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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	16 October 2014
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2014) 644 final
Subject:	COMMUNICATION FROM THE COMMISSION TO THE COUNCIL European Development Fund (EDF): forecasts of commitments, payments and contributions from Member States for 2014, 2015, 2016, 2017 and 2018

Delegations will find attached document COM(2014) 644 final.

Encl.: COM(2014) 644 final



Brussels, 16.10.2014
COM(2014) 644 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

**European Development Fund (EDF): forecasts of commitments, payments and contributions
from Member States for 2014, 2015, 2016, 2017 and 2018**

1. FOREWORD

In accordance with Article 7(3) of the 10th EDF Internal Agreement¹ and Article 57(2) of the Council Regulation (EC) No 215/2008 on the Financial regulation applicable to the 10th European Development Fund (hereinafter referred to as "10th EDF Financial Regulation")², the Commission presents in this document estimates of commitments, payments and contributions for the period 2014 to 2016, taking into account the forecasts of the European Investment Bank (EIB).

This document sets out the financial implementation of the EDFs (8th to 10th) for 2013 and the forecasts of implementation for 2014 till 2016. In addition, this document draws a non-binding estimation, for the EDF contributions, from the Member States, for the years 2017 and 2018.

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).

2. INTRODUCTION

The Commission and the EIB have updated their commitment and payment forecasts for 2014, 2015 and 2016 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 10th EDF Internal Agreement⁵ and Article 57(5) of the 10th EDF Financial Regulation⁶, the estimates provided in this document have been updated.

The graph below shows the general trend in gross commitments and payments since 1999, including projections for 2014, 2015 and 2016 (Commission and EIB cumulated amounts).

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 OJ L 78, 19.3.2008, p. 1.

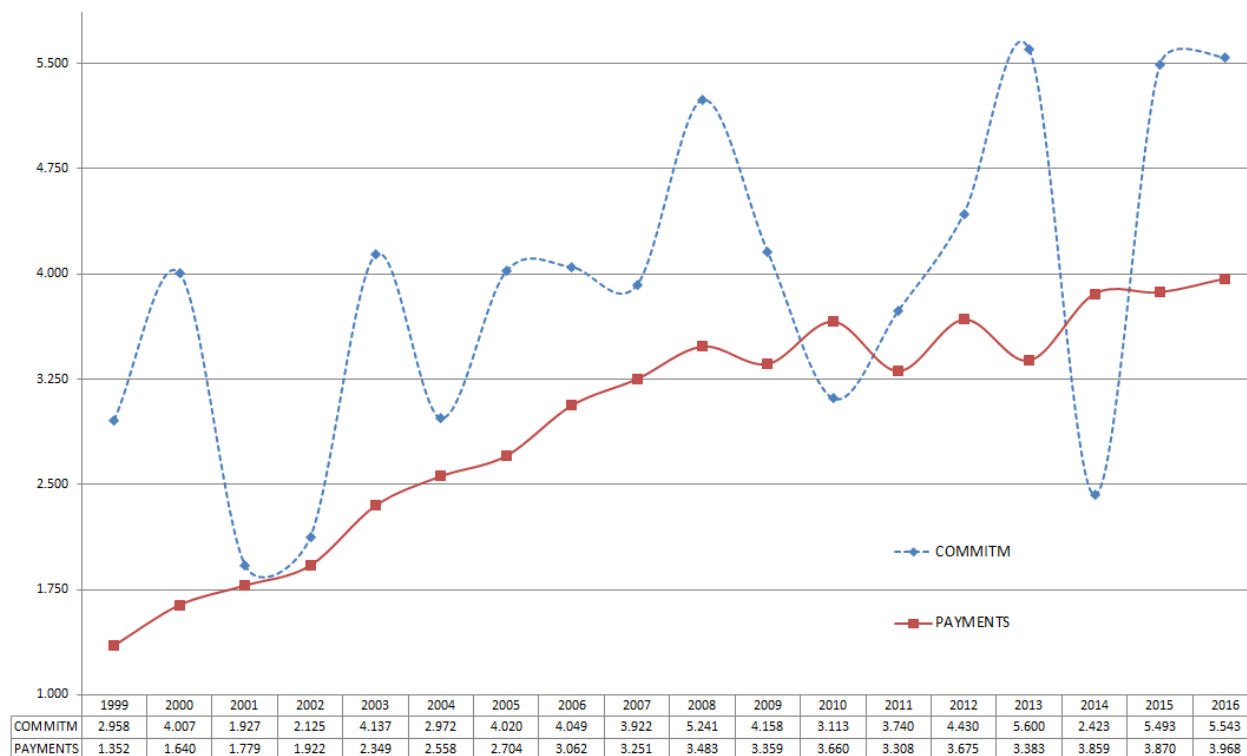
³ African, Caribbean and Pacific States.

