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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Financial Information on the European Development Funds

Proposal for a

COUNCIL DECISION

**fixing the financial contributions to be paid by the Member States to the European
Development Fund (second instalment for 2003)**

(presented by the Commission)

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Financial Information on the European Development Funds

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Introduction

This document is to be annexed to the draft budget for 2004, in accordance with the 1979 agreements on budgetary procedure.

Article 8(3) of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund¹ requires the Commission to make this document available to the Council by 15 June, stipulating that this information serves as a basis for an interim estimate of commitments and disbursements.

In accordance with Article 38 of the Financial Regulation, this communication is accompanied by a proposal for a Council Decision on the instalment of the contributions to be paid by the Member States in July 2003.

As in previous years, this document shows:

- EDF implementation at 31.12.2002;
- financial implementation forecasts for the current year (2003);
- expenditure forecasts for 2004.

Further details on implementation of the European Development Funds (EDFs) at 31.12.2002 will be given in the Commission communication to the Court of Auditors, the European Parliament and the Council containing the balance sheets and accounts of the 6th, 7th and 8th EDFs for 2002.

¹ OJ L 83, 1.4.2003, p. 1.

Summary

1. Decisions

After slowing down somewhat in 2001, the rate of decisions picked up again in 2002 (€2 114.5 million in new decisions), thanks primarily to the provision by the Council of new funding as a transitional measure pending the entry into force of the ACP-EU Partnership Agreement signed in Cotonou.² These measures enabled the Commission to commit a considerable sum (€793 million) and so offset some of the shortfall in resources for the countries performing best. In short, decisions slightly exceeded the target (€2 000 million) fixed in the communications of June³ and November 2002.⁴ After deducting decommitments amounting to €346.1 million, the net figure is €1 768.4 million.

For 2003 and 2004, in order to get more reliable forecasts the Commission went over each individual (project) dossier carefully with the delegations. Taking into account the figures supplied by the EIB for its own instruments (risk capital, investment facility and interest rate subsidies) we arrive at €2 500 million of new decisions for 2003 (€200 million up on the figure in the November 2002 Communication) and confirmation of the estimated on €3 275 million for 2004. The sharp rise in the forecast for 2003 can be attributed to the Commission's efforts to improve the EDF's performance.

2. Payments

With payments amounting to €1 902.5 million in 2002, the rate of implementation of the EDF was slightly lower than that recorded in 2001 (€2 142.49 million). However, the figures recorded for 2002 are still above the average for 1989-2001 (about €1 600 million). It was not possible to achieve the target figure of €2 000 million set by the Commission in June 2002. This is largely due to the fact that there was no need to pay the final instalment of €149 million to the HIPC (debt relief) initiative because a number of ACP countries notched up delays in achieving the objectives that would have entitled them to such aid. The Commission had warned of this development in its communication of November 2002.

With recoveries and repayments amounting to €49.8 million, the net total of disbursements was €1 852.7 million.

A new payment estimate has been drawn up for 2003 and 2004 covering both current projects and those in the pipeline. Taking the EIB's estimates into account we get a figure of €2 100 millions for 2003, not counting forecast transfers under Stabex (€191 million for Sudan) or the HIPC instrument (approximately €210 million, including the €149 millions from the third tranche not used in 2002). The Court of Auditors has ruled that these transfers should not be entered in the accounts as payments. The estimate of €2 100 million is on the cautious side. The Commission will be doing its utmost to speed up the rate of disbursement in order to meet a more ambitious target

² Decision No 1/2000 of the ACP-EC Council of Ministers of 27 July 2000.

³ COM(2002) 372 final of 9.7.2002.

⁴ COM(2002) 673 final of 28.11.2002.

by the year end, and will re-assess the situation in its Communication in October 2003.

The total estimated for 2004 is €2 600 million, confirming last year's forecast orders of magnitude.

3. Calls for contributions from the Member States

As the Stabex money is already available in a special account, €2 250 million should cover requirements. The first two calls for contribution totalled €950 million, so €1 300 million still needs to be paid by the end of this year. The Commission is proposing that the Member States should pay €850 million as the July 2003 tranche, making it possible to transfer the final €149 million HIPC instalment to the EIB. The current estimate for the last 2003 call for contributions is €450 million.

