

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (78) 660 final

Brussels, 23 November 1978

Commission communication to the Council:
European Development Fund Timetable for calling in
contributions for 1978 and 1979

COM (78) 660 final

Under Article 3, as regards the third EDF, and Article 7, as regards the fourth EDF, of the Internal Agreement on the financing and administration of Community aid the Commission must draw up and transmit to the Council each year estimates of EDF commitments to be entered into during the following budget year and, on this basis, prepare the timetable for calling in contributions, taking into account the EDF's cash requirements.

The purpose of these contributions is to replenish the EDF's cash resources in order to enable it to make disbursements.

Accordingly, the purpose of this Communication is to assess the EDF's cash requirements for 1979 and hence the amount of the contributions.

The tables annexed to this Communication give:

- (a) an estimate of commitments in 1979 under the four EDFs in operation;
- (b) an estimate of total disbursements for 1979;
- (c) hence, the timetable for calling in the Member States' contributions to the third and fourth EDFs for 1979;
- (d) the statement of contributions at 31 December 1979.

It is proposed that the following sums be called in for 1979:

1. for the third EDF, from the six Member States signatory to the second Yaoundé Convention, 20 000 000 EUA;
2. for the fourth EDF, from the nine Member States signatory to the Lomé Convention, 400 000 000 EUA.

In accordance with Article 2 of the Financial Regulation, it is proposed that each of these contributions be called for in two equal instalments, the first payable on 10 January 1979 and the second on 2 July 1979.

In view of the cash situation registered in 1978, it is proposed that the contributions due for July 1978 (second 1978 instalment) for the third and fourth EDFs (8.5 million EUA + 139 million EUA = total of 147.5 million EUA) be cancelled.

This Communication sets out below the detailed grounds for these proposals in the following order:

- I. Trend of expenditure and present situation;
- II. Estimated expenditure for 1978;
- III. Estimated expenditure for 1979;
- IV. Replenishment of the EDF's cash resources.

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I. Trend of expenditure and present situation

The table below shows how EDF expenditure has developed from year to year:

TREND OF EDP EXPENDITURE (Million EUA)

Year	1st EDP				2nd EDP				3rd EDP				4th EDP				Total for the 4 Funds	
	Amounts		₹ (581.25)		Amounts		₹ (730)		Amounts		₹ (905)		Amounts		₹ (3 159.5)		Amounts	
	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate	Annual	Aggregate
1960	4	4	0.7	0.7													4	4
1961	16	20	2.7	3.4													16	20
1962	53	73	9.2	12.6													53	73
1963	65	138	11.1	23.7													65	138
1964	83	221	14.3	38.0													83	221
1965	85	306	14.6	52.6	22	22	3.0	3.0									107	328
1966	76	382	13.1	65.7	36	58	4.9	7.9									112	440
1967	62	444	10.7	76.4	43	101	5.9	13.8									105	545
1968	40	484	6.9	83.3	70	171	9.6	23.4									110	655
1969	26	510	4.4	87.7	90	261	12.4	35.8									116	771
1970	15	525	2.6	90.3	131	392	17.9	53.7									146	917
1971	11	536	1.9	92.2	112	504	15.3	69.0	23	23	2.5	2.5					146	1 063
1972	10	546	1.7	93.9	78	582	10.7	79.7	42	65	4.7	7.2					130	1 193
1973	10	556	1.8	95.7	50	632	6.9	86.6	99	164	10.9	18.1					159	1 352
1974	6	562	1.0	96.7	26	658	3.5	90.1	140	304	15.5	33.6					172	1 524
1975	2	564	0.3	97.0	23	681	3.2	93.3	183	487	20.2	53.8					208	1 732
1976	3	567	0.5	97.5	17	698	2.3	95.6	131	618	14.5	68.3	97	97	3.1	3.1	248	1 980
1977	0	567	0.0	97.5	17	714	2.2	97.8	80	698	8.8	77.1	155	252	4.9	8.0	252	2 232
31.8.78	1	568	0.2	97.7	4	718	0.6	98.4	48	746	5.3	82.4	135	387	4.3	12.3	188	2 420
TOTALS	568				718				746				387				2 420*	

*See note on following page.