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 1999-2016 (Million EUROS)⁷



NB: figures from implementation of the European Development Funds at 31 December 2013 (commitments, payments and financial situation) and forecasts for 2014, 2015 and 2016.

The attachments 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2014 compared with previous forecasts.

3. FINANCIAL FORECASTS FOR 2014 - 2016

The following table provides an update of the commitments, the payments and of the contributions, based on our latest forecasts.

⁷ For 2014-2016, forecasted amounts

Forecasts 2014-2016 (*)		(**) 2014	2015	2016
Commitments	Commission	1.613	4.663	4.663
	EIB	810	830	880
	Total	2.423	5.493	5.543
Payments	Commission	3.449	3.400	3.468
	EIB	410	470	500
	Total	3.859	3.870	3.968
Contributions	Commission	3.144	3.400	3.350
	EIB	106	200	250
	Total	3.250	3.600	3.600

* 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. NON-BINDING ESTIMATION OF CONTRIBUTION FOR 2017 - 2018

Forecasts 2014-2016 (*)		(***) 2017	(***) 2018
Contributions	Commission	3.450	3.500
	EIB	200	170
	Total	3.650	3.670

***Art.21 (2) Bridging Facility Financial Regulation (EU567/2014): indicative, non-binding forecast based on a statistical approach for the expected annual amounts of contributions for the years n + 3 and n + 4.

5. FINANCIAL IMPLEMENTATION FORECASTS FOR 2014, 2015 AND 2016

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 2013⁸.

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

⁸ Council Decision of 7 November 2013 – Council document 15699/13

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).

It should be stressed that these figures confirm the June 2014 communication from the Commission in terms of consumption for the current year. Also to be noted is the Ebola crisis in West African countries with a potentially major financial impact on the relatively small EDF cash balance.

For 2015, the annual amount of the contribution is set to EUR 3 600 million inline with the ceiling voted by the Council in November 2013⁹. However, the EIB share accounts for EUR 200 million (down by EUR 100 million compared to the ceiling communication decided in November 2013) while the Commission will amount to EUR 3 400 million (up by EUR 100 million). This transfer allows smoothing the binding Member States contribution for 2015 (annual amount) and 2016 (ceiling amount) at EUR 3 600 million.

⁹ Council Decision of 8 November 2013 – Council document 15454/13

5.1. Attachment 1: forecasts for commitments¹⁰ for 2014, 2015 and 2016 (EUR million)

	2014			2015		2016
	COM Oct 2013	COM Jun 2014	COM Oct 2014	COM Jun 2014	COM Oct 2014	COM Oct 2014
Regions						
East Africa	127	39	60			
West Africa	213	342	338			
Central Africa	142	341	330			
Caribbean	45	0	0			
Pacific	26	8	7			
Southern Africa	147	192	238			
Sub-total	700	923	973			
Other						
Peace Facility		325	325			
Water and Energy Facility	0	0	0			
Other*	690	333	315			
Sub-total	690	658	640			
Total European Commission	1.390	1.581	1.613	4.663	4.663	4.663
Investment facility	900	900	730	850	750	800
Interest rate subsidies**	90	90	80	90	80	80
Total EIB	990	990	810	940	830	880
TOTAL EC+EIB	2.380	2.571	2.423	5.603	5.493	5.543

Gross commitments, i.e. without de-commitments being deducted.

