,7	31,6						108,3	125,2	86,5	
1987	61,7	42,9						104,6	476,1	22,0	
1988	38,6	67,9						106,5	1.487,9	7,2	
1989	25,6	89,4						116,0	1.904,8	6,0	
1990	16,1	129,5						145,6	3.385,2	4,3	
1991	11,4	120,5	22,5					154,4	2.207,1	7,0	
1992	10,1	78,6	42,8					131,5	3.122,3	4,2	
1993	9,9	49,4	98,5					157,8	4.505,2	3,5	
1974	5,5	25,9	140,6					172,0	4.826,4	3,6	
1975	2,4	23,3	182,7					208,4	5.816,9	3,6	
1976	2,9	17,2	131,0	97,5				248,6	7.562,8	3,3	
1977	0,6	16,3	79,8	148,0				244,7	8.735,9	2,8	
1978	0,8	7,9	66,0	326,3				401,0	12.041,8	3,3	
1979	0,4	4,1	37,4	423,4				465,3	14.220,7	3,3	
1980	0,3	2,5	19,8	459,3				481,9	15.857,3	3,0	
1981	0,4	0,9	20,7	445,8	195,9			663,7	17.726,0	3,7	
1982		0,4	11,2	305,5	330,1			647,2	20.489,6	3,2	
1983		0,1	14,2	285,2	419,2			718,7	24.506,0	2,9	
1984		0,1	8,2	185,2	509,5			703,0	27.081,4	2,6	
1985			6,0	105,7	586,3			698,0	27.867,3	2,5	
1986			3,6	108,5	617,9	116,7		846,7	34.675,4	2,4	
1987			2,3	70,2	412,9	352,6		838,0	35.088,0	2,4	
1988				38,4	350,2	807,7		1.196,3	41.021,7	2,9	
1989				32,2	240,7	1.024,2		1.297,1	40.757,1	3,2	
1990				22,1	194,0	1.040,4		1.258,5	44.062,9	2,9	
1991					136,4	859,2	195,5	1.191,1	53.650,2	2,2	
1992					137,9	914,9	888,9	1.941,7	58.147,0	3,3	
1993					76,4	571,6	705,6	1.353,6	66.857,9	2,0	
1994*						600,0	1.700,0	2.300,0	70.013,5	3,3	
TOTAL	569,4	730,4	887,3	3.053,3	4.207,4	6.287,3	3.490,0	19.225,1	648.459,5	3,0	
* forecast at 16 November 1993											

