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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

Financial information on the European Development Funds

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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 Agreement¹ and Article 57(3) and (4) of the Financial Regulation², 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.

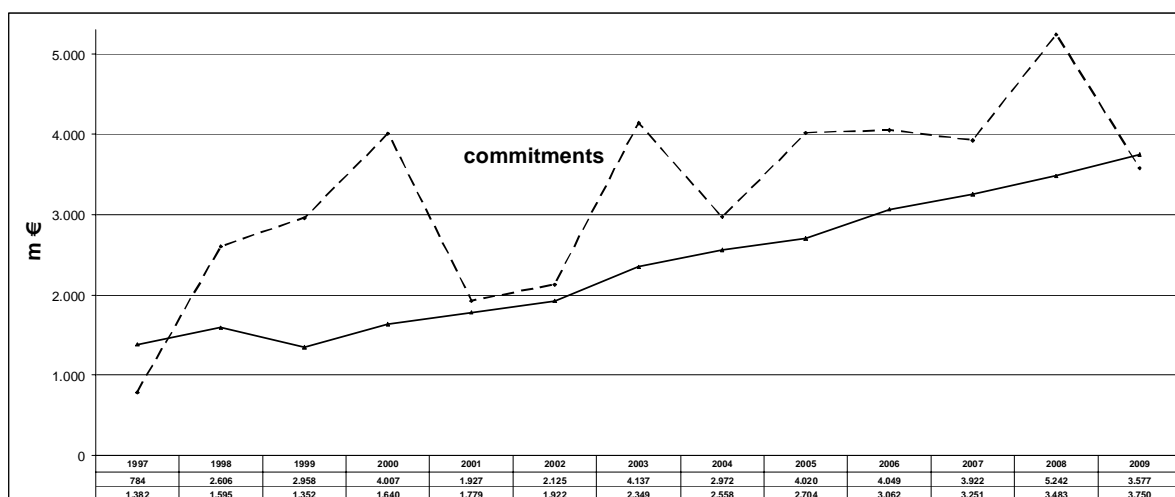
INTRODUCTION

The Commission and the EIB have updated their commitment and payment forecasts for 2009 and 2010 for each of the ACP 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 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



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 2008⁷.

Annex 2 shows actual payments made in 2008 compared with the forecasts made in October 2008⁸.

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 2008⁹.

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 |
| | <i>1st instalment</i> | 1635 | 170 | 1805 | 1635 | 170 | 1805 |
| | <i>2nd instalment</i> | 1000 | 70 | 1070 | 1000 | 70 | 1070 |
| | <i>3rd instalment</i> | 325 | 0 | 325 | 325 | 0 | 325 |
| | <i>transfer</i> | 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 |
| | <i>1st instalment</i> | 1750 | 55 | 1805 | 1750 | 55 | 1805 |
| | <i>2nd instalment</i> | 1100 | 90 | 1190 | 1100 | 90 | 1190 |
| | <i>3rd instalment</i> | 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 instalments |
|-----------------------|------------|----------------|-----------------------|-------------------|--------------------------|-------------------|--------------------------|----------------------|
| | | paid to EIB | paid to Commission | payable to EIB | payable to Commission | payable to EIB | payable to 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 |