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

** Including interest rate subsidies under previous EDFs

¹⁰ Gross commitments, i.e. without de-commitments being deducted.

5.2. Attachment 2: forecasts for payments¹¹ for 2014, 2015 and 2016 (EUR million)

	2014		2015		2016	
	COM Oct 2013	COM Jun 2014	COM Oct 2014	COM Jun 2014	COM Oct 2014	COM Oct 2014
Regions						
East Africa	438	448	478			
West Africa	874	937	894			
Central Africa	426	366	425			
Caribbean	230	199	205			
Pacific	130	79	65			
Southern Africa	434	457	391			
Sub-total	2.532	2.486	2.458			
Other						
Peace Facility	287	370	363			
Water and Energy Facility	119	69	71			
Other*	382	522	557			
Sub-total	788	961	991			
Total European Commission	3.320	3.447	3.449	3.400	3.400	3.468
Investment facility	330	330	330	390	390	420
Interest rate subsidies**	80	80	80	80	80	80
Total EIB	410	410	410	470	470	500
TOTAL EC+EIB	3.730	3.857	3.859	3.870	3.870	3.968

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

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

** Including interest rate subsidies under previous EDFs

¹¹ Gross payments, i.e. without recoveries being deducted.

5.3. Attachment 3: Financial situation for 2014, forecasts for 2015 and 2016 (EUR million) and non-binding estimations for 2017 and 2018

	COM June 2014 ¹			COM October 2014 ²		
	Commission	EIB	TOTAL	Commission	EIB	TOTAL
2014	655	224	879	655	224	879
Balance 31/12/2013 ²						
Member States Contributions for 2014:	3.144	106	3.250	3.144	106	3.250
1st instalment	2.000	0	2.000	2.000		2.000
2nd instalment	850	106	956	850	106	956
3rd instalment	294	0	294	294	0	294
Contributions 2014 received in 2013	-304		-304	-304		-304
Reflows ³		200	200		250	250
Recoveries, interest and other	100		100	100		100
Total payments ⁴	-3.447	-410	-3.857	-3.449	-410	-3.859
Balance 31/12/2014 ⁵	148	120	268	146	170	316
2015						
Member States Contributions for 2015:						
1st instalment	3.300	300	3.600	3.400	200	3.600
2nd instalment			0	1.500	50	1.550
3rd instalment			0	1.050	100	1.150
Reflows ³		200	200	850	50	900
Recoveries, interest and other	100		100	100	200	200
Total payments ⁴	-3.400	-470	-3.870	-3.400	-470	-3.870
Balance at 31/12/2015	148	150	298	246	100	346
2016						
Member States Contributions for 2016:						
Reflows ³				3.350	250	3.600
Recoveries, interest and other					200	200
Total payments ⁴				100		100
Balance at 31/12/2016	148	150	298	228	50	278
2017						
Member States Contributions for 2017:						
(non-binding) ⁶				3.450	200	3.650
2018						
Member States Contributions for 2018:						
(non-binding) ⁶				3.500	170	3.670

¹ COM(2014)350

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

⁶ Art.21 (2) Financial Regulation: indicative, non-binding forecast based on a statistical approach for the expected annual amounts of contributions for the years n + 3 and n + 4.