GRAPH 2

Implementation pattern/payments
ECU million

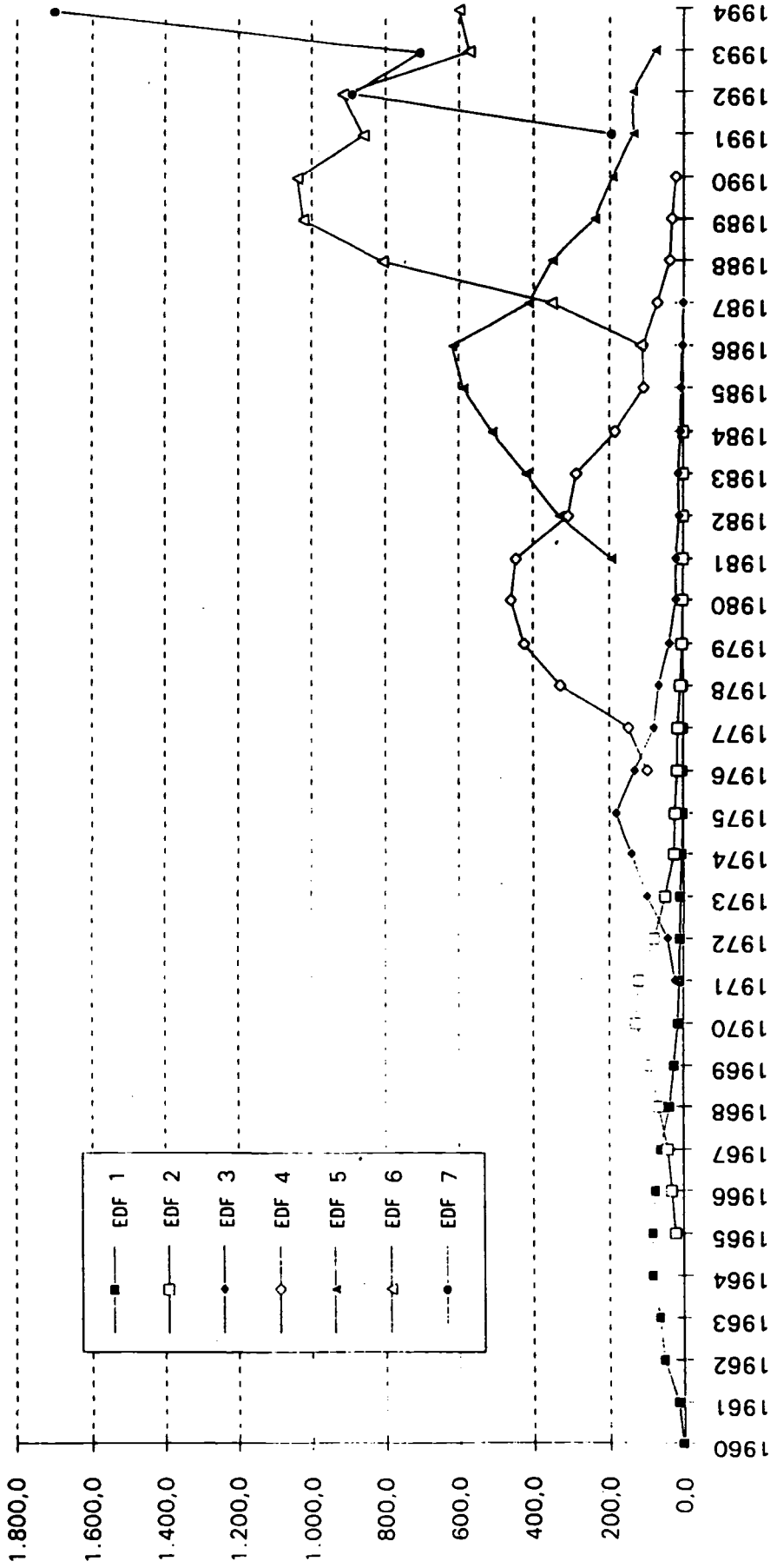


TABLE 5

		IMPLEMENTATION IN AGGREGATE PAYMENTS (ECU million)													
		EDF 1 (annual payments)	EDF 1 RA agg. payments	EDF 2 (annual payments)	EDF 2 RA agg. payments	EDF 3 (annual payments)	EDF 3 RA agg. payments	EDF 4 (annual payments)	EDF 4 RA agg. payments	EDF 5 (annual payments)	EDF 5 RA agg. payments	EDF 6 (annual payments)	EDF 6 RA agg. payments	EDF 7 (annual payments)	EDF 7 RA agg. payments
	RA		569,4		730,4		887,3		3.053,3		4.207,4		8086,9		11.555,8
1960		3,4	566,0												
1961		15,8	550,2												
1962		53,3	496,9												
1963		65,3	431,6												
1964		83,4	348,2		730,4										
1965		84,8	263,4	21,9	708,5										
1966		76,7	186,7	31,6	676,9										
1967		61,7	125,0	42,9	634,0										
1968		38,6	86,4	67,9	566,1										
1969		25,6	60,8	89,4	476,7										
1970		16,1	44,7	129,5	347,2		887,3								
1971		11,4	33,3	120,5	226,7	22,5	864,8								
1972		10,1	23,2	78,6	148,1	42,8	822,0								
1973		9,9	13,3	49,4	98,7	98,5	723,5								
1974		5,5	7,8	25,9	72,8	140,6	582,9								
1975		2,4	5,4	23,3	49,5	182,7	400,2		3.053,3						
1976		2,9	2,5	17,2	32,3	131,0	269,2	97,5	2.955,8						
1977		0,6	1,9	16,3	16,0	79,8	189,4	148,0	2.807,8						
1978		0,8	1,1	7,9	8,1	66,0	123,4	326,3	2.481,5						
1979		0,4	0,7	4,1	4,0	37,4	86,0	423,4	2.058,1						
1980		0,3	0,4	2,5	1,5	19,8	66,2	459,3	1.598,8		4.207,4				
1981		0,4	0,0	0,9	0,6	20,7	45,5	445,8	1.163,0	195,9	4.011,5				
1982				0,4	0,2	11,2	34,3	305,5	847,5	330,1	3.681,4				
1983				0,1	0,1	14,2	20,1	285,2	562,3	419,2	3.262,2				
1984				0,1	0,0	8,2	11,9	185,2	377,1	508,5	2.752,7				
1985						6,0	5,9	105,7	271,4	686,3	2.166,4		8086,9		
1986						3,8	2,3	108,5	162,9	617,9	1.548,5	116,7	7.970,2		
1987						2,3	0,0	70,2	92,7	412,9	1.135,6	352,6	7.617,6		
1988								38,4	54,3	350,2	785,4	807,7	6.809,9		
1989								32,2	22,1	240,7	544,7	1.024,2	5.785,7		
1990								22,1	0,0	194,0	350,7	1.040,4	4.745,3		11.555,8
1991										136,4	214,3	859,2	3.886,1	195,5	11.360,3
1992										137,9	76,4	614,9	2.971,2	888,8	10.471,4
1993										76,4	0,0	571,6	2.399,6	705,6	9.765,8
1994												600,0	1.799,6	1.700,0	8.085,8
TOTAL		569,4		730,4		887,3		3.053,3		4.207,4		6.287,3		3.490,0	
RA Resources available forecast at 16 November 1993															

