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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 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 2014 and 2015, 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 2013 and the forecasts of implementation for 2014 to 2015.

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 2014 and 2015 for each of the ACP countries³ and the OCTs⁴. 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 EDF⁵ and Article 57(5) of the Financial Regulation⁶, the estimates provided in this document will be updated in the October 2014 communication.

The graph below shows the general trend in commitments and payments, including projections for 2014 - 2015 (Commission and EIB).

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.

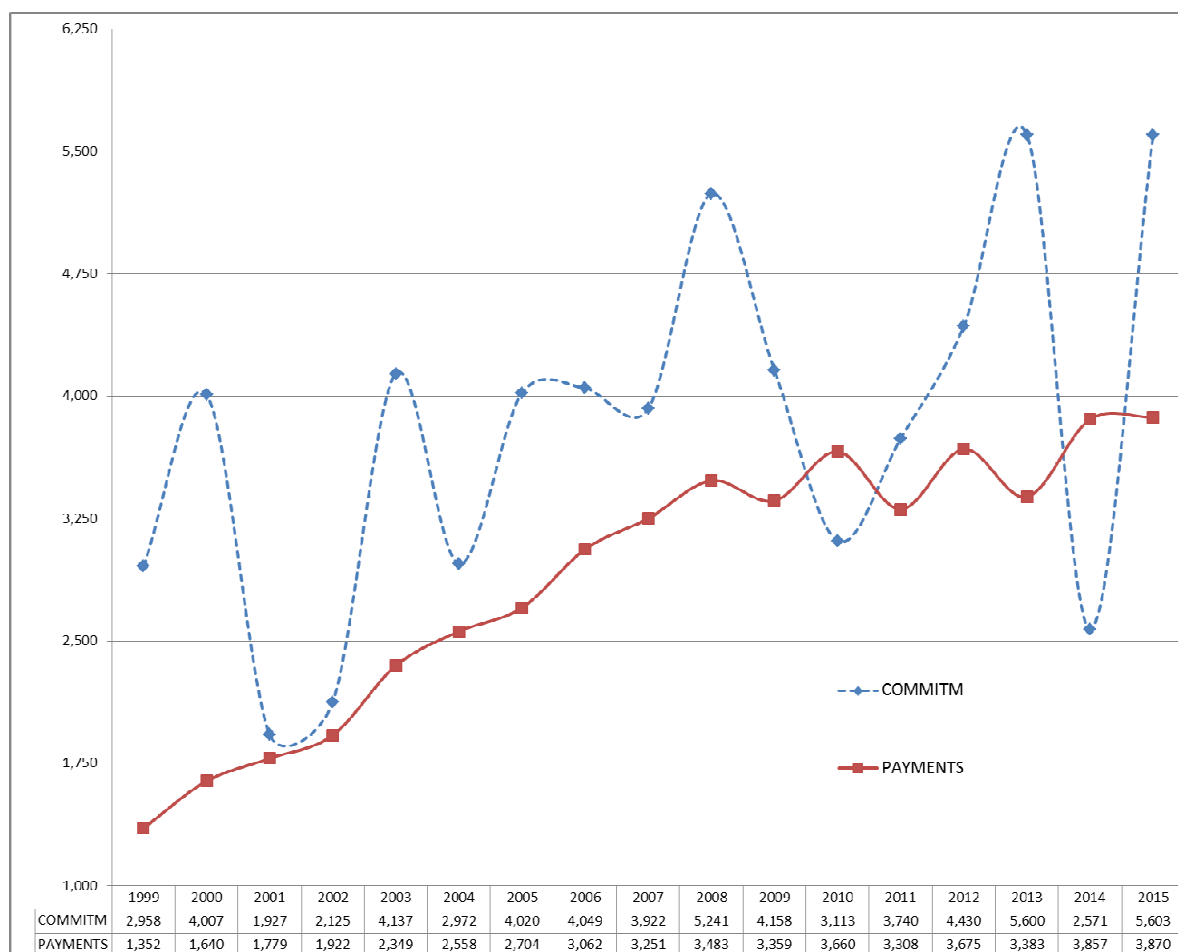
³ African, Caribbean and Pacific States.