5.4. Attachment 4: Member States contributions for 2014 (EUR)

MEMBER STATES	Key 9th EDF %	Key 10th EDF %	1st instalment		2nd instalment		3rd instalment		Total EIB	Total Commission	Total 2014
			paid to EIB 9th EDF	paid to Commission 10th EDF	paid to EIB 9th EDF	paid to Commission 10th EDF	paid to EIB 10th EDF	paid to Commission 10th EDF			
BELGIUM	3,92	3,53	70.600.000,00	30.005.000,00	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	17.000.000,00	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	174.250.000,00	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	12.495.000,00	1.321.140,29	12.495.000,00	4.326.339,02	1.321.140,29	46.221.339,02	47.542.479,31	
SPAIN	5,84	7,85	157.000.000,00	66.725.000,00	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	166.175.000,00	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	7.735.000,00	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	109.310.000,00	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	2.295.000,00	306.504,55	2.295.000,00	794.633,70	306.504,55	8.489.633,70	8.796.138,24	
NETHERLANDS	5,22	4,85	97.000.000,00	41.225.000,00	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	20.485.000,00	2.800.817,41	20.485.000,00	7.082.841,53	2.800.817,41	75.777.841,53	78.578.658,94	
PORTUGAL	0,97	1,15	23.000.000,00	9.775.000,00	1.025.204,86	9.775.000,00	3.394.550,94	1.025.204,86	36.159.550,94	37.184.755,80	
FINLAND	1,48	1,47	29.400.000,00	12.495.000,00	1.564.230,10	12.495.000,00	4.326.339,02	1.564.230,10	46.221.339,02	47.795.569,12	
SWEDEN	2,73	2,74	54.800.000,00	23.290.000,00	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	125.970.000,00	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 EU-15	100,00	96,38	1.927.600.000,00	819.230.000,00	105.691.222,99	819.230.000,00	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		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		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		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		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		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		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		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		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		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		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		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		1.785.000,00	618.048,43	0,00	6.603.048,43	6.603.048,43	
Sub-total EU-12		3,62	72.400.000,00	30.770.000,00	0,00	30.770.000,00	10.653.977,73	0,00	113.823.977,73	113.823.977,73	
TOTAL EU-27	100,00	100,00	2.000.000.000,00	850.000.000,00	105.691.222,99	850.000.000,00	294.308.777,01	105.691.222,99	3.144.308.777,01	3.250.000.000,00	