GRAPH 3

Implementation: allocations available - aggregate payments
(ECU million)

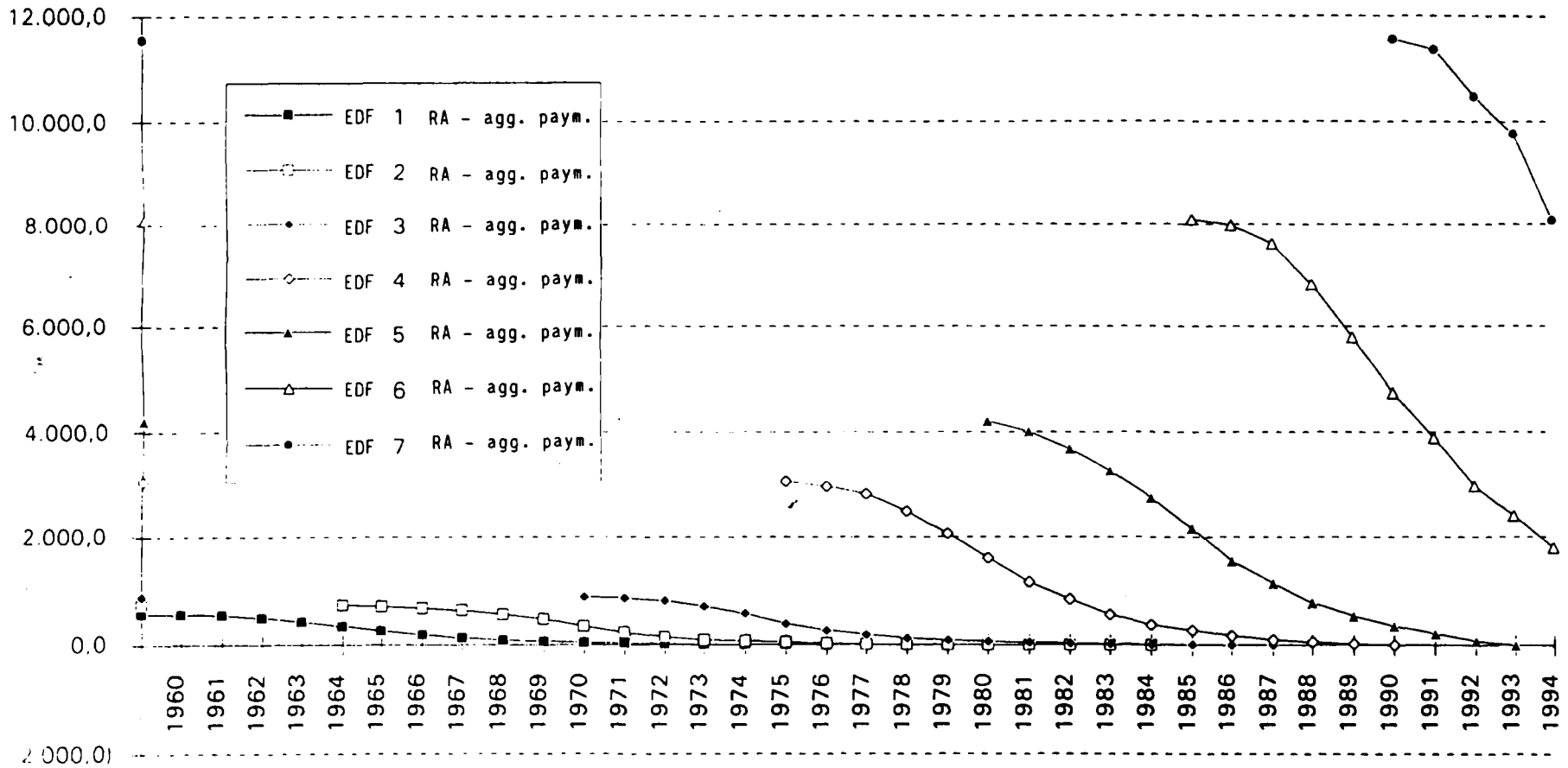


TABLE 6

	IMPLEMENTATION IN COMMITMENTS (ECU million)												TOTAL EDF RD EDF AF										
	EDF 1			EDF 2			EDF 3			EDF 4				EDF 5			EDF 6			EDF 7			
	RA	EDF	AF	RA	EDF	AF	RA	EDF	AF	RA	EDF	AF		RA	EDF	AF	RA	EDF	AF	RA	EDF	AF	
1959	51.3	51.2	5.1																			51.2	5.1
1960	51.3	63.5	8.4																			63.5	8.4
1961	51.4	172.0	53.2																			172.0	53.2
1962	51.6	182.3	63.7																			182.3	63.7
1963	51.9	55.5	103.2																			55.5	103.2
1964	52.3	35.1	111.1	230.0																		35.1	111.1
1965	52.6	36.5	70.0	212.3	48.6																	48.6	70.0
1966	52.9	1.7	68.8	130.0	155.8	43.0																155.8	43.0
1967	52.3	0.1	20.7	130.0	105.9	58.4																105.9	58.4
1968	52.5	12.3	21.3	130.0	121.1	109.0																121.1	109.0
1969	52.3	10.3	10.3	130.0	135.8	135.8																135.8	135.8
1970	52.3	9.7	9.7	130.0	135.8	135.8																135.8	135.8
1971	51.5	10.7	6.3	233.0	3.3	87.4	900.0	232.8	37.2													232.8	37.2
1972	51.5	10.4	8.3	233.0	7.2	43.8	900.3	205.5	96.0													205.5	96.0
1973	51.5	12.3	8.8	233.0	19.1	21.2	905.8	189.4	186.3													189.4	186.3
1974	51.3	11.0	2.8	240.0	3.8	19.8	907.4	152.7	177.5													152.7	177.5
1975	51.3	10.2	0.9	240.0	5.2	10.5	909.4	66.1	141.7													66.1	141.7
1976	51.7	10.1	0.2	240.0	8.3	11.6	909.7	19.3	103.4	3.152.8	382.2	134.5										19.3	103.4
1977	51.6	10.1	0.8	240.0	10.7	14.6	906.2	0.0	63.8	3.185.2	707.7	316.3										0.0	63.8