In view of the projected start-of-year and end-of-year balances, the Member States' contributions for 2004 are reckoned at €2 550 million.

As for subsequent years, the Commission will be able to honour its commitments and mobilise the funds made available under the Cotonou Agreement, including the balances remaining from previous EDFs (the 6th, 7th and 8th), over a period of five years.

1. IMPLEMENTATION OF THE EUROPEAN DEVELOPMENT FUNDS AT 31.12.2002

1.1. Summary by Fund and by instrument (at 31.12.2002)

6th, 7th and 8th EDFs ACP and OCT

6th EDF	Allocations	Decisions	Assigned funds	Payments
National indicative programmes	4 253 044 257.72	3 980 869 838.84	3 880 577 942.65	3 816 842 108.92
Regional cooperation	919 704 621.92	884 620 868.17	861 237 066.68	852 143 643.17
Structural adjustment facility	6 000 000.00	6 000 000.00	5 334 037.79	5 334 037.79
Interest-rate subsidies	84 078 492.28	84 078 492.28	84 078 492.28	84 078 492.28
Risk capital	560 000 000.00	544 323 483.54	543 153 483.54	537 212 417.12
Other instruments	1 992 864 982.17	1 974 828 395.30	1 944 539 794.36	1 939 504 041.37
9th EDF intra-ACP	10 000 000.00	10 000 000.00	0.00	0.00
Overall reserve	3 388 343.78	0.00	0.00	0.00
Position at 31 12 2002	7 829 080 697.87	7 484 721 078.13	7 318 920 817.30	7 235 114 740.65

7th EDF	Allocations	Decisions	Assigned funds	Payments
National indicative programmes	4 864 800 000.00	4 536 596 865.36	3 936 915 826.13	3 561 274 850.58
Regional cooperation	1 202 954 089.58	1 167 837 087.84	1 036 810 874.33	926 847 111.67
Structural adjustment facility	1 151 386 344.58	1 151 386 344.58	1 148 619 063.94	1 148 039 942.48
Interest-rate subsidies	224 000 000.00	211 648 499.97	211 648 499.97	199 777 143.84
Risk capital	850 000 000.00	765 520 374.26	760 020 374.26	723 806 774.76
Other instruments	3 079 949 946.94	3 005 708 030.86	2 851 351 491.42	2 661 644 488.35
HIPC (debt relief)	40 000 000.00	40 000 000.00	40 000 000.00	11 030 000.00
9th EDF intra-ACP (interim measures)	50 000 000.00	50 000 000.00	0.00	0.00
Overall reserve	16 792 139.52	0.00	0.00	0.00
Total	11 479 882 520.62	10 928 697 202.87	9 985 366 130.05	9 232 420 311.68
Miscellaneous revenue	31 844 952.08	0.00	0.00	0.00
Position at 31 12 2002	11 511 727 472.70	10 928 697 202.87	9 985 366 130.05	9 232 420 311.68

8th EDF	Allocations	Decisions	Assigned funds	Payments
National indicative programmes	4 996 594 758.00	4 283 215 308.18	1 978 497 613.08	1 099 915 321.67
Regional cooperation	1 784 517 742.00	1 430 046 819.60	727 705 933.05	417 709 175.10
Structural adjustment facility	1 650 000 000.00	1 613 098 944.70	1 302 962 713.44	1 219 480 683.45
Interest-rate subsidies	178 500 000.00	114 013 938.75	114 013 938.75	49 605 974.95
Risk capital	1 380 000 000.00	1 195 482 298.39	1 084 343 192.39	506 188 282.21
Other instruments	1 091 736 284.68	1 079 062 449.08	965 011 218.58	798 275 138.90
HIPC (debt relief)	1 185 000 000.00	1 060 000 000.00	1 000 000 000.00	880 000 000.00
9th EDF national (interim measures)	1 200 000 000.00	732 875 000.00	347 381 600.00	97 674 831.24
9th EDF regional (interim measures)	25 000 000.00	0.00	0.00	0.00
Overall reserve	8 216 501.25	0.00	0.00	0.00
Position at 31 12 2002	13 499 565 285.93	11 507 794 758.70	7 519 916 209.29	5 068 849 407.52