(million EUA)

*The following should be added to the said amount of	2 420
1. advances to the European Association for Cooperation (EAC), not yet settled	29
2. other advances not yet settled (study grants, etc.)	15
3. operations under verification (Article 12 of the Financial Regulation)	18
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	62
Hence total disbursements recorded at 31 August 1978 amount to	2 482

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At 15 September 1978 cash in hand, according to the figures sent by the Delegates twice a month by telex, stood at 230 million EUA.

As regards commitments, the situation is as follows (at 31 August 1978):

- first EDF: committed in full;
- second EDF: committed in full;
- third EDF: 16 million EUA still to be committed.

The percentage of disbursements under the first three funds was over 97% for the first Fund, 98% for the second Fund and 80% for the third Fund (in its eighth year of operation).

Taken as a whole, the three Funds account for expenditure to the tune of 2 032 million EUA out of the 2 216 million EUA allocated to them; overall expenditure is therefore 91.7% of the sum allocated.

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The situation as regards the fourth Fund, which commenced operations on 1 April 1976, according to the book entries at 31 August 1978 is shown in the table below:

(million EUA at 31 August 1978)

	Financing decisions	Expenditure recorded
1. Interest rate subsidies	23	23
2. Risk capital operations	46	22
3. Exceptional aid	76	42
4. Study and training grants	77	7
5. Delegations	36	36
6. Stabex	154	134
Subtotals	412	264
7. Projects	966	123
Totals	1 378	387

II. Estimated expenditure for the current year (1978)

Expenditure under the first EDF for the first eight months was approximately 1 000 000 EUA; this is not expected to exceed 2 million EUA for the whole year.

Expenditure under the second EDF amounted to 4 million EUA over the same period; for the final four months it could be some 2 million EUA, making a total of 6 million EUA for the whole year.

Expenditure for the first eight months under the third EDF amounted to 48 million EUA; it is estimated that for the whole year it will rise to some 70 million EUA.

As regard the fourth EDF, account should be taken of:

	<u>million EUA</u>
I. expenditure already entered in the books for the first eight months, amounting to	135
Subtotal	135
II. estimated expenditure for the last four months of 1978:	
projects	85
Stabex	20
exceptional aid	7
funds administered by the EAC	16
Subtotal	127
Estimated total for the fourth Fund	<u>262</u> =====

On the basis of the foregoing, EDF expenditure for 1978 under the four Funds combined would be:

	<u>million EUA</u>
First EDF	2
Second EDF	6
Third EDF	70
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	78 (23%)
Fourth EDF	262 (77%)
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Total	340 (100%)
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III. Estimated expenditure for 1979

First EDF - The resources of this Fund have virtually been used up: estimated expenditure 2 million EUA.

Second EDF - Financing decisions involve commitments amounting to 730 million EUA; disbursements amount to 718 million EUA; balance to be paid is thus 12 million EUA.

Taking this into account, and in view of the trend in past years, it can be estimated that expenditure for 1979 will be of the order of 5 million EUA.

Third EDF - Financing decisions involve commitments amounting to 889 million EUA; disbursements amount to only 746 million EUA; hence the balance to be paid out is 143 million EUA; Expenditure for 1979 could therefore reasonably be put at 65 million EUA.

Total expenditure for the first three Funds should therefore amount to around 72 million EUA.

Fourth EDF - Operations under the fourth Fund seem to have started up at last. With the customary reservations, it can reasonably be estimated that the volume of expenditure in 1979 will show an average growth rate of 20% over that of 1978.