1978	51.6	10.2	0.3	235.0	10.2	4.9	911.5	17.4	23.3	3.175.3	683.9	334.9										17.4	23.3
1979	51.7	10.5	0.5	234.5	10.7	0.8	913.4	6.2	4.1	3.202.8	504.9	514.8										6.2	4.1
1980	51.7	10.3	0.4	233.8	10.2	0.3	913.1	2.1	13.2	3.213.7	180.5	413.4										2.1	13.2
1981	51.7	10.5	0.4	233.8	10.5	0.2	913.8	2.3	3.2	3.183.0	101.8	185.3										2.3	3.2
1982	51.7	10.5	0.4	233.8	10.5	0.2	915.8	12.5	16.0	3.183.0	27.8	178.7										12.5	16.0
1983	51.7	10.5	0.4	233.8	10.5	0.2	916.5	10.7	23.4	3.185.8	28.3	94.8										10.7	23.4
1984	51.7	10.5	0.4	233.8	10.5	0.2	916.5	12.3	2.5	3.185.8	9.4	50.0										12.3	2.5
1985	51.7	10.5	0.4	233.8	10.5	0.2	896.8	14.7	11.6	3.186.6	87.1	70.1										14.7	11.6
1986	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1987	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1988	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1989	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1990	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1991	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1992	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1993	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
1994	51.7	10.5	0.4	233.8	10.5	0.2	897.3	17.2	13.2	3.186.6	0.4	45.5										17.2	13.2
TOTAL	589.4	589.4	589.4	730.4	730.4	730.4	887.3	887.3	887.3	3.053.3	3.053.3	3.053.3	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4	4.307.4

RA = Resources available
 EDF = Financing decisions (commitments)
 AF = Assigned funds
 * Forecast at 18 November 1993

