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from: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 10 July 2012

to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European  
Union.

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Subject: Communication from the Commission to the Council - Financial information  
on the European Development Fund

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Delegations will find attached Commission document COM(2012) 386 final.

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EUROPEAN COMMISSION

Brussels, 10.7.2012  
COM(2012) 386 final

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL**

**Financial information on the European Development Fund**

## COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

### Financial information on the European Development Fund

#### 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 2012 to 2013, 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 2011 and the forecasts of implementation for 2012 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 2012 and 2013 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 2012 communication.

The graph below shows the general trend in commitments and payments, including projections for 2012 - 2013 (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.

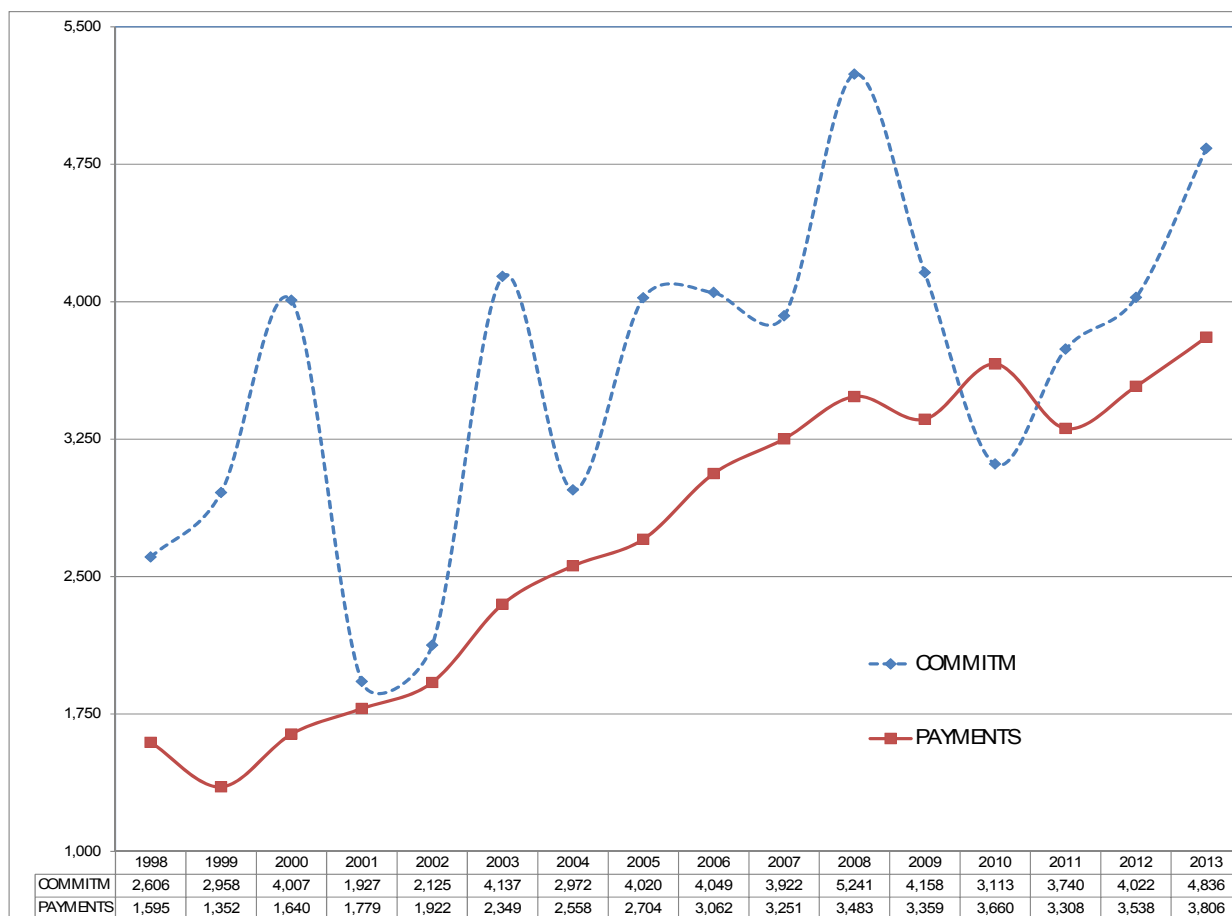
<sup>3</sup> African, Caribbean and Pacific States.

<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 1998-2013 (Million EUROS)<sup>7</sup>



### 3. IMPLEMENTATION OF THE EUROPEAN DEVELOPMENT FUNDS AT 31 DECEMBER 2011 (COMMITMENTS, PAYMENTS AND FINANCIAL SITUATION)

The annexes 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2011 compared with the forecasts made in October 2011<sup>8</sup>, and the projections made for 2012 and 2013.

