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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Financial information on the European Development Fund

1. FOREWORD

The 11th European Development Fund (EDF)¹ entered into force on 2 March 2015. Nevertheless, in line with Article 63 of the Council Regulation (EU) 2015/323 on the financial regulation applicable to the 11th European Development Fund², the 10th EDF procedure will apply for the second call for contributions of 2015 for all matters related to Member States' contributions covered by those articles. A new procedure will apply for the first time for the first 2016 instalment, as stipulated in Article 63 of Council Regulation (EU) 2015/323.

In accordance with Article 7(3) of the Internal Agreement³ and Articles 57(3) and (4) of the 10th EDF Financial Regulation⁴, the Commission presents in this document estimates of commitments, payments and contributions for the period 2015 and 2016, taking into account the forecasts of the European Investment Bank (EIB) concerning the Investment Facility.

This Communication sets out the financial implementation of the EDFs (8th to 10th and the Bridging Facility⁵) for 2014 and the forecasts of financial implementation for 2015 to 2016.

Member States contribute funds directly to the EIB 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 2015 and 2016 for each of the African, Caribbean and Pacific (ACP) countries and the Overseas Countries and Territories (OCTs). The payment forecasts in particular have been compiled with the aim of helping the Member States assess as accurately as possible the amounts they need to earmark in their national budgets and 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 EDF⁶ and Article 57(5) of the Financial Regulation⁷, the estimates provided in this document will be updated in the October 2015 communication.

¹ OJ L 210, 6.8.2013, 11th EDF 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 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the European Union applies,

² OJ L 58, Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund,

³ 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.

⁴ Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund.

