Basic information

2002/0183(CNS) CNS - Consultation procedure Regulation	Procedure completed
European Development Fund, 9th EFD: Financial Regulation **Subject** 6.30.03 European Development Fund (EDF) 8.70.02 Financial regulations	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAN HULTEN Michiel (PSE)	04/11/2002

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	12/09/2002
DEVE Development and Cooperation	DEVA Nirj (PPE-DE)	08/08/2002

Council of the European Union

Council configuration	Meetings	Date
Transport, Telecommunications and Energy	2499	2003-03-27

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
18/07/2002	Legislative proposal published	COM(2002)0290	Summary
02/09/2002	Committee referral announced in Parliament		
27/11/2002	Vote in committee		
27/11/2002	Committee report tabled for plenary, 1st reading/single reading	A5-0409/2002	
17/12/2002	Decision by Parliament	T5-0607/2002	Summary
27/03/2003	Act adopted by Council after consultation of Parliament		

27/03/2003	End of procedure in Parliament		
01/04/2003	Final act published in Official Journal		

Technical information

Procedure reference	2002/0183(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 000
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/16569

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0409/2002	27/11/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0607/2002 OJ C 031 05.02.2004, p. 0030-0100 E	17/12/2002	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2002)0290 OJ C 262 29.10.2002, p. 0533 E	18/07/2002	Summary
Follow-up document	COM(2007)0326	13/06/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Interinstitutional agreement 2003/0401
OJ L 083 01.04.2003, p. 0001-0031 Summary

European Development Fund, 9th EFD: Financial Regulation

2002/0183(CNS) - 27/03/2003 - Final act

PURPOSE : to adopted the Financial Regulation applicable to the 9th European Development Fund. CONTENT : the Council adopted this Regulation on a Financial Regulation applicable to the ninth European Development Fund, in accordance with agreed provisions on the financing and administration of Community aid under the Partnership Agreement, signed in Cotonou (Benin), between the African Caribbean and Pacific States and the Community and its Member States. The Regulation establishes detailed rules for the payment of Member State contributions to the 9th EDF and for the allocation of financial assistance for Overseas Countries and Territories, as well as the conditions in which the Court of Auditors is to exercise its powers in respect of the EDF and rules for the treatment of balances remaining from previous EDFs. It is aimed at ensuring the proper, prompt and efficient execution of programmes and projects financed under the Cotonou Agreement, which will enter into force on 1 April following its ratification by two thirds of ACP States, the Member States and the Community. ENTRY INTO FORCE : 1 April 2003.

European Development Fund, 9th EFD: Financial Regulation

2002/0183(CNS) - 13/06/2007 - Follow-up document

This document is annexed to the draft budget for 2008, in accordance with the 1979 Agreements on budgetary procedure. As in previous years, this document sets out: implementation of the 6th- 9th EDF until end December 2006; financial forecasts for the current year; and expenditure forecasts for 2008.

To recall, the Member States contribute funds directly to the European Investment Bank (EIB) for the instruments for which it is responsible under the 9 th EDF (the Investment Facility and interest-rate subsidies). Contributions for other instruments, including contributions for the old instruments managed by the EIB (risk capital and interest-rate subsidies) go through the Commission.

Both the Commission and the EIB have updated their commitment and payment forecasts for 2007 and 2008 for each of the ACP countries and the OCTs. The payment forecasts have been prepared in such as way as to help the Member States assess, accurately, the possible amounts they need to earmark in their national budgets to ensure that sufficient financial resources have been made available to the EDF in order to avoid liquidity problems. In line with joint statements issued upon adoption of the Financial Regulation for the 9th EDF, the document consists mainly of tables set out in Annex to the report. They are grouped along the following lines:

Annex I: An overview of the funds available to the Commission and EIB under the EDFs (6th to 9th), commitment and payments at the end of 2006. Of the amount not committed (EUR 3 607 million), EUR 3 163 million falls within the remit of the Commission and will be committed by the end of 2007. The figures listed in Annex I are net figures and have been obtained after deducting decommitments and recoveries, needed to determine the amount of available funds.

Annex II: This gives a breakdown of commitments and payments by instrument and compares them with figures for 2005.

Annex III: This shows actual implementation in 2006 compared to forecasts made in October 2006. Both institutions met their targets and it is worth noting that the Commission’s objective have hardly changed since October 2005.

Annex IV: This highlights the existing financial situation and projections for the future. The table listed in Annex IV does not include payments made under Stabex or payments for special measures for the Democratic Republic of Congo, since this expenditure was made from separate accounts which had already been credited by the Member States.

