Basic information

2007/2064(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STUBB Alexander (PPE-DE)	27/03/2007

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	WALTER Ralf (PSE)	10/09/2007
BUDG Budgets	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2847	2008-02-12

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
23/07/2007	Non-legislative basic document published	COM(2007)0458	Summary
11/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
02/04/2008	Committee report tabled for plenary	A6-0106/2008	
22/04/2008	Decision by Parliament	T6-0161/2008	Summary

22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2064(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/49235

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.524	05/02/2008	
Committee opinion	DEVE	PE402.496	04/03/2008	
Committee report tabled for plenary, single reading		A6-0106/2008	02/04/2008	
Text adopted by Parliament, single reading		T6-0161/2008	22/04/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	16744/2007 OJ L 041 15.02.2008, p. 0021-0024	04/02/2008	Summary
Supplementary non-legislative basic document	16745/2007 OJ L 041 15.02.2008, p. 0021-0024	04/02/2008	Summary
Supplementary non-legislative basic document	16746/2007 OJ L 041 15.02.2008, p. 0021-0024	04/02/2008	Summary
Supplementary non-legislative basic document	16748/2007 OJ L 041 15.02.2008, p. 0021	04/02/2008	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2007)0240	27/04/2007	Summary

Non-legislative basic document	COM(2007)0458	23/07/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0006/2008 OJ C 259 31.10.2007, p. 0001	31/10/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2009/0235
OJ L 088 31.03.2009, p. 0251 Summary

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 04/02/2008 - Supplementary non-legislative basic document

Council Recommendation: 9th EDF

Having examined the revenue and expenditure account and the balance sheet relating to the Ninth EDF as at 31 December 2006 and the Court of Auditors' report concerning the financial year 2006, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the Ninth EDF for the financial year 2006.

Given that the Council considers that the overall implementation by the Commission of the operations of the Ninth EDF during the financial year 2006 has been satisfactory, this recommendation is not accompanied by any further observations.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the Commission for the implementation of the 6th, 7th, 8th and 9th European Development Funds (EDF) for the 2006 financial year.

LEGISLATIVE ACTS: Decision 2009/235/EC and 2009/236/EC of the European Parliament on the discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2006 and closure of the EDF accounts for the financial year 2006.

CONTENT: with the present decisions, the European Parliament grants discharge to the Commission for the implementation of the budget of the sixth, seventh, eighth and ninth EDF for the financial year 2006 and approves the closure of the 2006 accounts.

The accompanying resolution is in line with the European Parliament's opinion of 22 April 2008 (refer to the summary of the opinion dated 22 April 2008).

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 04/02/2008 - Supplementary non-legislative basic document

Council Recommendation: 7th EDF

Having examined the revenue and expenditure account and the balance sheet relating to the Seventh EDF as at 31 December 2006 and the Court of Auditors' report concerning the financial year 2006, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the Seventh EDF for the financial year 2006.

Given that the Council considers that the overall implementation by the Commission of the operations of the Seventh EDF during the financial year 2006 has been satisfactory, this recommendation is not accompanied by any further observations.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 31/10/2007 - Court of Auditors: opinion, report

PURPOSE: to present the report by the Court of Auditors on the 2006 accounts of the implementation of the 6th, 7th, 8th and 9th EDFs (European Development Fund).

CONTENT: The Court of Auditors has published its 30th annual report. In this context, it examined the accounts of the 6th, 7th, 8th and 9th EDFs, as well as underlying transactions for the 2006 financial year. These accounts comprise the financial statements, the reports on financial implementation, and the financial statements and information supplied by the European Investment Bank (EIB).

Financial implementation: in 2006, as in previous years, the EDFs were implemented simultaneously. Although they are committed over a period of 5 years, there is no time limit for payments. 21 years after the sixth EDF came into force, the Authorising Officer of the EDF decided to close the Fund on 31 July 2006. At closure, EUR 7 339 million had been paid, i.e. 99.3 % of the EUR 7 391 million allocated to projects. The remaining balance of EUR 52 million was transferred to the ninth EDF.

Some examples of financial implementation for 2006:

- **individual commitments** : EUR 3 073 million (after deductions of cancellations), compared with EUR 2 652 million in 2005;
- **net payments**: EUR 2 762 million, in comparison with EUR 2 489 million the year before;
- **rate of disbursements** (measured as net payments in relation to new financial commitments): 102 %, compared with 82 % in 2006;
- **unspent commitments**: stable at EUR 10 300 million, or 25 % of total funds committed;
- **sectoral payments**: i) education, health, water and basic sanitation: EUR 836 million in 2006, i.e. 29 % of the total expenditure; ii) transport, communication, energy: EUR 663 million (23 %) in 2006;
- **direct non-targeted budget aid and sector policy support programmes:** EUR 638 million (23 % of the total).

