1997 discharge: 6th and 7th European development Funds EDF

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PURPOSE: to present the financial balances and the management accounts for the 6th and 7th European development funds (EDF) for the budgetary year 1997. CONTENT: in its document, the Commission recalls once again that the Community and its Member States represent the main official source of development aid in the world. In 38 years, the Community and its development policy have gained in size and importance to the point that today, it is rare to find a country which does not benefit from Community aid in one form or another. The EDF represents the main financial instrument of this North-South cooperation linked to the Lomé Convention and decisions regarding the association of overseas countries and territories (OCT). The resources of the EDF are divided into two categories: programmable aid or overall amounts placed at the disposal of an OCT or African, Carribean and Pacific (ACP) country or region and non-programmable aid or assistance provided outsied the framework of the financial protocols (Stabex, Sysmin, emergency aid and aid to refugees). Currently, 70 ACP countries and 20 OCT benefit from the EDFs, the resources of which are managed by the Commission (with the exception of risk capital and interest bonuses managed by the European Investment Bank). Currently, the Commission manages the 6th and 7th EDFs, which correspond respectively to funds assigned under Lomé III and the first five years of Lomé IV. Initially, the 6th EDF was assigned ECU 7,500 million to which were added ECU 1,120 million from the EIB. The 7th EDF was assigned ECU 10,940 million to which can be added ECU 1,225 million from the EIB. The agreement amending Lomé IV, which was signed at Maurice in 1995 proposes the setting up of an 8th EDF, to be assigned ECU 13,132 million plus 1,693 million ECUs from the EIB. The Commission recalls that the EDF differs from other Community financial instruments in that its resources are provided outside the budget by the Member States and in that an individual financial regulation is established for each EDF. As a result, the financial regulations which are generally applicable to budget allocations do not apply to the EDFs which function on a multiannual basis, obliging the Commission to manage several EDFs in parallel until there final closure. Financial balance and management account for 1997: with commitments amounting to EURO 17,852 million and cumulative payments amounting to EURO 13,353 million at the end of the budgetary year 1997, and taking account of proposed transfers to the 8th EDF (ECU 39 million) the rate of execution of the 6th EDF stands at 95.6% for commitments and 86% for payments. Elsewhere, taking account of proposed transfers from the 7th to the 8th EDF (ECU 253 million) and certain advances decided by the Council to the 8th EDF (withdrawn from the 7th EDF pending the final entry into force of the 8th EDF), the rate of execution of the 7th EDF stands at 89.1% for commitments and 56.6% for payments. In conclusion, the average rate of execution for the 6th and 7th EDFs combined stands at 91.7% for commitments and 68.5% for payments. Details of the rates of execution by instrument and by ACP or OCT countries can be found in the communications annexes (togetherwith commitment and payment rates). With regard to the amounts to be retained to give the Commission discharge of the execution of the EDFs, the total balance on 31/12/97 amounts to (allocations committed at the end of 1997): - ECU 7,534 million for the 6th EDF (of which ECU 6,777 million had been payed by the end of 1997); - ECU 10,319 million for the 7th EDF (of which ECU 6,575 million had been paid by the end of 1997).