

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 211 final

Brussels, 29th April 1980

THE COMMISSION'S COMMENTS ON THE SPECIAL REPORT
ADOPTED BY THE COURT OF AUDITORS OF THE EUROPEAN COMMUNITIES
ON 19 JULY 1979 CONCERNING THE OPERATION OF STABEX
(EXPORT EARNINGS STABILIZATION SYSTEM)

(Communication from the Commission to the Council)

COM(80) 211 final

Madame Le Président,

J'ai l'honneur de vous adresser, ci-jointes, les observations de la Commission sur le rapport spécial de la Cour des comptes concernant le fonctionnement du système de stabilisation des recettes d'exportation (STABEX), rapport adopté le 19 juillet 1979 par la Cour des comptes et communiqué au Parlement européen.

Pour l'avenir, la Commission souhaite que la Cour des comptes - dans l'esprit de collaboration qui caractérise les relations entre les deux Institutions - lui donne la possibilité de prendre connaissance de ses rapports avant leur transmission aux autres Institutions et veuille bien accepter que soient diffusées - en annexe à ces rapports - les observations y afférentes que la Commission estimerait légitime de formuler.

Veuillez agréer, Madame le Président, les assurances de ma très haute considération.

Madame Simone VEIL,
Président du Parlement européen,
Bâtiment Robert Schuman,
Plateau du Kirchberg,
LUXEMBOURG

Monsieur le Président,

J'ai l'honneur de vous adresser, ci-jointes, les observations de la Commission sur le rapport spécial de la Cour des comptes concernant le fonctionnement du système de stabilisation des recettes d'exportation (STABEX), rapport qui a été adressé à la Commission et au Conseil le 25 juillet 1979 et qui a été également adressé semble-t-il au Parlement européen.

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Monsieur M. MURPHY,
Président de la Cour des comptes
des Communautés européennes,
29, rue Aldringen,
LUXEMBOURG

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Son Excellence
Monsieur A. RUFFINI,
Président du Conseil des
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The Commission's comments on the special report adopted by the Court of Auditors of the European Communities on 19 July 1979 concerning the operation of Stabex (export earnings stabilization system)

Shortly before the signing of the second EEC-ACP Lomé Convention, the Court of Auditors, in a special paper based on the experience acquired over three years of applying the system, took an overall look at the operating of the Stabex system. The Commission welcomes the fact that the Court has turned its attention to the Stabex system, as this gives the Commission the opportunity to set out its thoughts on the system and comment on certain different interpretations, criticisms and different opinions concerning the basic principles of the system.

I. Problems arising out of the interpretation of some of the rules governing the system

1. Transfers to the Ivory Coast and the People's Republic of the Congo in respect of 1975.

In Section II.3 of the report, the Court returns to an airing of views which took place in the second half of 1976, and also involved the European Parliament. The point at issue was whether the two applications for transfer should be declared inadmissible pursuant to Article 19(4)(a) of the Convention, since the two countries that had made the applications were alleged to be responsible for the fall in export earnings as a result of their own economic policy measures. The Commission disagreed for the following reasons:

(a) The statistics clearly show that the fall in export earnings was almost entirely the result of low demand from the EEC Member States in 1975.

(b) The measures in question were certainly taken but, in practice, either had no significant effect on wood exports (in the case of the Ivory Coast) or created a new state of affairs which had to be respected as a sovereign decision (in the case of the People's Republic of the Congo).

(c) Certain effects as a result of new economic rules introduced in the People's Republic of the Congo come not under the heading of "inadmissibility" referred to in Article 19(4)(a) of the Convention but that of the "consultations" provided for in Article 19(4)(b)¹.

(d) Stabex is not a trade policy instrument but a development aid instrument.

This is the basis on which the transfers were made.

2. Departure from the dependence threshold

In the same Section, the Court notes that, in certain cases, the Commission has interpreted Article 19(2) of the Convention rather flexibly, thereby bending its very clear meaning.

The Commission particularly wishes to emphasise that it has never accepted unfounded applications for transfers² made in respect of situations where the difference between actual earnings and the reference level (both expressed in the currency of the ACP applicant) were less than the percentage fixed in the Convention.

