

More or less?

A financial analysis of the proposed 11th European Development Fund

Ulrika Kilnes, Niels Keijzer, Jeske van Seters and Andrew Sherriff¹

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Executive Summary

Scope and objectives of this briefing note

In December 2011, the Commission invited the Member States to consider a draft Internal Agreement governing the implementation of EU aid for the African, Caribbean and Pacific Group of States (ACP) and Overseas Countries and Territories (OCTs) for the period 2014-2020. This draft Internal Agreement for the 11th EDF, that further details the overall proposal for the EDF as made in 'A budget for Europe 2020' that was published in June of the same year, indicates that the EDF would continue to be the largest instrument in financial terms for EU external action in the period 2014-2020.

This briefing note intends to provide insights and perspectives to both ACP and EU stakeholders on the proposed 11th EDF which could inform their contributions to the discussions on the future financing of EU development cooperation. In this briefing note, financial contributions to the 11th EDF are analysed by accounting for factors such as inflation, size of the population, size of the economy, and number of years covered by the 11th EDF. Comparisons with past EDF cycles are also made. Such financial analysis can help to illustrate a more accurate value of the proposed contributions and allow for different ways of comparing contribution shares of Member States. ECDPM will compliment the financial analysis in this Briefing Note with other publications dealing with the future of European external support.

Historical and political context

Created in 1957 by the Treaty of Rome, and first launched in 1959, the EDF is the main instrument for delivering EU development assistance to the ACP and OCTs². The EDF has to date been funded outside the EU budget by the EU Member States on the basis of financial payments related to specific contribution shares, or "keys". The EDF is subject to its own financial rules and procedures, and is managed by the European Commission (EC) and the European Investment Bank. The EDF is currently the only EU policy instrument that is financed through a specific key that is different from the EU budget key, and which reflects the comparative interests of individual Member States. The history behind this anomaly dates back to the foundations of the European integration process.

The EDF is part of the EU's Official Development Assistance (ODA) contribution³. In 2005, the EU and its Member States agreed to achieve a collective level of ODA of 0.7% of GNI by 2015 and an interim target of 0.56% by 2010, with differentiated intermediate targets for those EU Member States which had recently joined the Union. On the 23rd of May 2011, EU ministers responsible for development cooperation gathered to take stock of progress made and concluded that additional efforts would be needed to close an estimated gap of €50 billion to reach the self-imposed collective EU target of 0.7% by 2015. However the continuing low levels of economic growth and recession in some EU Member States have since led Member States to impose further cuts on development cooperation⁴. Hence, the negotiations on the 11th EDF take place against a background of a recognised need for the EU to step up efforts to deliver on its collective ODA commitments, combined with a climate of austerity in national budgets,

In past negotiations for previous budget periods, the Commission has repeatedly proposed to include the EDF in the overall EU budget. The main argument put forward was an increase of democratic scrutiny, transparency and effectiveness. Current negotiations on EDF contributions as well as the EU's Multi-annual Financial Framework 2014-2020 (EU budget) are ongoing and will gather speed under the Danish and Cypriot EU Presidencies. In tough economic times, some Member States have already taken the position that the EU budget as a whole, development included, should be reduced by €100 billion.⁵

² For further analysis and information on the historical background and evolution of European Development Fund, see for example Frisch, D. 2008. [The European Union's development policy. A personal view of 50 years of Development Policy](#). (Policy Management Report 15). Maastricht: ECDPM.

³ With the exception of allocations to the African Peace Facility.

⁴ European Council. 2011. Council of the European Union 3091st FOREIGN AFFAIRS Council meeting conclusions on "First Annual Report to the European Council on EU Development Aid Targets" Brussels: European Council. Available at: http://www.eu-un.europa.eu/articles/en/article_11076_en.htm

⁵ See: Mahony, Honor. 2012. Danes seek clarity on future EU budget. EU Observer. Available at: <http://euobserver.com/843/115046>. Accessed: 2 February 2012.

In the Communication 'A budget for Europe 2020', the European Commission underlined that it was not appropriate at present time to propose that the EDF be integrated into the EU budget. This has been interpreted by some as a move to avoid a reduction in the total amount of EU development cooperation⁶. Although the EU is strongly committed to its financing for development target, EU Member States' efforts to impose 'austerity' on the overall EU budget may also have a bearing on the financial resources available for EU development spending (in and/or outside the budget). Keeping the EDF 'fenced' means that it would be relatively protected from pressure by Member States to reduce EU development cooperation funds, either in relation to other components of heading 4 (Global Europe), in relation to other headings, or the budget altogether. What matters for the ACP is that the Commission, when working on this proposal, has tested the waters and believes it can rely on the EU's willingness to keep up its commitment in both relative and absolute terms, even though they may not keep up with overall ODA levels once committed to.

While the EDF may be affected by overall discussions on the EU budget, it is also important to note that despite the declining interest among EU Member States in ACP-EU cooperation, the EC deemed it opportune to keep Cotonou and EDF intact until 2020 and prepare for more radical changes after 2020. It remains to be seen how the Commission's 11th EDF proposals will make it through the budget negotiations with the EU Member States and the European Parliament, a process that should be concluded in 2013.

Main findings

While it is important to keep in mind some methodological caveats referred to in the respective sections and described in detail in annex 1 to this note, a number of conclusions can be drawn from a quantitative analysis of the Commission's proposals for the 11th EDF:

1. A comparison of the proposed size of the 11th EDF in relation to the Development Cooperation Instrument (DCI) indicates that **the importance given to ACP-EU development cooperation for the EU is more or less the same as in the previous period.**
2. The nominal increase of the amount of EDF funds committed on an annual basis (hereafter referred to as annually committed funds) for the 11th EDF as compared to its predecessor is considerable. **The Commission proposes annually committed funds of €4.896bn, while the 10th EDF is worth €3.780bn per year, representing a 23.53% increase.** The 11th EDF is analysed in terms of annually committed funds since the previous and proposed EDFs cover different numbers of years (EDF 11: seven years; EDF 10: six years; EDF 9: eight years; EDF 8: five years). The one-year extension of the 11th EDF compared to the 10th EDF allows the end of the 11th EDF to coincide with the end of the period covered by the Cotonou Partnership Agreement in 2020, as well as that of the next EU budget.
3. As in previous periods, the bulk of the 11th EDF will be allocated to the ACP Group of States (93%), with the remainder being allocated to the OCTs (1%) and the Commission's administration costs (5%). The overall amount proposed for the 11th EDF is ambitious given the current period where public spending in EU Member States is under pressure. However, the proposed nominal increase does not take into account relevant factors such as inflation, size of the population, size of the economy and economic growth. Analysing the proposed 11th EDF, accounting for inflation, population size, and the size of the economy, shows that **real annually committed funds per capita as a share of GDP would increase by 11.19% for the EU27 compared to the 10th EDF.**
4. While the aforementioned real increase of 11.19% is significantly less than the nominal increase of 23.53%, it remains an ambitious proposal of the Commission, particularly given the pressure on public spending and the decreased political priority of EU-ACP relations in overall EU external action. This seems to confirm the assumption that the European Commission's proposal to keep the EDF separate from the budget may be driven by efforts to prevent a reduction of the overall EU development cooperation budget, and funding for EU-ACP relations more specifically, rather than the stated aim to *"increase public control, transparency and effectiveness"* as noted in the EC's proposal.
5. Since both inflation and population size differ across EU Member States, it is relevant to take such factors into account when analysing proposed individual Member States' contribution shares to the 11th EDF. In nominal terms, the largest contributors using the EC's proposed contribution keys for the 11th EDF are Germany (20.54%), France (17.83%) and the United Kingdom (14.33%), together accounting

⁶ See: ECDPM's Challenges Paper: "[Questioning Old Certainties: Challenges for Africa-EU relations in 2012](#)"

for more than half of total proposed contributions. The smallest contributors are Malta (0.04%), Estonia (0.08%) and Latvia (0.11%). However, in real per capita terms, the country ranking changes considerably. **The top three contributors in real per capita terms (in 2010 prices) are Luxembourg (€21.68), Denmark (€15.88) and Sweden (€14.02), while Germany (€11.50), France (€12.41) and the United Kingdom (€9.87) rank 9th, 6th and 11th place respectively.**

6. When looking at relative annually committed funds per capita as a share of GDP from across the Member States to the proposed 11th EDF, the **EU12 and EU15 contributions percentages are somewhat aligned to each other**. For the 11th EDF, the annually committed funds as a percentage of GDP per capita range from 0.0292% to 0.0219% for EU12 Member States, and from 0.0414% to 0.0268% for EU15 Member States. In general, the EU12 Member States pay a smaller share to the 11th EDF than the EU15 Member States do, but since the two ranges of annually committed funds overlap, this also means that **some of the EU12 Member States contribute relatively more to the EDF than some of the EU15 Member States**. The relative alignment of contribution percentages does however indicate that some thought has gone in the drawing up of the 11th EDF.
7. The Commission proposes to further align Member States' contribution keys under the 11th EDF with the keys used for the EU budget, **which may smooth the integration of funding to the ACP and OCT into the EU budget after 2020**. For the EU15 Member States, the newly proposed contribution keys differ little from the 10th EDF. For example, under the 10th EDF Germany (20.50%), France (19.55%) and the United Kingdom (14.82%) were also the largest contributions together representing somewhat over half of the 10th EDF, as is the case in the 11th EDF proposals. **The most significant change occurs for the EU12 Member States, whose relative contributions increase between 27.86% (Hungary) and 107.73% (Slovakia)**. In comparison, real annually committed funds per capita for Germany, France and the United Kingdom increase more moderately, by 20.45%, 5.63% and 4.29% respectively. Belgium and Luxembourg are the only countries whose real annually committed funds per capita will decrease from the 10th to the 11th EDF, if the Commission's proposals are adopted. Contribution keys may be part of the negotiations, alongside the total size of the 11th EDF.
8. Even though the EC proposal would result in stronger alignment to the present EU budget's keys, **the 11th EDF contribution keys still differ substantially from the keys used for this budget, and thus also the size of Member State contributions**. Member States whose proposed relative contribution is larger than it would be under full alignment to the present EU budget keys are Germany (20.54% instead of 19.98%), France (17.83% instead of 16.56%), Luxembourg (0.26% instead of 0.23%), Austria (2.36% instead of 2.17%), Finland (1.51% instead of 1.48%), Sweden (2.94% instead of 2.36%) and the United Kingdom (14.33% instead of 11.82%). One might expect purely from a financial logic that these Member States to be in favour of budgetisation of the EDF, as full alignment to the budget would reduce their contribution share if the budget keys for 2014-2020 were to equal those of the 2007-2013 period. In a similar vein, using a purely financial logic other Member States could be expected to argue against budgetisation. This could particularly be the case for the EU12 Member States, whose contribution would increase drastically under budgetisation.

Implications of this analysis for stakeholder engagement in the EU budget discussion

Analysing EDF contributions by accounting for factors such as inflation, size of the population, and size of the economy offers different ways of analysing what would be reasonable shares of contribution for individual Member States. However, the reality is that the discussion on the 11th EDF is mostly in function of negotiations of discussions on who contributes what share of the overall EU budget. That is to say that many Member State officials consider the total amount to be paid and disbursed towards both the EU budget and EDF when making strategic calculations on their negotiation positions. The findings from this briefing note might therefore have different sets of implications for different groups of stakeholders.

Key stakeholders in EU-ACP development cooperation, such as EU Member States, DG DEVCO, the EEAS, the European Parliament, ACP governments and key non-state actors, stand to benefit from closely following the debates on the overall size and distribution of the EU's budget as well as the EDF. More importantly, however, stakeholders should aim to further emphasise the 'development-dimension' in overall discussions on the EU's budget and EDF. The Commission and the European External Action Service have already made an important start in explicitly addressing the question as to why the EU should invest in its external relations in its December 2011 proposal. Also for the benefit of the EDF, this seems to be the

appropriate level to gather consensus for the EU's development cooperation budget, and should be dealt with before getting down to the 'specifics'.