The cash balance available to the Commission at the end of 2006 was approximately EUR 131 million more than expected. However, at the end of December 2006, a high volume of payments (some EUR 110 million) had been initiated compared to EUR 23 million the year before. The Commission needed all of this EUR 131 million to cover the period between 1 and 27 January when the first tranche of the 2007 contributions was scheduled.

The new forecast for 2007 and 2008 (as set out in Annex III) notes that: i) 2007 payments have been revised upwards for both the Commission and the EIB and ii) since 2008 implementation of the new EDF forecasts will be more reliable than usual. This is particularly true of commitments, for which the estimate is purely speculative at present. The figures are based on the assumption that the 10th EDF will enter into force on 1 January 2008.

The new forecasts (set out in Annex IV), state that:

- to meet the rise in forecast payments in 2007 the EIB asked for an additional contribution of EUR 80 million in May of this year. Given that this was rejected by the Council, the amount has been integrated in the proposal on the second instalment. The amount of the third tranche forecast in October 2006 has been confirmed;
- contributions for the Commission will rise from EUR 2 640 million to EUR 2 935 million. The Commission proposes a slightly higher second tranche of EUR 1 050 million - EUR 200 million more than estimated in October. According to current estimates the third tranche will be in the order of EUR 385 million;
- preliminary estimates for 2008 contributions requirements gives a figure of EUR 3 672 million.

European Development Fund, 9th EFD: Financial Regulation

2002/0183(CNS) - 17/12/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution on the 9 th EDF, based on the report by Michiel van HULTEN (PES, Netherlands). Parliament refused to deliver an opinion on the Commission proposal. It pointed out that, according to a judgement of the Court of Justice, EDF expenditure does not constitute European Community expenditure and cannot therefore be made subject to the legal and institutional framework of the EC Treaty. The Council consulted Parliament on an optional basis. No progress has been made as regards budgetising the European Development Funds, as Parliament has consistently demanded. Parliament stated that is not legally obliged to legitimise EDF-related budget provisions by adopting an opinion on the draft Financial Regulation for the 9 th EDF. Within the present framework governing the EDF, delivering an opinion would mean taking on political responsibility for a host of aspects beyond its control. Parliament pointed out that the position adopted in the resolution had no adverse consequences for implementation of the European Development Funds. The objective of the resolution was to improve the legal, institutional and budgetary framework relating to the EDF. The Commission is asked to submit before mid-2003 a communication on the implications of budgetising the EDF. The Council should be guided, in the absence of a Parliament opinion, by the observations made by the Court of Auditors in its Opinion No 12 /2002 on the Financial Regulation for the 9 th EDF. Finally, Parliament called on the European Convention and the prospective IGC tasked with reform of the Treaties to examine the question of incorporating the EDF into the Union budget.

European Development Fund, 9th EFD: Financial Regulation

2002/0183(CNS) - 18/07/2002 - Legislative proposal

PURPOSE : to present the proposal for a Council Regulation on a Financial Regulation applicable to the 9th European Development Fund. CONTENT : the proposal for a new Financial Regulation for the EDF has been drafted in the dynamic context of the internal reform undertaken by the Commission, which includes in particular the revision and modernisation of its financial procedures. The key element of this process is the proposal to recast the Financial Regulation applicable to the general budget of the Communities. Since the Financial Regulation applicable to the general budget sets out rules governing financial management and control, its recasting is inextricably linked to the process of administrative reform. The main aspects of this reform cannot be implemented without substantial amendments to the Financial Regulation. On a number of points, the same applies to the EDF. The adoption of the new Financial Regulation for the 9th EDF presents an opportunity to take into account, as far as is compatible with the legal framework (Cotonou Agreement, Association Decision, Internal Agreement), the amendments made to the Financial Regulation applicable to the general budget. The recasting proposal provides a whole legislative framework for key strands of that reform, such as the assertion of the responsibility of authorising officers, under the supervision of an internal audit service, with the abolition of centralised ex ante controls (in particular approval of the Financial Controller) as the quid pro quo. The Commission's proposal seeks, as far as possible, to apply the same rules as will apply to the general budget from 1 January 2003, as described in detail below. - budgetary principles; - financial actors and procedures; function of internal auditor; - contracts and grants; - accounts, Court of Auditors and discharge. The Commission has every hope that, by applying to the EDF the same reforms as those contained in the Financial Regulation applicable to the general budget, the financial management of the EDF can become more transparent and more efficient over the long term. This intention of the Commission should also be seen in the context of the eventual inclusion of the EDF in the general budget, an objective to which the Commission remains attached.