The Court recalls that the **Stabex instrument is** in the process of being phased out and that the **10th EDF** should be approved in the near future**.** The amount of Community aid via the 10th EDF has been set for the period 2008 to 2013 at EUR 21 966 million. This represents a 62 % increase compared with the financial allocations of the ninth EDF. The possibility of delays to the ratification of the tenth EDF and the adoption of the applicable financial regulation beyond the deadline of 1 January 2008 would (according to the Court and the Commission) entail a major risk of late approval of new operations in ACP States, which could affect the continuity of EDF-funded activities.

Statement of assurance: pursuant to the financial regulations, the Court is required to provide the European Parliament and the Council with a Statement of Assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions in respect of the part of the EDF resources for whose financial management the Commission is responsible. The Court made the following statement:

1. **Reliability of the accounts:** the Court is of the opinion that the reports on financial implementation for the financial year 2006 and the financial statements at 31 December 2006 reliably reflect the revenue and expenditure of the EDFs. Without qualifying the above opinion, the Court draws attention to certain shortcomings. It indicates that the validity of the assumptions used for the estimate of the provision for invoices to be received has not been demonstrated by the Commission and that there is an overstatement of the amount of guarantees disclosed in the notes to the financial statements.
2. **Legality and regularity of the underlying transactions**: in view of the results of its audit, the Court is of the opinion that the transactions underlying the revenue, allocations, commitments and payments for the financial year are, taken as a whole, legal and regular, with the exception of authorised payments in the ACP States which are the responsibility of the Commission's delegations in the countries in question. The Court is of the opinion that the decisions taken by the Commission to allocate budgetary assistance (25% of the aid allocated under the EDF and injected directly into the budgets of ACP States and verified by the latter) should be documented in a more formal and structured manner to ensure there is compliance with the Cotonou Agreement (on which the EDF is based). The Court highlights:
    - that payments authorised by the central services of the Commission (mainly EuropeAid) were legal and regular. However, the audit of payments in the ACP countries revealed a material incidence of errors affecting underlying transactions authorised by Delegations. These related to the eligibility of expenses, the calculation of their value, as well as shortcomings in regard to supporting documentation;
    - a certain number of recurring errors that may have an impact on the amount of the underlying transactions, although this could not be precisely determined.
3. **Supervisory and control systems:** according to the Court's standardised evaluation criteria partly satisfactory. Certain systems, in particular those of the Commission's delegations in the ACP States, however, need to be improved and an overall strategy needs to be introduced in order to guarantee more efficient and effective implementation of these systems.

Recommendation of the Court: the Court considers that the Commission should continue to improve the design and implementation of control systems, in particular by means of an effective control strategy. The management of projects financed by work programmes should be better supported and follow-up improved. The controls undertaken by the delegations need to be improved and better monitored. The quality of the controls performed by external auditors should be enhanced by ensuring that the new terms of reference include a clear definition of the purpose of the audit and follow-up at central level. The procedures relating to the approval and the follow-up of budget support need to be improved.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 04/02/2008 - Supplementary non-legislative basic document

Council Recommendation: 8th EDF

Having examined the revenue and expenditure account and the balance sheet relating to the Eighth EDF as at 31 December 2006 and the Court of Auditors' report concerning the financial year 2006, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the Eighth EDF for the financial year 2006.

Given that the Council considers that the overall implementation by the Commission of the operations of the Eighth EDF during the financial year 2006 has been satisfactory, this recommendation is not accompanied by any further observations.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 04/02/2008 - Supplementary non-legislative basic document

Council Recommendation: 6th EDF

Having examined the revenue and expenditure account and the balance sheet relating to the Sixth EDF as at 31 December 2006 and the Court of Auditors' report concerning the financial year 2006, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the Sixth EDF for the financial year 2006.

Given that the Council considers that the overall implementation by the Commission of the operations of the Sixth EDF during the financial year 2006 has been satisfactory, this recommendation is not accompanied by any further observations.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 23/07/2007 - Non-legislative basic document

PURPOSE: to present the final accounts for the financial year 2006 of the 6th, 7th, 8th and 9th European Development Funds (EDF).

CONTENT: this communication presents the final accounts of the 6th, 7th, 8th and 9th EDFs, which, in accordance with the relevant provisions of the 4 EDFs, must be presented to the European Parliament, Council and Court of Auditors.