At year end 2011, around 63% of the 10th EDF had been committed, on track to meet our target to commit the 10th EDF before the end of 2013.

### 4. FINANCIAL FORECASTS FOR 2012 – 2014<sup>9</sup>

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

<sup>7</sup> For 2012-2013, forecasted amounts

<sup>8</sup> COM(2011) 692 final of 26.10.2011.

<sup>9</sup> 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, amounts for 2014 are given p.m. and no forecasts are given for the year 2015.

**Forecasts 2012-2014 (\*)**

	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Commitments</b>			
Commission	3,400	4,200	3,750
EIB	622	636	685
<b>Payments</b>			
Commission	3,103	3,400	3,400
EIB	435	406	545
<b>Contributions</b>			
Commission	2,600	3,300	3,400
EIB	280	250	520

\* 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.

**5. FINANCIAL IMPLEMENTATION FORECASTS FOR 2012 AND 2013**

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

The Member States contributions to the EDF for 2012 were decided by the Council in October 2011<sup>10</sup>, at EUR 3 600 million for the Commission and EUR 280 million for the EIB. The new 2012 forecasts confirm the EIB's treasury needs of EUR 280 million. Due to lower than forecasted payments in 2011 and the fact that a considerable cash balance was carried over from 2010, the Commission's believes that it is justified to reduce its request to EUR 2 600 million.

The new ceiling proposed for the Member States contributions in **2013** amounts to EUR 3 300 million for the Commission and EUR 250 million for the EIB<sup>11</sup>.

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>10</sup> Council Decision of 18 November 2011– Council document 16965/11.

<sup>11</sup> Council Decision of 18 November 2011– Council document 16965/11.

Annex 1: Gross commitments made in 2011 and forecast 2012 and 2013 (EUR million)						
	2011		2012		2013	
	COM Oct 11	Made	COM Oct 11	Revised	COM Oct 11	Revised
Regions						
East Africa	388	438	703	774		
West Africa	841	1001	1,168	986		
Central Africa	440	453	192	352		
Caribbean	395	231	60	310		
Pacific	41	41	167	141		
Southern Africa	199	220	540	483		
<b>Sub-total</b>	<b>2304</b>	<b>2384</b>	<b>2830</b>	<b>3046</b>		
Other						
Water and Energy Facility	127	107	93	81		
Other*	819	788	827	273		
<b>Total European Commission</b>	<b>3,250</b>	<b>3,279</b>	<b>3,750</b>	<b>3,400</b>	<b>3,900</b>	<b>4,200</b>
Investment facility	504	407	450	500	500	550
Interest rate subsidies	75	54	90	122	90	86
<b>Total EIB</b>	<b>579</b>	<b>461</b>	<b>540</b>	<b>622</b>	<b>590</b>	<b>636</b>
<b>TOTAL EC+EIB</b>	<b>3829</b>	<b>3740</b>	<b>4290</b>	<b>4022</b>	<b>4490</b>	<b>4836</b>
Gross commitments, i.e. without decommitments being deducted.						
*Includes certain support expenditures, e.g. to support joint institutions and the ACP Secretariat.						

Annex 2: Gross payments made in 2011 and forecasts 2012 and 2013 (EUR million)

	2011		2012		2013	
	COM Oct 11	Made	COM Oct 11	Revised	COM Oct 11	Revised
Regions						
East Africa	477	499	521	431		
West Africa	738	724	850	797		
Central Africa	441	360	546	401		
Caribbean	234	183	297	271		
Pacific	90	76	99	130		
Southern Africa	340	303	485	363		
<b>Sub-total</b>	<b>2,320</b>	<b>2,145</b>	<b>2,798</b>	<b>2,393</b>		
Other						
Peace Facility	116	142	150	92		
Infrastructure Trust Fund	50	0	54	50		
Vulnerability Flex	66	4	0	0		
Water and Energy Facility	158	154	87	113		
Risk capital (*)	25	19	20	20		
Other	748	477	541	435		
<b>Sub-total</b>	<b>3,483</b>	<b>2,941</b>	<b>3,650</b>	<b>3,103</b>		
Stabex	17	4	0	0		
<b>Total European Commission</b>	<b>3,500</b>	<b>2,945</b>	<b>3,650</b>	<b>3,103</b>	<b>3,900</b>	<b>3,400</b>
Investment facility	310	309	300	313	300	320
Interest rate subsidies	75	54	90	122	90	86
<b>Total EIB</b>	<b>385</b>	<b>363</b>	<b>390</b>	<b>435</b>	<b>390</b>	<b>406</b>
<b>TOTAL EC+EIB</b>	<b>3,885</b>	<b>3,308</b>	<b>4,040</b>	<b>3,538</b>	<b>4,290</b>	<b>3,806</b>

