COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 29.6.2009
COM(2009) 310 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

Financial information on the European Development Funds

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

Financial information on the European Development Funds

FOREWORD

This document is to be annexed to the draft budget for 2010, in accordance with the 1979 agreements on budgetary procedure.

In accordance with Article 7 of the Internal Agreement[1] and Article 57(3) and (4) of the Financial Regulation[2], the Commission presents in this document estimates of commitments, payments and contributions for the period 2009 to 2010, taking into account the forecasts of the European Investment Bank (EIB) concerning the Investment Facility.

As in previous years, this document sets out:

– implementation of the EDFs (8th to 10th) at 31.12.2008;

– financial implementation forecasts for the current year;

– expenditure forecasts for 2010.

The Member States contribute funds directly to the European Investment Bank for the instruments which it manages under the 9th and 10th EDFs (the Investment Facility and interest-rate subsidies). Contributions for other instruments, including contributions for the old instruments managed by the EIB (risk capital and interest-rate subsidies), go to the Commission.

Unless otherwise indicated, all the commitments and payments listed in this communication are gross amounts, i.e. no decommitments or recoveries have been deducted. This approach is in line with that used for the general budget of the EU.

---

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 Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund.

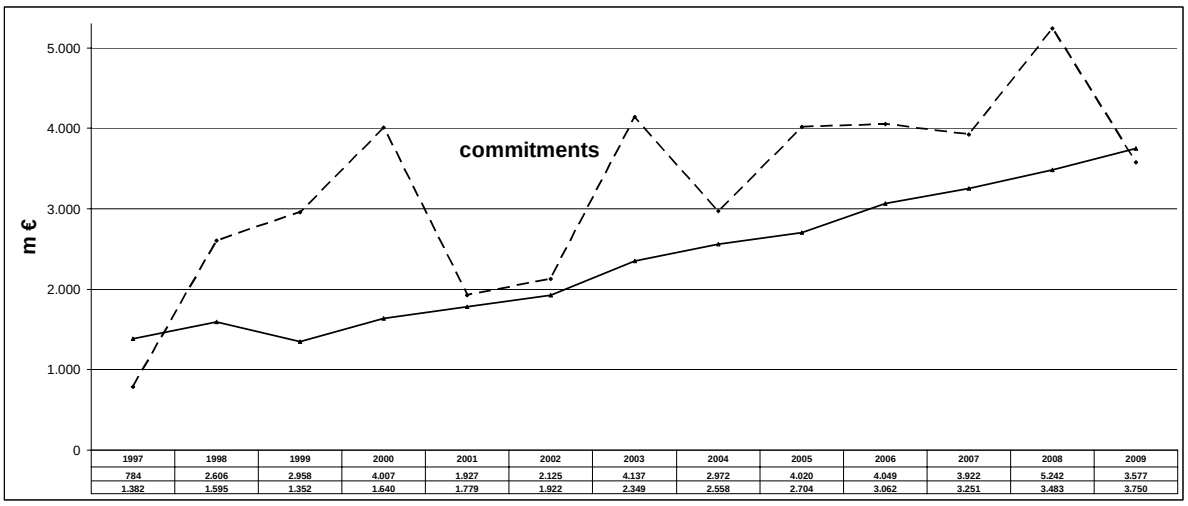
INTRODUCTION

The Commission and the EIB have updated their commitment and payment forecasts for 2009 and 2010 for each of the ACP countries[3] and the OCTs[4]. The payment forecasts in particular have been compiled with great care with the aim of helping the Member States to assess as accurately as possible the amounts they need to earmark in their national budgets while ensuring that sufficient financial resources are available for the EDF to avoid liquidity problems.

In accordance with Article 7 of the Internal Agreement on the 10th EDF[5] and Article 57(5) of the Financial Regulation[6], estimates will be revised in the October 2009 communication.

The graph below shows the general trend in commitments and payments, including projections for 2009 (Commission and EIB). It clearly shows the structural upward trend in payments since 2000.

EC + EIB: trend 1997-2008 commitments — and payments —; forecasts 2009



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
784	2.606	2.958	4.007	1.927	2.125	4.137	2.972	4.020	4.049	3.922	5.242	3.577
1.382	1.595	1.352	1.640	1.779	1.922	2.349	2.558	2.704	3.062	3.251	3.483	3.750

3 African, Caribbean and Pacific States.

4 Overseas countries and territories.

5 OJ L 247, 9.9.2006, p. 32.

6 Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund

1. IMPLEMENTATION OF THE EUROPEAN DEVELOPMENT FUNDS AT 31 DECEMBER 2008 (COMMITMENTS, PAYMENTS AND FINANCIAL SITUATION)

Annex 1 shows actual commitments made in 2008 compared with the forecasts made in October 2008[7].