6th, 7th and 8th EDFs	Allocations	Decisions	Assigned funds⁵	Payments
National indicative programmes	14 114 439 015.72	12 800 682 012.38	9 795 991 381.86	8 478 032 281.17
Regional cooperation	3 907 176 453.50	3 482 504 775.61	2 625 753 874.06	2 196 699 929.94
Structural adjustment facility	2 807 386 344.58	2 770 485 289.28	2 456 915 815.17	2 372 854 663.72
Interest-rate subsidies	486 578 492.28	409 740 931.00	409 740 931.00	333 461 611.07
Risk capital	2 790 000 000.00	2 505 326 156.19	2 387 517 050.19	1 767 207 474.09
Other instruments ⁶	6 164 551 213.79	6 059 598 875.24	5 760 902 504.36	5 399 423 668.62
HIPC (debt relief)	1 225 000 000.00	1 100 000 000.00	1 040 000 000.00	891 030 000.00
9th EDF national (interim measures)	1 200 000 000.00	732 875 000.00	347 381 600.00	97 674 831.24
9th EDF regional (interim measures)	25 000 000.00	0.00	0.00	0.00
9th EDF intra-ACP (interim measures)	60 000 000.00	60 000 000.00	0.00	0.00
Overall reserve	28 396 984.55	0.00	0.00	0.00
Total	32 808 528 504.42	29 921 213 039.70	24 824 203 156.64	21 536 384 459.85
Miscellaneous revenue	31 844 952.08	0.00	0.00	0.00
Position at 31 12 2002	32 840 373 456.50	29 921 213 039.70	24 824 203 156.64	21 536 384 459.85

⁵ Contracts, grants and programme estimates.

⁶ Emergency aid, aid for refugees, Stabex, Sysmin, transfers from previous EDFs, use of interest.

For information purposes, the following table breaks down new decisions and payments by instrument for the years 2001 and 2002.

€ million

Instrument	New decisions		Payments (before recoveries)	
	2001	2002	2001	2002
TOTAL -National and regional indicative programmes and other regional instruments	1 111	835	789	974
Structural adjustment facility	289	109	321	289
Stabex	1587	0	353	2
Sysmin	50	0	48	87
Risk capital	407	220	186	188
Interest-rate subsidies	20	17	16	19
Emergency aid	21	17	31	18
Aid for refugees	41	52	8	19
HIPC debt-relief initiative	0	60	350	180
Using transferred funds	5	7	20	27
TOTAL - Excluding indicative programmes	785	481	1 333	829
Part A (Cotonou)		478		85
Part B (Cotonou)		255		13
Regional cooperation intra-ACP (Cotonou)		60		0
TOTAL - Interim measures (Cotonou)		793		98
Use of interest	25	5	2	1
TOTAL	1 921	2 114	2 124	1 902

Despite the delays in the entry into force of the Cotonou Agreement, the volume of **decisions** adopted in 2002 substantially exceeded that of 2001. This was made possible by the interim measures adopted by the Council in 2000, pending the Agreement's entry into force. The Commission committed €793 million (38% of commitments) in 2002. Decisions on the 6th, 7th and 8th EDFs were down on 2001. This is due to the fact that the sums available for commitment are steadily shrinking. At 31.12.2002 €32 840 million had been allocated to the ACP countries and OCT. Of this amount, €29 920 million had been committed, leaving an available balance of about €2 900 million, a relatively large proportion of which had been allocated, notably to countries in crisis, and was therefore no longer available for projects in new sectors.

For **payments**, it was not possible to achieve the level recorded in 2001. This was because an economic downturn and other problems in certain ACP countries caused the EIB to defer to 2003 the payment of €149 million to the HIPC initiative. The payment is due to be made this summer.

The table below gives the start-of-year and end-of-year balances, the Member States' contributions to the EDF and payments (disbursements). It shows that large sums were transferred from Stabex to current operations, both in 2001 and 2002 (€748.1 million for the two years together). This reduced considerably the call for new financial resources from the Member States. The transfers were performed by the Commission in accordance with the decision taken by the Committee of Ambassadors in August 2000. Under the decision, the Commission is required to transfer the balance remaining in the Stabex account, less suspended payments, to the current-expenditure account.