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

\* Including interest rate subsidies under previous EDFs

**Annex 3: Financial situation end 2011 and forecast 2012 and 2013 (EUR million)**

		COM October 2011 <sup>1</sup>			Revision		
		Commission	EIB	TOTAL	Commission	EIB	TOTAL
<b>Balance 31/12/2010<sup>2</sup></b>		<b>715</b>	<b>129</b>	<b>844</b>	<b>715</b>	<b>129</b>	<b>844</b>
2011	Contributions 2011, of which:	3,100	200	3,300	3,100	200	3,300
	<i>1st instalment</i>	1,910	100	2,010	1,910	100	2,010
	<i>2nd instalment</i>	1,000	100	1,100	1,000	100	1,100
	<i>3rd instalment</i>	190	0	190	190	0	190
	Contributions 2011 received in 2010	-272		-272	-272		-272
	Contributions 2010 received in 2011	124		124	124		124
	Contributions 2012 received in 2011			0	295		295
	Contributions 2011 not received at year end			0	-7		-7
	Reflows <sup>3</sup>		140	140		127	127
	Recoveries, interest and other	90		90	97		97
	Stabex recoveries (transferable to 10th EDF NIP)	10		10	26		26
	Total payments <sup>4</sup>	-3,500	-385	-3,885	-2,941	-363	-3,304
	Payments Stabex (already financed)	17		17	3		3
<b>Balance at 31/12/2011<sup>5</sup></b>		<b>284</b>	<b>84</b>	<b>368</b>	<b>1,140</b>	<b>93</b>	<b>1,233</b>
2012	Contributions 2012 of which:	3,600	280	3,880	2,600	280	2,880
	<i>1st instalment</i>	1,950	100	2,050	1,950	100	2,050
	<i>2nd instalment</i>	1,200	100	1,300	450	100	550
	<i>3rd instalment</i>	450	80	530	200	80	280
	Contributions 2012 received in 2011			0	-295		-295
	Contributions 2011 received in 2012			0	7		7
	Reflows <sup>3</sup>		110	110		110	110
	Recoveries, interest and other	65		65	65		65
	Total payments <sup>4</sup>	-3,650	-390	-4,040	-3,103	-435	-3,538
Payments Stabex (already financed)			0	0		0	
<b>Balance at 31/12/2012</b>		<b>299</b>	<b>84</b>	<b>383</b>	<b>414</b>	<b>48</b>	<b>462</b>
2013	Contributions 2013, of which:	3,800	250	4,050	3,300	250	3,550
	Reflows <sup>3</sup>		110	110		110	110
	Recoveries, interest and other			0	50		50
	Total payments <sup>4</sup>	-3,900	-390	-4,290	-3,400	-406	-3,806
	Payments Stabex (already financed)			0			0
<b>Balance at 31/12/2013</b>		<b>199</b>	<b>54</b>	<b>253</b>	<b>364</b>	<b>2</b>	<b>366</b>
1 COM(2011) 692 final dated 26.10.2011							
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 79 million at 31.12.2011							
- balance on the stabex security accounts, amounting to EUR 5 million at 31.12.2011							