¹ However, it was not possible to apply the latter provision in the case of the People's Republic of the Congo since there were no significant changes in total exports. There were such changes in the case of the Ivory Coast and it was for this reason that the base trigger for a transfer in response to an application by that country was reduced by over 7 m EUA.

² See the annual report for 1975 (COM(76)656 final, p. 13).

3. Excessively wide interpretation of the reference period

In Section III.3 of the report the Court regrets that, in two cases, the Commission overstepped the mark in applying the Declaration of the ACP-EEC Council of Ministers at Fiji, and thereby contravened Article 19(1) of the Convention.

The problem is that this Declaration, which was made at the ACP-EEC Council of Ministers' meeting of 14 April 1977, is not an easy one to implement. According to the Declaration, any problems resulting from the application of the system should be resolved by interpreting existing provisions as generously as possible in all cases where difficulties which the international community acknowledges as being serious have occurred during the reference period.

In the two cases referred to by the Court, and with regard to the same country, the requirements for applying the Declaration were certainly met; the reference period included the last few years of a liberation war, the effects of which were acknowledged in UN resolutions as being serious. In order to reconcile the Declaration with Article 19(1) of the Convention, the Commission proposed using the unit values for the reference years. Where quantities were concerned, the Commission took the years preceding the war in question as it is undoubtedly the case that these years more correctly reflect the production and export capacity than the results of the abnormal years. With a view to returning to normality as quickly as possible after granting this exception to the rule set out in Article 19(1) of the Convention, the Commission decided - in respect of the reference level - that the figures for one pre-war year would be subtracted each year and the quantities of the actual reference period as defined in Article 19(1) would be added each year.

II. Criticisms concerning the application of the system

1. Cross-checking

In Section III.1 the Court again expresses its concern about the figures submitted by the ACP States and the cross-checking provided for in Article 17(1) of the Convention¹.

Where these problems as a whole are concerned, the Commission refers the reader to its statement on the Court's annual report for the financial year 1977². Some of the Court's detailed remarks call for the following replies from the Commission:

(a) The Commission has never stated that unresolved practical or administrative problems in the ACP States hamper the compilation of reliable statistical data. However, the Commission attaches a great deal of importance to the statement that no application for transfer has ever been unfavourably received merely because the ACP applicant was unable to provide statistics to back up the problems encountered in exporting the products concerned, possibly with the technical assistance of the Commission's departments.

(b) The Commission does not, as a general rule, suggest to the ACP States that they should use the Community's import figures as a statistical basis. The fact of the matter is that the figures are cross-checked on each occasion and sometimes transfers are calculated on the basis of the Community's import figures.

(c) The Commission departments involved are aware that, in many ACP States, depending on the sources concerned, at least two figures are available to express a single phenomenon. But this is only superficially contradictory;

¹The report makes no reference to a related subject, namely the cif and fob coefficients. The Commission therefore concludes that the Court considers that the application of these coefficients no longer poses problems.

²See OJ of the European Communities, Vol. 21, No C 313, p. 149 et seq.

a detailed examination shows that the figures differ for the good reason that they are obtained using different methods.

This can easily be explained on the basis of the statistics quoted by the Court: the figures of the Ministry of Planning are based on exporters' export declarations. This means that an export is established and entered in the accounts when a declared quantity of a product leaves the country. On the other hand, the Central Bank does not enter the export in the accounts until the foreign currency earnings are established.

This example illustrates the two basic methods in use. The Commission departments have made a detailed on-the-spot examination of existing statistics and their sources in almost all the ACP States and, with the agreement of the national authorities, have established which of the existing statistical sources should be used to provide the data for Stabex.

2. Transfers applied for and sums actually transferred

The points made by the Court at the end of Section III.1 might give the impression that the amount actually transferred bears little resemblance to the amount applied for by the ACP State, as the transfer may be considerably more or considerably less than that applied for.

But it would be a mistake to leave it at that. Among other factors not taken into consideration, the sum in EUA

(a) is greatly affected, all other things being equal, by exchange rate fluctuations as between the currency of the ACP State and the unit of account¹; and

¹It is clear that the Court has calculated the sums in EUA which it quotes by converting the transfer applied for - as expressed in national currency - into units of account at the rate of the day. But even if we accept that the application was correctly established on the basis of consistent data - a problem which can only be resolved by cross-checking - a simple conversion of this type does not give an accurate result unless the exchange rates remain constant throughout the period under consideration. Clearly this is not the case in practice. The method to be applied is described in Article 53(1) of the Financial Regulation for the Fourth EDF of 27 July 1976.