€ million

	CURRENT OPERATIONS		STABEX		TOTAL	
	2001	2002	2001	2002	2001	2002
Resources						
Carry-over at 01.01	783.51	391.17	648.23	220.21	1 431.74	611.38
Call for contributions/recovery of Stabex debts	781.46	1485.950	348.62	218.70	1 130.08	1 704.65
Transfer from the Stabex account to the EDF current-expenditure account	492.00	256.10	-492.00	-256.11	-	-
Interest entered in the accounts	48.84	36.43	68.57	29.60	117.41	66.02
Total	2 105.81	2 169.65	573.42	212.40	2 679.23	2 382.05
Payments	-1 714.64	-1 851.10	-353.22	-1.62 ⁷	-2 067.86	-1 852.72
Balance at 31.12	391.17 ⁸	318.55 ⁹	220.21	210.78	611.38	529.33

The amount of cash available for all accounts at the end of 2002 was €529 million, including €319 million under current expenditure and €210 million for Stabex. These amounts can be considered normal.

The €319 million includes €88 million paid in advance (towards the end of December 2002) by certain Member States for the calls for 2003. Without these payments, the balance would have been €230 million. For Stabex, just over €200 million had to be kept available for two suspended payments, one for Sudan and the other for Togo. These are the last two payments to be made by the Stabex instrument.

⁷ Not counting transfers from secured accounts.

⁸ Including an advance payment of €83.50 million in contributions for 2002.

⁹ Including an advance payment of €88.45 million in contributions for 2003.

2. FINANCIAL IMPLEMENTATION FORECASTS FOR 2003 AND 2004

2.1. Entry into force of the Cotonou Agreement

The entry into force of the 9th EDF Financial Regulation in April 2003 has considerably altered the procedure whereby contributions are called for and paid. Now Member States have to pay contributions for 9th EDF operations managed by the EIB (the investment facility and interest-rate subsidies) directly to the Bank. However, contributions for projects committed under previous EDFs (risk capital and interest-rate subsidies) will continue to be paid to the Commission. The Commission will henceforth present the EIB's estimates for its new 9th EDF instruments separately from the figures for other measures (all instruments of previous EDFs and those 9th EDF instruments managed by the Commission).

2.2. Overall outlook for implementation of the EDF

The Commission, in close cooperation with the delegations, drew up a forecast of decisions and payments for 2003 and 2004 for each ACP country. Each commitment was subjected to risk analysis. The plan is to update that analysis regularly in the future.

The Commission believes that it will be able to commit the funds made available by the Cotonou Agreement (including the balances remaining from the 6th, 7th and 8th EDFs to be transferred to the 9th EDF) within a period of five years. The rate of commitments should increase significantly from 2003. Payments are expected to remain relatively modest in 2003 but to rise from 2004.

2.3. Decisions

2.3.1. 2003

The Commission expects new decisions in 2003 to total €2 500 million, breaking down as follows:

- €345 million for the EIB from the 9th EDF;
- €2 155 million for the instruments managed by the Commission (including former EIB instruments).

The amount of €2 500 million is considerably higher than the estimate presented in November 2002 (€2 300 million). It reflects the Commission's intention to improve its capacity to manage the EDF. The new forecast is some €400 million higher than the amount implemented in 2002 (€2 114 million).

The forecasts for 2003 received by the Commission from the EIB are €152 million for instruments financed by the 8th EDF (€24 million for interest-rate subsidies) and €345 million for the 9th EDF ("investment facility", excluding the interest-rate subsidies currently provided for).

2.3.2. 2004

The Commission reckons it will be possible to accelerate decisions further in 2004. In 2004 the third and final phase of the devolution of the Commission's departments should be complete and producing gains. Note that this third phase concerns most ACP countries. On the basis of the projects in the pipeline, the Commission believes that it will be able to achieve the targets for 2004 announced in November 2002, namely €3 275 million, €400 million of it for 9th EDF instruments managed by the EIB.

2.4. Payments

2.4.1. 2003

Particular attention has been given to updating payment estimates. Each delegation drew up estimates for each of its projects. The resulting total was about €2 100 million (including the EIB's needs). The estimate of €2 100 million is on the cautious side. The Commission will be doing its utmost to speed up the rate of disbursement in order to meet a more ambitious target by the year end, and will re-assess the situation in its Communication in October.

