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**REPORT FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN
PARLIAMENT AND THE EUROPEAN COURT OF AUDITORS**

**Annual Report on the Financial Management of the 6th-9th European Development
Funds (EDFs) in 2006**

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1. INTRODUCTION

This report fulfills Articles 96 and 102 of the 9th European Development Fund (EDF) Financial Regulation. These require the Commission to report each year on the EDF's financial management. The Commission submitted an earlier draft of the report for review by the European Court of Auditors and the European Parliament's Budgetary Control Committee. This final version takes their comments into account.

2. HIGHLIGHTS AND SIGNIFICANT EVENTS IN 2006, 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 (see section 4.4 below), 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; see box:

Aid-for-trade: how the Commission is working 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:

over €850m to help ACP regions integrate, boost trade and play a bigger part in world markets; this includes negotiation of Economic Partnership Agreements (EPAs)

over €35m to enable ACP states to negotiate better with the EU and at the WTO;

a further €60m to enable ACP states to draw up more effective trade policies.

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

3. FINANCIAL SITUATION OF THE 6TH-9TH EDFs, YEAR-END 2006¹

The table below shows the overall financial situation for the 6th-9th EDFs at end 2006. An amount of €3.16 billion was uncommitted. This, together with decommitted funds, will all be committed before end 2007.

Table 1: Financial situation of the 6th-9th EDFs, year-end 2006 (€m)							
Funds allocated to ACP states (by EDF) ²			Funds committed	Funds spent	Funds/commitments outstanding		
6th-8th	9th	Total, 6th-9th			Funds uncommitted	Commitments unspent (RAL)	Total remaining funds unspent
A	b	c (a+b)	D	E	f (c-d)	G (d-e)	h (f+g)
29 044	15 565	44 609	41 446	31 165	3 163	10 281	13 444

4. DELIVERING ACP PROGRAMMES IN A TIMELY AND EFFECTIVE WAY: PERFORMANCE AGAINST OBJECTIVES IN 2006

This section outlines the extent to which the Commission met each of its 2006 objectives for the EDFs. It lists and reports on:

- objectives in the ACP section of EuropeAid's Annual Management Plan, and
- relevant central performance indicators agreed by the EuropeAid Board.

Figures used for EuropeAid's performance targets and OECD-DAC reporting exclude decommitments and recovery orders, so are gross, not net. Similarly, figures in this section and in annex are gross, unless stated otherwise.

4.1. Increase programmes' quality, impact and sustainability

- Reviewing all programmes at the identification and formulation stages

EuropeAid's Quality Support Groups (QSGs) assess operations before they are implemented (ex-ante). QSG coverage rose sharply in 2006:

Table 2: QSG review of EDF financing proposals, 2006					
Project cycle stage	Indicator		2005	2006	% change, year-on-year
Identification	Identification fiches reviewed	Number	84	156	+86%
		Value (€m)	1270	2276	+79%
Formulation	Financing proposals reviewed	Number	127	181	+43%
		Value (€m)	3185	3094	-3%

EuropeAid measures the QSG's impact using a quality ratio. This is the proportion of positive and negative scores (A/B and C/D) given at the identification stage and then at the formulation stage. EuropeAid's objective is to ensure the proportion of positive scores rises and the proportion of negative scores falls.

¹ In sections three and four, commitments and payments figures reflect a correction which the Commission made in 2004 to figures for Stabex payments made between 2002 and 2004.

² Throughout this report, figures: -include European Investment Bank (EIB) risk capital and related interest-rate subsidies from the 6-8th EDFs, because the Commission holds accounting responsibility for these funds; -exclude the EIB's Investment Facility, funded from the 9th EDF, because the EIB holds accounting responsibility for the Facility.

The table below shows that QSG reviews helped to improve the quality of project proposals, both in 2006 and year-on-year:

- in 2006, at the formulation stage, compared to the earlier identification stage;
- year-on-year, at both stages.

Table 3: QSG impact on EDF project proposals' quality, 2005-06 - % of positive and negative scores awarded at each review stage				
<i>Type of score</i>	<i>2005</i>		<i>2006</i>	
	<i>Identification</i>	<i>Formulation</i>	<i>Identification</i>	<i>Formulation</i>
Positive scores (A/B)	88	93	90	95
Negative scores (C/D)	12	7	10	5

After the formulation stage, the Commission improves proposals still further, by fulfilling the QSG's recommendations before implementation starts.