TABLE 7

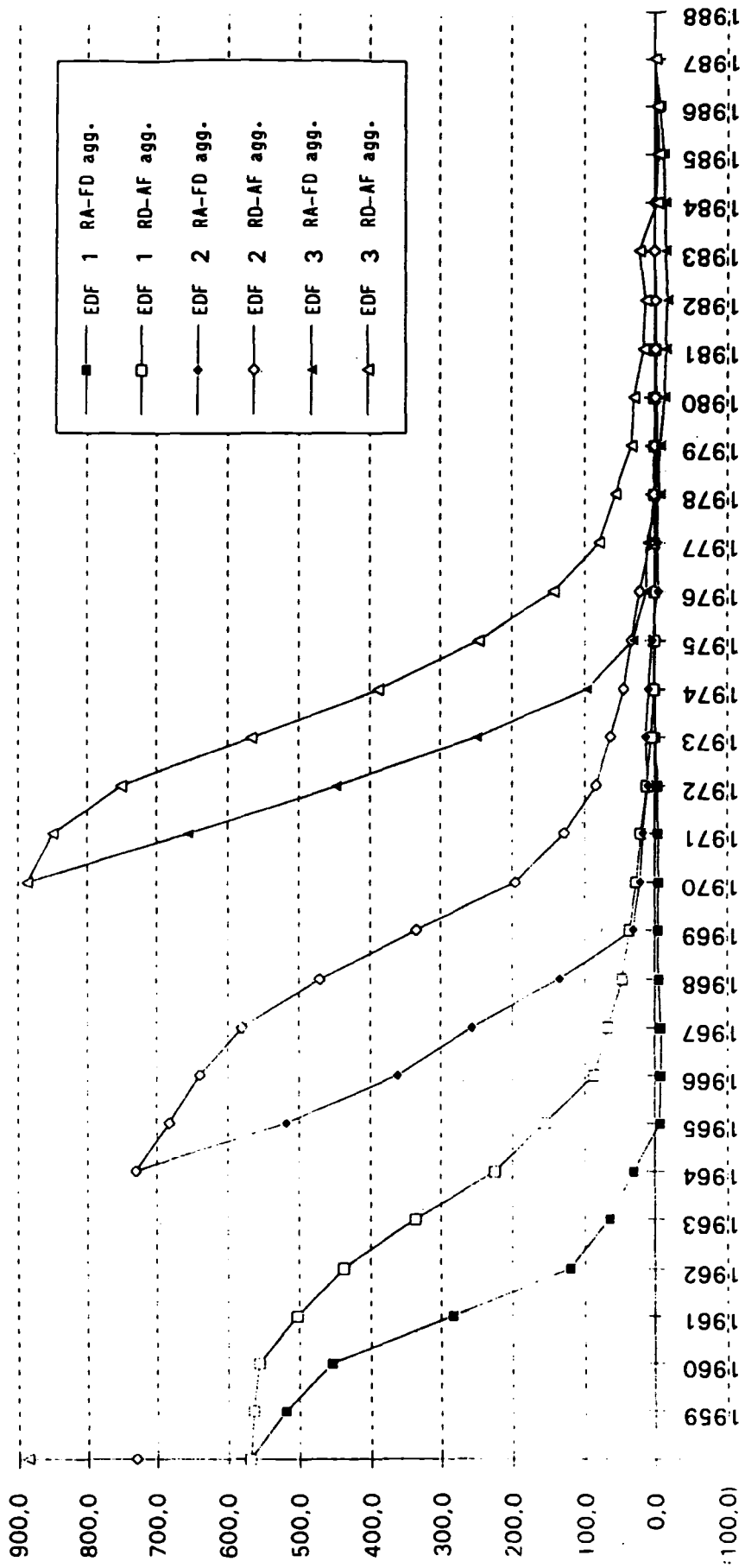
IMPLEMENTATION IN AGGREGATE COMMITMENTS (ECU million)												
	EDF 1 FD annual	EDF 1 RA-FD agg.	EDF 1 AF annual	EDF 1 RA-AF agg.	EDF 2 FD annual	EDF 2 RA-FD agg.	EDF 2 AF annual	EDF 2 RA-AF agg.	EDF 3 FD annual	EDF 3 RA-FD agg.	EDF 3 AF annual	EDF 3 RA-AF agg.
	RA	569.4		569.4		730.4		730.4		887.3		887.3
1959	51.2	518.2	5.1	564.3								
1960	63.5	454.7	8.4	555.9								
1961	172.0	282.7	53.2	502.7								
1962	182.3	120.4	63.7	439.0								
1963	66.5	64.9	103.2	338.8								
1964	35.1	29.8	111.1	224.7		730.4		730.4				
1965	36.5	(6.7)	70.0	154.7	212.3	518.1	48.6	681.8				
1966	1.7	(8.4)	66.8	87.9	155.8	382.3	43.0	638.8				
1967	0.1	(8.5)	20.7	67.2	105.9	256.4	58.4	580.4				
1968	(3.3)	(5.2)	21.3	45.9	121.1	135.3	109.0	471.4				
1969	(0.3)	(4.9)	10.5	35.4	104.7	30.6	136.9	334.5				
1970	0.2	(5.1)	9.7	25.7	10.5	20.1	139.0	195.5		887.3		887.3
1971	(0.7)	(4.4)	6.3	19.4	3.3	16.8	67.4	128.1	232.8	654.5	37.2	850.1
1972	(0.6)	(3.8)	8.3	11.1	7.2	9.6	43.6	84.5	205.5	449.0	99.0	751.1
1973	(2.3)	(1.5)	6.5	4.6	(3.1)	12.7	21.2	63.3	199.4	249.6	185.2	565.9
1974	(1.0)	(0.5)	2.6	2.0	3.6	9.1	19.8	43.5	152.7	96.9	177.5	388.4
1975	0.2	(0.7)	0.9	1.1	5.2	3.9	10.5	33.0	66.1	30.8	141.7	246.7
1976	(0.1)	(0.6)	0.2	0.9	8.3	(4.4)	11.6	21.4	19.3	11.5	103.4	143.3
1977	0.1	(0.7)	0.6	0.3	(0.7)	(3.7)	14.6	6.8	0.0	11.5	63.8	79.5
1978	(0.2)	(0.5)	(0.3)	0.6	(0.2)	(3.5)	4.9	1.9	17.4	(6.9)	23.3	56.2
1979	(0.5)	0.0	0.5	0.1	(0.7)	(2.8)	0.8	1.0	0.9	(6.8)	23.2	33.0
1980	(0.4)	0.4	(0.3)	0.4	0.0	(2.8)	1.6	(0.6)	6.2	(13.0)	4.1	28.9
1981	0.4	0.0	0.4	0.0	(0.2)	(2.6)	0.3	(0.9)	2.1	(15.1)	13.2	15.7
1982					(0.5)	(2.1)	(0.2)	(0.7)	2.3	(17.4)	3.2	12.5
1983					(2.0)	(0.1)	(0.6)	(0.1)	(2.5)	(14.9)	(8.6)	21.1
1984					(0.1)	0.0	(0.1)	0.0	(0.7)	(14.2)	23.4	(2.3)
1985									(2.3)	(11.9)	2.5	(4.8)
1986									(4.7)	(7.2)	(1.6)	(3.2)
1987									(7.2)	0.0	(3.2)	0.0
1988												
1989												
1990												
1991												
1992												
1993												
1994												
TOTAL		569.4		569.4		730.4		730.4		887.3		887.3
RA = Resources available												
FD = Financing decisions (commitments)												
AF = Assigned funds												
* Forecast at 16 November 1993												