The payments estimates does not include transfers under Stabex (€191 million for Sudan) or the HIPC instrument (approximately €210 million, including the €149 millions from the third tranche not used in 2002). The Court of Auditors has ruled that these transfers should not be entered in the accounts as payments.

The sum of €2 100 million is broken down as follows:

- €60 million for the EIB from the 9th EDF;
- €2 040 million for the instruments managed by the Commission (including EIB instruments committed under the 8th EDF).

At 30 April the payments stood at €543 million, including sums in the process of being validated. This represents 26% of the new forecast (€2 100 million) and is consistent with the rate observed in the past at the same period (between 19% and 27% over the past three years).

2.4.2. 2004

For 2004 the forecast total is €2 600 million (including the EIB's needs). The €2 600 million comprises:

- €225 million for the EIB from the 9th EDF, €25 million of it for interest-rate subsidies;
- €2 375 million for the instruments managed by the Commission (including EIB instruments committed under the 8th EDF).

This sum is considerably higher than in the past and reflects the Commission's goal of improving and accelerating implementation of the EDF. The estimate is based on the assessment of the probable implementation of each project and takes account, in so far

as is possible, of all known factors likely to slow down or speed up disbursements. Account is also taken of the implications of the devolution of Commission departments. However, even more than for 2003, since it is even further away in time, the figures must be treated with caution.

2.5. Calls for contributions scheduled for 2003 and 2004

The Member States' contributions will have to cover the estimated €2 100 needed for payments plus the approximately €200 million transfer for the HIPC instrument. The €191 million likely to be transferred to Sudan under Stabex, on the other hand, does not require any further financial contribution from the Member States as the money is already in the Commission's special Stabex account.

The following table sets out the financial forecasts for 2003 and 2004.

€ million

	Current operations	Stabex
Balance at 01.01.2003 minus 2003 contributions paid before 1 January 2003 (€88 million)	230	211
Payment of contributions for 2003 by the Member States	2 250	
Interest	10	5
Transfer from Stabex to current-expenditure account	25	-25
Payments and transfers ¹⁰	-2 250	-191
Forecast balance at 31.12.2003	265	12¹¹
For the Commission	225	
For the EIB	40	
Payment of contributions for 2004 by the Member States	-2 550	
Interest	15	
Payments (disbursements)	2 600	
Forecast balance at 31/12/2004	230	12

¹⁰ Minus €50 million for recoveries/repayments.

¹¹ The Commission has to keep this amount in the Stabex account in case a suspended payment to Togo has to be made.

Allowing €50 million for recoveries/repayments it now looks as though €2 250 million should be sufficient to meet requirements. On the basis of the information currently available, the Commission and the EIB should end 2003 with balances of €225 million and €40 million respectively on their “current operations” accounts. This sum should enable the Commission and the EIB to bridge the gap between the end of 2003 and the payment of the first call for contributions for 2004, which is scheduled for 15 January 2004.

Given that the first two calls were for a total of €950 million, the latter two should together amount to €1 300 million. As already noted, the figures are on the cautious side. The Commission plans to update its estimates in October and might at that time propose an adjustment to the final tranche.

The estimated amount of contributions for 2004 is €2 550 million.

2.6. The contributions to be paid by the Member States in July 2003

The third instalment for 2003 (the second under the new procedure laid down in Article 38 of the 9th EDF Financial Regulation) should cover a period from about mid-July to about mid-November. In the case of the instruments managed by the Commission, about 80% of payments were, in the past, made between 1 January and 21 November (new deadline for payments). Taking account of the EIB’s forecasts (€50 million from the 9th EDF and €100 million from previous EDFs) and the transfer of the final instalment for the HIPC initiative (€149 million), the sum to be paid to the Commission is €800 million and that to the EIB €50 million.

The annexed table gives the scale for contributions to the 8th EDF, which is the basis on which funds are currently called, and the amounts that the Commission proposes each Member State should pay for the July and (indicative) November instalments.