Three EU Member States in Germany, France and the UK remain the "big players" with regards to the EDF. While they may not be the largest contributors in per capita terms, their financial weight (and resultant votes in the EDF Committee) means that they remain the most influential Member States when it comes to the EDF, if the current Commission proposal is adopted. Yet the ACP should not neglect some EU12 members who although collectively are smaller players, have an increasing share, with Poland for example already exceeding Ireland's and Portugal's real contributions.

Introduction

Created in 1957 by the Treaty of Rome, and first launched in 1959, the European Development Fund (EDF) is the main instrument for delivering EU development assistance to the African, Caribbean and Pacific Group of States (ACP) and the Overseas Countries and Territories (OCTs)⁷. The EDF has to date been funded outside the EU budget by the EU Member States on the basis of financial payments related to specific contribution shares, or “keys”. The EDF is subject to its own financial rules and procedures, and is managed by the European Commission (EC) and the European Investment Bank.

Each EDF is concluded for a multi-annual period. Negotiations are currently ongoing for the 11th EDF, which, as proposed, would cover the period 2014-2020. This one-year extension compared to the 10th EDF allows the end of the 11th EDF to coincide with the expiration of the Cotonou Partnership Agreement in 2020 and the EU budget period.

The EDF is part of the EU’s Official Development Assistance (ODA) contribution⁸. In 2005, the EU and its Member States agreed to achieve a collective level of ODA of 0.7% of GNI by 2015 and an interim target of 0.56% by 2010, with differentiated intermediate targets for those EU Member States which had recently joined the Union⁹. On the 23rd of May 2011, EU ministers responsible for development cooperation gathered to take stock of progress made and concluded that additional efforts would be needed to close an estimated gap of €50 billion to reach the collective EU target of 0.7% by 2015. However the continuing low levels of economic growth and recession in some EU Member States have led some Member States to impose further cuts on development cooperation¹⁰. Hence, the negotiations on the 11th EDF take place against a background of a recognised need for the EU to increase its collective ODA commitments, while at the same time having to make strong national budget cuts.

The current 10th EDF is not included in the overall EU budget. The Member State contributions keys are subject to negotiation. The EDF is currently the only EU policy instrument that is financed through a specific key that is different from the EU budget key, and which reflects the comparative interests of individual Member States. The history behind this anomaly dates back to the foundations of the European integration process.

As the EDF (covering at the time mainly French OCTs) was mainly pushed by France in the negotiations for the Rome treaty, the five other founding members did not agree to follow the normal way of contributing to the budget. The contribution keys were therefore political from the outset, with France and Germany contributing the largest and identical share of 34.4%. Since Lomé I, it would have been logical to budgetise the EDF, because the specific French interest had been significantly diluted through increase in geographical coverage by the EDF (On 28 February 1975, the “Lomé ACP-EEC Convention” was signed

Key terms

ACP Group refers to the African, Caribbean and Pacific Group of states.

EU12 refers to the Member States who joined the EU in or since 2004: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

EU15 Member States are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

The European Development Fund (EDF) is the EU’s main instrument for development cooperation for ACP states and OCTs. The EDF has to date been funded outside the EU budget by the EU Member States on the basis of financial payments related to specific negotiated contribution keys.

EU budget refers to the EU’s Multiannual Financial Framework (MFF). The MFF translates into financial terms the EU’s political priorities for at least five years, and sets annual maximum amounts for EU expenditure.

EDF budgetisation is the process of integrating the European Development Fund into the overall budget for the EU.

⁷ For further analysis and information on the historical background and evolution of European Development Fund, see for example Frisch, D. 2008. [The European Union's development policy. A personal view of 50 years of Development Policy](#). (Policy Management Report 15). Maastricht: ECDPM.

⁸ With the exception of allocations to the African Peace Facility.

⁹ European Council. 2005. European Council Presidential Conclusions 16 and 17 June 2005. 18 June 2005, Doc. 10255/05 Conc. 2. Brussels: European Council. Available at: <http://www.consilium.europa.eu/press/press-releases/latest-press-releases/newsroomloaddocument?id=&lang=en&directory=en/ec/&fileName=85349.pdf>

¹⁰ European Council. 2011. Council of the European Union 3091st FOREIGN AFFAIRS Council meeting conclusions on "First Annual Report to the European Council on EU Development Aid Targets" Brussels: European Council. Available at: http://www.eu-un.europa.eu/articles/en/article_11076_en.htm

by 46 African, Caribbean and Pacific States and by the Community and its nine Member States). However, once the option of keeping the EDF outside the budget had been introduced, the possibility of bargaining on EDF contributions remained.

In past negotiations for previous budget periods, the Commission has repeatedly proposed to include the EDF in the overall EU budget. The main argument put forward was an increase of democratic scrutiny, transparency and effectiveness¹¹. Current negotiations on EDF contributions as well as the EU's Multi-annual Financial Framework 2014-2020¹² (EU budget) are ongoing and will gather speed under the Danish and Cypriot EU Presidencies. In tough economic times, as also alluded to above, these are likely to be hard fought negotiations with some Member States maintaining the position that the EU budget as a whole, development and EDF included, should be reduced by €100 billion.¹³

Methodology and Data

Contribution keys and total figures for the 11th EDF are based on the most recent European Commission proposal published 12 December 2011, COM(2011) 837 final.

Figures for Gross Domestic Product (GDP), total population and the HICP are all based on numbers published by Eurostat, available in their online database.

The full data set that informed the analysis in this briefing note is available upon request. Please contact uk@ecdpm.org.

For more information, see the Methodology annex to this note on page 16.

In the Communication 'A budget for Europe 2020', the European Commission underlined that it was not appropriate at present time to propose that the EDF be integrated into the EU budget. This has been interpreted by some as a move to avoid a reduction in the total amount for EU development cooperation¹⁴. Although the

EU is strongly committed to its financing for development target, EU Member States' efforts to impose 'austerity' on the overall EU budget (as discussed above) may also have a bearing on the financial resources available for EU development spending (in and/or outside the budget). Keeping the EDF 'fenced' means that it would be relatively protected from pressure by Member States to reduce EU development cooperation funds, either in relation to other components of heading 4 (Global Europe), in relation to other headings, or the budget altogether. What matters for the ACP is that the Commission, when working on this proposal, has tested the waters and believes it can rely on the EU's willingness to keep up its commitment in both relative and absolute terms, even though they may not keep up with overall ODA levels once committed to.

While the EDF may be affected by overall discussions on the EU budget, it is also important to note that despite the declining interest among EU Member States in ACP-EU cooperation, the EC deemed it opportune to keep the EDF intact until 2020 and prepare for more radical changes after 2020. It remains to be seen how the Commission's 11th EDF proposals will make it through the budget negotiations with the EU Member States and the European Parliament, a process that should be concluded in 2013.

This briefing note intends to provide insights and perspectives to both ACP and EU stakeholders on the proposed 11th European Development Fund which could inform their contributions to the discussions on the financing of EU development cooperation during the next months. In the coming sections, financial contributions to the 11th EDF are analysed by accounting for factors such as inflation, size of the population, size of the economy, and number of years covered by the 11th EDF. These are all factors that are important and useful to more accurately illustrate the true value of the proposed contributions and different ways of comparing contribution shares of Member States. The 11th EDF is also analysed in relative terms compared to the size of the Development Cooperation instrument and overall size of EU external action support. ECDPM will compliment the financial analysis in this Briefing Note with other publications dealing with the future of European external support.

¹¹ For analysis on the debate on the budgetisation of the EDF, see for example ECDPM's Challenges Paper: "[Questioning Old Certainties: Challenges for Africa-EU relations in 2012](#)" or the ECDPM Discussion Paper: Mackie, J. Frederiksen, J and C. Rossini. 2004. [Improving ACP-EU Cooperation: Is 'budgetising' the EDF the answer?](#) (ECDPM Discussion Paper 51). Maastricht: ECDPM.

¹² For more information on the Multi-annual Financial Framework, see for example Gavas, M., S. Koch, O. Bello, J. van Seters & M. Furness. 2011. [The EUs Multi-Annual Financial Framework post-2013: Options for EU development cooperation](#). London: ODI

¹³ See: Mahony, Honor. 2012. Danes seek clarity on future EU budget. EU Observer. Available at: <http://euobserver.com/843/115046>. Accessed: 2 February 2012.

¹⁴ See: ECDPM's Challenges Paper: "[Questioning Old Certainties: Challenges for Africa-EU relations in 2012](#)"

1. Analysing the relative importance of the 11th EDF

In December 2011, the Commission invited the Member States to consider a draft Internal Agreement governing the implementation of EU aid for the ACP States and OCTs for the period 2014-2020¹⁵. This draft Internal Agreement for the 11th EDF, that further details the overall proposal for the EDF as made in 'A budget for Europe 2020' that was published in June of the same year, indicates that the EDF would continue to be the largest instrument in financial terms for EU external action in the period 2014-2020. The total contribution proposed for the 11th EDF is 34 275 600 000 € in current prices.

One way of analysing the proposed size of the 11th EDF is to compare it with that of the Development Cooperation Instrument (DCI), which is the second-largest financial instrument under Heading 4 (Global Europe)¹⁶. This can give a rough idea of how Europe views the importance of development cooperation to ACP countries in relation to other developing countries, and to determine whether this relative importance in financial terms would grow or decline in focus in the future (2014-2020) compared to the budget period of 2007-2013.

The DCI covers three components:

1. geographic programmes supporting cooperation with 47 developing countries in Latin America, Asia and Central Asia, the Gulf region and South Africa
2. thematic programmes benefitting all developing countries (including those covered by the EDF).
3. programme of accompanying measures for the 18 ACP Sugar Protocol countries, in order to help them adjust following the reform of the EU sugar regime.

When looking at the 10th EDF as a percentage of total DCI+EDF expenditure¹⁷, the 10th EDF accounts for 61.03%. Conducting the same calculations for the 11th EDF shows that the 11th EDF accounts for 59.54% of total DCI+EDF expenditure¹⁸. This indicates that the financial importance of ACP development cooperation in relation to other developing countries for the EU is more or less the same and that no radical financial changes are proposed.

Table 1: Comparing the size of the EDF with that of the DCI

10th EDF as a percentage of DCI+EDF 2007-2013	61.03%
11th EDF as a percentage of DCI+EDF 2014-2020	59.54%

The total amounts for the DCI (2007-2013 and 2014-2020) and the EDF (2008-2013 and 2014-2010) are available in annex 2.

2. Analysing the proposed 11th EDF in nominal and real terms

When analysing the total contribution proposed for the 11th EDF, it is important to note is that the different EDF cycles cover a different numbers of years. The 8th EDF covered five years, the 9th EDF covered eight years, the 10th EDF covered six years, and the proposed 11th EDF will cover seven years. To be able to compare the 11th EDF to previous EDFs, the analysis of contributions will be made in terms of amount of EDF funds committed on an annual basis (hereafter referred to as annually committed funds) for the duration of each of the EDFs.

¹⁵ 'Communication from the Commission to the European Parliament and the Council - Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund)' [COM\(2011\) 837 final](#)

¹⁶ European Commission. 2012. Development Co-operation Instrument (DCI). Available at: http://ec.europa.eu/europeaid/how/finance/dci_en.htm Accessed: 29 February 2012.

¹⁷ The annual amounts for the DCI (2007-2013) and the 10th EDF (2008-2013) are used in these calculations since the EU budget and the 10th EDF cover a different number of years.