TABLE 7

IMPLEMENTATION IN AGGREGATE COMMITMENTS (ECU million)																
	EDF 4 FD annual	EDF 4 RA-FD agg.	EDF 4 AF annual	EDF 4 RA-AF agg.	EDF 5 FD annual	EDF 5 RA-FD agg.	EDF 5 AF annual	EDF 5 RA-AF agg.	EDF 6 FD annual	EDF 6 RA-FD agg.	EDF 6 AF annual	EDF 6 RA-AF agg.	EDF 7 FD annual	EDF 7 RA-FD agg.	EDF 7 AF annual	EDF 7 RA-AF agg.
	RA	3.053,3		3.053,3		4.207,4		4.207,4		8.086,9		8.086,9		11.555,8		11.555,8
1959																
1960																
1961																
1962																
1963																
1964																
1965																
1966																
1967																
1968																
1969																
1970																
1971																
1972																
1973																
1974																
1975		3.053,3		3.053,3												
1976	382,2	2.671,1	134,5	2.918,8												
1977	707,7	1.963,4	316,3	2.602,5												
1978	563,9	1.399,5	534,9	2.067,6												
1979	572,1	827,4	530,7	1.536,9												
1980	504,9	322,5	514,8	1.022,1		4.207,4		4.207,4								
1981	150,5	172,0	413,4	608,7	548,9	3.658,5	275,0	3.932,4								
1982	101,8	70,2	185,3	423,4	1.002,8	2.655,7	582,6	3.349,8								
1983	27,6	42,6	176,7	246,7	758,6	1.897,1	628,8	2.721,0								
1984	26,3	16,3	94,5	152,2	791,8	1.105,3	663,7	2.057,3								
1985	9,4	6,9	50,0	102,2	560,2	545,1	623,8	1.433,5		8.086,9		8.086,9				
1986	87,1	(80,2)	70,1	32,1	494,4	50,7	595,0	838,5	313,2	7.773,7	175,5	7.911,4				
1987	0,4	(80,6)	45,5	(13,4)	298,0	(247,3)	337,8	500,7	1.954,3	5.819,4	494,0	7.417,4				
1988	1,1	(81,7)	11,1	(24,5)	145,7	(393,0)	229,4	271,3	2.394,5	3.424,9	1.367,1	6.050,3				
1989	0,4	(82,1)	8,9	(13,4)	311,9	(431,9)	137,6	133,7	1.324,2	2.100,7	1.390,4	4.659,9				
1990	(82,1)	0,0	(13,4)	0,0	24,3	(456,2)	121,2	12,5	886,3	1.214,4	1.315,5	3.344,4		11.555,8		11.555,8
1991					(64,3)	(391,9)	119,6	(107,1)	452,2	762,2	884,7	2.459,7	859,7	10.696,1	398,3	11.157,5
1992					(18,5)	(373,4)	30,2	(137,3)	120,9	641,3	667,2	1.792,5	1.960,4	8.735,7	1.050,4	10.107,1
1993					(373,4)	0,0	(137,3)	0,0	23,5	617,8	305,4	1.487,1	1.981,3	6.754,4	1.298,0	8.809,1
1994									75,0	542,8	300,0	1.187,1	2.100,0	4.654,4	1.400,0	7.409,1
RA	3.053,3		3.053,3		4.207,4		4.207,4		7.544,1		6.899,8		6.901,4		4.146,7	
RA = Resources available																
FD = Financing decisions (commitments)																
AF = Assigned funds																
* Forecast at 16 November 1993																

GRAPH 4.1

Implementation: RA-FD agg. and RA-AF (ECU million)



GRAPH 4.2

IMPLEMENTATION: RA-FD agg.
and RA-AF agg. (ECU million)

