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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 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 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 2014 communication.

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

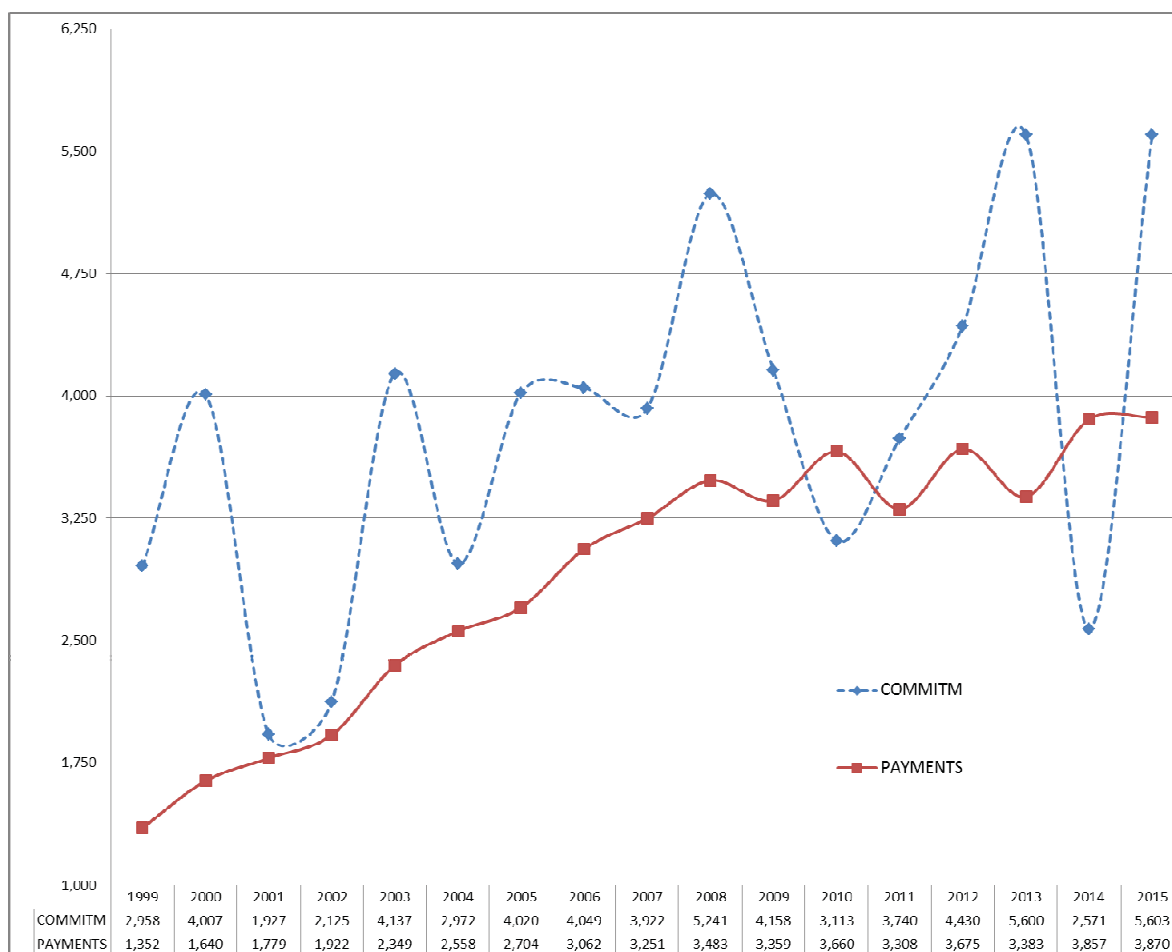
<sup>3</sup> African, Caribbean and Pacific States.

<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 1999-2015 (Million EUROS)<sup>7</sup>



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 2013<sup>8</sup>.

<sup>7</sup> For 2014-2015, forecasted amounts  
<sup>8</sup> 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 2013<sup>9</sup>.

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.