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.

Gross commitments and payments: trend 1999-2015 (Million EUROS)⁷



Implementation of the European Development Funds at 31 December 2013 (commitments, payments and financial situation).

The attachments 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2013 compared with the forecasts made in October 2013⁸.

⁷ For 2014-2015, forecasted amounts
⁸ COM(2013) 735.

3. FINANCIAL FORECASTS FOR 2014 – 2015

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

| Forecasts 2014-2015 (*) | | (**) 2014 | 2015 |
|-------------------------|------------|--------------|-------|
| Commitments | Commission | 1,581 | 4,663 |
| | EIB | 990 | 940 |
| Payments | Commission | 3,447 | 3,400 |
| | EIB | 410 | 470 |
| Contributions | Commission | 3,144 | 3,300 |
| | EIB | 106 | 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.

** 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 2014 AND 2015

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

The updated 2014 forecasts confirm the Member States' contributions to the EDF for 2014 at EUR 3 250 million, as decided by the Council in October 2013⁹.

It should be noted that due to the request of the EIB to cancel the third instalment for 2014 and as a consequence of the increase in payments made by the Commission in the course of 2013 and of those planned for 2014, justifying an increase in treasury needs, the amount cancelled by the EIB has been transferred to the Commission. This means that the final request to the Member States is EUR 3 144 million for the Commission and EUR 106 million for the EIB (see attachment 4 for detail on the split of the 2014 contribution requests).

For 2015 we forecast the ceiling for the Member States contributions will amount to EUR 3 300 million for the Commission and EUR 300 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.

⁹ Council Decision of 7 November 2013 – Council document 15699/13

Attachment 1: Gross commitments made for 2013, forecast for 2014 and 2015 (EUR million)

| | 2013 | | 2014 | | 2015 | |
|----------------------------------|--------------|--------------|--------------|-------------------|--------------|-------------------|
| | COM Oct 2013 | actuals 2013 | COM Oct 2013 | revised June 2014 | COM Oct 2013 | revised June 2014 |
| Regions | | | | | | |
| East Africa | 1,010 | 910 | 127 | 39 | | |
| West Africa | 1,321 | 1,544 | 213 | 342 | | |
| Central Africa | 174 | 217 | 142 | 341 | | |
| Caribbean | 300 | 385 | 45 | 0 | | |
| Pacific | 217 | 245 | 26 | 8 | | |
| Southern Africa | 428 | 649 | 147 | 192 | | |
| Sub-total | 3,450 | 3,950 | 700 | 923 | | |
| Other | | | | | | |
| Peace Facility | | | | 325 | | |
| Water and Energy Facility | 56 | 132 | 0 | 0 | | |
| Other* | 606 | 664 | 690 | 333 | | |
| Sub-total | 662 | 796 | 690 | 658 | | |
| Total European Commission | 4,112 | 4,746 | 1,390 | 1,581 | 4,663 | 4,663 |
| Investment facility | 855 | 798 | 900 | 900 | 850 | 850 |
| Interest rate subsidies | 60 | 56 | 90 | 90 | 90 | 90 |
| Total EIB | 915 | 854 | 990 | 990 | 940 | 940 |
| TOTAL EC+EIB | 5,027 | 5,600 | 2,380 | 2,571 | 5,603 | 5,603 |

