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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Financial information on the European Development Funds

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FOREWORD

In accordance with Article 7(3) of the Internal Agreement¹ and Articles 57(3) and (4) of the 10th EDF Financial Regulation², the Commission presents in this document estimates of commitments, payments and contributions for the period 2011 to 2012, 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 2010 and the forecasts of implementation for 2011 to 2013.

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.

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.

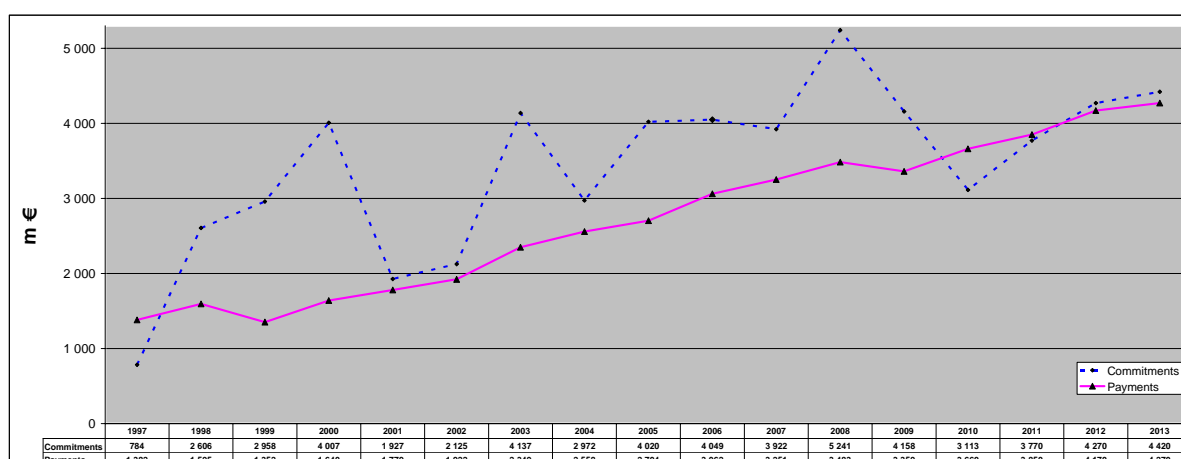
INTRODUCTION

The Commission and the EIB have updated their commitment and payment forecasts for 2011 and 2012 for each of the ACP countries³ and the OCTs⁴. 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 EDF⁵ and Article 57(5) of the Financial Regulation⁶, estimates will be revised in the October 2011 communication.

The graph below shows the general trend in commitments and payments, including projections for 2011 - 2013 (Commission and EIB). It clearly shows the structural upward trend in commitments and disbursements since 1997, due to a speed up in the implementation of aid. As anticipated since 2008, the gap between the commitments and the payments has reduced in 2009 and 2010, thus reflecting a trend where the payment levels get closer to commitment levels.

EC + EIB gross commitments and payments: trend 1997-2013⁷



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

⁷ For 2011-2013, forecasted amounts

1. IMPLEMENTATION OF THE EUROPEAN DEVELOPMENT FUNDS AT 31 DECEMBER 2010 (COMMITMENTS, PAYMENTS AND FINANCIAL SITUATION)

The annexes 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2010 compared with the forecasts made in October 2010⁸, and the projections made for 2011 and 2012.

At year end 2010, 50% of the 10th EDF had been committed, on track to meet our target to commit the 10th EDF by end 2013.

The payments for 2010 represent the highest levels so far for the EDF and confirm a general positive trend for payments.

2. FINANCIAL FORECASTS FOR 2011 – 2013⁹

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

	2011	2012	2013
Commitments*			
Commission	3 250	3 750	3 900
EIB	520	520	520
Payments*			
Commission	3 500	3 800	3 900
EIB	350	370	370
Contributions			
Commission	3 100	3 800	3 800
EIB	210	280	300

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

3. FINANCIAL IMPLEMENTATION FORECASTS FOR 2011 AND 2012

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

The Member States contributions to the EDF for **2011** were decided by the Council in October 2010¹⁰, at EUR 3 690 million for the Commission and EUR 210 million for the EIB. The new 2011 forecasts still confirm the EIB's treasury needs of EUR 210 million but indicate that Commission's cash needs are lower than estimated in October 2010, amounting to EUR 3 100 million.

⁸ COM(2010) 512 final of 11.10.2010.

⁹ Both for the Commission and the EIB, as the financial framework for the period after 2013 has not been agreed and is expected to have a material impact on the implementation figures, we prefer not to present any forecasts for commitments, payments and contributions for the years 2014 and 2015.

¹⁰ Council Decision of 05 November 2010, document 15831/10

The ceiling for the Member States contributions in **2012** is set at EUR 3 800 million for the Commission and EUR 280 million for the EIB¹¹.

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.