The following details seem called for in this connection:

At the end of August 1978 the Commission had taken financing decisions (i.e. approved commitments) involving an aggregate amount of 1 378 million EUA (of which 76 million for exceptional aid and 154 million for Stabex).

Given the schedule of projects to be submitted to the EDF Committee by 31 December, total commitments at the end of 1978 under the fourth EDF will stand at around 1 585 million EUA.

In view of the foregoing and commitments requiring rapid disbursements, the amounts to be paid out for 1979 can be broken down as follows:

	<u>million EUA</u>
1. interest rate subsidies	18
2. risk capital operations	18
3. exceptional aid	20
4. study and training grants	8
5. funds administered by the EAC	44
6. Stabex	34
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Subtotal	142
7. Projects	194
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Total for fourth EDF (1979)	<u>336</u>

Total: total expenditure in 1979 for the four Funds currently in operation is put at:

	<u>million EUA</u>
First EDF	2
Second EDF	5
Third EDF	<u>65</u>
Subtotal	72 (18%)
Fourth EDF	<u>336 (82%)</u>
Total	<u>408 (100%)</u> =====

IV. Replenishment of cash resources

In conclusion, the table below shows the foreseeable development of assets and liabilities up to the end of 1979:

	(million EUA)	
	<u>liabilities</u>	<u>assets</u>
cash situation at 15 September 1978		
(amount according to Delegates' telexes)		230
contributions for second half of 1978 (token entry)		0
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estimated expenditure for the last four months of 1978:		
first three EDFs	25 (1+2+22)	
fourth EDF	127	
	<u>152</u>	152
<hr/>		
CASH IN HAND at 31 December 1978		78 (xx)
proposed 1979 contributions:		
third EDF	20	
fourth EDF	400	
	<u>420</u>	420
estimated expenditure for 1979:		
first three EDFs	72 (2+5+65)	
fourth EDF	336	
	<u>408</u>	408
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CASH IN HAND at 31 December 1979		90
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(xx) In view of the fact that the EDF's cash resources are fragmented into some 60 accounts opened both in Europe and in the ACP countries, such a small sum might cause difficult problems for the Commission departments responsible for the administration of the EDF.

Consequently, the Commission would draw the Member States' attention to the need for strict adherence to the deadlines when paying contributions.

ANNEXES

Annex-Tables
European Development Fund
1979

A. Estimate of commitments

(million EUA)

	Amounts
1st EDF - committed in full	-
2nd EDF - committed in full	-
3rd EDF	10
4th EDF	650

B. Estimated cash resources

(million EUA)

	Expenditure	Resources
Balance of cash in hand at 15.9.1978		230
Contributions second half 1978		0
		<hr style="width: 50px; margin: 0 auto;"/> 230
Disbursements scheduled for remainder of 1978	152	
Cash in hand at 31.12.1978		78
1979 contributions		420
Expenditure for 1979	408	
Balance of cash in hand at 31.12.1979		90

C. Third EDF

Contributions to be called in - 1979

(EUA)

Member State	%	Contribution for the year	Six-monthly instalment
Belgium	8.89	1 778 000	889 000
Germany	33.17	6 634 000	3 317 000
France	33.17	6 634 000	3 317 000
Italy	15.61	3 122 000	1 561 000
Luxembourg	0.27	54 000	27 000
Netherlands	8.89	1 778 000	889 000
	100.-	20 000 000.-	10 000 000.-

D. Third EDF

Contributions - situation at the end of 1979

(EUA)

Member State	Total due	%	Contributions paid up to 1978 inclusive	1979 contributions	Total paid at 31.12.1979	Outstanding (after 1979)
Belgium	80 444 444.5	8.89	78 095 538	1 778 000	79 873 538	570 906.5
Germany	300 158 333.5	33.17	291 389 117	6 634 000	298 023 117	2 135 216.5
France	300 158 333.5	33.17	291 389 117	6 634 000	298 023 117	2 135 216.5
Italy	141 381 111.-	15.61	137 182 073	3 122 000	140 304 073	1 077 038.-
Luxembourg	2 413 333.-	0.27	2 348 617	54 000	2 402 617	10 716.-
Netherlands	80 444 444.5	8.89	78 095 538	1 778 000	79 873 538	570 906.5
	905 000 000.-	100.-	878 500 000	20 000 000	898 500 000	6 500 000.-