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 2013 and forecasts 2014 and 2015 (EUR million)

| | 2013 | | 2014 | | 2015 | |
|----------------------------------|--------------|--------------|--------------|-------------------|--------------|-------------------|
| | COM Oct 2013 | actuals 2013 | COM Oct 2013 | revised June 2014 | COM Oct 2013 | revised June 2014 |
| Regions | | | | | | |
| East Africa | 392 | 341 | 438 | 448 | | |
| West Africa | 782 | 818 | 874 | 937 | | |
| Central Africa | 382 | 406 | 426 | 366 | | |
| Caribbean | 125 | 166 | 230 | 199 | | |
| Pacific | 64 | 69 | 130 | 79 | | |
| Southern Africa | 388 | 466 | 434 | 457 | | |
| Sub-total | 2,133 | 2,266 | 2,532 | 2,486 | | |
| Other | | | | | | |
| Peace Facility | 257 | 235 | 287 | 370 | | |
| Water and Energy Facility | 111 | 98 | 119 | 69 | | |
| Other | 341 | 451 | 382 | 522 | | |
| Sub-total | 709 | 784 | 788 | 961 | 0 | 0 |
| Total European Commission | 2,842 | 3,050 | 3,320 | 3,447 | 3,400 | 3,400 |
| Investment facility | 285 | 277 | 330 | 330 | 390 | 390 |
| Interest rate subsidies* | 27 | 56 | 80 | 80 | 80 | 80 |
| Total EIB | 312 | 333 | 410 | 410 | 470 | 470 |
| TOTAL EC+EIB | 3,154 | 3,383 | 3,730 | 3,857 | 3,870 | 3,870 |

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

* Including interest rate subsidies under previous EDFs

Attachment 3: Financial situation actuals for 2013 and forecasts for 2014 and 2015 (EUR million)

| | | COM October 2013 ¹ | | | Revision June 2014 | | |
|---------------------------------------|-------------------------------------|-------------------------------|------------|------------|--------------------|------------|------------|
| | | Commission | EIB | TOTAL | Commission | EIB | TOTAL |
| Balance 31/12/2012² | | 586 | 144 | 730 | 586 | 144 | 730 |
| 2013 | Contributions 2013, of which: | 2,950 | 250 | 3,200 | 2,950 | 250 | 3,200 |
| | <i>1st instalment</i> | 1,850 | 100 | 1,950 | 1,850 | 100 | 1,950 |
| | <i>2nd instalment</i> | 850 | 100 | 950 | 850 | 100 | 950 |
| | <i>3rd instalment</i> | 250 | 50 | 300 | 250 | 50 | 300 |
| | Contributions 2013 received in 2012 | -293 | | -293 | -293 | | -293 |
| | Contributions 2012 received in 2013 | 0 | | 0 | 0 | | 0 |
| | Contributions 2014 received in 2013 | | | 0 | 304 | | 304 |
| | Reflows ³ | | 145 | 145 | | 163 | 163 |
| | Recoveries, interest and other | 100 | | 100 | 158 | | 158 |
| Total payments ⁴ | -2,842 | -312 | -3,154 | -3,050 | -333 | -3,383 | |
| Balance 31/12/2013⁵ | | 501 | 227 | 728 | 655 | 224 | 879 |
| 2014 | Contributions 2014 of which: | 3,100 | 150 | 3,250 | 3,144 | 106 | 3,250 |
| | <i>1st instalment</i> | 2,000 | 0 | 2,000 | 2,000 | 0 | 2,000 |
| | <i>2nd instalment</i> | 850 | 106 | 956 | 850 | 106 | 956 |
| | <i>3rd instalment</i> | 250 | 44 | 294 | 294 | 0 | 294 |
| | Contributions 2014 received in 2013 | | | | -304 | | -304 |
| | Reflows ³ | | 120 | 120 | | 200 | 200 |
| | Recoveries, interest and other | 50 | | 50 | 100 | | 100 |
| Total payments ⁴ | -3,320 | -410 | -3,730 | -3,447 | -410 | -3,857 | |
| Balance at 31/12/2014 | | 331 | 87 | 418 | 148 | 120 | 268 |
| 2015 | Contributions 2015: | 3,300 | 300 | 3,600 | 3,300 | 300 | 3,600 |
| | Reflows ³ | | 120 | 120 | | 200 | 200 |
| | Recoveries, interest and other | 50 | | 50 | 100 | | 100 |
| | Total payments ⁴ | -3,400 | -470 | -3,870 | -3,400 | -470 | -3,870 |
| Balance at 31/12/2015 | | 281 | 37 | 318 | 148 | 150 | 298 |