Annex 1: Gross commitments made in 2010 and forecast 2011 and 2012 (EUR million)

	2010		2011		2012	
	COM Oct 10	Made	COM Oct 10	Revised	COM Oct 10	Revised
Regions						
East Africa	317	193	432	274		
West Africa	589	469	802	726		
Central Africa	470	285	640	529		
Caribbean	362	222	493	395		
Pacific	75	133	102	103		
Southern Africa	296	417	403	206		
Sub-total	2109	1719	2873	2232		
Other						
Vulnerability FLEX	270	240	0	0		
Water and Energy Facility	252	191	250	220		
Other*	519	513	627	797		
Total European Commission	3 150	2 662	3 750	3 250	3 750	3 750
Investment facility	550	369	550	450	450	450
Interest rate subsidies	100	82	70	70	70	70
Total EIB	650	451	620	520	520	520
TOTAL EC+EIB	3800	3113	4370	3770	4270	4270

Gross commitments, i.e. without decommitments being deducted.

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

¹¹ Council Decision of 29 November 2010 on the ceiling for the annual amount of the contributions to be paid by the Member States to finance the European Development Fund in 2012 – Council document 16971/10.

Annex 2: Gross payments made in 2010 and forecasts 2011 and 2012 (EUR million)

	2010		2011		2012	
	COM Oct 10	Made	COM Oct 10	Revised	COM Oct 10	Revised
Regions						
East Africa	570	464	634	613		
West Africa	804	696	895	804		
Central Africa	449	389	500	423		
Caribbean	365	269	406	234		
Pacific	84	74	93	94		
Southern Africa	499	410	555	452		
Sub-total	2 771	2 302	3 084	2 619		
Other						
Peace Facility	95	85	100	137		
Infrastructure Trust Fund	30	100	90	80		
Vulnerability Flex	200	249	115	65		
Water and Energy Facility	85	101	150	109		
Risk capital (*)	30	0	15	25		
Other	329	435	345	448		
Sub-total	3 540	3 272	3 899	3 483		
Stabex	25	49	20	17		
Total European Commission	3 565	3 321	3 919	3 500	4 100	3 800
Investment facility	310	257	350	280	355	300
Interest rate subsidies	100	82	70	70	70	70
Total EIB	410	339	420	350	425	370
TOTAL EC+EIB	3 975	3 660	4 339	3 850	4 525	4 170

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

* Including interest rate subsidies under previous EDFs

Annex 3: Financial situation end 2010 and forecast 2011 and 2012 (EUR million)

		COM October 2010 ¹			Revision		
		Commiss ion	EIB	TOTAL	Commiss ion	EIB	TOTAL
Balance 31/12/2009²		444	115	559	444	115	559
2010	Contributions 2010, of which:	3500	240	3740	3500	240	3740
	<i>1st instalment</i>	1800	100	1900	1800	100	1900
	<i>2nd instalment</i>	1200	120	1320	1200	120	1320
	<i>3rd instalment</i>	500	20	520	500	20	520
	Contributions 2010 paid in 2009	-232		-232	-232		-232
	Contributions 2009 paid in 2010	4		4	4		4
	Contributions 2011 paid in 2010				272		272
	Contributions 2010 paid in 2011				-124		-124
	Reflows ³		95	95		113	113
	Recoveries, interest and other	55		55	91		91
	Stabex recoveries (transferable to 10th EDF NIP)				32		32
	Total payments ⁴	-3565	-410	-3975	-3321	-339	-3660
	Payments Stabex (already financed)	25		25	49		49
Balance at 31/12/2010⁵		231	40	271	715	129	844
2011	Contributions 2011 of which:	3690	210	3900	3100	210	3310
	<i>1st instalment</i>	1910	100	2010	1910	100	2010
	<i>2nd instalment</i>	1250	100	1350	1000	100	1100
	<i>3rd instalment</i>	530	10	540	190	10	200
	Contributions 2011 paid in 2010				-272		-272
	Contributions 2010 paid in 2011				124		124
	Reflows ³		115	115		80	80
	Recoveries, interest and other	55		55	90		90
Total payments ⁴	-3919	-420	-4339	-3500	-350	-3850	
Payments Stabex (already financed)	20		20	17		17	
Balance at 31/12/2011		77	-55	22	304	69	263
2012	Contributions 2012, of which:	4000	350	4350	3800	280	4080
	Reflows ³		130	130		85	85
	Recoveries, interest and other	55		55	65		65
	Total payments ⁴	-4100	-425	-4525	-3800	-370	-4170
	Payments Stabex (already financed)	20		20	0		0
Balance at 31/12/2012		52	0	52	369	64	433

¹ COM(2010) 557 final dated 04.10.2010

² Funds available for operations

³ Net of EIB management fees

⁴ Including interest rates subsidies under the previous EDFs

⁵ This balance does not include cofinancings received from Member States, their balance amounting to EUR 66 million at 31.12.2010.

