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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL**

**Financial information on the European Development Fund**

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### 1. FOREWORD

In accordance with Article 7(3) of the Internal Agreement<sup>1</sup> and Articles 57(3) and (4) of the 10th EDF Financial Regulation<sup>2</sup>, the Commission presents in this document estimates of commitments, payments and contributions for the period 2013 and 2014, taking into account the forecasts of the European Investment Bank (EIB) concerning the Investment Facility.

This document sets out the financial implementation of the EDFs (8th to 10th) for 2012 and the forecasts of implementation for 2013 to 2014.

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.

### 2. INTRODUCTION

The Commission and the EIB have updated their commitment and payment forecasts for 2013 and 2014 for each of the ACP countries<sup>3</sup> and the OCTs<sup>4</sup>. The payment forecasts in particular have been compiled 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<sup>5</sup> and Article 57(5) of the Financial Regulation<sup>6</sup>, the estimates provided in this document will be updated in the October 2013 communication.

The graph below shows the general trend in commitments and payments, including projections for 2013 - 2014 (Commission and EIB).

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<sup>1</sup> 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.

<sup>2</sup> Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund.

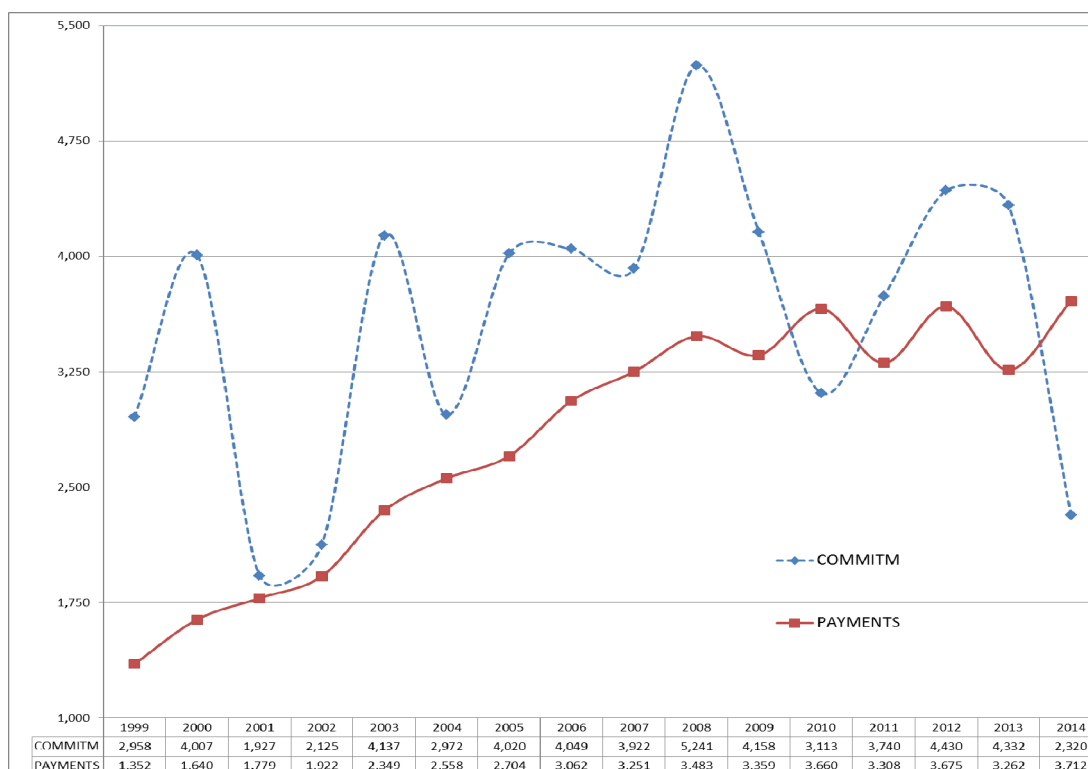
<sup>3</sup> African, Caribbean and Pacific States.

<sup>4</sup> Overseas Countries and Territories.

<sup>5</sup> OJ L 247, 9.9.2006, p. 32.