(b) depends on the results of the cross-checking and the consultations provided for in Article 19(4)(b).

3. Differences of opinion and disputes between the Commission and the ACP applicants

(a) In Section III.2 the Court refers to applications for transfers in respect of 1975 which were not submitted until 1977 and were rejected by the Commission. The Commission adopted its position on the basis of Article 18(3) of the Convention which provides that whatever balance remains at the end of each year of the first four years of application shall be carried forward automatically to the following year. From this provision it follows that the balance of the 1975 instalment had to be carried over and added to the 1976 instalment on 31 December 1976. Hence, in 1977, there were no resources left with which to deal with applications in respect of 1975.

* The ACP States concerned did not agree with this interpretation. As a result, the good offices procedure provided for in Article 81(2) was implemented. When the procedure had been completed, the Commission was invited, by way of an exception, to examine the applications concerned in spite of the delay. In two of the three cases cited, the examination of the applications resulted in transfers being made because there had undoubtedly been a loss of earnings from trade with the Community.

The Commission agrees with the Court that any stabilizing effect such delayed transfers may have can only be accidental.

(b) The reason for the delays in payment resulting from the differences of opinion between the Commission and the ACP applicants is rather different. Such differences sometimes occur at the time of cross-checking (Article 17(1) of the Convention) or during any consultations which may be necessary (Article 19(4)(b)). In such cases the Commission has to balance the obligation to pay quickly against the sound management obligation.

When, in Section VI.4, the Court regrets the long lead times involved in payment¹ there is a certain contradiction between this and the statement made elsewhere that certain technical problems have not been adequately resolved. The Commission's attitude to this problem is clear; within the limits imposed by the sound management obligation it tries to decide on transfers as quickly as possible.

The case of Uganda cited by the Court (Section III.1)² comes under this general principle as does the case of Mali, which also demonstrates that the Commission adheres to Article 23(1) of the Convention whilst at the same time meeting the obligations imposed by Article 17(5) of the Convention. In the case in point the Commission departments drew up new export figures for Mali based on the export declarations.

4. Delays in payments¹

In Section IV.4.1 of the report the Court notes that there is a time-lag of between 6 and 18 months between when the loss of export earnings is established and when compensation for this loss is paid.

The Commission takes this observation to be a comment on the ex post nature of the system. Looking at it from this angle such delays - and possibly even longer ones - can in fact occur.

From the management angle, however, the most significant factor is the delay between submission of the application for a transfer³ and the making of the payment.

In connection with this time-lag, the Commission would add the following figures:

¹See the next point in this connection.

²The agreement on the transfer concerned was in fact signed on 11 July 1979.

³It is clear that the Commission cannot act before an application for a transfer is submitted, and the submission deadline is 31 March of the year following the year during which the loss was suffered, as stipulated in a decision of the ACP-EEC Committee of Ambassadors. See point 5 below, where the advance is concerned.

1 Year of application	2 Average time-lag, no problems arising ¹ (months)	3 Column 2 cases as a percentage of total transfers for the year	4 Average time-lag for all transfers (months)
1975	3	89.5	4
1976	2.5	44.0	3
1977	4	72.0	7
1978 (Estimate)	2.5	75.0	4.5

5. Advances and how they are calculated

In Section V.4 of the report, the Court regrets that the Commission has not made sufficient use of the advances procedure provided for in Article 19(6) of the Convention, and has thereby contributed towards further delays in payments. The Commission would point out that it is for the ACP States to decide whether or not to apply for an advance. However, the Commission has the impression that, since 1978, the ACP States have been making greater use of this possibility.

As regards the calculation of the advances, the Commission departments use a rather complicated method designed to ensure that advance payments do not exceed a transfer on the basis of the statistics for the full year. As the total sum to be transferred for a year is not known at the time the advance is made, the Commission feels that it is impossible to assess the advance as a percentage of the transfer.

Also, the agreement signed when an advance is granted provides for any sum in excess of the total transfer to be repaid to the Commission.

¹ See paragraph 3(b) above.