¹⁸ DCI 2014-2020 including the 11th EDF (2008-2013)

As there is no information provided on the amounts available for disbursements from the 11th EDF for each individual year 2014-2020, the calculations in this briefing note are based on the assumption that the money available under each of the EDFs are evenly distributed over the number of years that they cover¹⁹. By using the amount of funds in the first year of each EDF in the calculations, the most conservative account for inflation was chosen (since for example the total amount for the 11th EDF is in current 2014-2020 prices). The total budget for the 11th EDF will be spread out over seven instead of by for example five years - as was the case for the 8th EDF - to get an indicative/average value of the per year disbursements. These choices made make it possible to show a rough indication of changes in annually committed funds between the different EDFs.

If the EC proposal is accepted in its current form, the annually committed funds to the 11th EDF, €4,896,514,286 will increase in nominal terms by €1,116,180,952, or 29.53%, compared to the 10th EDF's annually committed funds of €3,780,333,333. However, this increase does not take into account inflation. This is a serious shortcoming since inflation erodes the value of the contributions over time. Accounting for inflation is therefore important to give us an idea of the purchasing power of the funds in a given year. To calculate the real amounts, rather than the nominal amounts, all amounts are deflated using the Eurostat's Harmonized Indices of Consumer Prices (HICP) Index²⁰ and transformed into 2010 prices. The year 2010 was chosen since this was the most recent year that Eurostat had published HICP indicators for when the December 2011 communication was published.

The following figures illustrate the difference between comparing the annually committed funds for each of the EDFs in nominal and real terms:

Figure 1: Annually committed funds for the EDFs – nominal terms

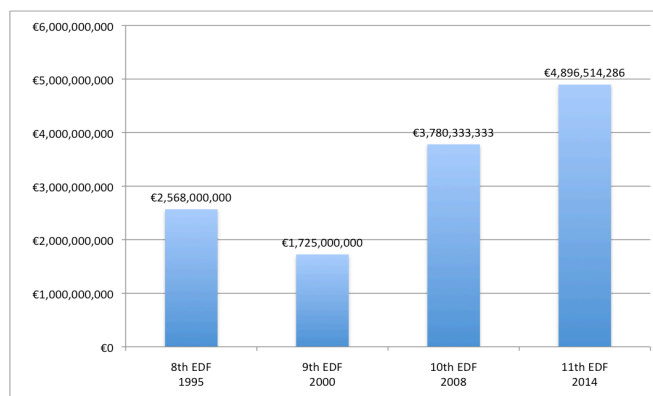


Figure 2: Annually committed funds for the EDFs – real terms

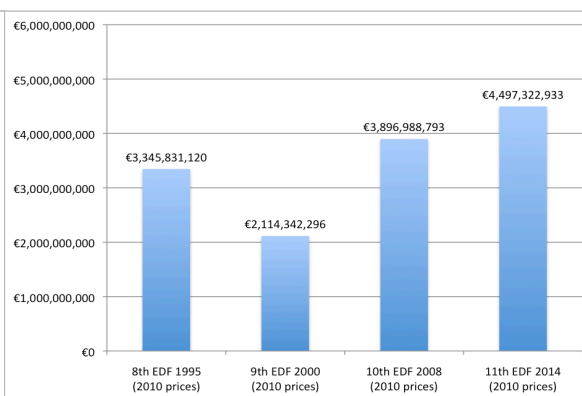


Figure 1 shows that annually committed funds in nominal terms have consistently increased over time, except for the 9th EDF. There are two different total amounts that could have been used in calculations for the 9th EDF, €13.8 billion or €23.8 billion, with the larger figure also including unused funds from earlier EDFs. After the 8th EDF, EDF rules were aligned to the budget rules in respect to roll over of funds not spent when an EDF period came to an end. Amounts not committed by the end of a cycle will now lapse, whereas in former times committed appropriations could live on “eternally”. Before the 9th EDF, roll over funds were added to the available fresh money for reasons of accounting simplification, but they did not appear in the initial allocation of a new EDF (no double accounting). With the 9th EDF, they started with €13,8 billion ‘fresh’ money, added formally close to €10 billion uncommitted balances and indicated this as the total amount for the EDF. This was then spread over 8 years. The close to €10 billion clearly represented double accounting. For this reason, the figure €13,8 billion divided by the number of years covered by the 9th EDF (8) will be used in this analysis. The confusion regarding the 9th EDF had however a positive effect: as no one seems to have reflected on the origin of the €22,5 billion, the 10th EDF contribution jumped to €22,39 billion ACP (+ 292 OCT) “fresh money”, this time for a period of 6 years. Figure 1 illustrates the nominal increase of 29.53% between the annually committed funds to the 10th EDF and the annually committed funds to the 11th EDF's.

¹⁹ These amounts are calculated without taking into account the fact that it would be reasonable to assume that disbursements would be lower in the first year of a fund than for example the last year if the goal was to make the same real amount available for each year. This is done since there is no information provided on the size of annual disbursements for the 11th EDF.

²⁰ For more information on HICP, see: <http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction>

Figure 2 demonstrates annually committed funds in real terms (in 2010 prices)²¹. As figure 2 shows, **the actual increase in annually committed funds to the 11th EDF compared to the 10th EDF is 15.4%.**

The same analysis of the annually committed funds for the different EDFs can also be made for Member States' individual EDF contributions. Figure 3 and 4 illustrate Member States' relative contributions if using the proposed 11th EDF keys, in real versus nominal terms.

Figure 3: Member States' relative contributions to the 11th EDF with the proposed 11th EDF keys in nominal term

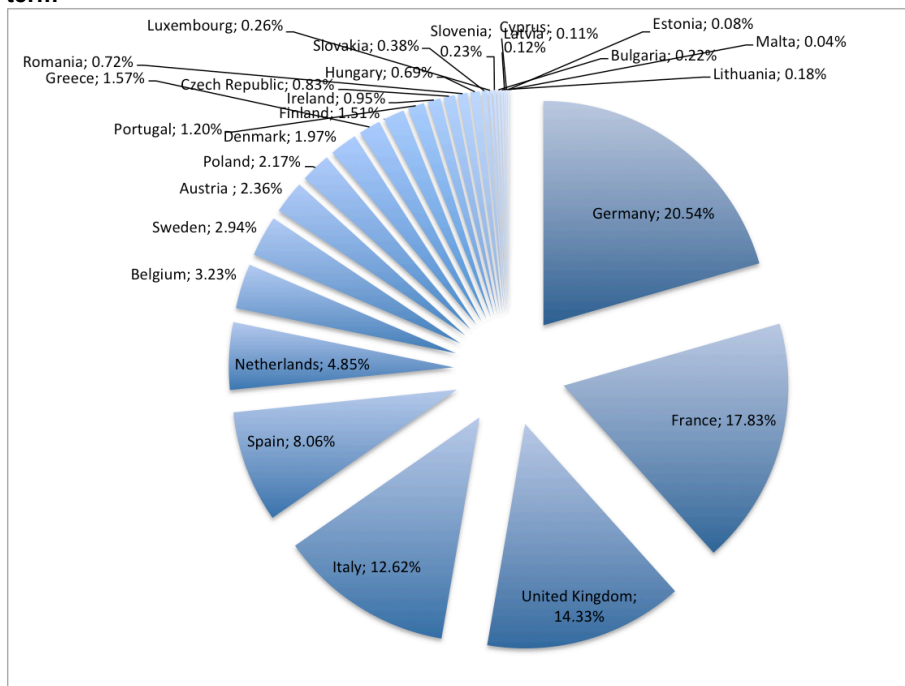
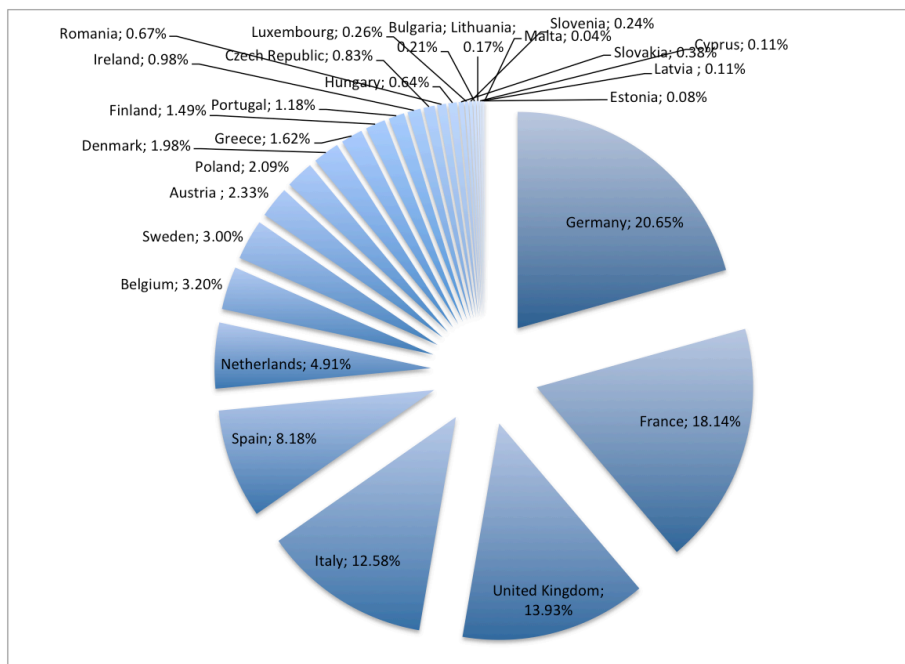


Figure 4: Member States' relative contributions to the 11th EDF with the proposed 11th EDF keys in real terms



²¹ The year 2010 was chosen since this is the most recent year that Eurostat has published HICP indicators for when the December communication of the EC was published. For more information, see annex 1.

The three biggest donors to the EDF in terms of nominal contributions, Germany, France and the United Kingdom, together account for more than half of total proposed contributions to the 11th EDF. The same holds for real contributions. Among the top ten donors in nominal terms as well as real terms, Poland is the only Member States who joined the EU in or since 2004²² (hereafter referred to as EU12 Member States).

Although analysing the EDFs in real terms more accurately shows the true value of the contributions, these numbers do not account for the different sizes of the populations in the different Member States.

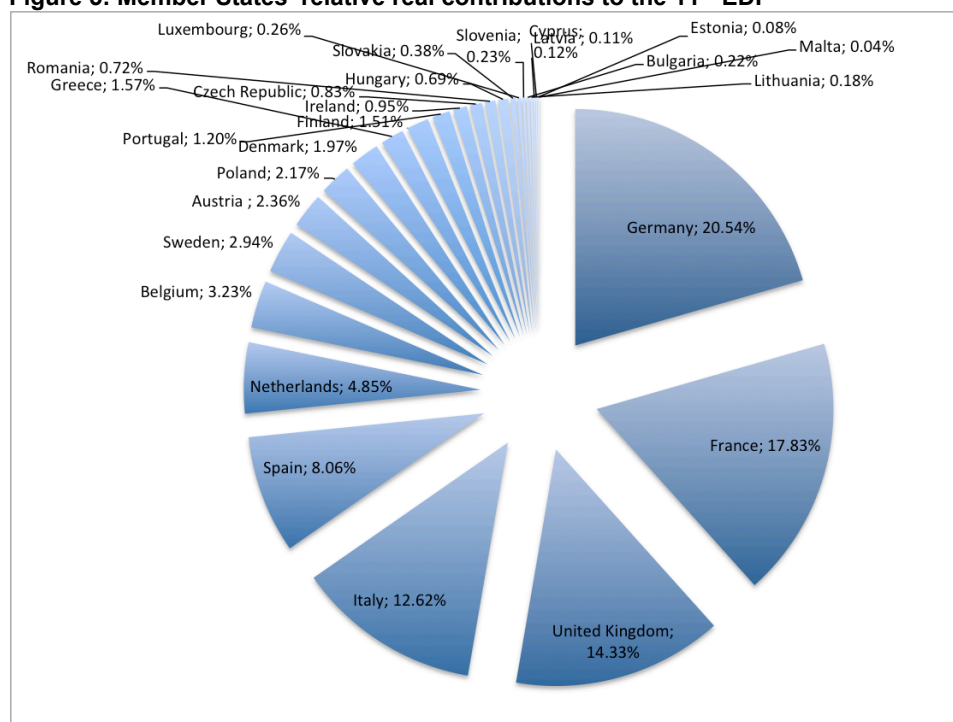
3. Analysing the proposed 11th EDF in per capita terms

Accounting for the size of the population is important since this gives us an idea of the actual contribution per capita. An overall analysis indicates that **the increase in real annually committed funds per capita between the 10th and the 11th EDF is 13.26%**.²³ This percentage change between the 10th and 11th EDF is less substantial than if only accounting for inflation.