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

## Gross commitments and payments: trend 1999-2014 (Million EUROS)<sup>7</sup>



Implementation of the European Development Funds at 31 December 2012 (commitments, payments and financial situation)

The attachments 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2012 compared with the forecasts made in October 2012<sup>8</sup>.

<sup>7</sup> For 2013-2014, forecasted amounts  
<sup>8</sup> COM(2012) 610.

### 3. FINANCIAL FORECASTS FOR 2013 – 2014

The following table provides an update based on our latest forecasts.

Forecasts 2013-2014 (*)		2013	(**) 2014
Commitments	Commission	3,692	1,600
	EIB	640	720
Payments	Commission	2,842	3,212
	EIB	420	500
Contributions	Commission	3,100	2,950
	EIB	250	360

\* gross amounts, i.e. no decommitments or recoveries/reflows have been deducted. This approach is in line with that that used for the general budget of the EU.

\*\* It is yet unclear when the 11th EDF will be ratified, and thus when commitments can be made from 11th EDF funds. The commitment amount mentioned does not foresee the 11th EDF in force in 2014 but takes into account the use of a bridging fund, that is composed from de-commitments of older EDF's and unused 10th EDF funds at 31/12/2013, and de-commitments from 8th ,9th and 10th EDF during 2014.

### 4. FINANCIAL IMPLEMENTATION FORECASTS FOR 2013 AND 2014

The updated forecasts are set out in Attachments 1 to 3.

The updated 2013 forecasts confirm the treasury needs and Member States contributions to the EDF for 2013 as decided by the Council in October 2012<sup>9</sup>, at EUR 3 100 million for the Commission and EUR 250 million for the EIB (see attachment 4 for detail on the split of the 2013 contribution requests).

For 2014 we forecast the ceiling for the Member States contributions will amount to EUR 2 950 million for the Commission and EUR 360 million for the EIB.

It should be stressed that these figures are a preliminary forecast and must be treated with caution. The Commission and the EIB will make more reliable forecasts after the summer. They will be presented in the October communication.

<sup>9</sup> Council Decision of 19 November 2012– Council document 15526/12.

Attachment 1: Gross commitments made for 2012, forecast for 2013 and 2014 (EUR million)

	2012		2013		2014	
	COM Oct 2012	actuals 2012	COM Oct 2012	revised June 2013	COM Oct 2012	revised June 2013
Regions						
East Africa	769	1,000	1,203	982		
West Africa	1,053	1,164	1,640	1,198		
Central Africa	297	364	6	132		
Caribbean	203	266	231	257		
Pacific	101	104	140	188		
Southern Africa	481	677	474	388		
<b>Sub-total</b>	<b>2,903</b>	<b>3,575</b>	<b>3,694</b>	<b>3,145</b>	<b>0</b>	<b>0</b>
Other						
Water and Energy Facility	25	25	109	0		
Other*	473	145	459	547		
<b>Sub-total</b>	<b>498</b>	<b>170</b>	<b>568</b>	<b>547</b>	<b>0</b>	<b>0</b>
<b>Total European Commission</b>	<b>3,400</b>	<b>3,745</b>	<b>4,262</b>	<b>3,692</b>	<b>3,750</b>	<b>1,600</b>
Investment facility	500	617	550	550	600	620
Interest rate subsidies	80	68	90	90	90	100
<b>Total EIB</b>	<b>580</b>	<b>685</b>	<b>640</b>	<b>640</b>	<b>690</b>	<b>720</b>
<b>TOTAL EC+EIB</b>	<b>3,980</b>	<b>4,430</b>	<b>4,902</b>	<b>4,332</b>	<b>4,440</b>	<b>2,320</b>

Gross commitments, i.e. without de-commitments being deducted.

\*Includes support expenditures, e.g. to support joint institutions and the ACP Secretariat.