ANNEX

CONTRIBUTIONS TO THE EDF FOR 2003

COUNTRY	SCALE	January call	April call	July call		November call		TOTAL of calls
	8th EDF %			payable to the EIB (2)	payable to the Commission (2)	payable to the EIB (2)	payable to the Commission (2)	
		(1)	(1)					
GERMANY	23.36	105 120 000	116 800 000	11 680 000	186 880 000	11 680 000	93 440 000	525 600 000
BELGIUM	3.92	17 640 000	19 600 000	1 960 000	31 360 000	1 960 000	15 680 000	88 200 000
DENMARK	2.14	9 630 000	10 700 000	1 070 000	17 120 000	1 070 000	8 560 000	48 150 000
SPAIN	5.84	26 280 000	29 200 000	2 920 000	46 720 000	2 920 000	23 360 000	131 400 000
FRANCE	24.30	109 350 000	121 500 000	12 150 000	194 400 000	12 150 000	97 200 000	546 750 000
GREECE	1.25	5 625 000	6 250 000	625 000	10 000 000	625 000	5 000 000	28 125 000
IRELAND	0.62	2 790 000	3 100 000	310 000	4 960 000	310 000	2 480 000	13 950 000
ITALY	12.54	56 430 000	62 700 000	6 270 000	100 320 000	6 270 000	50 160 000	282 150 000
LUXEMBOURG	0.29	1 305 000	1 450 000	145 000	2 320 000	145 000	1 160 000	6 525 000
NETHERLANDS	5.22	23 490 000	26 100 000	2 610 000	41 760 000	2 610 000	20 880 000	117 450 000
PORTUGAL	0.97	4 365 000	4 850 000	485 000	7 760 000	485 000	3 880 000	21 825 000
UNITED KINGDOM	12.69	57 105 000	63 450 000	6 345 000	101 520 000	6 345 000	50 760 000	285 525 000
AUSTRIA	2.65	11 925 000	13 250 000	1 325 000	21 200 000	1 325 000	10 600 000	59 625 000
FINLAND	1.48	6 660 000	7 400 000	740 000	11 840 000	740 000	5 920 000	33 300 000
SWEDEN	2.73	12 285 000	13 650 000	1 365 000	21 840 000	1 365 000	10 920 000	61 425 000
TOTAL	100.00	450 000 000	500 000 000	50 000 000	800 000 000	50 000 000	400 000 000	2 250 000 000

(1) According to the provisions of the 8th EDF Financial Regulation.

(2) According to the provisions of the 9th EDF Financial Regulation.

EXPLANATORY MEMORANDUM

The entry into force of the 9th EDF Financial Regulation, and in particular Articles 8, 38, 40, 133 and 135 thereof, has significantly changed the procedure for calls for contributions by the Member States to finance the various EDFs. It is now the Council which decides, on a proposal from the Commission, on each of the three instalments (four in the past). In the case of the 9th EDF instruments managed by the European Investment Bank (EIB), the Member States will pay their contributions directly to the EIB. The contributions for other instruments will continue to be paid to the Commission. The new schedule is laid down in Article 38 of the 9th EDF Financial Regulation. Under Article 133 of the Financial Regulation, the new procedure also applies to previous EDFs.

The present proposal concerns the third call for 2003 (the second by the definition in the 9th EDF Financial Regulation). In accordance with Article 38 of the Financial Regulation, it is accompanied by the communication from the Commission to the Council setting out financial information on the EDF for the purposes of the 2004 budget procedure. The information in that communication should enable the Council to fix the contributions for this instalment. In accordance with Article 121 of the 9th EDF Financial Regulation, the EIB has sent the Commission updated estimates of payments under the instruments managed by the Bank.

Under Article 38(2) of the 9th EDF Financial Regulation, the schedule decided for this instalment is as follows: (1) a proposal is submitted to the Council at the same time as the above communication, namely by 15 June 2003; (2) the Council decides on this instalment no more than 21 calendar days after the Commission presents its proposal; (3) the Member States pay this instalment of the contributions no more than 21 calendar days after they receive notification of the Council decision.

Note that Article 40(4) of the 9th EDF Financial Regulation stipulates that a Member State which fails to pay the instalment of contributions due by the deadline will be required to pay interest on the amount unpaid; the arrangements for the payment of interest are specified in the same paragraph.