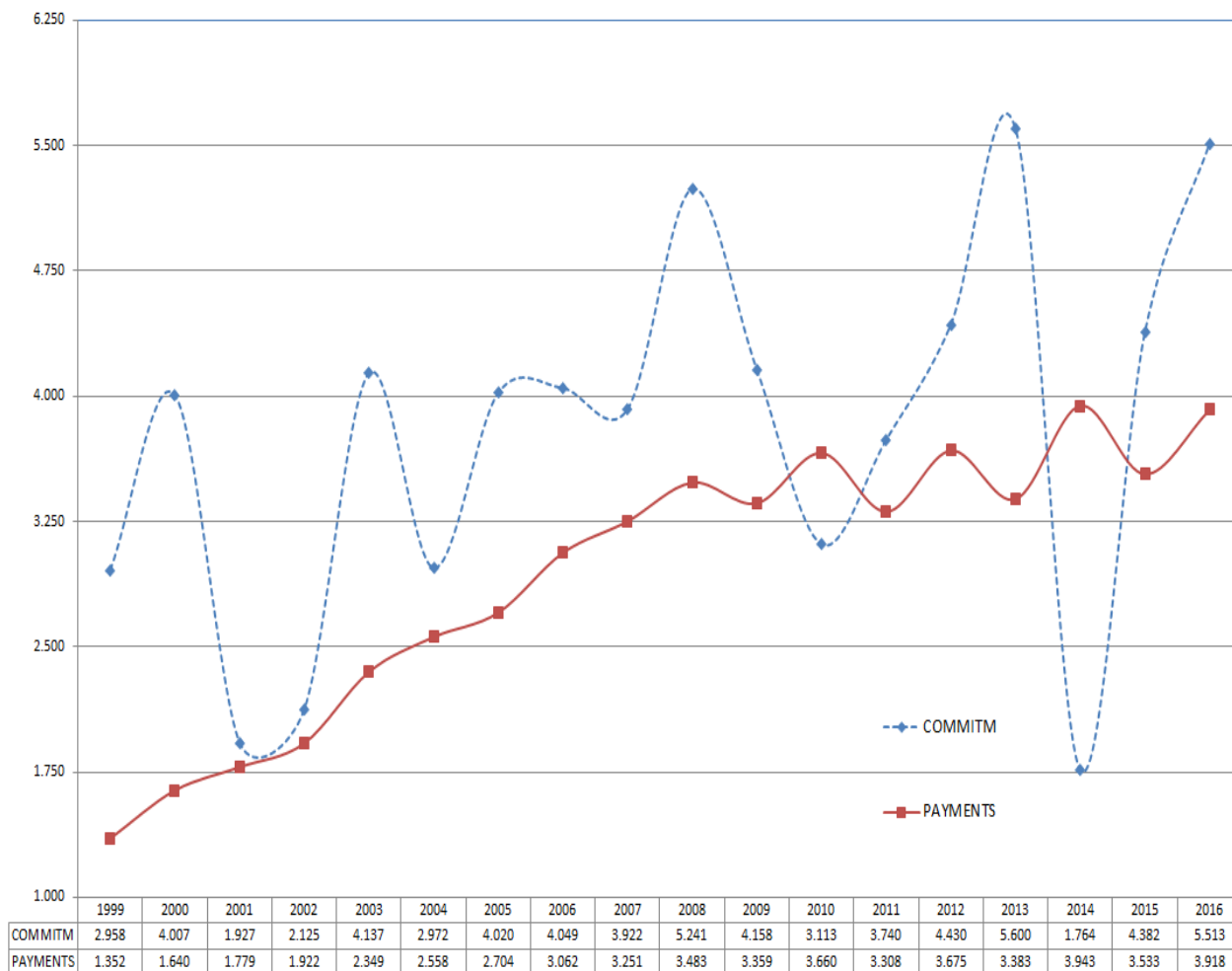
⁵ Council decision (EU) 2013/795

⁶ OJ L 247, 9.9.2006, p. 32, on the financial regulation applicable to the 10th European Development Fund

The graph below shows the general trend in commitments and payments, including projections for 2015 - 2016 (Commission and EIB).

Gross commitments and payments: trend 1999-2016 (EUR millions)⁸

Implementation of the European Development Funds at 31 December 2014 (commitments, payments and financial situation).



The attachments 1, 2 and 3 show respectively the actual commitments, payments and financial situation recorded in 2014 compared with the forecasts made in October 2014⁹.

⁷ Council Regulation (EC) 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund.
⁸ For 2015-2016, forecasted amounts
⁹ 2014/0298 (NLE).

3. FINANCIAL FORECASTS FOR 2015 – 2016 (EUR MILLIONS)

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

Forecasts 2015-2016 (*)		2015	2016
Commitments	Commission	3.552	4.663
	EIB	830	850
	Total	4.382	5.513
Payments	Commission	3.103	3.468
	EIB	430	450
	Total	3.533	3.918
Contributions	Commission	3.200	3.350
	EIB	200	200
	Total	3.400	3.550

* 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.

4. NON-BINDING ESTIMATION OF CONTRIBUTION FOR 2017 – 2018 (EUR MILLIONS)

Forecasts 2017-2018 (*)		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): non-binding forecast based on statistical approach for the expected annual amounts of contributions for the year n+3 and n+4.

5. FINANCIAL IMPLEMENTATION FOR 2014 AND FORECASTS FOR 2015 AND 2016

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

Compared with estimates contained in the November 2014 Council Decision¹⁰, updated forecasts show a decrease of EUR 200 million in Member States' contributions to the Commission's 2015 EDF totals.

The decrease in contributions to be called in 2015 is a consequence of the record level of payments made by the Commission from the EDF in 2014. The extra amount being called by the Commission to cover those extra payments was offset by lower EIB contribution calls and the low commitments made in 2014 under the Bridging Facility.

For 2016 we forecast the ceiling for the Member States contributions will amount to EUR 3.350 million for the Commission and EIB's is EUR 200 million in total, of which EUR 100 million to be called under the 10th EDF and EUR 100 million under the 11th EDF.

¹⁰ Council ref. 14563/14 – Decision from 10 November 2014.

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.

Attachment 1: Gross commitments in 2014, forecast 2015 and 2016 (EUR million)

	2014		2015		2016	
	COM Oct 2014	actuals 2014	COM Oct 2014	revised June 2015	COM Oct 2014	revised June 2015
Regions						
East Africa	60	30		625		
West Africa	338	160		966		
Central Africa	330	227		692		
Caribbean	0	0		0		
Pacific	7	3		7		
Southern Africa	238	149		368		
Sub-total	973	569		2.658		
Other						
Peace Facility	325	281		692		
Water and Energy Facility	0	0		0		
Other (*)	315	310		201		
Sub-total	640	0		893		
Total European Commission	1.613	1.160	4.663	3.552	4.663	4.663
Investment facility	730	532	750	750	800	770
Interest rate subsidies	80	72	80	80	80	80
Total EIB	810	604	830	830	880	850
TOTAL EC+EIB	2.423	1.764	5.493	4.382	5.543	5.513