Annex 4. Contributions to the EDF for 2011 by Member State (EUR)

MEMBER STATES	Key 9th EDF	Key 10th EDF	1st instalment				2nd instalment		3rd instalment		Total EIB	Total Commission	Total 2011
	%	%	paid to	paid to			paid to	paid to	paid to	paid to			
			EIB	Commission			EIB	Commission	EIB	Commission			
			9th EDF	9th EDF	10th EDF	total	9th EDF	10th EDF	9th EDF	10th EDF			
BELGIUM	3.92	3.53	3 920 000	25 877 880	44 119 705	69 997 585	3 920 000	35 300 000	392 000	6 707 000	8 232 000	112 004 585	120 236 585
DENMARK	2.14	2.00	2 140 000	14 127 210	24 997 000	39 124 210	2 140 000	20 000 000	214 000	3 800 000	4 494 000	62 924 210	67 418 210
GERMANY	23.36	20.50	23 360 000	154 211 040	256 219 250	410 430 290	23 360 000	205 000 000	2 336 000	38 950 000	49 056 000	654 380 290	703 436 290
GREECE	1.25	1.47	1 250 000	8 251 875	18 372 795	26 624 670	1 250 000	14 700 000	125 000	2 793 000	2 625 000	44 117 670	46 742 670
SPAIN	5.84	7.85	5 840 000	38 552 760	98 113 225	136 665 985	5 840 000	78 500 000	584 000	14 915 000	12 264 000	230 080 985	242 344 985
FRANCE	24.30	19.55	24 300 000	160 416 450	244 345 675	404 762 125	24 300 000	195 500 000	2 430 000	37 145 000	51 030 000	637 407 125	688 437 125
IRELAND	0.62	0.91	620 000	4 092 930	11 373 635	15 466 565	620 000	9 100 000	62 000	1 729 000	1 302 000	26 295 565	27 597 565
ITALY	12.54	12.86	12 540 000	82 782 810	160 730 710	243 513 520	12 540 000	128 600 000	1 254 000	24 434 000	26 334 000	396 547 520	422 881 520
LUXEMBOURG	0.29	0.27	290 000	1 914 435	3 374 595	5 289 030	290 000	2 700 000	29 000	513 000	609 000	8 502 030	9 111 030
NETHERLANDS	5.22	4.85	5 220 000	34 459 830	60 617 725	95 077 555	5 220 000	48 500 000	522 000	9 215 000	10 962 000	152 792 555	163 754 555
AUSTRIA	2.65	2.41	2 650 000	17 493 975	30 121 385	47 615 360	2 650 000	24 100 000	265 000	4 579 000	5 565 000	76 294 360	81 859 360
PORTUGAL	0.97	1.15	970 000	6 403 455	14 373 275	20 776 730	970 000	11 500 000	97 000	2 185 000	2 037 000	34 461 730	36 498 730
FINLAND	1.48	1.47	1 480 000	9 770 220	18 372 795	28 143 015	1 480 000	14 700 000	148 000	2 793 000	3 108 000	45 636 015	48 744 015
SWEDEN	2.73	2.74	2 730 000	18 022 095	34 245 890	52 267 985	2 730 000	27 400 000	273 000	5 206 000	5 733 000	84 873 985	90 606 985
UNITED KINGDOM	12.69	14.82	12 690 000	83 773 035	185 227 770	269 000 805	12 690 000	148 200 000	1 269 000	28 158 000	26 649 000	445 358 805	472 007 805
Sub-total EUR-15	100.00	96.38	100 000 000	660 150 000	1 204 605 430	1 864 755 430	100 000 000	963 800 000	10 000 000	183 122 000	210 000 000	3 011 677 430	3 221 677 430
BULGARIA		0.14			1 749 790	1 749 790		1 400 000		266 000	0	3 415 790	3 415 790
CZECH REPUBLIC		0.51			6 374 235	6 374 235		5 100 000		969 000	0	12 443 235	12 443 235
ESTONIA		0.05			624 925	624 925		500 000		95 000	0	1 219 925	1 219 925
CYPRUS		0.09			1 124 865	1 124 865		900 000		171 000	0	2 195 865	2 195 865
LATVIA		0.07			874 895	874 895		700 000		133 000	0	1 707 895	1 707 895
LITHUANIA		0.12			1 499 820	1 499 820		1 200 000		228 000	0	2 927 820	2 927 820
HUNGARY		0.55			6 874 175	6 874 175		5 500 000		1 045 000	0	13 419 175	13 419 175
MALTA		0.03			374 955	374 955		300 000		57 000	0	731 955	731 955
POLAND		1.30			16 248 050	16 248 050		13 000 000		2 470 000	0	31 718 050	31 718 050
ROMANIA		0.37			4 624 445	4 624 445		3 700 000		703 000	0	9 027 445	9 027 445
SLOVENIA		0.18			2 249 730	2 249 730		1 800 000		342 000	0	4 391 730	4 391 730
SLOVAKIA		0.21			2 624 685	2 624 685		2 100 000		399 000	0	5 123 685	5 123 685
Sub-total EUR-12		3.62			45 244 570	45 244 570		36 200 000		6 878 000	0	88 322 570	88 322 570
TOTAL EUR-27	100.00	100.00	100 000 000	660 150 000	1 249 850 000	1 910 000 000	100 000 000	1 000 000 000	10 000 000	190 000 000	210 000 000	3 100 000 000	3 310 000 000