Proposal for a
COUNCIL DECISION

fixing the financial contributions to be paid by the Member States to the European Development Fund (second instalment for 2003)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000,¹²

Having regard to the Internal Agreement on the Financing and Administration of Community Aid signed in Brussels on 18 September 2000,¹³ and in particular Article 10 thereof,

Having regard to the Council Decision of 27 November 2001 on the association of the overseas countries and territories with the European Community ("Overseas Association Decision"),¹⁴

Having regard to the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund, and in particular Article 38(1) thereof,

Having regard to the proposal from the Commission,¹⁵

Whereas:

- (1) On 28 November 2002 the Commission sent the Council a statement of the payments to be made in 2003 and the schedule of calls for contributions. On 29 December the Council adopted the Decision laying down the 2003 schedule of calls for contributions from the Member States to the EDF.
- (2) On the basis of that Decision, the Commission called, in December 2002 and March 2003, for contributions of 450 million and 500 million euro respectively.
- (3) The second subparagraph of Article 38(2) of the 9th EDF Financial Regulation, which entered into force on 2 April 2003, stipulates that the proposal for the second instalment of the current year is to be presented by the Commission at the same time as the communication it is required to send the budgetary authority, as part of the budget procedure, by 15 June.

¹² OJ L 317, 15.12.2000, p. 3.

¹³ OJ L 317, 15.12.2000, p. 355.

¹⁴ OJ L 314, 30.11.2001, p. 1.

¹⁵ OJ C ..., ..., p. ...

- (4) The second subparagraph of Article 38(2) of the 9th EDF Financial Regulation stipulates that the Council is to decide on this instalment at the latest by 21 calendar days following the presentation by the Commission of its proposal, and that the Member States are to pay the contributions due under this instalment at the latest by 21 calendar days following the date on which the Council's decision is notified to them.
- (5) Pursuant to the second subparagraph of Article 121 of the 9th EDF Financial Regulation, the European Investment Bank has sent the Commission the updated estimates of commitments and payments needed to draw up the communication to the budgetary authority.
- (6) Article 133(2) and (3) of the 9th EDF Financial Regulation stipulates that the procedure for calling for contributions for the 9th EDF also apply to previous EDFs,

HAS ADOPTED THIS DECISION:

Article 1

The contributions to be paid by the Member States to the Commission and the European Investment Bank as the second instalment for 2003 are set out in the table in the Annex.

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council
The President*

ANNEX

Second instalment of contributions for 2003 (in euro)

COUNTRY	to the European Investment Bank	to the Commission
GERMANY	11 680 000	186 880 000
BELGIUM	1 960 000	31 360 000
DENMARK	1 070 000	17 120 000
SPAIN	2 920 000	46 720 000
FRANCE	12 150 000	194 400 000
GREECE	625 000	10 000 000
IRELAND	310 000	4 960 000
ITALY	6 270 000	100 320 000
LUXEMBOURG	145 000	2 320 000
NETHERLANDS	2 610 000	41 760 000
PORTUGAL	485 000	7 760 000
UNITED KINGDOM	6 345 000	101 520 000
AUSTRIA	1 325 000	21 200 000
FINLAND	740 000	11 840 000
SWEDEN	1 365 000	21 840 000
TOTAL	50 000 000	800 000 000

FINANCIAL STATEMENT				
		DATE: 8 May 2003		
1.	BUDGET HEADING: not applicable: concerns the EDF	CREDITS: Not applicable		
2.	TITLE: Council Decision fixing the financial contributions to be paid by the Member States to the European Development Fund (second instalment for 2003)			
3.	LEGAL BASIS: Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund			
4.	AIMS OF MEASURE: Call for the second instalment of the Member States' contributions for 2003			
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET - (REFUNDS/INTERVENTION) - NATIONAL BUDGETS - OTHER SECTORS	not applicable		
5.1	REVENUE - OWN RESOURCES OF THE EC - (LEVIES/CUSTOMS DUTIES) - NATIONAL	not applicable		
		[n+2]	[n+3]	[n+4]
5.0.1	ESTIMATED EXPENDITURE			
5.1.1	ESTIMATED REVENUE			
5.2	METHOD OF CALCULATION:			
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES/NO
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES/NO
6.2	IS A SUPPLEMENTARY BUDGET NECESSARY?			YES/NO
6.3	WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?			YES/NO
OBSERVATIONS:				