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 in 2014, forecasts 2015 and 2016 (EUR million)

	2014		2015		2016	
	COM Oct 2014	actuals 2014	COM Oct 2014	revised June 2015	COM Oct 2014	revised June 2015
Regions						
East Africa	478	495		426		
West Africa	894	927		761		
Central Africa	425	440		334		
Caribbean	205	213		209		
Pacific	65	67		71		
Southern Africa	391	405		389		
Sub-total	2.458	2.548		2.191		
Other						
Peace Facility	363	385		373		
Water and Energy Facility	71	72		71		
Other (*)	557	576		468		
Sub-total	991	1.033		912		
Total European Commission	3.449	3.581	3.400	3.103	3.468	3.468
Investment facility	330	290	390	350	420	370
Interest rate subsidies	80	72	80	80	80	80
Total EIB	410	362	470	430	500	450
TOTAL EC+EIB	3.859	3.943	3.870	3.533	3.968	3.918

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

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

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

		COM October 2014 ¹			Revision June 2015			
		Commission	EIB	TOTAL	Commission	EIB	EIB-IFE ⁶	TOTAL
	Balance 31/12/2013 ¹	655	224	879	655	224		879
2014	Member States Contributions for 2014:	3.144	106	3.250	3.144	106		3.250
	1st instalment	2.000		2.000	2.000			2.000
	2nd instalment	850	106	956	850	106		956
	3rd instalment	294	0	294	294			294
	Contributions 2014 received in 2013	-304		-304	-304			-304
	Contributions 2015 received in 2014				228			228
	Reflows ²		250	250		226		226
	Recoveries, interest and other	100		100	65			65
	Total payments ³	-3.449	-410	-3.859	-3.581	-362		-3.943
	Balance 31/12/2014 ⁴	146	170	316	207	194	0	401
2015	Member States Contributions for 2015:	3.400	200	3.600	3.200	200		3.400
	1st instalment	1.500	50	1.550	1.500	50		1.550
	2nd instalment	1.050	100	1.150	850	100		950
	3rd instalment	850	50	900	850	50		900
	Reflows ²		200	200		250		250
	Contributions 2015 received in 2014				-228			-228
	Recoveries, interest and other	100		100	100			100
	Total payments ³	-3.400	-470	-3.870	-3.103	-385	-45	-3.533
	Balance at 31/12/2015	246	100	346	176	259	-45	390
2016	Member States Contributions for 2016:	3.350	250	3.600	3.350	100	100	3.550
	Reflows ²		200	200		220		220
	Recoveries, interest and other	100		100	100			100
	Total payments ³	-3.468	-500	-3.968	-3.468	-400	-50	-3.918
	Balance at 31/12/2016	228	50	278	158	179	5	342
2017	Member States Contributions for 2017 ⁵	3.450	200	3.650	3.450	140	60	3.650
2018	Member States Contributions for 2018 ⁵	3.500	170	3.670	3.500	100	70	3.670

1 Funds available for operations,

2 Net of EIB management fees

3 Including interest rates subsidies under the previous EDFs

4 These balances do not include: (i) Cofinancings received by 31.12.2014, (ii) Receipts in bank not yet allocated to its specific EDF line, (iii) Special fund for DRC

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

6 MD no. 041/15 ACP of 23/04/2015 - Note to the Members of the ACP Working Party: (...). Given the particularity of the IFE. (Impact Financing Envelope, EUR 500m allocated) and Member States' explicitly request for having it ring-fenced under the IFE, the Bank will start with calling funds also from the 11th EDF in 2016 in order to be able to properly allocate MS contribution to the IFE.