– *Continuing to invest in budget and sector support where appropriate*

The 2005 report stated that general budget support (GBS) and support to sector policies (SPSPs) peaked that year. Global commitments amounted to €1 120 million.

In 2006, most 9th EDF budget support programmes were already underway. So new commitments were used mainly to address residual programmes or continue funding for ongoing programmes, and they fell as a result year-on-year. The Commission approved GBS in 8 countries, amounting to €198 million, and SPSPs in 16 countries, totalling €421 million.

Budget support remained significant, however: payments in 2006 amounted to €431 million (see table below). In addition, the Commission continues to discuss policies to improve budget support, both with beneficiary countries and in joint donor fora, such as the OECD-DAC Joint Venture on Public Financial Management.

Table 4: New GBS and SPSPs, 2006 (€m)						
<i>Type of programme</i>	<i>Commitments</i>			<i>Payments</i>		
	<i>2005</i>	<i>2006</i>	<i>% change</i>	<i>2005</i>	<i>2006</i>	<i>% change</i>
General budget support	705	198	-72%	500	431	-14%
Sector policy support programmes	416	421	1%	162	207	28%
Total	1 120	620	-45%	662	638	-4%

In 2006, the Commission also:

- led almost half the assessments of Public Expenditure Financial Accountability (PEFA) undertaken in 24 ACP countries;
- revised the Methodological Guide for Budget Support - this provides clearer criteria for identifying whether a country has complied with eligibility criteria before funds are disbursed;
- was preparing a framework to provide technical support to Supreme Audit Institutions in those countries benefiting from Budget Support.

– Participating actively in End-of-Term Reviews and post-9th EDF programming

The 9th EDF end-of-year review resulted in final adjustments to allocations between countries, regions and sectors. EuropeAid, with Delegations, must now ensure that all 9th EDF funds are committed by end 2007. At the same time, forward planning began for the launch of the 10th EDF.

In addition, the Commission sought to ensure that it included concrete performance indicators from the outset of the 10th EDF programming process. It did so by referring specifically to such indicators in its:

- (1) programming guidelines – these also refer to:
 - the need to strengthen partner countries' statistics-gathering capacity; and
 - online support to help EC delegations identify indicators most relevant to them;
- (2) Implementing Regulation (currently being negotiated) – this reiterates the need to align with partner countries' PRSP indicators;
- (3) strategy documents – these include:
 - sector-specific performance indicators
 - ACP states' commitments to improve governance.

These indicators determine the size of incentive tranches and mid- and end-of-term reviews will assess progress.

– *Monitoring*

Independent external monitors review every EDF-funded project amounting to over €1 million. They give projects scores against five criteria: relevance, efficiency, effectiveness, impact and sustainability.

By year-end 2006 monitors had reviewed over 1 000 such projects. In 2006, they found that on average, ACP programmes reviewed were performing on track or better (ie: scoring 2.5 or more). Draft findings suggest scores since 2003 have risen.

In addition, the Commission asked the monitors to identify:

- trends in scores since 2003 by ACP sub-region and sector, such as infrastructure;
- reasons why scores for trade-related projects fell year-on-year in 2005-06.

It will feed these findings back into its design of future programmes.

– *Evaluation*

In 2006 the Commission completed 13 evaluations covering EC aid to ACP countries. It will feed recommendations back into the programming process and the design of future programmes.

Table 5: Evaluations in 2006 of EC aid to ACP countries and regions				
<i>Strategy type</i>	<i>Country / region</i>	<i>Strategy type</i>	<i>Countries / region</i>	<i>Sector</i>
Regional Country	Central Africa	Sectoral	ACP states	Microfinance
	Comoros			Trade capacity-building
	Mali		ACP & non-ACP states	Donor-partner country coordination
	Mauritius			Water and sanitation
	Rwanda			Good governance

	Seychelles			General budget support
Table 6: Key recommendations of 2006 evaluations				
Regional strategy – C. Africa:		Strengthen ties with neighbouring regional groupings (eg: CEDEAO)		
		Improve quality of feasibility studies		
		Hire more staff in delegations		
Country-specific:		Use sector support for focal sectors identified in NIPs		
		Factor in predictable delays in issuing instructions and starting works		
		Invest more in developing a partnership-based strategy		
Sectoral – ACP only:	Trade:	Coordinate aid more closely with EU MS		
		Strengthen the Integrated Framework process		
	Micro-finance:	Favour in countries where local government is weak		
Sectoral – ACP & non-ACP	Budget support:	Use primarily to strengthen PFM and combat corruption		
		Bring aid fully on budget as soon as possible		
	Governance:	Include administrative reform & PFM in PRSPs/CSPs/RSPs		
		Use projects to support civil society, budget support for PFM		