When comparing Member States contributions, it would not be surprising if Germany's real contribution to the EDF was considerably larger than that of for example Luxembourg, since Germany's total population is about 160 times bigger than Luxembourg's. Real contributions to the 11th EDF were therefore looked at in relations to Eurostat's population figures.

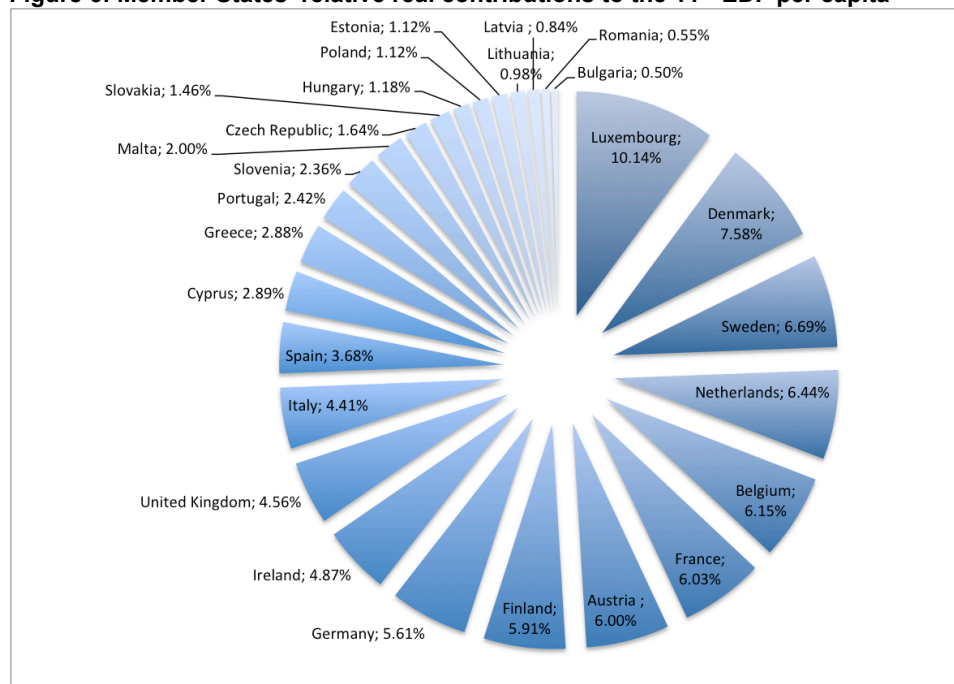
Looking at these per capita contributions to the 11th EDF shows a different picture of which Member States contribute most to the EDF. Figures 5 and 6 show Member States' relative real contribution to the 11th EDF contributions with the proposed 11th EDF keys in real terms, and in per capita terms.

Figure 5: Member States' relative real contributions to the 11th EDF



²² The Member States who joined the EU in or since 2004 are: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

²³ Calculations of the real annually committed funds per capita for the EU gives: €6.99 for EDF8, €4.38 for EDF9, €7.83 for EDF 10, €8.87 for EDF 11 (all amounts in 2010 prices).

Figure 6: Member States' relative real contributions to the 11th EDF per capita

In figure 5, the three biggest donors to the EDF in terms of real contributions, Germany, France and the United Kingdom, together account for more than half of total proposed contributions to the 11th EDF. When looking at real contributions per capita in figure 6, another picture emerges. The top three contributors in real terms, Germany, France and the United Kingdom, are placed 9th, 6th and 11th respectively. Instead, Luxembourg is ranked highest, followed by Denmark and Sweden. The highest ranked EU12 Member State in terms of real contributions per capita is Malta, ranked 14th.

Annex 3 to this briefing note presents detailed comparisons of individual Member States' real annually committed funds, real annually committed funds per capita, and percentage change in real annually committed funds per capita between the 10th and the 11th EDF.

Calculations in this index on the percentage change in real annually committed funds per capita to the 11th EDF compared to the 10th EDF indicate that the **EU12 Member States' funds per capita would increase, thus reducing the gap with EU15 Member States annually committed funds per capita.**

The table in annex 4 elaborates further on Member States' EDF contributions, comparing the change in real annually committed funds per capita to the 10th EDF with those of the 11th EDF, and the difference between using the same keys as for the 10th EDF, or the new proposed 11th EDF keys. This comparison is made in order to analyse the difference in the new proposed 11th EDF keys, which are more aligned to the EU budget keys than the 10th EDF keys were.

Slovakia, one of the EU12 Member States, would increase their annually committed funds per capita by 13.4% if it applied the same EDF key to the overall proposed 11th EDF budget as it did for the 10th EDF. With the proposed 11th EDF keys, it would instead increase its annually committed funds per capita by 107.73%.

France, one of the EU15 Member States, would increase its annually committed funds per capita to the 11th EDF compared to the 10th EDF by 15.83% if the same key was used as for the 10th EDF. Applying the 11th EDF keys, it will instead increase its annually committed funds by 5.63%. Yet it is still important to note that despite this increase with regards to the proposed 11th EDF keys, this increase is still not as significant as it would be if aligned to the 2014-2020 EU budget keys. This will be further discussed in section 5.

Analysing real annually committed funds per capita makes it possible to more accurately illustrate the true value of the contributions to the EDF, but these numbers do not take into account the size of the economy and growth.

4. Analysing the proposed 11th EDF taking the size of the economy and growth into account

Accounting for size and growth of the European and individual Member States' economies, measured by GDP levels and changes, is important because it tells us something about the increasing potential of contributing to the EDF. Real annually committed funds per capita were therefore analysed as a share of Eurostat's figures for GDP per capita. Figures 7 and 8 illustrate the difference between annually committed funds per capita when accounting and not accounting for growth.

Figure 7: Real annually committed funds per capita

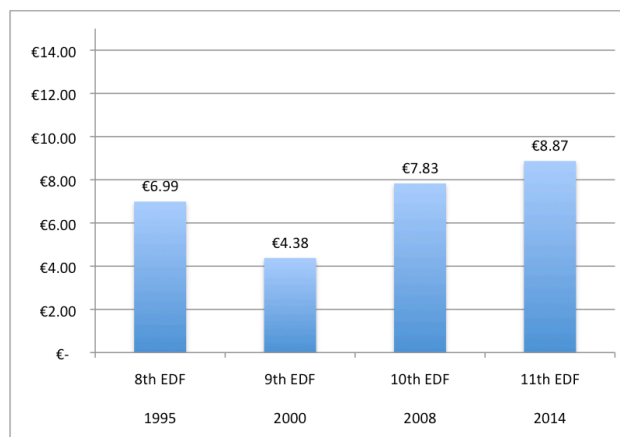


Figure 8: Real annually committed funds per capita when accounting for growth

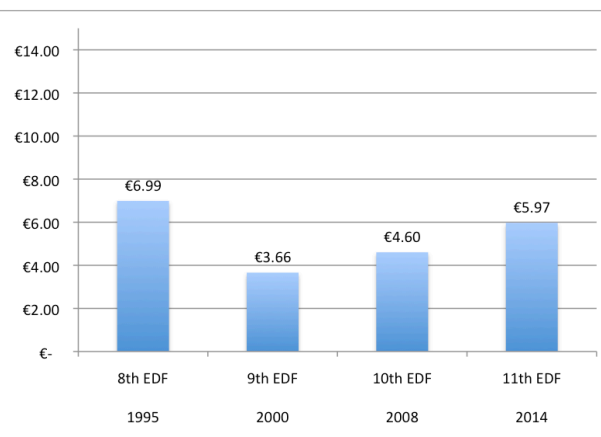


Figure 7 shows real annually committed funds per capita in 2010 prices²⁴. Figure 8 shows real annually committed funds per capita in 2010 prices when accounting for economic growth, using 1995 GDP as the base year for growth calculations. As figure 8 shows, the real annually committed funds per capita, when taking growth into account, has increased more substantially than figure 7 implies.

When instead analysing the 11th EDF in relation to the size of the economy, a different picture emerges. The first column of the table in annex 5 presents the percentage change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF as a share of GDP per capita for each of the Member States. The column shows that **if taking inflation, growth, and size of the economy into account, the actual increase in annually committed funds per capita for the EU27 is 11.19%**. What initially seems like a significant increase in nominal terms – 29.53% more per year for 11th EDF compared to the 10th EDF as proposed by the December 2011 budget Communication – is in fact not as big or significant as it might seem.

The second and third columns of the table in annex 5 present the percentage change in annually committed funds per capita to the 8th EDF compared to the 10th EDF as a share of GDP per capita, and the 8th EDF compared to the 11th EDF as a share of GDP per capita. It is important to note that these calculations are only possible to do for the EU15 since these countries were the only ones contributing to the 8th EDF. A second point that is important to note is that the 8th EDF is a somewhat atypical EDF that marked the end of an era. Under the revised IV Lomé Convention corresponding to the 8th EDF, the relationship with the ACP came under growing pressure, which prompted the EC to launch a broad-based consultation process on the future of ACP-EC co-operation. This process led to a 1996 green paper and set the scene for the negotiations of a successor agreement. After the 8th EDF, the EDF was aligned to the budget rules in respect to roll over of funds not spent after an EDF expired. Amounts not committed by the end of a period lapse, whereas in former times (e.g. for the 8th EDF) committed appropriations could live on “eternally”. For reasons of accounting simplification, roll over funds were added to the available fresh money, but they did not appear in the initial allocation of a new EDF (no double accounting). For the 8th EDF (covering 5 years), two figures appear: €12,840 million fresh money, and €13,307 million uncommitted

²⁴ The year 2010 was chosen since this is the most recent year for which Eurostat had published HICP indicators for when the December proposal was published. For more information, see annex 1.

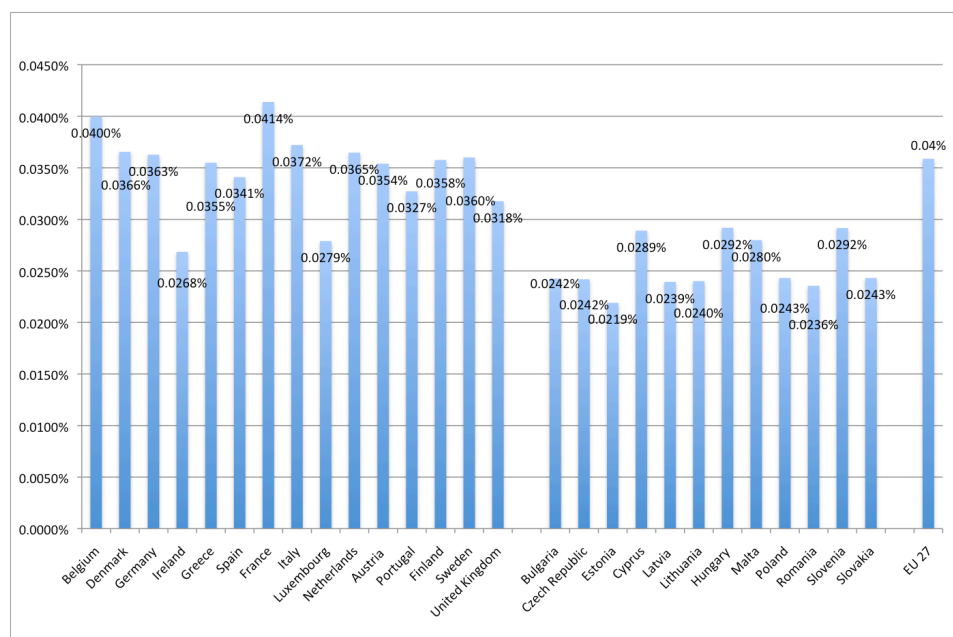
balances included. In this analysis, the figure €12,840 million divided by the number of years the 8th EDF covered (5) is used.