Annex 2 shows actual payments made in 2008 compared with the forecasts made in October 2008[8].

Annex 3 shows the financial situation recorded in 2008 and the projections made for 2009 and 2010.

2. FINANCIAL IMPLEMENTATION FORECASTS FOR 2009 AND 2010

The new forecasts are set out in Annexes 1 to 3.

The new forecasts for the 2009 contributions confirm the Commission's needs at EUR 3 300 million and the EIB's at EUR 165 million. Note that these amounts are the same as those decided by the Council in November 2008[9].

Contributions for 2010 are forecast at EUR 3 500 million for the Commission and EUR 240 million for the EIB.

It should be stressed that these figures are just a preliminary forecast and must be treated with caution, notably in the light of COM(2009) 160 of 8 April 2009 on 'Supporting developing countries cope with the crisis'. The Commission and the EIB will make more reliable forecasts after the summer. They will be presented in the October communication.

---

7 COM(2007) 634 final of 7.10.2008.

8 COM(2007) 634 final of 7.10.2008.

9 Council Decision of 3 November 2008 on the financial contributions to be paid by the Member States to finance the European Development Fund in 2009 and 2010, including the first instalment for 2009.

Annex 1

Commitments made in 2008 and forecast for 2009 and 2010

€ m

	2008		2009		2010	
	Com. Oct. 08	Made	Com. Oct. 08	Revised	Com. Oct. 08	Revised
Regions						
East Africa	778	959	949	751		
West Africa	1486	1 585	790	737		
Central Africa	482	466	352	569		
Caribbean	123	126	355	262		
Pacific	39	30	106	73		
Southern Africa	170	929	712	275		
Contingency reserve revised end of term						
Subtotal	3 076	4 095	3 264	2667		
Other						
Peace Facility	0	300	300	0		
Other *	502	448	186	380		
Total Commission	***3 578***	***4 843***	***3 750***	***3 047***	***3 750***	***3 750***
Investment Facility	450	338	450	450		
Interest-rate subsidy	70	61	80	80		
Total EIB	***520***	***399***	***530***	***530***	***550***	***550***
TOTAL	**4 098**	**5 241**	**4 280**	**3 577**	**4 300**	**4 300**

* 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 and for the ad hoc 'Vulnerability FLEX' instrument to help deal with the current economic and financial crisis.

Annex 2

Payments made in 2008 and forecast for 2009 and 2010

€ m

	2008		2009		2010	
	Com. Oct. 08	Made	Com. Oct. 08	REV	Com. Oct. 08	REV
Regions						
East Africa	627	699	844	743		
West Africa	804	829	916	778		
Central Africa	324	359	457	407		
Caribbean	217	239	264	296		
Pacific	68	64	85	65		
Southern Africa	366	376	380	400		
Subtotal	2 406	2 567	2 946	2 689		
Other						
Peace Facility	41	24	23	88		
Water Facility	100	105	70	108		
Risk capital*	51	23	51	37		
HIPC debt relief	180	80	0	100		
Infrastructure trust funds	40	0	1	1		
Other	288	391	282	281		
Subtotal	***3 106***	***3 190***	***3 373***	***3 304***		
Stabex	34	25	2	17		
Total Commission**	***3 140***	***3 215***	***3 375***	***3 321***	***3 600***	***3 600***
Investment Facility	250	220	349	349	340	340
Interest-rate subsidies	43	48	80	80	100	100
Total EIB	***293***	***268***	***429***	***429***	***440***	***440***
TOTAL EC+EIB	**3 433**	**3 483**	**3 804**	**3 750**	**4 040**	**4 040**

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

*Including interest-rate subsidies under the previous EDFs.

**The level of payments forecast for 2009, namely €3.321 million, is justified by the fact that in 2008 we paid out more than forecast because of the migration to a new accounting system.