Attachment 4: Forecasted Member States contributions 2015 (EUR)

MEMBER STATES	Key 10th EDF %	1 st instalment		2 nd instalment		3 rd instalment		Total EIB	Total Commission	Total 2015
		EIB 10 th EDF	Commission 10 th EDF	EIB 10 th EDF	Commission 10 th EDF	EIB 10 th EDF	Commission 10 th EDF			
AUSTRIA	2,41	1.205.000	36.150.000	2.410.000	20.485.000	1.205.000	20.485.000	4.820.000	77.120.000	81.940.000
BELGIUM	3,53	1.765.000	52.950.000	3.530.000	30.005.000	1.765.000	30.005.000	7.060.000	112.960.000	120.020.000
BULGARIA	0,14	70.000	2.100.000	140.000	1.190.000	70.000	1.190.000	280.000	4.480.000	4.760.000
CYPRUS	0,09	45.000	1.350.000	90.000	765.000	45.000	765.000	180.000	2.880.000	3.060.000
CZECH REPUBLIC	0,51	255.000	7.650.000	510.000	4.335.000	255.000	4.335.000	1.020.000	16.320.000	17.340.000
DENMARK	2,00	1.000.000	30.000.000	2.000.000	17.000.000	1.000.000	17.000.000	4.000.000	64.000.000	68.000.000
ESTONIA	0,05	25.000	750.000	50.000	425.000	25.000	425.000	100.000	1.600.000	1.700.000
FINLAND	1,47	735.000	22.050.000	1.470.000	12.495.000	735.000	12.495.000	2.940.000	47.040.000	49.980.000
FRANCE	19,55	9.775.000	293.250.000	19.550.000	166.175.000	9.775.000	166.175.000	39.100.000	625.600.000	664.700.000
GERMANY	20,50	10.250.000	307.500.000	20.500.000	174.250.000	10.250.000	174.250.000	41.000.000	656.000.000	697.000.000
GREECE	1,47	735.000	22.050.000	1.470.000	12.495.000	735.000	12.495.000	2.940.000	47.040.000	49.980.000
HUNGARY	0,55	275.000	8.250.000	550.000	4.675.000	275.000	4.675.000	1.100.000	17.600.000	18.700.000
IRELAND	0,91	455.000	13.650.000	910.000	7.735.000	455.000	7.735.000	1.820.000	29.120.000	30.940.000
ITALY	12,86	6.430.000	192.900.000	12.860.000	109.310.000	6.430.000	109.310.000	25.720.000	411.520.000	437.240.000
LATVIA	0,07	35.000	1.050.000	70.000	595.000	35.000	595.000	140.000	2.240.000	2.380.000
LITHUANIA	0,12	60.000	1.800.000	120.000	1.020.000	60.000	1.020.000	240.000	3.840.000	4.080.000
LUXEMBOURG	0,27	135.000	4.050.000	270.000	2.295.000	135.000	2.295.000	540.000	8.640.000	9.180.000
MALTA	0,03	15.000	450.000	30.000	255.000	15.000	255.000	60.000	960.000	1.020.000
NETHERLANDS	4,85	2.425.000	72.750.000	4.850.000	41.225.000	2.425.000	41.225.000	9.700.000	155.200.000	164.900.000
POLAND	1,30	650.000	19.500.000	1.300.000	11.050.000	650.000	11.050.000	2.600.000	41.600.000	44.200.000
PORTUGAL	1,15	575.000	17.250.000	1.150.000	9.775.000	575.000	9.775.000	2.300.000	36.800.000	39.100.000
ROMANIA	0,37	185.000	5.550.000	370.000	3.145.000	185.000	3.145.000	740.000	11.840.000	12.580.000
SLOVAKIA	0,21	105.000	3.150.000	210.000	1.785.000	105.000	1.785.000	420.000	6.720.000	7.140.000
SLOVENIA	0,18	90.000	2.700.000	180.000	1.530.000	90.000	1.530.000	360.000	5.760.000	6.120.000
SPAIN	7,85	3.925.000	117.750.000	7.850.000	66.725.000	3.925.000	66.725.000	15.700.000	251.200.000	266.900.000
SWEDEN	2,74	1.370.000	41.100.000	2.740.000	23.290.000	1.370.000	23.290.000	5.480.000	87.680.000	93.160.000
UNITED KINGDOM	14,82	7.410.000	222.300.000	14.820.000	125.970.000	7.410.000	125.970.000	29.640.000	474.240.000	503.880.000
TOTAL EU-27	100,00	50.000.000	1.500.000.000	100.000.000	850.000.000	50.000.000	850.000.000	200.000.000	3.200.000.000	3.400.000.000