Looking at historical changes in contributions to the EDF, e.g. comparing contributions to the 10th EDF with the 8th EDF, or the 11th EDF with the 8th EDF, and as shown in annex 5, **all EU15 Member States have decreased their real annually committed funds to the EDF** as a share of GDP. With the EU's first accountability report on development cooperation having signalled a € 50 billion gap to achieve the EU's collective (Member State and EU) development cooperation target of 0.7% of Gross National Income by 2015, these figures again illustrate how difficult the EU finds it to make progress to this area.²⁵ With the proposed EU development cooperation budget not likely to increase over what the Commission has proposed, this shows all the more that the remaining gap could only be closed through increases in EU Member States' bilateral development cooperation.

When analysing the differences between Member States' EDF real annually committed funds per capita as a share of their real GDP per capita, the results show that **Member States' proposed annually committed funds to the 11th EDF as a percentage of their GDP per capita are somewhat aligned to each other**. In general, the EU12 Member States pay a smaller share to the 11th EDF than the EU15 Member States do.

For the 11th EDF, the annually committed funds as a percentage of GDP per capita range from 0.0292% to 0.0219% for EU12 Member States, and from 0.0414% to 0.0268% for EU15 Member States. Since these two ranges of contributions overlap, this also means that some of the EU12 Member States, e.g. Cyprus, would contribute relatively more to the EDF than some of the EU15 Member States, e.g. Ireland or Luxembourg. Figure 9 provides a graphical representation of the differences across countries in terms of their annually committed funds per capita as a share of GDP per capita under the proposed 11th EDF.

Figure 9: Proposed annually committed funds per capita to the 11th EDF as a percentage of real GDP per capita



It should be noted that the calculations for figure 9 are based on commitments, not actual forecasted disbursements in 2014. These percentages should therefore only be used as a tool when analysing relative difference between countries, not as percentages of what they would actually spend on the EDF in 2014. This figure only gives an indication of, in relative terms, how big share of their GDP in one year the 11th EDF would represent.

²⁵ http://ec.europa.eu/europeaid/how/accountability/eu-annual-accountability-reports/index_en.htm

5. Exploring the scenario of full alignment of the EDF to the 2007-2013 EU budget keys

Analysing the annually committed funds to the 11th EDF in real terms, and accounting for the population, economy and growth, presents a more accurate illustration of the proposed amount for the 11th EDF. However, using different keys for the proposed total amount for the 11th EDF will (as the table in annex 4 showed) result in considerable changes in the individual Member States' relative contributions. This section analyses how EDF contributions per Member State would change if the contribution keys were to be fully aligned with EU budget keys.

In the Communication 'A budget for Europe 2020', the European Commission underlined that it was not appropriate at present time to propose that the EDF be integrated into the EU budget. In that same Communication, as well as in COM(2011) 837, the EC proposes to further align Member States' contribution keys under the EDF to the keys used for the overall EU budget. With this proposal, the EC hopes to create a basis for a smooth future integration of the EDF in the budget²⁶. While the possibility of the 11th EDF being part of the overall EU budget 2014-2020 is unlikely, it is not completely off the table. For this reason, and for the possible budgetisation of the EDF after 2020, it is therefore useful to project how fully harmonising the EDF contribution with the EU budget key might affect contributions at the Member State level.

As the future EU budget keys are yet to be decided on, this analysis is based on the use of the 2007-2013 budget keys in relation to the proposed overall amount available per year for the 11th EDF. The results are therefore only indicative and are likely to change when the negotiations regarding the next EU budget have been concluded.

The first and second column of table 2 show that **even though the 11th EDF contribution keys are closer to the budget keys than they were before, they still differ substantially**. In the table those Member States that provide more to the EDF in relative terms than to the EU budget are marked in bold.

The additional columns in table 2 offer a comparison of what each individual Member State would pay to the 11th EDF if they used:

- the same keys as they did for the 10th EDF (column 8)
- the proposed keys for the 11th EDF (column 9)
- the EU 2007-2013 budget keys (column 10)²⁷

²⁶ 'Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions - A Budget for Europe 2020' [COM\(2011\) 500 final](#) p. 21

²⁷ The EU 2007-2013 budget key was calculated using the final budget numbers from the "Breakdown of the total amount of own resources by member state" on page 92 in the EC's '[Report on Budgetary and Financial Management – Financial year 2010](#)'.

Table 2: Comparing Member State contributions to the EDF using different distribution keys

Country	Keys for the 10th EDF	Keys for the 11th EDF	Keys for the 2007-2013 EU Budget	Real annually committed funds per capita using 10th EDF key	Real annually committed funds per capita using 11th EDF key	Real annually committed funds per capita using EU budget keys	Change in real annually committed funds per capita between the 10th to 11th EDF, using 10th EDF keys	Change in real annually committed funds per capita between the 10th to 11th EDF, using proposed 11th EDF keys	Change in real annually committed funds per capita between the 10th to 11th EDF, using 2007-2013 EU budget keys
Belgium	3.53%	3.23%	3.93%	€14.14	€12.96	€15.76	-20.87%	-27.50%	-11.82%
Bulgaria	0.14%	0.22%	0.31%	€0.82	€1.28	€1.78	11.56%	75.25%	143.55%
Czech Republic	0.51%	0.83%	1.19%	€2.17	€3.53	€5.08	14.83%	86.95%	168.74%
Denmark	2.00%	1.97%	2.07%	€16.14	€15.88	€16.67	13.17%	11.39%	16.94%
Germany	20.50%	20.54%	19.98%	€11.48	€11.50	€11.18	20.20%	20.45%	17.13%
Estonia	0.05%	0.08%	0.12%	€1.60	€2.69	€3.75	10.02%	85.02%	158.22%
Ireland	0.91%	0.95%	1.16%	€9.33	€9.70	€11.94	21.36%	26.13%	55.18%
Greece	1.47%	1.57%	2.02%	€5.97	€6.40	€8.19	15.13%	23.34%	57.94%
Spain	7.85%	8.06%	8.79%	€7.66	€7.86	€8.58	14.52%	17.58%	28.30%
France	19.55%	17.83%	16.56%	€13.61	€12.41	€11.53	15.83%	5.63%	-1.87%
Italy	12.86%	12.62%	13.16%	€9.40	€9.22	€9.61	13.37%	11.22%	15.97%
Cyprus	0.09%	0.12%	0.16%	€4.75	€6.12	€8.46	7.30%	38.23%	90.93%
Latvia	0.07%	0.11%	0.15%	€1.40	€2.19	€3.03	17.67%	84.01%	154.71%
Lithuania	0.12%	0.18%	0.25%	€1.60	€2.38	€3.27	12.34%	67.76%	130.20%
Luxembourg	0.27%	0.26%	0.23%	€22.30	€21.68	€18.78	2.81%	-0.02%	-13.40%
Hungary	0.55%	0.69%	0.81%	€2.29	€2.88	€3.36	1.53%	27.86%	49.21%
Malta	0.03%	0.04%	0.05%	€3.26	€4.26	€5.66	13.43%	48.26%	97.06%
Netherlands	4.85%	4.85%	4.98%	€13.11	€13.11	€13.47	16.23%	16.20%	19.41%
Austria	2.41%	2.36%	2.17%	€12.68	€12.44	€11.41	13.90%	11.69%	2.48%
Poland	1.30%	2.17%	2.95%	€1.47	€2.45	€3.34	6.90%	78.31%	142.70%
Portugal	1.15%	1.20%	1.39%	€4.80	€4.99	€5.78	15.54%	20.23%	39.33%
Romania	0.37%	0.72%	1.01%	€0.73	€1.42	€1.98	-0.17%	94.74%	172.25%
Slovenia	0.18%	0.23%	0.34%	€3.97	€5.15	€7.44	13.90%	47.79%	113.40%
Slovakia	0.21%	0.38%	0.58%	€1.69	€3.10	€4.65	13.40%	107.73%	211.12%
Finland	1.47%	1.51%	1.48%	€12.04	€12.34	€12.13	12.96%	15.78%	13.74%
Sweden	2.74%	2.94%	2.36%	€13.08	€14.02	€11.25	13.78%	21.98%	-2.17%
United Kingdom	14.82%	14.33%	11.82%	€10.20	€9.87	€8.14	7.83%	4.29%	-14.00%
EU27	100%	100%	100%	€8.87	€8.87	€8.87	13.26%	13.26%	13.26%

Using the same examples as in section 3, Slovakia would increase its real annually committed funds per capita to the 11th EDF by 13.4% if the same keys were applied for the 11th EDF as for the 10th EDF. With the 11th EDF keys, it would instead increase their real annually committed funds per capita by 107,73%. With a complete alignment to the EU budget keys for the 11th EDF, Slovakia would increase its real annually committed funds per capita to the 11th EDF compared to the 10th EDF by 211.12%.

In comparison, France would increase its real annually committed funds per capita to the 11th EDF compared to the 10th EDF by 15.83% if using the same key as it did for the 10th EDF. Applying the 11th EDF keys, it would increase its real annually committed funds by 5.63%. However, in case of a complete alignment to the EU budget keys for the 11th EDF, France would *decrease* its real annually committed funds per capita to the 11th EDF compared to the 10th EDF by 1.87%.

As previously mentioned in the introduction, there is a need to analyse these findings in the context of

which they are in. There are several agreements already on the table, like for example the Council Conclusions of 24 May 2005²⁸, where Member States agreed on individual differentiated targets. The EU Member States agreed to increase their ODA to 0.51% of their national income by 2010, and those Member States that had already achieved already higher levels (0.7% or above) promised to maintain these levels. The Member States that joined the EU in 2004 or after 2004 (EU12) promised to strive to spend 0.17% of their GNI on ODA by 2010 and 0.33% by 2015²⁹. Substantial differences between individual Member States' contributions can therefore be a result of the EU12 stepping up their investments to catch up with EU15 in terms of contributions to the EDF.

This overview suggests that one of the reasons for not fully aligning to the budget keys in its proposal may be that the EC aimed for a smooth transition of EU12 members in terms of their contribution to the EDF. **Under full alignment, several of the EU12 Member States would have to more than double their contributions to the 11th EDF.** Under the current proposals, the seven largest EDF contributing Member States (in real terms) instead prepare a softer landing for the EU12 in terms of scaling-up their contribution to EU development cooperation.