¹ COM(2013)735

² Funds available for operations,

³ Net of EIB management fees

⁴ Including interest rates subsidies under the previous EDFs

⁵ These balances do not include:

- balance of cofinancings received amounting to EUR 100 million at 31.12.2013;
- receipts in bank that are not yet allocated to its specific EDF line for the amount of 3 Million
- Special fund DRC for the amount of 1 million

Attachment 4: Forecasted Member States contributions 2014 (in thousands of EUROS)

| MEMBER STATES | Key 9th EDF % | Key 10th EDF % | 1st instalment | | 2nd instalment | | 3rd instalment | | Total EIB | Total Commission | Total 2014 |
|-------------------------|------------------------|-------------------------|----------------|-------------------------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | | | paid to EIB | paid to Commission | paid to EIB | paid to Commission | paid to EIB | paid to Commission | | | |
| | | | 9th EDF | 10th EDF | 9th EDF | 10th EDF | 10th EDF | 10th EDF | | | |
| BELGIUM | 3.92 | 3.53 | | 70,600,000.00 | 4,143,095.94 | 30,005,000.00 | | 10,389,099.83 | 4,143,095.94 | 110,994,099.83 | 115,137,195.77 |
| DENMARK | 2.14 | 2.00 | | 40,000,000.00 | 2,261,792.17 | 17,000,000.00 | | 5,886,175.54 | 2,261,792.17 | 62,886,175.54 | 65,147,967.71 |
| GERMANY | 23.36 | 20.50 | | 410,000,000.00 | 24,689,469.69 | 174,250,000.00 | | 60,333,299.29 | 24,689,469.69 | 644,583,299.29 | 669,272,768.98 |
| GREECE | 125 | 147 | | 29,400,000.00 | 1,321,440.29 | 12,495,000.00 | | 4,326,339.02 | 1,321,440.29 | 46,221,339.02 | 47,542,479.31 |
| SPAIN | 5.84 | 7.85 | | 157,000,000.00 | 6,172,367.42 | 66,725,000.00 | | 23,103,239.00 | 6,172,367.42 | 246,828,239.00 | 253,000,606.42 |
| FRANCE | 24.30 | 19.55 | | 391,000,000.00 | 25,682,967.19 | 166,175,000.00 | | 57,537,365.91 | 25,682,967.19 | 614,712,365.91 | 640,395,333.09 |
| IRELAND | 0.62 | 0.91 | | 18,200,000.00 | 655,285.58 | 7,735,000.00 | | 2,678,209.87 | 655,285.58 | 28,613,209.87 | 29,268,495.45 |
| ITALY | 12.54 | 12.86 | | 257,200,000.00 | 13,253,679.36 | 109,310,000.00 | | 37,848,108.72 | 13,253,679.36 | 404,358,108.72 | 417,611,788.09 |
| LUXEMBOURG | 0.29 | 0.27 | | 5,400,000.00 | 306,504.55 | 2,295,000.00 | | 794,633.70 | 306,504.55 | 8,489,633.70 | 8,796,138.24 |
| NEIHERLANDS | 5.22 | 4.85 | | 97,000,000.00 | 5,517,081.84 | 41,225,000.00 | | 14,273,975.68 | 5,517,081.84 | 152,498,975.68 | 158,016,057.53 |