As was the case last year, these financial balance sheets apply the accounting principles used since 2005.

The annual accounts for 2006 are presented as follows:

1. part 1 - financial statements

2. part 2 - the financial implementation of the EDFs

3. part 3 - EIB projects.

1) Financial statements: as in previous years, the report details the main principles for the presentation of the accounts. The accounting system of the European Development Funds comprises general accounts and financial accounts. Both sets of accounts are kept in Euro on the basis of the calendar year. The **general accounts** allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December. The **financial accounts** give a detailed picture of the use of EDF resources. They are based on the cash accounting principle.

In addition, the financial regulation sets out the accounting principles to be applied in drawing up the financial statements, as follows:

- going concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;

– no netting;

– reality over appearance, and

– accrual-based accounting.

In addition to presenting the balance sheets and financial accounts of the EDFs, the document details the internal workings of the EDF, notably in terms of the **consolidation of funds**.

The 2006 consolidated balance sheet for the 4 EDFs at 31 December 2006 is as follows:

- total assets: EUR 3 318.15 million (compared to EUR 3 122.1 million at 31 December 2005)
- total liabilities: EUR 2 095.84 million (compared to EUR 1 485.75 million at 31 December 2005)
- **net asset**s: **EUR 1 222.31 million** (compared to EUR 1 636.35 million at 31 December 2005)
- funds and reserves: same as net assets.

Consolidated statement of changes in capital 2006 for the 4 EDFs:

- fund capital: closing balance 2004: EUR 42 250.15 million (of which EUR 25 040 million called-up capital)
- fund capital: closing balance 2005: EUR 42 877 million (of which EUR 27 390 million called-up capital)
- fund capital: closing balance 2006: **EUR 42 999.15 million** (of which EUR 29 900 million called-up capital)

The Fund Capital represents the total amount receivable from the Member States for the relevant EDF (in this case the cumulated 4 EDFs) as set out in the Cotonou Agreement.

The statement of changes in capital for each of the EDFs is established as follows:

- 6th EDF: closing balance 2006: EUR 7 560 million;
- 7th EDF: closing balance 2006: EUR 10 940 million;
- 8th EDF: closing balance 2006: EUR 12 840 million;
- 9th EDF: closing balance 2006: EUR 11 659.15 million.

Closure of 6th EDF: the document shows that, given the state of progress of the 6th EDF, the Authorising Officer decided to close this fund on 31st July 2006. In the absence of a legal basis for the closure of EDFs, the remaining balance was transferred to the 9th EDF which involved the transfer of the balances of ongoing projets, amounting to EUR 52.105 916 billion.

2) Financial Implementation: concerning the statement of expenditure, the document focuses on 2 main types of financial implementation: one on previous EDFs (6th – 8th EDF) and the other on the 9th EDF. For the 9th EDF in particular, the report shows that the total sum was set at EUR 13.8 billion, including EUR 13.5 billion allocated to the ACP States in accordance with the first Financial Protocol included in the Cotonou Agreement, EUR 175 million allocated to the OCT (provided for by the EU Council Decision on the association of the OCT) and EUR 125 million reserved for the European Commission to cover expenses in connection with implementing the 9th EDF resources. The total sum of the first financial protocol, including the transferred balances of previous EDFs, covers the period 2000-2007.

The long-term development budget for ACP States has two components:

- the **A allocation** for macroeconomic support, sectoral policies, and programmes and projects supporting Community aid, which corresponds to the allocation for the NIPs and structural adjustment in previous EDFs;
- the **B allocation**, intended to cover unforeseen needs such as emergency aid, contributions to debt reduction initiatives and support to offset adverse fluctuations in export earnings, generally corresponds to the Stabex, Sysmin and emergency aid allocations in previous EDFs.

Of the total 9th EDF budget for the ACP States, **EUR 1 billion was released** in **2004** and **2005** after examination by the EU Council, on the basis of a proposal from the European Commission (see 2005 EDF discharge: DEC/2006/2169).