² It goes without saying that where an application for a transfer requires statistical research or consultation under Article 19(4), the ACP applicant and the Commission need further time to examine the case, if only in the interests of sound management.

6. Financial risk and relevant financial provisions

The Commission does not share the view expressed in Section V.3 of the Court's report that there is a fairly high financial risk.

Firstly, it should be remembered that part of the fluctuation in earnings¹ is absorbed by the dependence threshold and the fluctuation limit and does not give rise to transfers. Nevertheless, as 1978 showed, there may be years in which, in addition to a normal financial burden which is definitely less than the annual instalment, there may be special transfer applications. Provision is made for coping with this type of situation in Article 18(2), (3) and (4) of the Convention.

In this connection, it would not be out of place to point out that the Commission considers that application of Article 18(4) of the Convention is a completely normal administrative procedure which does not call into question the capacity of the system to function. Clearly when the sum set aside for the system was decided, only normal transfers were taken into consideration and no thought was given to the possibility of special transfers. If the "savings" made in previous years together with any payments made under the reconstitution system were to prove insufficient for one year, it goes without saying that transfers would have to be reduced.

7. Exchange risks in connection with the reconstitution of resources

As the Court pertinently points out in Section VIII.3, the ACP State has to bear the exchange risks if the purchasing power of its currency drops.

¹ From the figures given by the Court at the beginning of Section V.3 it is impossible to determine whether the loss of export earnings refers to exports to all destinations or to Community destinations only. For the purposes of Stabex, only the latter enter into consideration as a matter of course.

This risk is no more than a quid-pro-quo for exchange rate gains made on receipt of a transfer¹. Should the value of an ACP State's currency rise, the reverse obviously applies.

However, it would be a mistake to believe that this situation has any bearing on the currency to be used for reconstitution². The only determining factor is the rate of exchange between the national currency of the ACP State and the unit of account, as the ACP State having to contribute towards reconstitution has to repay a given sum expressed in units of account.

III. Observations on certain questions of principle

1. Focus on specific sectors

To some extent, Stabex's main objective is socio-economic; the transfer should be regarded as a contribution to maintain the flow of funds to the production sector of an ACP State hit by economic or natural difficulties. The financial resources transferred are intended to underpin the efforts of the State concerned to ease or eliminate the difficulties encountered by the sector hit. Stabex has to intervene as regards both employment and earnings.

It is this focusing on specific sectors which is the original feature of the system and differentiates it from all other systems³. The

¹ See above, Section II.2 of this statement.

² What is more, reconstruction is not "generally" but always paid in a European currency, more specifically, in one or more Community currencies, namely the currency or currencies of the original transfer.

³ The well-known compensatory financing system of the IMF and the similar, but as yet little known, system of the Arab Monetary Fund; however, the Commission has no information that Stabex has inspired certain Far Eastern countries to establish a similar system in the ASEAN context (Court report, Section X). The idea is under consideration but, so far, it has not reached the negotiation stage.

transfers should not be regarded as general aid to help redress the balance of payments but as financial resources which the Government of the receiving country should channel, as a general rule, towards the affected sector¹.

However, this basic Stabex principle is not clearly reflected in the Articles of the first Chapter of Title II of the Lomé Convention, although one of the preconditions is stated: stabilization relates to the export earnings from individual products and not from a basket of products.

By contrast, at the negotiations preceding the first Lomé Convention, it was impossible to secure acceptance of the second pre-condition, namely that the ACP recipient should be recommended to channel the funds transferred to the sector hit. Article 20 rules this out.

However, the wording of Article 20 does not permit the conclusion that the aim of Stabex is to permit general financial transfers to help redress the balance of payment². What has been absent so far in the rules governing the system is a simple formulation of the logical consequences of the individual products approach³. The principle of the transfer being a sectoral aid has never been disputed and, as the reports on the use of the funds, not to mention the attitude of the ACP States in the recent negotiations, have indicated this has always been understood to be the case and accepted by the ACP States⁴.

¹In this connection, in Section X of its report the Court again alleges that the transfers have contributed towards the maintenance of outdated production structures. This point will be tackled below in Section III.3.

²This argument is repeated several times in the Court report; see Sections I, VII and X.

³By contrast, Article 23(2) of the draft new Convention provides that the funds transferred should be primarily devoted to maintaining the flow of funds to the affected sector.