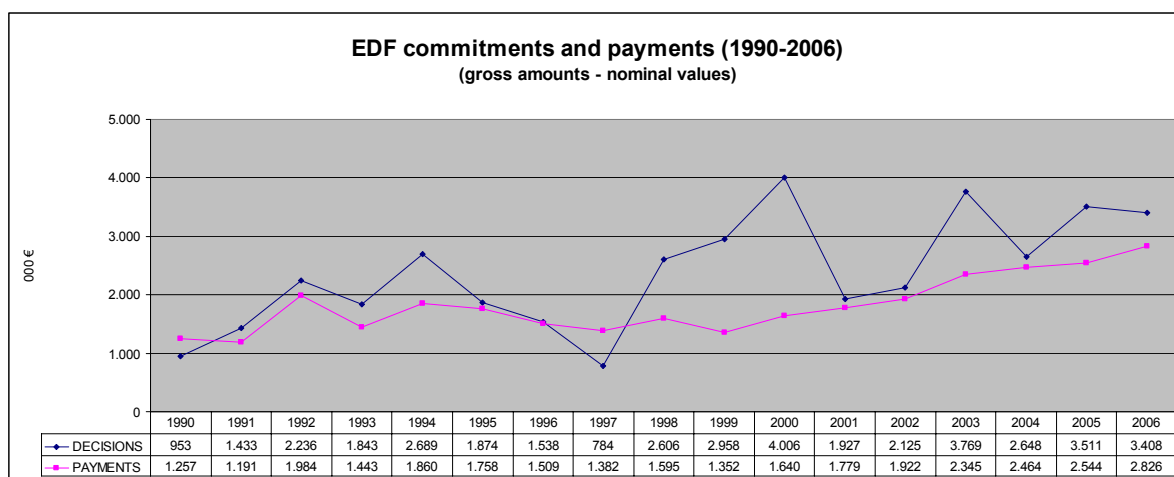
4.2. Deliver aid more quickly

In 2006, global commitments for new programmes achieved their target. Individual commitments, i.e. contracts on approved programmes, and payments both ended ahead of target, setting new records for the EDF.

Table 7: EDF key performance figures, 2002-06 (€m)

	2002	2003	2004	2005	2006	
					Target	Actual
Global commitments	2 125	3 769	2 648	3 511	3 400	3 408
Individual commitments	2 436	3 062	3 038	3 057	3 250	3 654
Payments	1 922	2 345	2 464	2 544	2 750	2 826

Since 1990, both global commitments and payments have risen steadily, reflecting faster implementation:



– Keeping RAL stable, focusing on contracts and old and dormant commitments

4.2.1.1. Keeping overall RAL stable

Unspent commitments (or 'RAL', for *reste à liquider*) must be disbursed in line with the rules of sound financial management. The Commission monitors overall RAL attentively. As explained in the 2005 report, RAL rose twice in 2003 and 2005, because the Commission approved high levels of new commitments in both years.

For 2006, the Commission's objective was to stabilise overall RAL at the 2005 level: €10 300 million. 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.

4.2.1.2. Focusing on implementation and "old" and "dormant" 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:

Table 8: Average no. of years taken to implement projects (ratio of RAL to annual payments)						
2000	2001	2002	2003	2004	2005	2006
5.5	4.8	4.4	4.1	4.0	4.1	3.6

The Commission also continued to pay special attention to old and dormant RAL:

Table 9: Evolution of old and dormant RAL, 2005-06					
Indicator		Balance (€m)			Comment
Name	Definition	1.1.06	31.12.06		
			Target	Actual	
Old RAL	funds committed >5 years ago, still unspent	1 618	867	822	Almost halved in 2006
Dormant RAL	funds committed but neither contracted nor spent in >2 years	346	350	276	Included disbursement to HIPC programme

In addition, the Commission pursued its strategy of decommitting all outstanding commitments in time to recommit them by end 2007. The Commission is set to meet its decommitments target, set for end March 2007:

Table 10: EDF decommitments, 1.1.2006 to 1.3.2007				
Indicator	Definition	Amount (€m)		
		2005	2006	
			Target (to 31.3.07)	Actual (to 1.3.07)
Decommitments	funds previously committed but unspent, now freed up for new programmes	476	923	871

Annex 1 presents a detailed breakdown of the evolution of unspent funds since 2002.