Conclusions

While it is important to keep in mind some methodological caveats referred to in the respective sections and described in detail in annex 1 to this note, a number of conclusions can be drawn from a quantitative analysis of the Commission's proposals for the 11th EDF:

1. A comparison of the proposed size of the 11th EDF in relation to the size of the DCI indicates that **the importance given to ACP-EU development cooperation for the EU is more or less the same as in the previous period.**
2. The nominal increase in the annually committed funds for the 11th EDF as compared to its predecessor is considerable. **The Commission proposes annually committed funds of €4.896bn, while the 10th EDF is worth €3.780bn per year, representing a 23.53% increase.** The 11th EDF is analysed in terms of annually committed funds since the previous and proposed EDFs cover different numbers of years (EDF 11: 7 years; EDF 10: 6 years; EDF 9: 8 years; EDF 8: 5 years). The one-year extension of the 11th EDF compared to the 10th EDF allows the end of the 11th EDF to coincide with the end of the period covered by the Cotonou Partnership Agreement in 2020, as well as that of the next EU budget.
3. As in previous periods, the bulk of the 11th EDF will be allocated to the ACP Group of States (93%), with the remainder being allocated to the OCTs (1%) and the Commission's administration costs (5%). The overall amount proposed for the 11th EDF is ambitious given the current period where public spending in EU Member States is under pressure. However, the proposed nominal increase does not take into account relevant factors such as inflation, size of the population, size of the economy and economic growth. Analysing the proposed 11th EDF, accounting for inflation, population size, and the size of the economy, shows that **real annually committed funds per capita as a share of GDP would increase by 11.19% for the EU27 compared to the 10th EDF.**
4. While the aforementioned real increase of 11.19% is significantly less than the nominal increase of 23.53%, it remains an ambitious proposal of the Commission, particularly given the pressure on public spending and the decreased political priority of EU-ACP relations in overall EU external action. This seems to confirm the assumption that the European Commission's proposal to keep the EDF separate from the budget may be driven by efforts to prevent a reduction of the overall EU development cooperation budget, and funding for EU-ACP relations more specifically, rather than the stated aim to *"increase public control, transparency and effectiveness"* as noted in the EC's proposal.

²⁸ European Council. 2005. Conclusion of the Council and of the Representatives of the Governments of the Member States meeting with the Council on accelerating progress towards attaining the Millennium Development Goals. 9266/05. Brussels: European Commission. <http://register.consilium.europa.eu/pdf/en/05/st09/st09266.en05.pdf>

²⁹ European Council. 2005. European Council Presidential Conclusions 16 and 17 June 2005. 18 June 2005, Doc. 10255/05 Conc. 2. Brussels: European Council. Available at: <http://www.consilium.europa.eu/press/press-releases/latest-press-releases/newsroomloaddocument?id=&lang=en&directory=en/ec/&fileName=85349.pdf>

5. Since both inflation and population size differ across EU Member States, it is relevant to take such factors into account when analysing proposed individual Member States' contribution shares to the 11th EDF. In nominal terms, the largest contributors using the EC's proposed contribution keys for the 11th EDF are Germany (20.54%), France (17.83%) and the United Kingdom (14.33%), together accounting for more than half of total proposed contributions. The smallest contributors are Malta (0.04%), Estonia (0.08%) and Latvia (0.11%). However, in real per capita terms, the country ranking changes considerably. **The top three contributors in real per capita terms (in 2010 prices) are Luxembourg (€21.68), Denmark (€15.88) and Sweden (€14.02), while Germany (€11.50), France (€12.41) and the United Kingdom (€9.87) rank 9th, 6th and 11th place respectively.**
6. When looking at relative annually committed funds per capita as a share of GDP from across the Member States to the proposed 11th EDF, the **EU12 and EU15 contributions percentages are somewhat aligned to each other.** For the 11th EDF, the annually committed funds as a percentage of GDP per capita range from 0.0292% to 0.0219% for EU12 Member States, and from 0.0414% to 0.0268% for EU15 Member States. In general, the EU12 Member States pay a smaller share to the 11th EDF than the EU15 Member States do, but since the two ranges of annually committed funds overlap, this also means that **some of the EU12 Member States contribute relatively more to the EDF than some of the EU15 Member States.** The relative alignment of contribution percentages does however indicate that some thought has gone in the drawing up of the 11th EDF.
7. The Commission proposes to further align Member States' contribution keys under the 11th EDF with the keys used for the EU budget, **which may smooth the integration of funding to the ACP and OCT into the EU budget after 2020.** For the EU15 Member States, the newly proposed contribution keys differ little from the 10th EDF. For example, under the 10th EDF Germany (20.50%), France (19.55%) and the United Kingdom (14.82%) were also the largest contributions together representing somewhat over half of the 10th EDF, as is the case in the 11th EDF proposals. **The most significant change occurs for the EU12 Member States, whose relative contributions increase between 27.86% (Hungary) and 107.73% (Slovakia).** In comparison, real annually committed funds per capita for Germany, France and the United Kingdom increase more moderately, by 20.45%, 5.63% and 4.29% respectively. Belgium and Luxembourg are the only countries whose real annually committed funds per capita will decrease from the 10th to the 11th EDF, if the Commission's proposals are adopted. Contribution keys may be part of the negotiations, alongside the total size of the 11th EDF.
8. Even though the EC proposal would result in stronger alignment to the present EU budget's keys, **the 11th EDF contribution keys still differ substantially from the keys used for this budget, and thus also the size of Member State contributions.** Member States whose proposed relative contribution is larger than it would be under full alignment to the present EU budget keys are Germany (20.54% instead of 19.98%), France (17.83% instead of 16.56%), Luxembourg (0.26% instead of 0.23%), Austria (2.36% instead of 2.17%), Finland (1.51% instead of 1.48%), Sweden (2.94% instead of 2.36%) and the United Kingdom (14.33% instead of 11.82%). One might expect purely from a financial logic that these Member States to be in favour of budgetisation of the EDF, as full alignment to the budget would reduce their contribution share if the budget keys for 2014-2020 were to equal those of the 2007-2013 period. In a similar vein, using a purely financial logic other Member States could be expected to argue against budgetisation. This could particularly be the case for the EU12 Member States, whose contribution would increase drastically under budgetisation.

Implications of this analysis for stakeholder engagement in the EU budget discussion

Analysing EDF contributions by accounting for factors such as inflation, size of the population, and size of the economy offers different ways of analysing what would be reasonable shares of contribution for individual Member States. However, the reality is that the discussion on the 11th EDF is mostly in function of negotiations of discussions on who contributes what share of the overall EU budget. That is to say that many Ministry officials consider the total amount to be paid and disbursed towards both the EU budget and EDF when making strategic calculations on their negotiation positions. The findings from this briefing note might therefore have different sets of implications for different groups of stakeholders.

Key stakeholders in EU-ACP development cooperation, such as EU Member States, DG DEVCO, the EEAS, the European Parliament, ACP governments and key non-state actors, stand to benefit from closely following the debates on the overall size and distribution of the EU's budget as well as the EDF. More importantly, however, stakeholders should aim to further emphasise the 'development-dimension' in overall

discussions on the EU's budget and EDF. The Commission and the European External Action Service have already made an important start in explicitly addressing the question as to why the EU should invest in its external relations in its December 2011 proposal. Also for the benefit of the EDF, this seems to be the appropriate level to gather consensus for the EU's development cooperation budget, and should be dealt with before getting down to the 'specifics'.

Three EU Member States in Germany, France and the UK remain the "big players" with regards to the EDF. While they may not be the largest contributors in per capita terms, their financial weight (and resultant votes in the EDF Committee) means that they remain the most influential Member States when it comes to the EDF, if the current Commission proposal is adopted. Yet the ACP should not neglect some EU12 members who although collectively are smaller players, have an increasing share, with Poland for example already exceeding Ireland's and Portugal's real contributions.

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Annex 1: Methodology

Section 1: Analysing the relative importance of the 11th EDF

To calculate the 10th EDF as a percentage of total DCI+EDF expenditure, the annual amount for the 10th EDF is divided by the sum of the annual amounts for the DCI (2007-2013) and the 10th EDF (2008-2013) since the EU budget and the EDF cover a different number of years.

To calculate the 11th EDF as a percentage of total DCI+EDF expenditure 2014-2020, the total amount of the 11th EDF was divided by the sum of the total amount of the DCI 2014-2020 and the total amount of the 11th EDF.

References to the amounts for the DCI (2007-2013 and 2014-2020) and the EDF (2008-2013 and 2014-2010) are available in annex 2.

Section 2: Analysing the proposed 11th EDF in nominal and real terms

The different EDFs cover different numbers of years. The 8th EDF (1995-1999) covered five years, the 9th EDF (2000-2007) covered eight years, the 10th EDF (2008-2013) covered six years, and the proposed 11th EDF (2014-2020) will cover seven years. As there is no information provided on the amounts available for disbursements from the 11th EDF for each individual year 2014-2020, the calculations in this briefing note are based on the assumption that the money available under each of the EDFs are evenly distributed over the number of years that they cover. This means that these amounts are calculated without taking into account the fact that it would be reasonable to assume that disbursements would be lower in the first year of a fund than for example the last year if the goal was to make the same real amount available for each year. This is done since there is no information provided on the size of annual disbursements for the 11th EDF. This makes it possible to show a rough indication of changes in commitments per year between the different EDFs.

The per year amount that will be used in the calculations in this note is the first year's annually committed funds to each of the EDFs. By doing this, the most conservative account for inflation has been chosen (since for example the total amount for the 11th EDF is in current 2014-2020 prices).

The calculations for the 8th EDF (for the period 1995-2000) are based on the total budget of 12,840,000,000 €³⁰. Calculations for the 9th EDF (for the period 2000-2007) are based on the total 9th EDF budget of 13,800,000,000 €³¹. Calculations for the 10th EDF (for the period 2008-2013) are based on the total budget of 22,682,000,000 €³². Calculations for the 11th EDF (for the period 2014-2020) are based on

³⁰ Commission of the European Communities. 'Communication from the Commission to the Council and the European Parliament - Towards the full integration of co-operation with ACP countries in the EU budget' [COM \(2003\) 590 final](#) Brussels: Commission of the European Communities.

³¹ Commission of the European Communities. 'Communication from the Commission to the Council and the European Parliament - Towards the full integration of co-operation with ACP countries in the EU budget' [COM \(2003\) 590 final](#) Brussels: Commission of the European Communities.

There are two different total amounts that could have been used for the 9th EDF. After the 8th EDF, EDF rules were aligned to the budget rules in respect to roll over of funds not spent when an EDF period came to an end. Amounts not committed by the end of a period lapse, whereas in former times committed appropriations could live "eternally". Before the 9th EDF, roll over funds were added to the available fresh money for reasons of accounting simplification, but they did not appear in the initial allocation of a new EDF (no double accounting). With the 9th EDF, they started with €13,8 billion fresh money, added formally close to €10 billion uncommitted balances and indicated this as the total amount for the EDF. This was then spread over 8 years. The close to €10 billion clearly represented double accounting. For this reason, the figure 13,8 billion will be used in this analysis. The confusion regarding the 10th EDF had however a positive effect: as no one seems to have reflected on the origin of the 22,5 billion, the 10th EDF contribution jumped to 22,39 ACP (+ 292 OCT) fresh money, this time for a period of 6 years.

³² € 21 966 million for ACP states (Decision 1/2006 of the ACP-EC Council of Ministers of 2 June 2006 specifying the multiannual financial framework for the period 2008 to 2013 and modifying the revised ACP-EC Partnership Agreement <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:247:0022:0025:EN:PDF>), € 286 million for OCTs (2007/249/EC: Council Decision of 19 March 2007 amending Decision 2001/822/EC on the association of the overseas countries and territories with the European Community [22](http://eur-</p>
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the proposed total budget of 34,275,600,000 €³³. The percentage increase in annually committed funds to the 11th EDF compared to the 10th EDF is calculated by dividing the total proposed 11th EDF budget by the number of years the 11th EDF covers, with the total 10th EDF budget divided by the number of years the 10th EDF covers.

$$\frac{\text{Total proposed 11th EDF contribution} / 7 \text{ years}}{\text{Total 10th EDF contribution} / 6 \text{ years}}$$

The calculation of nominal percentage change does not take into account inflation. This is a serious shortcoming since inflation erodes the value of the contributions over time. Accounting for inflation is therefore important to give us an idea of the purchasing power of the annually committed funds in a given year. To calculate the real amounts, rather than the nominal amounts, all amounts are deflated using the Eurostat's Harmonized Indices of Consumer Prices (HICP) Index³⁴ and transformed into 2010 prices. The year 2010 was chosen since this was the most recent year that Eurostat had published HICP indicators for when the EC proposal was published.