### Annex 4. Contributions to the EDF for 2012 by Member State (EUR)

MEMBER STATES	Key 9th EDF %	Key 10th EDF %	1st instalment made		2nd instalment requested		3rd instalment forecasted		Total 1st instalment	Total 2nd instalment	Total 3rd instalment	2012 Total EIB (9th EDF)	2012 Total Commission (10th EDF)	Overall total 2012
			paid to EIB 9th EDF	paid to Commission 10th EDF	paid to EIB 9th EDF	paid to Commission 10th EDF	paid to EIB 9th EDF	paid to Commission 10th EDF						
BELGIUM	3.92	3.53	3,920,000	68,835,000	3,920,000	15,885,000	3,156,000	7,060,000	72,755,000	19,805,000	10,186,000	10,976,000	91,780,000	102,756,000
DENMARK	2.14	2.00	2,140,000	39,000,000	2,140,000	9,000,000	1,712,000	4,000,000	41,140,000	11,140,000	5,712,000	5,992,000	52,000,000	57,992,000
GERMANY	23.36	20.50	23,360,000	399,750,000	23,360,000	92,250,000	18,688,000	41,000,000	423,100,000	115,610,000	59,688,000	65,408,000	553,000,000	598,408,000
GREECE	1.25	1.47	1,250,000	28,665,000	1,250,000	6,615,000	1,000,000	2,940,000	29,915,000	7,865,000	3,940,000	3,500,000	38,220,000	41,720,000
SPAIN	5.84	7.85	5,840,000	153,075,000	5,840,000	35,325,000	4,672,000	15,700,000	158,915,000	41,165,000	20,372,000	16,352,000	204,100,000	220,452,000
FRANCE	24.30	19.55	24,300,000	38,122,500	24,300,000	87,975,000	19,440,000	39,100,000	405,525,000	112,275,000	58,540,000	68,040,000	508,300,000	576,340,000
IRELAND	0.62	0.91	620,000	17,745,000	620,000	4,095,000	496,000	1,820,000	18,365,000	4,715,000	2,316,000	1,736,000	23,660,000	25,396,000
ITALY	12.54	12.86	12,540,000	250,770,000	12,540,000	57,870,000	10,032,000	25,720,000	263,310,000	70,410,000	35,752,000	35,112,000	334,360,000	369,472,000
LUXEMBOURG	0.29	0.27	290,000	5,265,000	290,000	1,215,000	232,000	540,000	5,555,000	1,505,000	772,000	812,000	7,020,000	7,832,000
NETHERLANDS	5.22	4.85	5,220,000	94,575,000	5,220,000	21,825,000	4,176,000	9,700,000	99,795,000	27,045,000	13,876,000	14,616,000	126,100,000	140,716,000
AUSTRIA	2.65	2.41	2,650,000	46,995,000	2,650,000	10,845,000	2,120,000	4,820,000	49,645,000	13,495,000	6,940,000	7,420,000	62,660,000	70,080,000
PORTUGAL	0.97	1.15	970,000	22,425,000	970,000	5,175,000	776,000	2,300,000	23,395,000	6,145,000	3,076,000	2,716,000	29,900,000	32,616,000
FINLAND	1.48	1.47	1,480,000	28,665,000	1,480,000	6,615,000	1,844,000	2,940,000	30,145,000	8,095,000	4,124,000	4,144,000	38,220,000	42,364,000
SWEDEN	2.73	2.74	2,730,000	55,430,000	2,730,000	12,330,000	2,884,000	5,480,000	56,160,000	15,060,000	7,664,000	7,644,000	71,240,000	78,884,000
UNITED KINGDOM	12.69	14.82	12,690,000	288,990,000	12,690,000	66,690,000	10,152,000	29,640,000	301,680,000	79,380,000	39,792,000	35,532,000	385,320,000	420,852,000
BULGARIA	0.14	0.14	0	2,730,000	0	630,000	0	280,000	2,730,000	630,000	280,000	280,000	3,640,000	3,640,000
CZECH REPUBLIC	0.51	0.51	0	9,945,000	0	2,295,000	0	1,020,000	9,945,000	2,295,000	1,020,000	0	13,260,000	13,260,000
ESTONIA	0.05	0.05	0	975,000	0	225,000	0	100,000	975,000	225,000	100,000	0	1,300,000	1,300,000
CYPRUS	0.09	0.09	0	1,755,000	0	405,000	0	180,000	1,755,000	405,000	180,000	0	2,340,000	2,340,000
LATVIA	0.07	0.07	0	1,365,000	0	315,000	0	140,000	1,365,000	315,000	140,000	0	1,820,000	1,820,000
LITHUANIA	0.12	0.12	0	2,340,000	0	540,000	0	240,000	2,340,000	540,000	240,000	0	3,120,000	3,120,000
HUNGARY	0.55	0.55	0	10,725,000	0	2,475,000	0	1,100,000	10,725,000	2,475,000	1,100,000	0	14,300,000	14,300,000
MALTA	0.03	0.03	0	585,000	0	135,000	0	60,000	585,000	135,000	60,000	0	780,000	780,000
POLAND	1.30	1.30	0	25,350,000	0	5,850,000	0	2,600,000	25,350,000	5,850,000	2,600,000	0	33,800,000	33,800,000
ROMANIA	0.37	0.37	0	7,215,000	0	1,665,000	0	740,000	7,215,000	1,665,000	740,000	0	9,620,000	9,620,000
SLOVENIA	0.18	0.18	0	3,510,000	0	810,000	0	360,000	3,510,000	810,000	360,000	0	4,680,000	4,680,000
SLOVAKIA	0.21	0.21	0	4,095,000	0	945,000	0	420,000	4,095,000	945,000	420,000	0	5,460,000	5,460,000
<b>TOTAL EUR-27</b>	<b>10.0</b>	<b>10.0</b>	<b>100,000,000</b>	<b>1,950,000,000</b>	<b>100,000,000</b>	<b>450,000,000</b>	<b>80,000,000</b>	<b>200,000,000</b>	<b>2,050,000,000</b>	<b>550,000,000</b>	<b>280,000,000</b>	<b>280,000,000</b>	<b>2,600,000,000</b>	<b>2,880,000,000</b>