Furthermore, the Commission:

- recovered €64 million in advance payments not subsequently used
- launched an action plan to monitor recovery orders and prefinancing.
- Annex 2 shows totals for:
- decommitments and recovery orders, and
- gross and net commitments and payments.

4.2.1.3. Spreading commitments evenly over the year (avoiding “backloading” at year-end)

In 2005 and 2006 the Commission acted to spread new commitments more evenly over the year than in the past. As a result, in 2006 EDF backloading fell again, with 58% of commitments completed by end September – just short of the 60% target.

4.2.1.4. Stabex³

Part of the RAL comprises Stabex commitments which have not led to payments. The Commission has set strict deadlines for managing Stabex funds:

Table 11: Stabex - Commission deadlines	
<i>Action</i>	<i>Deadline (year-end)</i>
Complete approval of allocated but unspent funds	2007
Complete contracting	2008
Complete payments	2010

Stabex funds are implemented through Frameworks of Mutual Obligations (FMOs). In 2006, the Commission approved 17 FMOs, amounting to €500 million and transferred €190 million to double signature accounts (see below)

In its 2006 EDF accounts the Commission has included a detailed Stabex table giving year-end balances for each beneficiary country.⁴

However, in this report, Stabex figures given in Annex 7 are based on both:

1. Stabex funds reported in the EDF accounts, and
2. the 2006 year-end statements of beneficiary countries' so-called 'double signature' accounts (from property of the beneficiary ACP state concerned), to which the Commission has already transferred some Stabex funds.

³ Stabex was a financial instrument created by the Lomé Convention (Articles 186-212) intended to offset instability in ACP states' export earnings. The Cotonou Agreement replaced Stabex with a new instrument, Flex.

⁴See document reference SEC/2007/448.

In 2007, the Commission will audit these accounts' statements and thereby certify the Stabex situation at year-end 2006.

4.3. Co-ordinate and harmonise operations with other donors

– Sectoral concentration of EDF

The Commission targets EDF spending on sectors with a high impact on poverty, and where the Commission can add most value:

Table 12: EDF commitments and payments by OECD-DAC sector, 2006 (€m, gross)⁵				
Sector	Commitments		Payments	
	€m	% of total	€m	% of total
Education, health, water, basic sanitation	1161	34%	836	29%
Transport, communications, energy	933	27%	663	23%
Agriculture, fisheries, trade, industry, tourism	368	11%	194	7%
Environment, other cross-cutting issues	324	10%	91	3%
Budget and balance of payments support ⁶	219	6%	635	22%
Debt relief	0	0%	80	3%
Other, including reconstruction relief	248	7%	163	6%
Administrative costs	154	5%	193	7%
Total	3 408	100%	2826	100%

– Funding via International Organisations

The Commission continued to work closely with the UN family and World Bank group in 2006. Amounts contracted in 2005-06 remained relatively stable year-on-year and accounted for about 11% of total contracting in the two years.

In 2006 the Commission contracted:

- € 95 million with the WB, of which € 62 million went to the Global Fund to Fight Aids, Tuberculosis and Malaria;
- € 225 million with the UN family.

Annex 3 shows commitments, contracts, payments and funds still to pay at year-end.

The Commission also continued to work with non-state actors and civil society, as envisaged in Article 4 of the Cotonou Agreement.

4.4. Ensure an effective control environment and accountability

– Closely monitoring transactions, using samples

In 2006, EuropeAid responded to the Court's recommendations by:

- reviewing its ex-post control methodology;
- reducing the share of payments controlled ex-post from three to one per cent;
- widening the scope of ex-post controls and documenting them more fully.

⁵Annex 2 gives net EDF figures.

⁶This OECD DAC sector definition includes some types of food security and Stabex operations.