E. Fourth EDF

Contributions to be called in - 1979

(EUA)

Member State	%	Contribution for the year	Six-monthly instalment
Belgium	6.25	25 000 000	12 500 000
Denmark	2.40	9 600 000	4 800 000
Germany	25.95	103 800 000	51 900 000
France	25.95	103 800 000	51 900 000
Ireland	0.60	2 400 000	1 200 000
Italy	12.—	48 000 000	24 000 000
Luxembourg	0.20	800 000	400 000
Netherlands	7.95	31 800 000	15 900 000
United Kingdom	18.70	74 800 000	37 400 000
	100.—	400 000 000	200 000 000

F. Fourth EDF

Contributions - situation at the end of 1979

(EUA)

Member State	Total due*	%	Contributions paid up to 1978 inclusive	1979 contributions	Total paid at 31.12.1979	Outstanding (after 1979)
Belgium	196 875 000	6.25	36 875 000	25 000 000	61 875 000	135 000 000
Denmark	75 600 000	2.40	14 160 000	9 600 000	23 760 000	51 840 000
Germany	817 425 000	25.95	153 105 000	103 800 000	256 905 000	560 520 000
France	817 425 000	25.95	153 105 000	103 800 000	256 905 000	560 520 000
Ireland	18 900 000	0.60	3 540 000	2 400 000	5 940 000	12 960 000
Italy	378 000 000	12.00	70 800 000	48 000 000	118 800 000	259 200 000
Luxembourg	6 300 000	0.20	1 180 000	800 000	1 980 000	4 320 000
Netherlands	250 425 000	7.95	46 905 000	31 800 000	78 705 000	171 720 000
United Kingdom	589 050 000	18.70	110 330 000	74 800 000	185 130 000	403 920 000
	3 150 000 000	100.—	590 000 000	400 000 000	990 000 000	2 160 000 000

* NB - Not including the increase under the new Internal Agreement, since this has not yet been ratified.

DRAFT
COUNCIL DECISION

laying down the Member States' contributions to the third European Development Fund to be called in for 1978 and 1979

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession, and in particular Article 114 thereof,

Having regard to the Convention of Association between the European Economic Community and the African States and Madagascar associated with that Community¹, signed on 29 July 1969,

Having regard to the Association Agreement providing for the accession of Mauritius to the Yaoundé Convention (1969)²,

Having regard to Council Decision 70/549/EEC of 29 September 1970 on the Association of the Overseas Countries and Territories with the European Economic Community³,

Having regard to the Internal Agreement on the financing and administration of Community aid⁴, signed on 29 July 1969, and in particular Article 3(1) and (2) first subparagraph thereof,

Having regard to the Agreement amending the Internal Agreement on the financing and administration of Community aid signed at Yaoundé on 29 July 1969⁵,

¹ OJ No L 282, 28.12.1970, p. 2.

² OJ No L 288, 15.10.1973, p. 2.

³ OJ No L 282, 28.12.1970, p. 83.

⁴ OJ No L 282, 28.12.1970, p. 47.

⁵ OJ No L 288, 15.10.1973, p. 13.

Having regard to the Financial Regulation of the European Development Fund (1969) established by the Internal Agreement on the financing and administration of Community aid¹, and in particular Article 2(1), (2) and (3) thereof,

Having regard to the Council Decision of 28 October 1977 laying down the timetable for calling in the Member States' contributions to the third EDF for 1978,

Having regard to the timetable for calling in contributions to the third European Development Fund for 1978 and 1979, presented by the Commission in 1978,

Having regard to the draft submitted by the Commission,

Whereas that timetable has been checked against the estimate of commitments and disbursements for the years in question,

HAS DECIDED AS FOLLOWS:

Article 1

The call for the second instalment of the Member States' contributions to the third European Development Fund which, as laid down by the Decision of 28 October 1977, falls due on 3 July 1978, in accordance with the table set out below, is hereby cancelled.