5.5. Attachment 5: Member States contributions for 2015 (EUR)

MEMBER STATES	Key 10th EDF %	1st instalment		2nd instalment		3rd instalment		Total EIB	Total Commission	Total 2014
		paid to EIB 10th EDF	paid to Commission 10th EDF	paid to EIB 10th EDF	paid to Commission 10th EDF	paid to EIB 10th EDF	paid to Commission 10th EDF			
AUSTRIA	2,41	1.205.000,00	36.150.000,00	2.410.000,00	25.305.000,00	1.205.000,00	20.485.000,00	4.820.000,00	81.940.000,00	86.760.000,00
BELGIUM	3,53	1.765.000,00	52.950.000,00	3.530.000,00	37.065.000,00	1.765.000,00	30.005.000,00	7.060.000,00	120.020.000,00	127.080.000,00
BULGARIA	0,14	70.000,00	2.100.000,00	140.000,00	1.470.000,00	70.000,00	1.190.000,00	280.000,00	4.760.000,00	5.040.000,00
CYPRUS	0,09	45.000,00	1.350.000,00	90.000,00	945.000,00	45.000,00	765.000,00	180.000,00	3.060.000,00	3.240.000,00
CZECH REPUBLIC	0,51	255.000,00	7.650.000,00	510.000,00	5.355.000,00	255.000,00	4.335.000,00	1.020.000,00	17.340.000,00	18.360.000,00
DENMARK	2,00	1.000.000,00	30.000.000,00	2.000.000,00	21.000.000,00	1.000.000,00	17.000.000,00	4.000.000,00	68.000.000,00	72.000.000,00
ESTONIA	0,05	25.000,00	750.000,00	50.000,00	525.000,00	25.000,00	425.000,00	100.000,00	1.700.000,00	1.800.000,00
FINLAND	1,47	735.000,00	22.050.000,00	1.470.000,00	15.435.000,00	735.000,00	12.495.000,00	2.940.000,00	49.980.000,00	52.920.000,00
FRANCE	19,55	9.775.000,00	293.250.000,00	19.550.000,00	205.275.000,00	9.775.000,00	166.175.000,00	39.100.000,00	664.700.000,00	703.800.000,00
GERMANY	20,50	10.250.000,00	307.500.000,00	20.500.000,00	215.250.000,00	10.250.000,00	174.250.000,00	41.000.000,00	697.000.000,00	738.000.000,00
GREECE	1,47	735.000,00	22.050.000,00	1.470.000,00	15.435.000,00	735.000,00	12.495.000,00	2.940.000,00	49.980.000,00	52.920.000,00
HUNGARY	0,55	275.000,00	8.250.000,00	550.000,00	5.775.000,00	275.000,00	4.675.000,00	1.100.000,00	18.700.000,00	19.800.000,00
IRELAND	0,91	455.000,00	13.650.000,00	910.000,00	9.555.000,00	455.000,00	7.735.000,00	1.820.000,00	30.940.000,00	32.760.000,00
ITALY	12,86	6.430.000,00	192.900.000,00	12.860.000,00	135.030.000,00	6.430.000,00	109.310.000,00	25.720.000,00	437.240.000,00	462.960.000,00
LATVIA	0,07	35.000,00	1.050.000,00	70.000,00	735.000,00	35.000,00	595.000,00	140.000,00	2.380.000,00	2.520.000,00
LITHUANIA	0,12	60.000,00	1.800.000,00	120.000,00	1.260.000,00	60.000,00	1.020.000,00	240.000,00	4.080.000,00	4.320.000,00
LUXEMBOURG	0,27	135.000,00	4.050.000,00	270.000,00	2.835.000,00	135.000,00	2.295.000,00	540.000,00	9.180.000,00	9.720.000,00
MALTA	0,03	15.000,00	450.000,00	30.000,00	315.000,00	15.000,00	255.000,00	60.000,00	1.020.000,00	1.080.000,00
NETHERLANDS	4,85	2.425.000,00	72.750.000,00	4.850.000,00	50.925.000,00	2.425.000,00	41.225.000,00	9.700.000,00	164.900.000,00	174.600.000,00
POLAND	1,30	650.000,00	19.500.000,00	1.300.000,00	13.650.000,00	650.000,00	11.050.000,00	2.600.000,00	44.200.000,00	46.800.000,00
PORTUGAL	1,15	575.000,00	17.250.000,00	1.150.000,00	12.075.000,00	575.000,00	9.775.000,00	2.300.000,00	39.100.000,00	41.400.000,00
ROMANIA	0,37	185.000,00	5.550.000,00	370.000,00	3.885.000,00	185.000,00	3.145.000,00	740.000,00	12.580.000,00	13.320.000,00
SLOVAKIA	0,21	105.000,00	3.150.000,00	210.000,00	2.205.000,00	105.000,00	1.785.000,00	420.000,00	7.140.000,00	7.560.000,00
SLOVENIA	0,18	90.000,00	2.700.000,00	180.000,00	1.890.000,00	90.000,00	1.530.000,00	360.000,00	6.120.000,00	6.480.000,00
SPAIN	7,85	3.925.000,00	117.750.000,00	7.850.000,00	82.425.000,00	3.925.000,00	66.725.000,00	15.700.000,00	266.900.000,00	282.600.000,00
SWEDEN	2,74	1.370.000,00	41.100.000,00	2.740.000,00	28.770.000,00	1.370.000,00	23.290.000,00	5.480.000,00	93.160.000,00	98.640.000,00
UNITED KINGDOM	14,82	7.410.000,00	222.300.000,00	14.820.000,00	155.610.000,00	7.410.000,00	125.970.000,00	29.640.000,00	503.880.000,00	533.520.000,00
TOTAL EU-27	100,00	50.000.000,00	1.500.000.000,00	100.000.000,00	1.050.000.000,00	50.000.000,00	850.000.000,00	200.000.000,00	3.400.000.000,00	3.600.000.000,00