The European Commission started measuring HICP rates in 1996. There is therefore no rate for 1995 available. Instead of calculating an HICP 1995 rate, assuming that the growth rate on preceding year 1995 to 1996 would be the same as 1996 to 1997 (for which there is data available), 1996 HICP rate has been used in these calculations to deflate the value of the 8th EDF. This has been done because deflating the numbers with the 1996 HICP rate would not increase the value of the amount (using 2010 as base year) as much as using an arbitrary 1995 HICP rate that might not be correct. The calculated percentage changes that have been calculated based on these numbers can therefore be assumed to be lower than the actual change, i.e. on the more conservative side.

To deflate the 11th EDF, an HICP indicator for 2014 is needed. There are no forecasted HICP numbers for 2011, 2012, and 2013 yet, so these were calculated using the 'Forecasted percentage change in HICP 2011', 'Forecasted percentage change in HICP 2012', and 'Forecasted percentage change in HICP 2013' from the European Commission's "European Economic Forecast – Autumn 2011"³⁵. HICP 2014 was calculated under the assumption that the percentage change in HICP 2014 was the same as projected percentage change in HICP 2013.

$$\text{Projected HICP 2013} \times (1 + \text{forecasted \% change in HICP 2013}) = \text{HICP 2014}$$

If using the 10th EDF as an example, the following formula was used to calculate annually committed funds in nominal terms (figure 1):

$$10\text{th EDF contribution} / 6 \text{ years}$$

If using the same example to calculate annually committed funds in real terms (figure 2), the following formula was used:

$$\left((10\text{th EDF contribution} / 6 \text{ years}) \times \frac{2010 \text{ HICP}}{2008 \text{ HICP}} \right)$$

To calculate the change between the 10th EDF and the 11th EDF, the real annually committed funds to the 11th EDF were divided by the real annually committed funds to the 10th EDF.

lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:109:0033:0041:EN:PDF), and €430 million to the Commission as support expenditure for programming and implementation of the EDF (http://ec.europa.eu/europeaid/how/finance/edf_en.htm).

³³ European Commission. 2011. Communication from the Commission to the European Parliament and the Council - Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund). [COM\(2011\) 837 final](#). Brussels: European Commission p.9

³⁴ For more information on HICP, see: <http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction>

³⁵ European Commission. 2011. ["European Economic Forecast – Autumn 2011"](#) Brussels: Directorate-General for Economic and Financial Affairs of the European Commission

In figure 3, nominal contributions per Member State are calculated using contribution keys for the 8th³⁶, 9th³⁷, and 10th³⁸ EDF, and proposed contribution keys for the 11th³⁹ EDF. The percentages in figure 3 are then calculated by dividing nominal contributions to the 11th EDF with total nominal contribution to the 11th EDF.

Figure 4 is based on real contributions to the 11th EDF as a share of the total real contribution.

Section 3: Analysing the proposed 11th EDF in per capita terms

Accounting for the size of the population is important since this gives us an idea of what actual spending per person would be. It would for example not be surprising if Germany's real annually committed funds to the EDF were considerably larger than those of for example Luxembourg, since Germany's total population is about 160 times bigger than Luxembourg's. Real annually committed funds to the 11th EDF are therefore analysed in relations to Eurostat's population figures in section 3.

The annually committed funds per capita are calculated by dividing the 8th, 9th, 10th and 11th EDF with the population figures for each of the respective first years covered by the EDFs. Since the 8th and the 9th EDF were divided between the EU15 Member States, EU15 population numbers are used. For the 10th and 11th EDF EU27 population numbers are used. The annually committed funds per capita to the 8th EDF are calculated using Eurostat's 1995 population figures⁴⁰ for all Member States. The annually committed funds per capita to the 9th EDF are calculated using Eurostat's population figures from 2000⁴¹. The annually committed funds per capita to the 10th EDF are calculated using Eurostat's 2008 population figures⁴². For the 11th EDF, the annually committed funds per capita will be calculated using forecasted 2014 population figures.

The 2014 population figures are calculated on the assumption that the yearly percentage change in population on succeeding year after 2013 is the same as the percentage change on preceding year 2013. Forecasted population 2015⁴³ is then multiplied by 1 minus the 2013 percentage change per Member State to get the succeeding year's population (population 2014). Forecasted percentage change in population on preceding year 2013 is based on the numbers reported in the European Commission publication 'European Economic Forecast – Autumn 2011'⁴⁴.

$$\text{Forecasted population 2015} \times (1 - \% \text{ change in population on preceding year 2013}) = \text{Population 2014}$$

Figure 5 is calculated in the same way as figure 4 (see above).

Figure 6 is based on the real annually committed funds per capita per Member State calculated as explained above.

In the first and second column of the table in annex 3, real annually committed funds per Member State are calculated using contribution keys for the 10th⁴⁵ EDF and proposed contribution keys for the 11th⁴⁶ EDF.

³⁶ Commission of the European Communities. 'Communication from the Commission to the Council and the European Parliament - Towards the full integration of co-operation with ACP countries in the EU budget' [COM \(2003\) 590 final](#) Brussels: Commission of the European Communities. p.20

³⁷ Commission of the European Communities. 'Communication from the Commission to the Council and the European Parliament - Towards the full integration of co-operation with ACP countries in the EU budget' [COM \(2003\) 590 final](#) Brussels: Commission of the European Communities. p.20

³⁸ European Commission. 2008. [European Union Public Finance - Fourth edition](#). Luxembourg: Office for Official Publications of the European Communities p.375

³⁹ European Commission. 2011. Communication from the Commission to the European Parliament and the Council - Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund). [COM\(2011\) 837 final](#). Brussels: European Commission p.9

⁴⁰ Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

⁴¹ Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

⁴² Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

⁴³ Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=proj_10c2150p&lang=en

⁴⁴ http://ec.europa.eu/economy_finance/publications/european_economy/2011/pdf/ee-2011-6_en.pdf

⁴⁵ European Commission. 2008. [European Union Public Finance - Fourth edition](#). Luxembourg: Office for Official Publications of the European Communities p.375

The third and fourth columns of the table in annex 3 are calculated by dividing real annually committed funds with 2008 population figures for the 10th EDF⁴⁷, and forecasted 2014 population figures for the 11th EDF.

The fifth column of the table in annex 3 is calculated by dividing real annually committed funds per capita to the 11th EDF with real annually committed funds to the 10th EDF for each Member State and the EU as a whole.

In the table in annex 4, the Member States' relative annually committed funds to the 11th EDF if using the same keys as for the 10th EDF, is compared to their relative annually committed funds if using the proposed keys for the 11th EDF⁴⁸. The first column, “% change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF - Using 10th EDF keys”, is calculated by dividing real annually committed funds to the 11th EDF using the 10th EDF key with real annually committed funds to the 10th EDF.

Formula for calculating percentage change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF - Using 10th EDF keys:

$$\frac{((\text{Real annually committed funds to 11th EDF for a specific Member State} \times \text{10th EDF key for the Member State}) / \text{2014 population for the Member State})}{\text{Real annually committed funds to 10th EDF per capita for the Member State}}$$

The second column, “% change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF - Using 11th EDF keys” is calculated in the same way as the first column, but using the 11th EDF keys instead of the 10th EDF keys:

$$\frac{((\text{Real annually committed funds to 11th EDF for a specific Member State} \times \text{11th EDF key for the Member State}) / \text{2014 population for the Member State})}{\text{Real annually committed funds to 10th EDF per capita for the Member State}}$$

Section 4: Analysing the proposed 11th EDF taking the size of the economy and growth into account

Accounting for growth of the European economy is important because it tells us something about a Member State's or the EU27's increasing potential of contributing to the EDF. Accounting for the size of the economy is important as it gives us an idea of how substantial an individual Member State's annually committed funds are in relation to the total volume of that Member State's economy. In section 3, real annually committed funds per capita are therefore analysed as a share of Eurostat's figures for GDP per capita.

Figures 7 and 8 illustrate the difference between annually committed funds per capita when accounting and not accounting for growth. For the amounts in figure 7, the following formula was used (using the 10th EDF as an example):

$$\left((10\text{th EDF contribution} / 6 \text{ years}) \times \frac{2010 \text{ HICP}}{2008 \text{ HICP}} \right)$$

The amounts in figure 8, “Real annually committed funds per capita when accounting for growth”, are calculated by multiplying real annually committed funds per capita for each of the EDFs in 2010 prices with 1995 GDP divided by the year in question's GDP. This is done to account for growth in the economy since the 8th EDF. When using the 10th EDF as an example, the formula for these calculations is:

⁴⁶ European Commission. 2011. Communication from the Commission to the European Parliament and the Council - Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund). [COM\(2011\) 837 final](#). Brussels: European Commission p.9

⁴⁷ Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

⁴⁸ ‘Communication from the Commission to the European Parliament and the Council - Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund)’ [COM\(2011\) 837 final](#) p.9

$$(\text{Real annually committed funds to 10th EDF per capita}) \times \left(\frac{1995 \text{ GDP per capita} \times \left(\frac{2010 \text{ HICP}}{1995 \text{ HICP}} \right)}{2008 \text{ GDP per capita} \times \left(\frac{2010 \text{ HICP}}{2008 \text{ HICP}} \right)} \right)$$

To calculate forecasted 2014 GDP that will be used when analysing the 11th EDF, forecasted numbers for projected % change in GDP per capita on preceding year for 2011, 2012, and 2013 were used. The assumption was then made that percentage change in GDP per capita 2013 will be the same in 2014, which made it possible to calculate the projected 2014 GDP. Formula for calculating 2014 GDP:

$$2010 \text{ GDP} \times (1 + \% \text{ change 2011 GDP per capita}) \times (1 + \% \text{ change 2012 in GDP per capita}) \times (1 + \% \text{ change 2013 in GDP per capita}) \times (1 + \% \text{ change 2013 in GDP per capita})$$

In the first column of the table in annex 5, “% change in real annually committed funds per capita as a share of GDP to the 10th EDF compared to the 11th EDF”, the size of the economy is taken into account by dividing real annually committed funds per capita with real GDP per capita. This makes it possible to look at the relative share of the annually committed funds, in relation to a country’s market value of all final goods and services produced in a given period.

The percentage change in real annually committed funds per capita to the 11th EDF compared to the 10th EDF, taking growth and the size of the economy into account is calculated by dividing the annually committed funds per capita to the 11th EDF with 2014 GDP per capita⁴⁹, and annually committed funds per capita to the 10th EDF with 2008 GDP per capita. These two numbers are then divided by each other.

$$\frac{(\text{Real annually committed funds to the 11th EDF per capita} / 2014 \text{ real GDP per capita})}{(\text{Real annually committed funds to the 10th EDF per capita} / 2008 \text{ real GDP per capita})} = \frac{\% \text{ change in annually committed funds per capita to the 11th EDF compared to the 10th EDF}}{\% \text{ change in annually committed funds per capita to the 10th EDF compared to the 10th EDF}}$$

When the 10th EDF and the 11th EDF are compared to each other, growth is automatically accounted for in the calculations since the real annual EDF contributions are divided by each respective year’s real GDP per capita.

Calculations for the second and third column in the table in annex 5 are conducted in the same way, but with dividing the 10th and 11th EDF respectively with the annually committed funds to the 8th EDF. These calculations are only possible to do for the EU15 since they were the only ones contribution to the 8th EDF.