The breakdown of 9th EDF allocations for ACP States, including the “conditional billion” and allocations managed directly by the European Investment Bank (EIB), is as follows:

- long-term development budget: EUR 9 812 million
- regional budget: EUR 1 300 million
- investment facility: EUR 163 million (managed by the EIB)
- **Total: EUR 11 275.15 million**

As a guide, the document also presents a consolidated table of the financial implementation of the 4 EDFs at 31 December 2006 presented as follows:

Consolidated accounts of the 4 EDFs at 31 December 2006 – financial implementation:

- 6th EDF: 2006 closing balance: EUR 7 338.72 million (the remaining balance to be implemented was reported in the 9th EDF in July 2006 on the decision of the financial Authorising Officer: approximately EUR 52 million);
- 7th EDF: 2006 closing balance: EUR 10 654.92 million;
- 8th EDF: 2006 closing balance: EUR 11 050.29 million;
- 9th EDF: 2006 closing balance: EUR 15 565.6 million.

The consolidated sum implemented for all the EDFs is **EUR 44.608 billion**, of which EUR 41.445 billion were subject to a payment decision (93% of the total) and EUR 31.164 billion have, in fact, been paid (70% of the total amount).

3) Communicated financial statements linked to EIB projects: the main instrument financed by the EIB is the Investment Facility established within the framework of the Cotonou Agreement. This Facility is managed by the European Investment Bank for a sum of EUR 2.2 billion for the ACPs and EUR 20 million for the OCTs. Within the framework of the Agreement, the EIB also manages loans granted from its own resources. All other financial resources and instruments under the Agreement are administered by the European Commission.

The 2006 balance sheet of the Facility (ACP only) totals:

- Assets: EUR 709 977 000 (compared to EUR 515 339 000 at 31 December 2005)
- Liabilities: EUR 143 796 000 (compared to EUR 121 425 000 at 31 December 2005).

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 599 votes in favour, 14 against and 36 abstentions, a Decision to grant the Commission discharge in respect of the implementation of the budget of the Sixth, Seventh, Eighth and Ninth European Development Funds (EDFs) for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts for the 4 EDFs currently being implemented.

At the same time, the Parliament adopted, by 581 votes in favour, 15 against and 37 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Christofer **FJELLNER** (EPP-ED, SE) (ex-Alexander STUBB report).

The main observations made by the Parliament can be summarised as follows:

Statement of Assurance: the Parliament welcomes the fact that the Court granted a positive statement of assurance to the Commission on the reliability of the EDF's accounts and on the legality and regularity of underlying transactions. It regrets, however, that the Court noted a material incidence of error in transactions carried out by the Delegations of the Commission in third countries. Noting that a new standard contract for expenditure verifications by beneficiaries entered into force on 1 February 2006, the Parliament states that it intends to monitor the application of these procedures more closely in future.

Modernisation of the accounting system: the Parliament notes that the Commission had to prepare the accounts of the EDFs by using accruals based accounting principles as of 2005, which was not done in 2005 or 2006. In fact, the implementation of this type of accounting implies a migration of the EDF-specific IT system (OLAS) to the Commission's central IT system (ABAC) and EuropeAid's local system (CRIS). This modification is not scheduled to be completed until the end of 2008. For this reason, the Parliament calls on the Commission to specify the measures it will take to clarify the discharge procedures for 2007 and 2008.

Budgetise the EDF: **an old request by the Parliament that has been pushed back several times**: once again, the Parliament calls for **the budgetisation of the EDF**, a demand that has been repeatedly made. The Parliament believes that this budgetisation should be a priority objective in the multiannual financial framework following 2013. In the meantime, the Parliament insists on simplification of the management of the EDF, notably by closing previous EDFs as early as possible. In fact, with the start of the Tenth EDF in 2008, the Commission will continue to manage at least four EDFs simultaneously. It is therefore necessary to prioritise the closure of the Seventh, Eighth and Ninth EDFs (the Sixth was already closed).

Enhancing Parliament's oversight as regards EDF funds managed by the European Investment Bank: recalling that Parliament has insufficient oversight with regard to the part of the EDF funds managed by the European Investment Bank (EIB) (EUR 2.037 billion for the Ninth EDF and EUR 1.1 billion for the Tenth), funds which are not covered by the discharge procedure, the Parliament speaks out against this oversight deficit and calls on the representatives of the EIB to present to the Committee on Budgetary Control an annual report on the funds in question.

In terms of the **RAL** (outstanding commitments of around EUR 10.3 billion, which represents a quarter of funds committed), the Parliament urges the Commission to further reduce these funds, especially old and dormant commitments. While it welcomes the reduction in the level of RAL dating from pre-2001 EDF commitments by 49%, the Parliament requests that it receive regular updates on changes in this area.