Table 13: Ex-post control of transactions in 2006 – status, Jan. 2007		
	No. of transactions	% of total transactions
Total transactions	21 654	100%
Transactions for which controls planned	215	1.0%
- controls completed (transactions Jan-Jun 06)	95	0.4%
- controls due end Apr 07 (transactions Jul-Dec 06)	120	0.6%

In addition, the Commission:

- conducted ex-post controls of transactions with which the authorising officer proceeded, despite reservations by the financial verifying officer;
- reviewed transactions and internal controls *in situ* in five ACP delegations identified through a risk analysis.

– Following up 100% of the IAS's key recommendations

Table 14: Follow-up of IAS recommendations		
<i>Category</i>	<i>Recommendation</i>	<i>Progress to year-end 2006</i>
Electronic visas as evidence of deputising of AOS functions	Examine OLAS functionality to support electronic visas.	Migration from OLAS to CRIS/ABAC has been delayed until end 2007. So no progress has been made since Mar. 06.
Evidence of visas in EDF financial circuits	Adapt electronic OLAS visas to comply with new circuits.	A new OLAS <i>facturier</i> , launched 1.1.2007, covers Initiating and Verifying Officers' visa circuits.

4.5. Implement an active human resources policy and improve internal processes

– *Implement an active human resources policy*

Staff turnover, high vacancy rates in some Delegations and low levels of staffing relative to the 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.

Table 15: EuropeAid staff vacancy rates: HQ ACP directorate & ACP delegations, 2005-06			
Location	Staff type	Year-end vacancy rate	
		2005	2006
ACP delegations	Officials	5%	7%
	Other staff	9%	9%
Headquarters (ACP Directorate)	Officials	2%	0%
	Other staff	1%	1%

– *Harmonise and simplify management practices and procedures*

The Commission presented to the Council a revision of the Financial Regulation applicable to the 9th EDF. This lightens procedures for working with EU Member and mirrors a similar revision to the General Financial Regulation. The Council adopted the revised EDF financial regulation in March 2007. The Commission intends to introduce further simplifications in its 10th EDF procedures.

– *Further develop information systems and improve accounting systems*

The EDF has still to be integrated into CRIS. In addition, the introduction of ABAC-FED has been delayed until 2008.

5. FOLLOW-UP TO COMMENTS BY THE EUROPEAN COURT OF AUDITORS

5.1. Court of Auditors' (CoA) Annual Report

Table 16: Follow-up to CoA recommendations (Table 3, CoA Annual Report on the EDFs, 2006)		
<i>Issue</i>	<i>Action required</i>	<i>Action taken to end 2006</i>
1. Advances, recoveries, doubtful debts	Improve monitoring of uncleared advances.	The Commission launched an action plan in 2006 to monitor centrally recovery orders and prefinancing.
2. Stabex funds	Obtain more reliable figures for funds in banks.	The Commission is preparing an updated inventory of all funds in Europe and ACP states.
	Obtain reports on the use of funds.	The Commission received 38 of 39 reports due for 2006.
3. Risk management	Identify risks specific to ACP states	EuropeAid's ACP directorate compiled ACP-specific risk registers for 2006 and 2007.
	Improve risk analysis for IAC audits	In 2006 AIDCO prepared a risk-based 2007-09 rolling audit plan, and sent it to the IAS and to the Court.
	Improve risk analysis for external audits (HQ, delegations)	EuropeAid ACP Directorate's Annual Audit Plan 2007 covers all external audits in delegations and HQ. The directorate's financing and contracting unit (C5) issued risk analysis guidelines, and instructions drawn up by EuropeAid's audit methodology unit (G2).
	Improve risk analysis for <i>ex-post</i> controls	EuropeAid's audit methodology unit (G2) conducted risk analysis for the whole DG of the sample size and types of transactions to be checked.
4. Ex-post controls	Improve documentation	For the 2006 exercise, EuropeAid has prepared full documentation and ensured systematic follow-up.
5. Audit	Improve CRIS-Audit	In its response to 2006 EAMRs, HQ reminded delegations of the Director-General's instruction note stressing the importance of CRIS-Audit.
	Use CRIS-Audit to supervise external audits better	