Formula for the second column of the table in annex 5:

$$\frac{(\text{Real annually committed funds to the 10th EDF per capita} / 2008 \text{ real GDP per capita})}{(\text{Real annually committed funds to the 8th EDF per capita} / 1995 \text{ real GDP per capita})} = \frac{\% \text{ change in annually committed funds per capita to the 10th EDF compared to the 8th EDF}}{\% \text{ change in annually committed funds per capita to the 8th EDF}}$$

Formula for the third column of the table in annex 5:

$$\frac{(\text{Real annually committed funds to the 11th EDF per capita} / 2014 \text{ real GDP per capita})}{(\text{Real annually committed funds to the 8th EDF per capita} / 1995 \text{ real GDP per capita})} = \frac{\% \text{ change in annually committed funds per capita to the 11th EDF compared to the 8th EDF}}{\% \text{ change in annually committed funds per capita to the 8th EDF}}$$

Figure 9 illustrates the proposed annually committed funds per capita to the 11th EDF as a share of real GDP per capita for each Member State. Real annually committed funds per capita are divided by the forecasted 2014 real GDP per capita to calculate the EDF contribution as a percentage of the GDP per capita.

$$\frac{\text{Real annually committed funds to the 11th EDF per capita}}{\text{Real 2014 GDP per capita}}$$

Important to note is that the calculations for figure 9 are based on commitments, not actual forecasted disbursements in 2014. These percentages should therefore only be used as a tool when analysing relative difference between countries, not as percentages of what they would actually spend on the EDF in 2014. This figure only gives an indication of, in relative terms, how big share of their GDP in one year the 11th EDF would represent.

⁴⁹ Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

Section 5: Exploring the scenario of full alignment of the EDF to the 2007-2013 EU budget keys?

To be able to compare the annually committed funds to the 10th and 11th EDF, and changes between them, the annually committed funds for the 11th EDF are divided using not only the proposed keys for the 11th EDF, but also the keys for the 10th EDF and keys based on the way the EU 2007-2013 budget is divided between Member States.

As the future EU budget keys (for the period 2014-2020) are yet to be decided on, the analysis in table 2 is based on the use of the 2007-2013 budget keys in relation to the proposed annual amount for the 11th EDF. The results are therefore only indicative and are likely to change when the negotiations regarding the next EU budget have been concluded. The EU 2007-2013 budget keys are based on the 2010 final budget numbers from the "Breakdown of the total amount of own resources by member state" in the EC's 'Report on Budgetary and Financial Management – Financial year 2010'⁵⁰. The payments by each Member State were divided by the total paid by all Member States. The percentage keys that came out of these calculations were the ones applied to the EDF amount as the "EU 2007-2013 keys".

The fourth column of table 2 is calculated using the following formula (in 2010 prices):

Real annually committed funds to the 11th EDF per capita × *10th EDF key for a certain Member State*

The fifth column of table 2 is calculated using the following formula (in 2010 prices):

Real annually committed funds to the 11th EDF per capita × *11th EDF key for a certain Member State*

The sixth column of table 2 is calculated using the following formula:

Real annually committed funds to the 11th EDF per capita × *EU budget key for a certain Member State*

The seventh column of table 2 is calculated using the following formula (in 2010 prices):

$$\frac{((\text{Real annually committed funds 11th EDF for a specific Member State} \times \text{10th EDF key for the Member State}) / \text{2014 population for the Member State})}{\text{Real annually committed funds 10th EDF per capita for the Member State}}$$

The eighth column of table 2 is calculated using the following formula (in 2010 prices):

$$\frac{((\text{Real annually committed funds 11th EDF for a specific Member State} \times \text{11th EDF key for the Member State}) / \text{2014 population for the Member State})}{\text{Real annually committed funds 10th EDF per capita for the Member State}}$$

The ninth column of table 2 is calculated using the following formula:

$$\frac{((\text{Real annually committed funds 11th EDF for a specific Member State} \times \text{EU budget key for the Member State}) / \text{2014 population for the Member State})}{\text{Real annually committed funds 10th EDF per capita for the Member State}}$$

Dataset and Feedback

The full dataset used for this publication is available in Excel format. To request a copy please e-mail uk@ecdpm.org and as@ecdpm.org. Any additional feedback on this publication should also be sent to these e-mail addresses.

⁵⁰ European Commission. 2011. [Report on Budgetary and Financial Management accompanying the Community accounts – Financial year 2010](#). Brussels: DG Budget p. 92

Annex 2: Total amounts for the DCI (2007-2013 and 2014-2020) and the EDF (2008-2013 and 2014-2020)

Instrument for Development Cooperation – DCI (2007-2013) ⁵¹	€16,897,000,000
European Development Fund (2008-2013) ⁵²	€22,682,000,000
Development Cooperation Instrument (DCI) ⁵³	€23,294,700,000
European Development Fund (2014-2020) ⁵⁴	€34,275,600,000

⁵¹ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation. *Official Journal of the European Union*. [L 378/41-71](#).

⁵² € 21 966 million for ACP states (Decision 1/2006 of the ACP-EC Council of Ministers of 2 June 2006 specifying the multiannual financial framework for the period 2008 to 2013 and modifying the revised ACP-EC Partnership Agreement [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:247:0022:0025:EN:PDF](#)), € 286 million for OCTs (2007/249/EC: Council Decision of 19 March 2007 amending Decision 2001/822/EC on the association of the overseas countries and territories with the European Community [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:109:0033:0041:EN:PDF](#)), and €430 million to the Commission as support expenditure for programming and implementation of the EDF ([http://ec.europa.eu/europeaid/how/finance/edf_en.htm](#)).

⁵³ European Commission. 2011. The Multiannual Financial Framework: The Proposals on External Action Instruments. [MEMO/11/878 7 December 2011](#). Brussels: European Commission.

⁵⁴ European Commission. 2011. The Multiannual Financial Framework: The Proposals on External Action Instruments. [MEMO/11/878 7 December 2011](#). Brussels: European Commission.

Annex 3: Comparing Member State contributions to the 10th and 11th EDF

Country	Real annually committed funds to the 10 th EDF 2008	Real annually committed funds to the proposed 11 th EDF 2014	Real annually committed funds per capita to the 10 th EDF 2008	Real annually committed funds per capita to the 11 th EDF 2014	% change in real annually committed funds per capita to the 10 th EDF compared to the 11 th EDF
Belgium	€136,546,876	€144,466,901	€17.87	€12.96	-27.50%
Bulgaria	€5,587,856	€9,503,098	€0.73	€1.28	75.25%
Czech Republic	€19,624,905	€37,670,440	€1.89	€3.53	86.95%
Denmark	€78,072,867	€89,135,109	€14.26	€15.88	11.39%
Germany	€785,108,106	€932,066,668	€9.55	€11.50	20.45%
Estonia	€1,945,963	€3,585,037	€1.45	€2.69	85.02%
Ireland	€33,295,399	€44,413,984	€7.69	€9.70	26.13%
Greece	€58,968,291	€73,098,417	€5.19	€6.40	23.34%
Spain	€302,080,707	€369,305,666	€6.69	€7.86	17.58%
France	€752,684,999	€818,489,038	€11.75	€12.41	5.63%
Italy	€497,854,499	€567,939,147	€8.29	€9.22	11.22%
Cyprus	€3,495,603	€5,103,462	€4.43	€6.12	38.23%
Latvia	€2,699,076	€4,828,328	€1.19	€2.19	84.01%
Lithuania	€4,781,420	€7,773,592	€1.42	€2.38	67.76%
Luxembourg	€10,493,595	€11,569,411	€21.69	€21.68	-0.02%
Hungary	€22,651,834	€28,798,388	€2.25	€2.88	27.86%
Malta	€1,178,570	€1,749,652	€2.87	€4.26	48.26%
Netherlands	€186,855,350	€221,522,912	€11.28	€13.11	16.20%
Austria	€93,016,814	€105,047,448	€11.14	€12.44	11.69%
Poland	€52,456,925	€94,156,669	€1.38	€2.45	78.31%
Portugal	€43,678,482	€53,352,674	€4.15	€4.99	20.23%
Romania	€15,665,377	€30,188,677	€0.73	€1.42	94.74%
Slovenia	€7,007,017	€10,817,294	€3.49	€5.15	47.79%
Slovakia	€8,068,124	€17,083,479	€1.49	€3.10	107.73%
Finland	€57,431,753	€67,239,495	€10.66	€12.34	15.78%
Sweden	€107,611,717	€135,516,099	€11.50	€14.02	21.98%
United Kingdom	€591,226,712	€628,556,436	€9.46	€9.87	4.29%
EU27	€3,896,988,793	€4,497,322,933	€7.83	€8.87	13.26%

Annex 4: Comparing contributions to EDFs 10 and 11

Country	% change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF, Using 10th EDF keys	% change in real annually committed funds per capita to the 10th EDF compared to the 11th EDF, Using 11th EDF keys
Belgium	-20.87%	-27.50%
Bulgaria	11.56%	75.25%
Czech Republic	14.83%	86.95%
Denmark	13.17%	11.39%
Germany	20.20%	20.45%
Estonia	10.02%	85.02%
Ireland	21.36%	26.13%
Greece	15.13%	23.34%
Spain	14.52%	17.58%
France	15.83%	5.63%
Italy	13.37%	11.22%
Cyprus	7.30%	38.23%
Latvia	17.67%	84.01%
Lithuania	12.34%	67.76%
Luxembourg	2.81%	-0.02%
Hungary	1.53%	27.86%
Malta	13.43%	48.26%
Netherlands	16.23%	16.20%
Austria	13.90%	11.69%
Poland	6.90%	78.31%
Portugal	15.54%	20.23%
Romania	-0.17%	94.74%
Slovenia	13.90%	47.79%
Slovakia	13.40%	107.73%
Finland	12.96%	15.78%
Sweden	13.78%	21.98%
United Kingdom	7.83%	4.29%
EU 27	13.26%	13.26%

Annex 5: Comparing contributions as share of GDP

Country	1) % change in real annually committed funds per capita as a share of GDP to the 10th EDF compared to the 11th EDF	2) Change in real annually committed funds per capita as a share of GDP between the 8th and the 10th EDF	3) Change in real annually committed funds per capita as a share of GDP between the 8th and the 11th EDF
Belgium	-30.21%	-8.38%	-36.06%
Bulgaria	47.21%		
Czech Republic	85.96%		
Denmark	6.95%	-36.01%	-31.57%
Germany	11.65%	-16.82%	-7.14%
Estonia	75.00%		
Ireland	39.83%	-55.62%	-37.94%
Greece	37.49%	-51.46%	-33.26%
Spain	18.33%	-41.23%	-30.46%
France	3.76%	-40.32%	-38.08%
Italy	14.96%	-37.46%	-28.10%
Cyprus	36.33%		
Latvia	95.21%		
Lithuania	57.64%		
Luxembourg	0.31%	-59.39%	-59.26%
Hungary	30.67%		
Malta	33.87%		
Netherlands	14.20%	-44.50%	-36.62%
Austria	4.21%	-29.77%	-26.81%
Poland	61.84%		
Portugal	23.37%	-34.17%	-18.79%
Romania	98.68%		
Slovenia	51.05%		
Slovakia	86.19%		
Finland	13.43%	-36.54%	-28.01%
Sweden	11.38%	-30.42%	-22.50%
United Kingdom	-5.70%	-32.85%	-36.68%
EU27	11.19%		

ECDPM Briefing Notes

ECDPM Briefing Notes present policy findings and advice, prepared and disseminated by Centre staff. The aim is to stimulate broader reflection and debate on key policy questions relating to EU external action, with a focus on relations with countries in the South. Briefing notes represent the views of their authors and do not represent the position of ECDPM.

info@ecdpm.org
www.ecdpm.org
KvK 41077447

HEAD OFFICE
SIÈGE
Onze Lieve Vrouweplein 21
6211 HE Maastricht
The Netherlands *Pays Bas*
Tel +31 (0)43 350 29 00
Fax +31 (0)43 350 29 02

BRUSSELS OFFICE
BUREAU DE BRUXELLES
Rue Archimède 5
1000 Brussels *Bruxelles*
Belgium *Belgique*
Tel +32 (0)2 237 43 10
Fax +32 (0)2 237 43 19

European Centre for Development
Policy Management

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