Attachment 2: Gross payments made in 2012 and forecasts 2013 and 2014 (EUR million)

	2012		2013		2014	
	COM Oct 2012	actuals 2012	COM Oct 2012	revised June 2013	COM Oct 2012	revised June 2013
Regions						
East Africa	424	514	458	404		
West Africa	832	862	848	783		
Central Africa	334	352	426	378		
Caribbean	223	199	250	125		
Pacific	106	89	133	73		
Southern Africa	323	406	386	404		
<b>Sub-total</b>	<b>2,242</b>	<b>2,422</b>	<b>2,501</b>	<b>2,167</b>	<b>0</b>	<b>0</b>
Other						
Peace Facility	166	176	170	173		
Infrastructure Trust Fund	50	50	0	0		
Water and Energy Facility	101	78	120	111		
Other	497	566	368	391		
<b>Sub-total</b>	<b>814</b>	<b>870</b>	<b>658</b>	<b>675</b>	<b>0</b>	<b>0</b>
<b>Total European Commission</b>	<b>3,056</b>	<b>3,292</b>	<b>3,159</b>	<b>2,842</b>	<b>3,400</b>	<b>3,212</b>
Investment facility	320	315	330	330	360	400
Interest rate subsidies	80	68	90	90	90	100
<b>Total EIB</b>	<b>400</b>	<b>383</b>	<b>420</b>	<b>420</b>	<b>450</b>	<b>500</b>
<b>TOTAL EC+EIB</b>	<b>3,456</b>	<b>3,675</b>	<b>3,579</b>	<b>3,262</b>	<b>3,850</b>	<b>3,712</b>

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

\* Including interest rate subsidies under previous EDFs

Attachment 3: Financial situation actuals for 2012 and forecasts for 2013 and 2014 (EUR million)

		COM October 2012 <sup>1</sup>			Revision June 2013		
		Commission	EIB	TOTAL	Commission	EIB	TOTAL
<b>Balance 31/12/2011</b> <sup>2</sup>		<b>1,140</b>	<b>93</b>	<b>1,233</b>	<b>1,140</b>	<b>93</b>	<b>1,233</b>
2012	Contributions 2011, of which:	2,600	280	2,880	2,600	280	2,880
	1st instalment	1,950	100	2,050	1,950	100	2,050
	2nd instalment	450	100	550	450	100	550
	3rd instalment	200	80	280	200	80	280
	Contributions 2012 received in 2012	-295		-295	-295		-295
	Contributions 2011 received in 2012	7		7	7		7
	Contributions 2013 received in 2012				293		293
	Reflows <sup>3</sup>		110	110		154	154
	Recoveries, interest and other	65		65	133		133
	Total payments <sup>4</sup>	-3,056	-400	-3,456	-3,292	-383	-3,675
<b>Balance 31/12/2012</b> <sup>5</sup>		<b>461</b>	<b>83</b>	<b>544</b>	<b>586</b>	<b>144</b>	<b>730</b>
2013	Contributions 2013 of which:	3,100	250	3,350	3,100	250	3,350
	1st instalment	1,850	100	1,950	1,850	100	1,950
	2nd instalment	1,000	100	1,100	1,000	100	1,100
	3rd instalment	250	50	300	250	50	300
	Contributions 2013 received in 2012				-293		-293
	Reflows <sup>3</sup>		115	115		130	130
	Recoveries, interest and other	50		50	50		50
	Total payments <sup>4</sup>	-3,174	-420	-3,594	-2,842	-420	-3,262
<b>Balance at 31/12/2013</b>		<b>437</b>	<b>28</b>	<b>465</b>	<b>601</b>	<b>104</b>	<b>705</b>
2014	Contributions 2014:	3,250	360	3,610	2,950	360	3,310
	Reflows <sup>3</sup>		120	120		120	120
	Recoveries, interest and other	50		50	50		50
	Total payments <sup>4</sup>	-3,400	-450	-3,850	-3,212	-500	-3,712
	<b>Balance at 31/12/2014</b>		<b>337</b>	<b>58</b>	<b>395</b>	<b>389</b>	<b>84</b>

<sup>1</sup> COM(2012) 610

<sup>2</sup> Funds available for operations,

<sup>3</sup> Net of EIB management fees

<sup>4</sup> Including interest rates subsidies under the previous EDFs

<sup>5</sup> These balances do not include:

- balance of cofinancings received amounting to EUR 85 million at 31.12.2012:
- receipts in bank that are not yet allocated to its specific EDF line for the amount of 16 million
- stabex security accounts and special fund DRC for the amount of 3 million

Attachment 4: Forecasted Member States contributions 2013 (in thousands of EUROS)

MEMBER STATES	Key 9th EDF	Key 10th EDF	1st instalment		2nd instalment		3rd instalment		Total EIB	Total Commission	Total 2013
	%	%	paid to	paid to	paid to	paid to	paid to	paid to			
			EIB	Commission	EIB	Commission	EIB	Commission			
			9th EDF	10th EDF	9th EDF	10th EDF	9th EDF	10th EDF			
BELGIUM	3.92	3.53	3,920	65,305	3,920	35,300	1,960	8,825	9,800	109,430	119,230
DENMARK	2.14	2.00	2,140	37,000	2,140	20,000	1,070	5,000	5,350	62,000	67,350
GERMANY	23.36	20.50	23,360	379,250	23,360	205,000	11,680	51,250	58,400	635,500	693,900
GREECE	1.25	1.47	1,250	27,195	1,250	14,700	625	3,675	3,125	45,570	48,695
SPAIN	5.84	7.85	5,840	145,225	5,840	78,500	2,920	19,625	14,600	243,350	257,950
FRANCE	24.30	19.55	24,300	361,675	24,300	195,500	12,150	48,875	60,750	606,050	666,800
IRELAND	0.62	0.91	620	16,835	620	9,100	310	2,275	1,550	28,210	29,760
ITALY	12.54	12.86	12,540	237,910	12,540	128,600	6,270	32,150	31,350	398,660	430,010
LUXEMBOURG	0.29	0.27	290	4,995	290	2,700	145	675	725	8,370	9,095
NETHERLANDS	5.22	4.85	5,220	89,725	5,220	48,500	2,610	12,125	13,050	150,350	163,400
AUSTRIA	2.65	2.41	2,650	44,585	2,650	24,100	1,325	6,025	6,625	74,710	81,335
PORTUGAL	0.97	1.15	970	21,275	970	11,500	485	2,875	2,425	35,650	38,075
FINLAND	1.48	1.47	1,480	27,195	1,480	14,700	740	3,675	3,700	45,570	49,270
SWEDEN	2.73	2.74	2,730	50,690	2,730	27,400	1,365	6,850	6,825	84,940	91,765
UNITED KINGDOM	12.69	14.82	12,690	274,170	12,690	148,200	6,345	37,050	31,725	459,420	491,145
<b>Sub-total EUR-15</b>	<b>100</b>	<b>96.38</b>	<b>100,000</b>	<b>1,783,030</b>	<b>100,000</b>	<b>963,800</b>	<b>50,000</b>	<b>240,950</b>	<b>250,000</b>	<b>2,987,780</b>	<b>3,237,780</b>
BULGARIA		0.14		2,590		1,400		350		4,340	4,340
CZECH REPUBLIC		0.51		9,435		5,100		1,275		15,810	15,810
ESTONIA		0.05		925		500		125		1,550	1,550
CYPRUS		0.09		1,665		900		225		2,790	2,790
LATVIA		0.07		1,295		700		175		2,170	2,170
LITHUANIA		0.12		2,220		1,200		300		3,720	3,720
HUNGARY		0.55		10,175		5,500		1,375		17,050	17,050
MALTA		0.03		555		300		75		930	930
POLAND		1.30		24,050		13,000		3,250		40,300	40,300
ROMANIA		0.37		6,845		3,700		925		11,470	11,470
SLOVENIA		0.18		3,330		1,800		450		5,580	5,580
SLOVAKIA		0.21		3,885		2,100		525		6,510	6,510
<b>Sub-total EUR-12</b>		<b>3.62</b>		<b>66,970</b>		<b>36,200</b>		<b>9,050</b>		<b>112,220</b>	<b>112,220</b>
<b>TOTAL EUR-27</b>	<b>100</b>	<b>100</b>	<b>100,000</b>	<b>1,850,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>50,000</b>	<b>250,000</b>	<b>250,000</b>	<b>3,100,000</b>	<b>3,350,000</b>