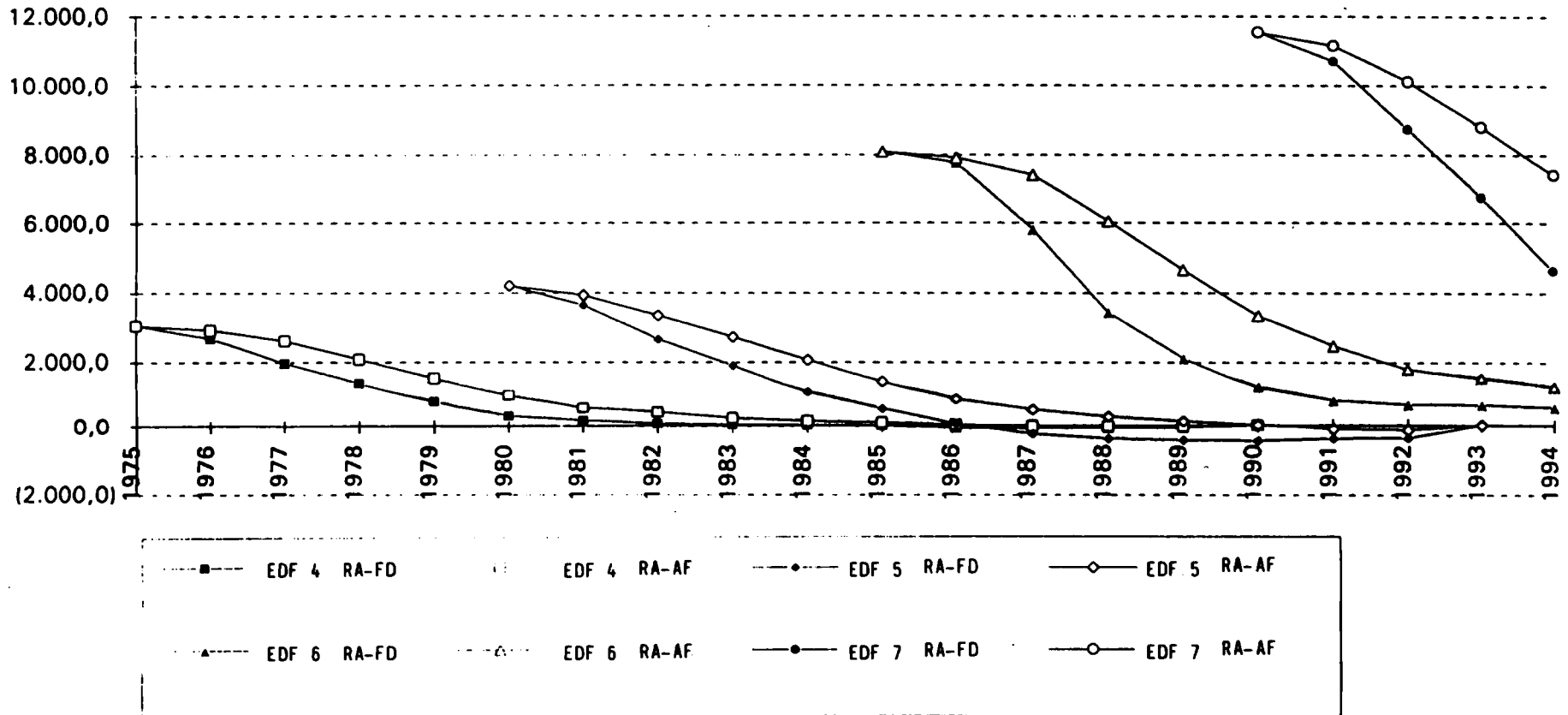


TABLE 8 and GRAPH 5

IMPLEMENTATION - ALL EDFS COMBINED		
ECU million		
	Financing decisions	Payments
1959		
1959	51,20	
1960	63,50	3,40
1961	172,00	15,80
1962	162,30	53,30
1963	55,50	65,30
1964	35,10	83,40
1965	248,80	106,70
1966	157,50	108,30
1967	106,00	104,60
1968	117,80	106,50
1969	104,40	115,00
1970	10,70	145,60
1971	235,40	154,40
1972	212,10	131,50
1973	194,00	157,80
1974	188,30	172,00
1975	71,50	206,40
1976	409,70	248,60
1977	707,10	244,70
1978	580,90	401,00
1979	571,80	485,30
1980	510,70	481,90
1981	701,70	663,70
1982	1.106,40	647,20
1983	781,70	718,70
1984	817,30	703,00
1985	667,30	698,00
1986	890,00	646,70
1987	2.246,60	638,00
1988	2.541,30	1.196,30
1989	1.343,50	1.297,10
1990	828,50	1.256,50
1991	1.247,60	1.191,10
1992	2.062,80	1.941,70
1993	1.631,30	1.353,60
1994	2.175,00	2.300,00
TOTAL	23.893,20	19.225,10
Forecast at 16 November 1993		
1993 Year-end close		
Total allocation	29.090,5	
Financing decisions	21.718,2	
Payments	16.925,1	

IMPLEMENTATION EDF (ECU million)