On the issue of **budget support**, the Parliament recalls that this shall only be granted to a beneficiary country where management is sufficiently transparent, accountable and effective. Understanding that the Commission takes its decisions in a difficult environment like the ACP countries, it notes the initiative taken by the Commission to interpret the eligibility criteria for budget support in a "dynamic" way. It calls for greater clarity regarding this interpretation where this scope for interpretation would increase risks. For the Parliament, budget support is and should only be granted to a beneficiary country where public expenditure is sufficiently transparent, as once the funds are granted, the Commission's and the Court of Auditor's control powers are limited. In this context, the Parliament reiterates its view that the Commission should cooperate with the national audit institutions in the countries receiving budget aid.

Furthermore, the Parliament welcomes the decision taken by the Commission that 20% of geographical funding under the Development Cooperation Instrument should be allocated to basic and secondary education and basic health, as long requested by the Parliament.

In addition, the Parliament highlights that it is necessary to:

- increase the staff in delegations of the Commission in third countries;
- improve the monitoring of EuropeAid;
- improve the monitoring of Commission Technical Assistance projects and promote donor coordination in the area of technical assistance.

2006 discharge: 6th, 7th, 8th and 9th European Development Funds (EDF)

2007/2064(DEC) - 27/04/2007 - Document attached to the procedure

PURPOSE: to present the annual report from the Commission on the financial management of the 6th – 9th European Development Funds in 2006.

CONTENT: this report fulfils Articles 96 and 102 of the 9th European Development Fund (EDF) Financial Regulation which require the Commission to report each year on the EDF's financial management.

Significant events in 2006 and highlights the main challenges for 2007:

- **Financial objectives 2006**: the Commission met all its objectives, surpassing its target for contracts and payments, which were the highest ever. It also stabilised approved but unspent funds, with significant reductions in "old" and "dormant" commitments. In addition, it closed the 6th EDF by transferring all remaining funds to the 9th EDF;
- **9th EDF end-of-term review**: this was carried out in 2006, resulting in some final adjustments to the allocation of funds between countries and regions, which requires completing the corresponding commitments of the remaining 9th EDF funds in 2007, the 9th EDF's last year;
- **Internal controls and processes**: the Commission took further measures to reinforce controls, but EDF integration into the Common Relex Information System (CRIS) was delayed to 2008 so as to prioritise the Commission's Accrual-Based Accounting (ABAC) system;
- **Staffing**: staff turnover, high vacancy rates in some Delegations and declining staffing levels relative to amounts managed still affect some priorities. In 2006, the Commission continued to work within these tight constraints, by making sound financial management and quality its top priorities
- **10th EDF**: a major risk for EC support to ACP states is ratification of the 10th EDF by EU states in time to start committing 10th EDF funds from January 2008, when 9th EDF funds will no longer be available
- **Aid-for-trade**: the Commission continued to provide substantial support to promote growth and jobs in ACP countries. To lift themselves out of poverty permanently, ACP countries must be able to grow their economies and trade more. That's why since 2001 the Commission has provided:
    1. over EUR 850 million to help ACP regions integrate, boost trade and play a bigger part in world markets; this includes negotiation of Economic Partnership Agreements(EPAs);
    2. over EUR 35 million to enable ACP states to negotiate better with the EU and at the WTO;
    3. a further EUR 60 million to enable ACP states to draw up more effective trade policies.

The Commission is also providing over EUR 160 million in programmes to help make it easier to set up and expand businesses in ACP countries.

Financial situation of the 6th- 9th EDFs at the end of 2006: an amount of EUR 3.16 billion was uncommitted. This, together with decommitted funds, will all be committed before end 2007.

- Funds allocated (all EDFs): EUR 44.609 billion;
- Funds committed: EUR 41.446 billion
- Funds spent: EUR 31.165 billion;
- Commitments unspent (RAL): **EUR 10.281 billion**;
- Total remaining funds unspent: EUR 13.444 billion.

As regards the unspent commitments (or 'RAL', for reste à liquider), the report states that for 2006, the Commission's objective was to stabilise overall RAL at the 2005 level: EUR 10.3 billion. Despite a high level of new commitments in 2005 and 2006**, RAL was kept stable**, thanks to the record level of payments entered in 2006.

The Commission also paid close attention to "old" (funds committed more than 5 years ago still unspent) and "dormant" (funds committed but neither contracted nor spent in more than 2 years) commitments.

Timely implementation is critical to achieving programmes' objectives. In ACP countries this can be difficult, since government institutions are often weak. However, the Commission's recent efforts to improve project design and planning, streamline procedures and strengthen delegations are now yielding results. For example, the time taken to implement projects - measured by the ratio of RAL to annual payments – fell by over 30% between 2000 and 2006.