

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## COMMISSION REPORT TO THE COUNCIL

on the operation in 1989 of the system of  
stabilization of export earnings set up by the  
Council Decision of 30 June 1986 on the association  
of overseas countries and territories.

## I. Introduction

1. Article 27 of the Internal Agreement on the financing and administration of Community aid requires the Commission to report each year to the Member States on the operation of the system of stabilization of export earnings.
2. There was only one OCT transfer application in respect of application year 1988.
3. This report deals with the administration of the system vis-à-vis the OCT in 1989.

## II. Administration of the system

1. The Commission received a transfer application from French Polynesia in respect of copra oil.
2. Appraisal of the application indicated a transfer entitlement of ECU 1 398 485.
3. As only ECU 800 000 was available for the application year in question,<sup>1</sup> the problem could not be resolved purely by recourse to Article 91(2).
4. The Commission therefore asked the Council on 19 July 1989 to bring the transfer amount into line with available resources.
5. On 23 October the Council adopted a decision setting the transfer to French Polynesia for **the year** 1988 in respect of copra oil at ECU 800 000.

## III. Utilization of transfers

**The** territorial authorities of French Polynesia submitted a report to the Commission in May 1989, within the prescribed deadline, on the utilization of the transfer in respect of copra oil for application year 1986.

<sup>1</sup> Balance of the 1988 instalment	ECU 600 000
Advance on 1989 instalment (Art. 91(1))	ECU 200 000
	<hr/>
	ECU 800 000

The full sum transferred was used for the operations of the Caisse de Soutien des Prix du Coprah to maintain prices at a time of market fluctuation for copra oil.