2003 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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PURPOSE : to present the balance sheets and accounts of the 6th, 7th, 8th, and 9th European Development Funds for the financial year 2003.

CONTENT : the balance sheets and income and expenditure accounts were drawn up in accordance with the Financial Regulations applicable to the 6th, 7th, 8th and 9thEuropean Development Funds (EDFs). The relevant documents must be presented to the European Parliament, the Council and the Court of Auditors as provided for in Article 71 of the financial Regulation applicable to the 7th EDF, Articles 66, 67 and 68 of the Financial Regulation applicable to the 8th EDF and Articles 102 and 103 of the Financial Regulation applicable to the 9th EDF.

The Consolidated Balance Sheet of the 4 EDFs at 31 December 2003 amount to EUR 20.371.866,74 compared to EUR 12.075.303,10 at the end of 2002.

The balance sheets of the different EDFs at 31.12.2003 are set out as follows:

- 6th EDF : EUR 2.462.506,330.

- 7th EDF : EUR 2.310.624,080.

- 8th EDF : EUR 9.235.191,720.

- 9th EDF : EUR 13.346.823,940. (First year this EDF has been used).

The accounts presented respect the following accounting principles and standards :

- Principle of unit of account : EDF resources are established and implemented in euro and the accounts are presented in euro. However, for the treasury management purposes referred to in Article 26, the accounting officer may carry out operations in euro, in other currencies and in national currencies.

- Principle of specification : The resources of the EDF are earmarked for specific purposes according to the main instruments of cooperation, as described in the Financial Protocol of the ACP-EC Agreement and the Overseas Association Decision.

- Principle of sound financial management : EDF resources are used in accordance with the principles of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

- Principle of transparency : The resources of the EDF are established and implemented and the accounts presented in compliance with the principle of transparency.

- Revenue : The Financial contributions are paid in euro. The Commission makes transfers from the above accounts to operational accounts held in euro or a Member State's currency to meet the cash requirements of projects and programmes. In addition, the Member States' contributions for an EDF must be used up before the contributions relating to the following EDF are called in.

- Expenditure : Expenditure takes into account all payment orders executed by the banks up to 31 December 2003. However, in the case of local expenditure in the ACP States and for those payments for which information was not communicated to the Commission's accounting departments before the end of the financial year, payments are based on the information received for the latest period prior to 31 December. The total amount of payments in question, which are not included in the 2003 accounts, are not considered to be material.

Expenditure by delegations is not finally entered in to the EDF accounts until validated by the authorising officer and the accounting officer. Expenditure not yet validated is shown under the heading "transactions to be finalised".

- Payment of account/advances : Payments on account (any amount paid on the basis of supporting documents pending final payment) and advances paid within the framework of the implementation of the contracts are included in the expenditure of the year and do not appear under assets in the balance sheet. However, advances for study awards and advances for technical assistance are regarded as a receivable and consequently appear under assets in the balance sheet.

- Recording of operations : EDF appropriations are not subject to any time limit. Once granted, they are available until they are used up or reassigned. The obligation to present a balance sheet of the EDF's assets and liabilities means that the entitlements due from the Member States (mainly contributions for which payment has been deferred or interest on late payment) must be entered in the accounts. These headings are contained in the balance sheets for the various EDFs.

In accordance with the principles of accrual-based accounting, the financial statements show the financial charges and income for the financial year regardless of the date of payment or collection, however, operational payments are at present still accounted for on a cash basis.

- Other generally accepted accounting principles : The financial statements have been drawn up in accordance with generally accepted accounting principles, namely: going concern basis; prudence; consistent accounting methods; comparability of information; materiality; no netting off; reality over appearance; accrual-based accounting. This last principle represents a change from prior years whereby expenditure and revenue had been registered according to the value date on the bank statement, except for operational payments which continue to be accounted for on a cash basis.