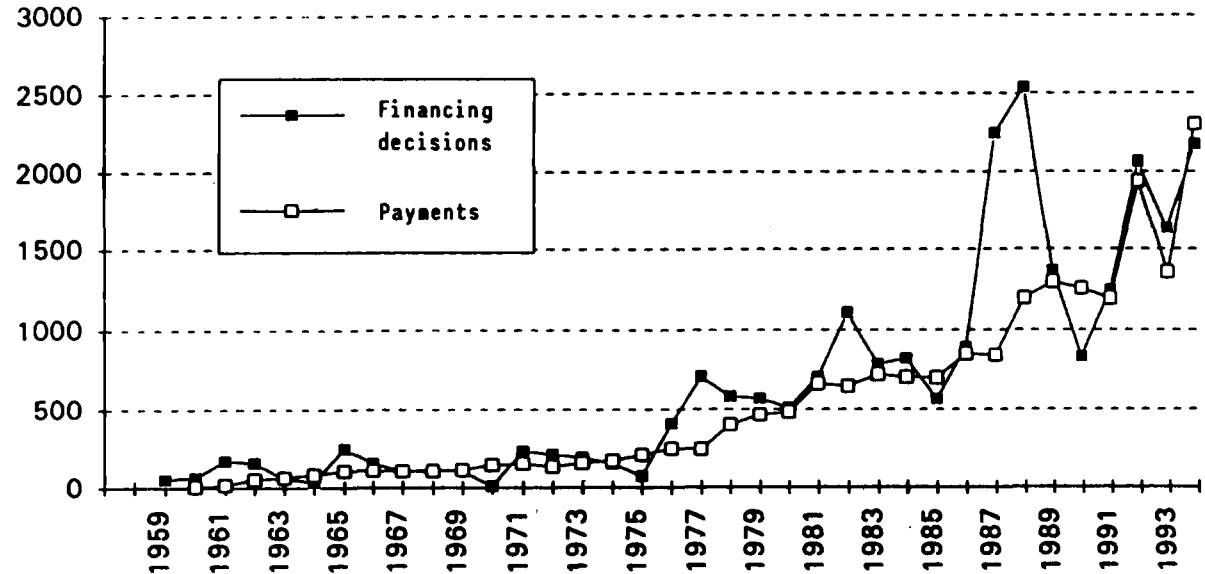


TABLE 9

MEMBER STATES' CONTRIBUTIONS TO EDF BY EDF AND GNP SCALES - 1994 (ECU million)						
	GNP (ECU billion)	Contributions to EDF (ECU million)	Contributions by GNP scale (ECU million)	Difference (3) - (2) (ECU million)	GNP scale (%)	Scale (%) 6th + 7th EDF
	(1)	(2)	(3)	(4)	(5)	(6)
BELGIUM	176,6	71,280	56,273	(15,01)	3,13	3,96
DENMARK	114,6	37,320	36,517	(0,803)	2,03	2,07
GERMANY	1.692,3	467,880	539,245	71,365	29,96	25,99
GREECE	65,4	22,080	20,839	(1,241)	1,16	1,23
SPAIN	403,6	110,763	128,606	17,843	7,14	6,15
FRANCE	1.082,7	433,917	344,998	(88,919)	19,17	24,11
IRELAND	36,4	9,900	11,599	1,699	0,64	0,55
ITALY	870,0	230,999	277,222	46,223	15,40	12,83
LUXEMBOURG	11,9	3,420	3,792	0,372	0,21	0,19
NETHERLANDS	274,6	100,680	87,500	(13,180)	4,86	5,59
PORTUGAL	65,7	15,840	20,935	5,095	1,16	0,88
UNITED KINGDOM	855,1	295,921	272,474	(23,447)	15,14	16,44
	5.648,9	1.800,000	1.800,000	0,000	100,00	100,00
EDF/GNP (%)	0,0319					
GNP mp at 11 November 1993						

TABLE 10

	GNP mp EUR-12 (ECU billion)	EDF payments (ECU million)	EDF payments/ GNP mp %
1980	2.252,1	481,90	0,021
1981	2.469,9	663,70	0,027
1982	2.691,5	647,20	0,024
1983	2.877,2	718,70	0,025
1984	3.107,8	703,00	0,023
1985	3.335,5	698,00	0,021
1986	3.544,7	846,70	0,024
1987	3.735,0	838,00	0,022
1988	4.050,3	1.196,30	0,030
1989	4.410,0	1.297,10	0,029
1990	4.734,6	1.256,50	0,027
1991	5.147,1	1.191,10	0,023
1992	5.384,6	1.941,70	0,036
1993	5.429,1	1.353,60	0,025
1994*	5.648,9	2.300,00	0,041

* Forecast at 16 November 1993.

FINANCIAL STATEMENT

At this time, it is not possible to forecast the extent of the appropriations which the Community will be able to devote to cooperation with ACP States under the 8th European Development Fund. It is not therefore possible to indicate what levels of expenditure may have to be met from the budget each year.