Annex 3: Financial situation recorded in 2008 and forecast for 2009 and 2010 (€ m)

		Communication + Decision Oct 08*			Revision		
		EC	**EIB**	**TOTAL**	**EC**	**EIB**	**TOTAL**
	Balance at 31/12/2007 **	**57**	**77**	**134**	**57**	**77**	**134**
2008	Contributions 2008, of which:	3000	200	3200	3000	200	3200
	1st instalment	*1635*	*170*	*1805*	*1635*	*170*	*1805*
	2nd instalment	*1000*	*70*	*1070*	*1000*	*70*	*1070*
	3rd instalment	*325*	*0*	*325*	*325*	*0*	*325*
	transfer	*40*	*-40*	*0*	*40*	*-40*	*0*
	Contributions 2009 advance payments				233		233
	Reflows***		140	140		129	129
	Recoveries, interest and other	75		75	84		84
	Total payments	-3140	-293	-3433	-3215	-268	-3483
	Payments Stabex (already financed)	34		34	25		25
	Receipts Dem Rep Congo Special Fund				2		2
2009	**Balance at 31/12/2008**	**26**	**124**	**150**	**186**	**138**	**324**
	Contributions 2009, of which:	3300	165	3465	3300	165	3465
	1st instalment	*1750*	*55*	*1805*	*1750*	*55*	*1805*
	2nd instalment	*1100*	*90*	*1190*	*1100*	*90*	*1190*
	3rd instalment	*450*	*20*	*470*	*450*	*20*	*470*
	Contributions 2009 paid in 2008				-233		-233
	Reflows		170	170		134	134
	Recoveries, interest and other	75		75	65		65
	Total payments	-3375	-429	-3804	-3321	-429	-3750
	Payments Stabex (already financed)	25		25	17		17
2010	**Balance at 31/12/2009**	**51**	**30**	**81**	**14**	**8**	**22**
	Contributions 2010	3500	240	3740	3500	240	3740
	Reflows		200	200		188	188
	Recoveries, interest and other	75		75	65		65
	Total payments	-3600	-440	-4040	-3600	-440	-4040
	Payments Stabex (already financed)	32		32	30		30
	Balance at 31/12/2010	**58**	**30**	**88**	**9**	**-4**	**5**

*See COM(2008) 634 final of 7 October 2008 and Council document 14995/1/08 of 3 November 2008 with revised figures for the EIB.

**Without advance payment of contributions. Funds available for operations. Gross payments, i.e. without recoveries being deducted.

*** Proceeds and income received by the EIB from operations under the Investment Facility under the 9th and 10th EDF.

ANNEX 4 – Contributions to the EDF for 2009 by Member State (EUR)

Member State	Scale	1st instalment		2nd instalment		3rd instalment		TOTAL
		paid to	paid to	payable to	payable to	payable to	payable to	instalments
	%	EIB	Commission	EIB	Commission	EIB	Commission	
GERMANY	23,36	12 848 000	408 800 000	21 024 000	256 960 000	4 672 000	105 120 000	**809 424 000**
BELGIUM	3,92	2 156 000	68 600 000	3 528 000	43 120 000	784 000	17 640 000	**135 828 000**
DENMARK	2,14	1 177 000	37 450 000	1 926 000	23 540 000	428 000	9 630 000	**74 151 000**
SPAIN	5,84	3 212 000	102 200 000	5 256 000	64 240 000	1 168 000	26 280 000	**202 356 000**
FRANCE	24,30	13 365 000	425 250 000	21 870 000	267 300 000	4 860 000	109 350 000	**841 995 000**
GREECE	1,25	687 500	21 875 000	1 125 000	13 750 000	250 000	5 625 000	**43 312 500**
IRELAND	0,62	341 000	10 850 000	558 000	6 820 000	124 000	2 790 000	**21 483 000**
ITALY	12,54	6 897 000	219 450 000	11 286 000	137 940 000	2 508 000	56 430 000	**434 511 000**
LUXEMBOURG	0,29	159 500	5 075 000	261 000	3 190 000	58 000	1 305 000	**10 048 500**
NETHERLANDS	5,22	2 871 000	91 350 000	4 698 000	57 420 000	1 044 000	23 490 000	**180 873 000**
PORTUGAL	0,97	533 500	16 975 000	873 000	10 670 000	194 000	4 365 000	**33 610 500**
UNITED KINGDOM	12,69	6 979 500	222 075 000	11 421 000	139 590 000	2 538 000	57 105 000	**439 708 500**
AUSTRIA	2,65	1 457 500	46 375 000	2 385 000	29 150 000	530 000	11 925 000	**91 822 500**
FINLAND	1,48	814 000	25 900 000	1 332 000	16 280 000	296 000	6 660 000	**51 282 000**
SWEDEN	2,73	1 501 500	47 775 000	2 457 000	30 030 000	546 000	12 285 000	**94 594 500**
TOTAL	100,00	55 000 000	1 750 000 000	**90 000 000**	**1 100 000 000**	20 000 000	450 000 000	**3 465 000 000**