5.2. Court of Auditors' Special Reports

Table 17: EDF budget support – public finance aspects (no. 2/2005, in 2004 EDF Discharge, para. 55)			
<i>No.</i>	<i>Area</i>	<i>Recommendation</i>	<i>Action taken in 2006</i>
55	Methodological guide	Update and complete, incl. monitoring reports	The Commission has updated its Methodological Guide: - clearer definitions - potential benefits and risks - clearer eligibility criteria - practical steps to prepare & implement programmes - guidance on using the PEFA assessment tool. Delegations must report each year on the status of public finance management. The Commission has also revised: - the format of Identification Fiches - checklists to assess Fiches and Financing Proposals.
	Eligibility	Give clearer evidence of countries' eligibility	Evidence of compliance with eligibility criteria is: - assessed at the identification and formulation stages; - required before funds are disbursed.
	Indicators	Use enhanced-incentive PF performance indicators	- The Commission and other donors completed the Public Expenditure Financial Accountability (PEFA) framework in 2005. - The Commission is using PEFA to replace current tools, leading almost half of all 2006 PEFA assessments. - The EC also continues to use the OECD/DAC Joint Venture on Public Financial Management.
		Use new PFM performance management tool	
	Coordination	Cooperate more locally	
	ACP states' institutions	Strengthen relations with parliaments & supreme audit institutions (SAIs)	The Commission is: - drafting a note to promote technical support to SAIs; - discussing cooperation with international organisations such as INTOSAI.

Annex 1: Evolution of unspent EDF commitments (“RAL”), 2001-06 (€m)

Type of unspent commitment (or 'RAL')		Measure		Year										
				2002		2003		2004		2005		2006		
				1	31	1	31	1	31	1	31	1	31	
				Jan	Dec	Jan	Dec	Jan	Dec	Jan	Dec	Jan	Dec	
Status	Known as												Target	Actual
≥5 years old	'old RAL'	Committed before	'95	520	429	429	323	323	253	253	141	141	45	37
		Committed in	'95	245	183	183	118	118	72	72	49	49	25	22
			'96	319	210	210	145	145	91	91	54	54	25	21
			'97	-		194	156	156	128	128	112	112	90	86
			'98	-				427	286	286	181	181	75	78
			'99							692	488	488	295	287
			2000	-								593	220	290
		Total	€m	1 084	822	1 016	743	1 170	829	1 521	1 025	1 618	867	822
		Change in total over year	€m	-262		-273		-341		-496				-796
%	-24%		-27%		-29%		-33%				-49%			
Inactive for ≥2 yrs	'dormant RAL'	Total	€m	389	449	449	261	255	513	459	487	346	350	276
≥5 years old &/or inactive for ≥2 yrs	'old &/or dormant RAL'	Total	€m	1 473	1 271	1 465	1 004	1 425	1 342	1 980	1 512	1 964	1 125	1097
		Change in total over year	€m	-202		-461		-83		-468		-867		
			%	-14%		-31%		-6%		-24%		-44%		
Total, all types	'total RAL'	All years	€m	8 728		9 842		9 779		10 324		10 281		

Annex 2: EDF General Budget Support global commitments, 2002-06 (€m)

<i>Country</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
Benin		55.0			18.4
Burkina Faso	125.0			151.5	
Burundi	22.6		43.6	7.82	
Cameroon					
Cape Verde			5.8	12.5	
Central African Republic	4.4				4.0
Chad		50.0			
Côte d'Ivoire	40.0				
DR Congo	5.5	106.0			
Congo, Rep.				30.45	
Djibouti					
Dominican Republic					38.0
Ethiopia	44.1		95.0		
Gabon					
The Gambia					
Ghana		5.0	62.0		
Guinea					
Guinea Bissau				6.0	
Guyana			23.3		
Haiti					10.2
Jamaica	30.0		25.0		
Kenya			125.0		
Lesotho					
Madagascar	70.0		35.0	55.0	
Malawi				41.5	34.0
Mali		132.9			21.1
Mauritania					
Mozambique	168.0	16.4		95	
Niger	20.0	90.0		70.0	
Papua New Guinea					
Rwanda		55.1		36.0	
São Tomé & Príncipe					
Senegal			53.0		
Sierra Leone				50.0	
Tanzania		114.0		57.0	
Turks & Caicos					10.6
Uganda				92.0	
Vanuatu			1.7		
Zambia		117.0			62.0
Annual totals	529.6	741.4	469.4	704.8	198.3
% of EDF annual global commitments	25%	20%	18%	20%	6%

Annex 3: New EDF GBS and SPSPs global commitments, 2006 (€m)

