1996 discharge: 6th and 7th EDF. Communication included

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OBJECTIVE: this communication presents the balance sheets and accounts of the 6th and 7th European Development Funds (EDF) for the financial year 1996. It also proposes amounts to be used in giving discharge to the Commission for the 1996 financial year in respect of these two funds. SUBSTANCE: - Technical notes: in its document, the Commission recalls that the Community and its Member States are the main source of official development aid worldwide. In 1996, there were few developing countries which had not established ties with the Community and were not receiving some form of Community aid. The EDF is the main financing instrument of this North-South cooperation. EDF resources are divided into: .programmable aid: an overall amount made available to an ACP or overseas country or territory for a five-year period, entered in a financial protocol on the basis of national indicative programmes (this aid is for the priority needs of the country or territory in the fields of training, food self-sufficiency, infrastructure and industrial investment), and .non-programmable aid: aid falling outside the terms of the financial protocols: Stabex, Sysmin, emergency aid and aid to refugees. At present, 70 ACP countries and 20 overseas countries or territories receive funding from the EDF, whose resources are managed by the Commission (with the exception of risk capital and interest-rate subsidies, which are handled by the European Investment Bank). At present the Commission is managing the 6th and 7th EDFs, which correspond to the funds allocated under Lomé III and the first five years of Lomé IV respectively. Initially the 6th EDF had a budget of ECU 7.5 billion, to which ECU 1.12 billion of EIB own resources was added. The 7th EDF had a budget of ECU 10.94 billion, to which ECU 1.225 billion of EIB own resources was added. The Agreement amending Lomé IV, which was signed in Mauritius in 1995 and is currently being ratified in the Member States, provides for the setting-up of the 8th EDF, which will have a budget of ECU 13.132 billion and ECU 1.693 billion from the EIB. The Commission points out that the EDF differs from other Community financial instruments in that its resources do not come from the budget but are paid by the Member States, and that a Financial Regulation is adopted for each EDF. As a result, the usual rules governing budget appropriations do not apply to the EDFs, which instead operate on a multi-annual basis, compelling the Commission to manage several of them simultaneously until their definitive closure. Balance sheet and accounts for 1996: With commitments totalling ECU 17.236 billion and aggregate payments of ECU 12.140 billion at the end of the 1996 financial year, the operations of the 6th and 7th EDFs are well advanced. Counting the planned transfers from the 6th to the 8th EDF (ECU 39 m), the figures for execution of the 6th EDF are: commitment rate 95.3%, payment rate 83.8%. Counting the planned transfers from the 7th to the 8th EDF (ECU 253 m) and certain advances to the 8th EDF decided by the Council (use of funds from the 7th EDF pending the entry into force of the 8th EDF), the figures for execution of the 7th EDF are: commitment rate 83.6%, payment rate 47.4%. In conclusion, the mean rate of execution of the 6th and 7th EDFs combined is 88.4% (commitment rate) and 62.2% (payment rate). (The annexes contain details of the rates of execution per instrument and ACP country or overseas country or territory). -As regards the amounts to be used in giving discharge to the Commission for the 1996 financial year in respect of the EDFs, the balance-sheet total at 31 December 1996 was: .for the 6th EDF: ECU 7 919 680 000, .for the 7th EDF: ECU 5 536 137 000. These are the two amounts to be used in giving discharge for 1996.