| AUSTRIA | 2.65 | 2.41 | | 48,200,000.00 | 2,800,817.41 | 20,485,000.00 | | 7,092,841.53 | 2,800,817.41 | 75,777,841.53 | 78,578,658.94 |
| PORTUGAL | 0.97 | 1.15 | | 23,000,000.00 | 1,025,204.86 | 9,775,000.00 | | 3,384,550.94 | 1,025,204.86 | 36,159,550.94 | 37,184,755.80 |
| FINLAND | 1.48 | 1.47 | | 29,400,000.00 | 1,564,230.10 | 12,495,000.00 | | 4,326,339.02 | 1,564,230.10 | 46,221,339.02 | 47,785,569.12 |
| SWEDEN | 2.73 | 2.74 | | 54,800,000.00 | 2,885,370.39 | 23,290,000.00 | | 8,064,060.49 | 2,885,370.39 | 86,154,060.49 | 89,039,430.88 |
| UNITED KINGDOM | 12.69 | 14.82 | | 296,400,000.00 | 13,412,216.20 | 125,970,000.00 | | 43,616,560.75 | 13,412,216.20 | 465,986,560.75 | 479,398,776.95 |
| Sub-total EUR-15 | 100.00 | 96.38 | 0.00 | 1,927,600,000.00 | 105,691,222.99 | 819,230,000.00 | 0.00 | 283,654,799.28 | 105,691,222.99 | 3,030,484,799.28 | 3,136,176,022.27 |
| BULGARIA | | 0.14 | | 2,800,000.00 | | 1,190,000.00 | | 412,032.29 | 0.00 | 4,402,032.29 | 4,402,032.29 |
| CZECH REPUBLIC | | 0.51 | | 10,200,000.00 | | 4,335,000.00 | | 1,500,974.76 | 0.00 | 16,035,974.76 | 16,035,974.76 |
| ESTONIA | | 0.05 | | 1,000,000.00 | | 425,000.00 | | 147,154.39 | 0.00 | 1,572,154.39 | 1,572,154.39 |
| CYPRUS | | 0.09 | | 1,800,000.00 | | 765,000.00 | | 264,877.90 | 0.00 | 2,829,877.90 | 2,829,877.90 |
| LATVIA | | 0.07 | | 1,400,000.00 | | 595,000.00 | | 206,016.14 | 0.00 | 2,201,016.14 | 2,201,016.14 |
| LITHUANIA | | 0.12 | | 2,400,000.00 | | 1,020,000.00 | | 353,170.53 | 0.00 | 3,773,170.53 | 3,773,170.53 |
| HUNGARY | | 0.55 | | 11,000,000.00 | | 4,675,000.00 | | 1,618,698.27 | 0.00 | 17,293,698.27 | 17,293,698.27 |
| MALTA | | 0.03 | | 600,000.00 | | 255,000.00 | | 88,292.63 | 0.00 | 943,292.63 | 943,292.63 |
| POLAND | | 1.30 | | 26,000,000.00 | | 11,050,000.00 | | 3,826,014.10 | 0.00 | 40,876,014.10 | 40,876,014.10 |
| ROMANIA | | 0.37 | | 7,400,000.00 | | 3,145,000.00 | | 1,088,942.47 | 0.00 | 11,633,942.47 | 11,633,942.47 |
| SLOVENIA | | 0.18 | | 3,600,000.00 | | 1,530,000.00 | | 529,755.80 | 0.00 | 5,659,755.80 | 5,659,755.80 |
| SLOVAKIA | | 0.21 | | 4,200,000.00 | | 1,785,000.00 | | 618,048.43 | 0.00 | 6,603,048.43 | 6,603,048.43 |
| Sub-total EUR-12 | | 3.62 | 0.00 | 72,400,000.00 | 0.00 | 30,770,000.00 | 0.00 | 10,653,977.73 | 0.00 | 113,823,977.73 | 113,823,977.73 |
| TOTAL EUR-27 | 100.00 | 100.00 | 0.00 | 2,000,000,000.00 | 105,691,222.99 | 850,000,000.00 | 0.00 | 294,308,777.01 | 105,691,222.99 | 3,144,308,777.01 | 3,250,000,000.00 |