Programme type	Financing type	Recipient country	Sector	Amount	
				Target	Result
General budget support (GBS)		Benin	Budget Support		18
		Central African Republic			4
		Dominican Republic			38
		Haiti			10
		Malawi			34
		Mali			20
		Mali			1.1
		Turks & Caicos			11
		Zambia			62
		Sub-total, macroeconomic budget support			262
Sector policy support programmes (SPSPs)	Sectoral budget support (SBS)	Anguilla			8
		Angola	Water		7
		Burkina Faso			2
		Dominican Republic	Education		48
		Ethiopia	Infrastructure		155
		Falklands	Trade		3
		Grenada	Trade		7
		Guinea-Bissau			6
		Mauritius	Water		10
		Montserrat			11
		Mozambique			35
		St Pierre & Miquelon			13
		St Helena			16
		Tanzania	Education		44
		Trinidad & Tobago	Education		27
		Zambia	Infrastructure		20
		Zambia	Health		10
		Sub-total, SBS			616
	Standard project financing	Benin	Infrastructure		40
		Djibouti			11
		Ethiopia	Infrastructure		60
		Gabon	Infrastructure		14
		Ghana			10
		Ghana	Infrastructure		5
		Lesotho	Health		12
		Liberia	Education		12
		Malawi	Infrastructure		8
		Madagascar	Infrastructure		13
		Madagascar	Infrastructure		23
		Niger	Justice		6
		Niger			6
		Niger			12
		Rwanda	Infrastructure		35
		Sub-total, standard projects			335

	Sub-total, SPSPs	951	687
Total		1213	885

Annex 4: net commitments and payments, 2006 (€m)

Global commitments	New global commitments (gross)	3 408
	De-commitments	-689
	Net global commitments	2 719
Individual commitments	New contracts (gross)	3 654
	Contracts decommitted/cancelled	-581
	Net individual commitments	3 073
Payments	New payments (gross)	2 826
	Recoveries & corrections received ⁷	-64
	Net payments	2 762

Annex 5: EDF contributions to the UN and World Bank Group, 2005-06 (€m)

<i>Recipient</i>		2005	2006			
		<i>New commitments</i>	<i>New commitments</i>	<i>Contracted</i>	<i>Paid</i>	<i>Still to pay</i>
UN family	FAO	6.4	13.1	2.1	0.8	1.3
	ILO	5.5				
	UNCTAD		2.9	2.9	1.2	1.7
	UNDP	87.8	110.6	108.8	80.5	28.3
	UNDP Rep. Offices			2.4	1.4	1.0
	UNESCO	0.3	0.1			
	UNFPA		19.6	19.6	10.1	9.5
	UNICEF	42.4	39.2	40.3	14.8	25.4
	UNIDO	1.2				
	UNO Geneva			0.2	0.1	0.0
	UNO Vienna	24.7				
	UNOPS	2.7	0.1			
	WFP	34.7	13.8	22.0	19.7	2.3
	WHO	6.5	24.8	24.8	3.4	21.5
	Sub-total	212.2	224.2	223.0	132.0	91.0
World Bank Group		149.0	94.5	94.0	75.9	18.1
Total		361.2	318.7	317.0	207.9	109.1

⁷ The EDF financial implementation report shows recoveries and corrections received.

Annex 6: EDF global commitments by programming & financing instrument, end 2006 (€m)

EDF							Non-programmable aid					Total
		Non-budget support (projects)	Budget support			Sub-total programmable aid	Financial contributions		Export support		Sub-total non programmable aid	
			General	Sectoral	Subtotal budget support				Stabex, Flex	Sysmin		
6	€m	5,158.06	60.73	-	60.73	5,218.79	540.71	-	1,451.12	128.10	2,119.93	7,338.72
	% of total	70%	1%		1%	71%	7%		20%	2%	29%	100%
7	€m	6,003.90	1,626.21	-	1,626.21	7,630.11	839.01	40.00	1,702.69	443.11	3,024.81	10,654.92
	% of total	56%	15%		15%	72%	8%	0%	16%	4%	28%	100%
8	€m	5,992.27	1,778.55	253.61	2,032.16	8,024.43	1,134.27	1,060.00	717.35	114.24	3,025.86	11,050.29
	% of total	54%	16%	2%	18%	73%	10%	10%	6%	1%	27%	100%
9	€m	8,721.10	1,974.56	956.68	2,931.24	11,652.34	-	630.00	119.64	-	749.64	12,401.98
	% of total	70%	16%	8%	24%	94%		5%	1%		6%	100%
All, 6-9	€m	25,875.33	5,440.05	1,210.29	6,650.34	32,525.67	2,513.99	1,730.00	3,990.81	685.45	8,920.24	41,445.91
	% of total	62%	13%	3%	16%	78%	6%	4%	10%	2%	22%	100%