(EUA)

Member State	Contribution due 3.7.1978 (cancelled)
Belgium	755 650
Germany	2 819 450
France	2 319 450
Italy	1 326 850
Luxembourg	22 950
Netherlands	755 650
Total	<hr/> 8 500 000

¹OJ No L 31, 8.2.1971, p. 1.

Article 2

The Member States' contributions to the third European Development Fund for 1979 shall be paid in two equal instalments, the first on 10 January 1979 and the second on 2 July 1979.

The amounts shall be as follows:

(EUA)

Member State	Contribution for the year	Six-monthly instalment
Belgium	1 778 000	889 000
Germany	6 634 000	3 317 000
France	6 634 000	3 317 000
Italy	3 122 000	1 561 000
Luxembourg	54 000	27 000
Netherlands	1 778 000	889 000
	20 000 000	10 000 000

Done at Brussels,

For the Council
The President

DRAFT

COUNCIL DECISION

laying down the Member States' contributions to the fourth European Development Fund to be called in for 1978 and 1979

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the ACP-EEC Convention of Lomé between the African, Caribbean and Pacific States and the European Economic Community¹, signed on 28 February 1975,

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community²,

Having regard to Council Decision 75/250/EEC of 21 April 1975 on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé³,

Having regard to the Internal Agreement on the financing and administration of Community aid⁴ signed on 11 July 1975, and in particular Article 7 thereof,

Having regard to the Financial Regulation of 27 July 1976 applicable to the fourth European Development Fund⁵, and in particular Article 2 thereof,

Having regard to the Council Decision of 28 October 1977 laying down the timetable for calling in the Member States' contributions to the fourth EDF for 1978,

¹OJ No L 25, 30.1.1976, p. 1.

²OJ No L 176, 1.7.1976, p. 8.

³OJ No L 104, 24.4.1975, p. 35.

⁴OJ No L 25, 30.1.1976, p. 168.

⁵OJ No L 229, 20.8.1976, p. 9.

Having regard to the timetable for calling in contributions to the fourth European Development Fund for 1978 and 1979, presented by the Commission,

Having regard to the draft submitted by the Commission,

Whereas that timetable has been checked against the estimate of commitments and disbursements for the years in question,

HAS DECIDED AS FOLLOWS:

Article 1

The call for the second instalment of the Member States' contributions to the fourth European Development Fund which, as laid down by the Decision of 28 October 1977, falls due on 3 July 1978, in accordance with the table set out below, is hereby cancelled.

(EUA)

Member State	Contribution due 3.7.1978 (cancelled)
Belgium	8 687 500
Denmark	3 336 000
Germany	36 070 500
France	36 070 500
Ireland	834 000
Italy	16 680 000
Luxembourg	278 000
Netherlands	11 050 500
United Kingdom	25 993 000
	139 000 000

Article 2

The Member States' contributions to the fourth European Development Fund for 1979 shall be paid in two equal instalments, the first on 10 January 1979 and the second on 2 July 1979.

The amounts shall be as follows:

(EUA)

Member State	Contribution for the year	Six-monthly instalment
Belgium	25 000 000	12 500 000
Denmark	9 600 000	4 800 000
Germany	103 800 000	51 900 000
France	103 800 000	51 900 000
Ireland	2 400 000	1 200 000
Italy	48 000 000	24 000 000
Luxembourg	800 000	400 000
Netherlands	31 800 000	15 900 000
United Kingdom	74 800 000	37 400 000
	400 000 000	200 000 000

Done at Brussels,

For the Council
The President