<sup>9</sup> 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		
<b>Sub-total</b>	<b>3,450</b>	<b>3,950</b>	<b>700</b>	<b>923</b>		
Other						
Peace Facility				325		
Water and Energy Facility	56	132	0	0		
Other*	606	664	690	333		
<b>Sub-total</b>	<b>662</b>	<b>796</b>	<b>690</b>	<b>658</b>		
<b>Total European Commission</b>	<b>4,112</b>	<b>4,746</b>	<b>1,390</b>	<b>1,581</b>	<b>4,663</b>	<b>4,663</b>
Investment facility	855	798	900	900	850	850
Interest rate subsidies	60	56	90	90	90	90
<b>Total EIB</b>	<b>915</b>	<b>854</b>	<b>990</b>	<b>990</b>	<b>940</b>	<b>940</b>
<b>TOTAL EC+EIB</b>	<b>5,027</b>	<b>5,600</b>	<b>2,380</b>	<b>2,571</b>	<b>5,603</b>	<b>5,603</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 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		
<b>Sub-total</b>	<b>2,133</b>	<b>2,266</b>	<b>2,532</b>	<b>2,486</b>		
Other						
Peace Facility	257	235	287	370		
Water and Energy Facility	111	98	119	69		
Other	341	451	382	522		
<b>Sub-total</b>	<b>709</b>	<b>784</b>	<b>788</b>	<b>961</b>	<b>0</b>	<b>0</b>
<b>Total European Commission</b>	<b>2,842</b>	<b>3,050</b>	<b>3,320</b>	<b>3,447</b>	<b>3,400</b>	<b>3,400</b>
Investment facility	285	277	330	330	390	390
Interest rate subsidies*	27	56	80	80	80	80
<b>Total EIB</b>	<b>312</b>	<b>333</b>	<b>410</b>	<b>410</b>	<b>470</b>	<b>470</b>
<b>TOTAL EC+EIB</b>	<b>3,154</b>	<b>3,383</b>	<b>3,730</b>	<b>3,857</b>	<b>3,870</b>	<b>3,870</b>

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 <sup>1</sup>			Revision June 2014		
		Commission	EIB	TOTAL	Commission	EIB	TOTAL
	<b>Balance 31/12/2012</b> <sup>2</sup>	<b>586</b>	<b>144</b>	<b>730</b>	<b>586</b>	<b>144</b>	<b>730</b>
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 <sup>3</sup>		145	145		163	163
	Recoveries, interest and other	100		100	158		158
Total payments <sup>4</sup>	-2,842	-312	-3,154	-3,050	-333	-3,383	
	<b>Balance 31/12/2013</b> <sup>5</sup>	<b>501</b>	<b>227</b>	<b>728</b>	<b>655</b>	<b>224</b>	<b>879</b>
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 <sup>3</sup>		120	120		200	200
	Recoveries, interest and other	50		50	100		100
Total payments <sup>4</sup>	-3,320	-410	-3,730	-3,447	-410	-3,857	
	<b>Balance at 31/12/2014</b>	<b>331</b>	<b>87</b>	<b>418</b>	<b>148</b>	<b>120</b>	<b>268</b>
2015	Contributions 2015:	3,300	300	3,600	3,300	300	3,600
	Reflows <sup>3</sup>		120	120		200	200
	Recoveries, interest and other	50		50	100		100
	Total payments <sup>4</sup>	-3,400	-470	-3,870	-3,400	-470	-3,870
	<b>Balance at 31/12/2015</b>	<b>281</b>	<b>37</b>	<b>318</b>	<b>148</b>	<b>150</b>	<b>298</b>

<sup>1</sup> COM(2013)735

<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 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	1.25	1.47		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
<b>Sub-total EUR-15</b>	<b>100.00</b>	<b>96.38</b>	<b>0.00</b>	<b>1927,600,000.00</b>	<b>105,691,222.99</b>	<b>819,230,000.00</b>	<b>0.00</b>	<b>283,654,799.28</b>	<b>105,691,222.99</b>	<b>3,030,484,799.28</b>	<b>3,136,176,022.27</b>
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
<b>Sub-total EUR-12</b>		<b>3.62</b>	<b>0.00</b>	<b>72,400,000.00</b>	<b>0.00</b>	<b>30,770,000.00</b>	<b>0.00</b>	<b>10,653,977.73</b>	<b>0.00</b>	<b>113,823,977.73</b>	<b>113,823,977.73</b>
<b>TOTAL EUR-27</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>2,000,000,000.00</b>	<b>105,691,222.99</b>	<b>850,000,000.00</b>	<b>0.00</b>	<b>294,308,777.01</b>	<b>105,691,222.99</b>	<b>3,144,308,777.01</b>	<b>3,250,000,000.00</b>