Annex 7: Stabex – country-by-country situation, year-end 2006 (€)

Beneficiary country	Global Commitments	Individual Commitments	Reste à...		
			...contracter (RAC) ⁸	...payer (RAP)	...liquider (RAL)
	(1)	(2)	(3)=(1) - (2)	(4) = (5) - (3)	(5)
Benin	2,281,022	2,274,819	6,203	210,867	217,070
Burkina Faso	9,126,422	9,101,820	24,602	757,332	781,934
Burundi	75,401,955	36,929,953	38,472,002	-8,009,429	30,462,573
Cameroon	308,716,655	308,574,512	142,143	19,396,040	19,538,183
Cape Verde	2,365,206	1,937,563	427,643	809,913	1,237,556
Central African Rep.	18,774,155	16,137,220	2,636,935	1,136,767	3,773,702
Chad	14,032,940	12,948,972	1,083,968	514,161	1,598,129
Comoros	8,057,525	7,957,741	99,784	1,753,994	1,853,778
Côte d'Ivoire	366,657,647	364,907,313	1,750,334	46,146,487	47,896,821
Dominica	41,818,410	42,084,082	-265,672	268,921	3,249
Eq. Guinea	2,471,789	1,435,472	1,036,317	157,233	1,193,550
Ethiopia	239,688,822	238,825,667	863,155	67,087	930,242
Gambia	5,306,334	3,720,104	1,586,230	200,396	1,786,626
Ghana	59,796,247	59,796,247	0	4,615,374	4,615,374
Grenada	8,756,549	7,436,088	1,320,461	1,905,307	3,225,768
Guinea-Bissau	1,775,942	762,844	1,013,098	-18,326	994,772
Haiti	38,430,119	38,430,119	0	0	0
Jamaica	10,150,868	9,489,254	661,614	135,551	797,165
Kenya	195,083,412	198,235,985	-3,152,573	63,860,715	60,708,142
Kiribati	908,379	908,379	0	271,853	271,853
Lesotho ⁹	6,333,600	6,333,600	0	312,928	312,928
Madagascar	91,191,845	90,744,189	447,656	18,353,465	18,801,121
Malawi	23,173,151	22,552,308	620,843	3,835,856	4,456,699
Mauritania	38,936,337	11,513,882	27,422,455	0	27,422,455
Mozambique	4,488,494	0	4,488,494	0	4,488,494
Papua New Guinea	85,402,166	95,158,547	-9,756,381	10,721,389	965,008
Rwanda	66,621,918	22,996,883	43,625,035	-28,637,197	14,987,838
Samoa	13,654,244	6,555,971	7,098,273	-7,078,081	20,192
Senegal	77,737,318	51,245,000	26,492,318	26,791,515	53,283,833
S. Leone	15,267,927	15,267,927	0	4,378,326	4,378,326
Solomon Is.	91,990,577	126,856,928	-34,866,351	53,733,059	18,866,708
St. Lucia	79,815,963	60,788,987	19,026,976	1,424,808	20,451,784
St. Vincent	76,199,758	72,123,084	4,076,674	10,026,867	14,103,541
Sudan	201,054,264	201,054,264	0	176,801,045	176,801,045
Tanzania	104,137,377	102,929,859	1,207,518	16,269,276	17,476,794
Togo	34,027,821	44,165,571	-10,137,750	26,810,251	16,672,501
Uganda	218,440,992	218,440,991	1	41,530,336	41,530,337
Vanuatu	5,032,066	3,959,176	1,072,890	-995,990	76,900
Zimbabwe	60,372,275	31,720,308	28,651,967	-7,768,681	20,883,286
Total	2,703,478,491	2,546,301,629	157,176,862	480,689,415	637,866,277

⁸ For Dominica, the figure is negative because new FMOs have amended past FMOs, resulting in an over-allocation of funds. For other countries, negative figures result from decommitments.

⁹ An audit of funds at year-end 2006 is currently underway, so figures shown here are for year-end 2005.