⁴The Court's statement in Section X that the ACP States have made every effort to transform the system into a guarantee of overall export earnings rather than a guarantee of revenue from certain specific products is unfair to the ACP States. They have never shown any interest in giving up the individual product approach in favour of an overall approach. The fact that, in the context of the individual product approach, they should have tried to obtain as complete and realistic a cover as possible for their risks in respect of export earnings is understandable and in their own interests.

2. Monetary impact of Stabex transfers¹

Of course, it should not be concluded from the above statements that the Commission fails to appreciate the effect of Stabex transfers on the ACP States' balances of payment. The inflow of foreign currency is bound to increase the revenue of the receiving ACP State and contribute, on a purely accounting level, towards improving the balance of payments; but these are incidental effects. From the economic point of view, the important factor is that a Stabex transfer is not triggered by the balance of payments and that the balance of payments is not, therefore, its target.

To this extent the fact that the transfers are made in a foreign currency is a minor point. The currency is simply the indispensable vehicle for the transfer of resources. The important point is that the ACP State is thereby able to provide funds for the affected sector without having to draw on its own resources. Typical examples are the acquisition of seeds by a drought-hit ACP State determined to resume production of the product concerned, or the purchasing of spare parts for machinery for a sawmill. The question of the currency used to make these indispensable purchases is secondary. It is conceivable that they might be made not in the currency of an industrial country, but, for instance in CFAF. What is important, on the other hand, is that the Stabex transfer should enable the ACP State to make such purchases without having to use its own resources; these can therefore be saved and used entirely for paying for imports or producing other goods and services.

3. The question of maintenance of outdated production structures

The Court touches on a question which is often raised, namely the risk of Stabex transfers contributing towards maintaining outdated production structures (Section X of the report).

¹ See the Annex in connection with this point.

It should be pointed out first of all that this problem cannot arise unless the sums transferred exceed a certain amount, although this differs from one ACP State to the next, and unless, at the same time, there is a certain continuity in the transfers. The Court itself (Section IX of the report) calls into question the validity of these two preconditions and the Commission is inclined to share its view¹.

Nevertheless, as has already been said, the Commission considers that the primary aim of Stabex is to contribute towards making the affected sectors viable and economic, and must therefore examine the theoretical possibility of Stabex transfers artificially maintaining outdated production structures.

Firstly, it should be said that experience shows that structural changes and the diversification of production structures are processes requiring not only considerable amounts of finance but also long periods of time, although the time required for the process of change differs as between industry and agriculture². These are tasks which far exceed the relatively modest financial resources and periods of application of Stabex.

Secondly, it would be shortsighted to describe as outmoded a production sector which does not meet the demands of an economic calculation. In the raw materials sector the alarm signals sent out by the world market can change rapidly; what was still economic yesterday might be

¹ Subject, of course, to a more detailed examination in due course by the departments responsible for this aspect. The departments concerned will concentrate on transfers of considerable sums and repeated transfers of smaller sums for a single product.

² This is true not only of the developing countries; in several industrial sectors of developed countries the world market may send out alarm signals and the national authorities, may for various reasons, take no steps to adapt the structures.

uneconomic today and of primary economic importance tomorrow¹.

Besides, in the developing countries, as elsewhere, the State has to endeavour to achieve certain social objectives. For instance, although on a very competitive market, prices for raw sisal have been stagnating for some time at a level at which production cannot possibly be economic, production cannot simply be stopped, since many jobs and livelihoods depend on this highly labour-intensive product.

On this problem, the Commission would therefore advise caution. It attaches importance to the principle expressly included in the second Lomé Convention that transfers should basically benefit the affected sector. Only if a realistic assessment of the situation shows that this is not justifiable in a specific case may the funds be directed to other appropriate sectors for the purpose of diversification.

4. Limits to making the system more automatic

In several remarks, e.g. in Sections III.3 and V.3, the Court advocates detailed rules to reduce the negotiation element inherent in several stages of the calculations preceding a transfer and thereby to make the system more automatic.

The Commission does not deny that at some points in the essentially automatic system there is a certain amount of discontinuity. In this connection, the Court is quite right in referring to the cross-checking provided for in Article 17(1) and the consultations pursuant to Article 19(4)(b) as well as the absence of criteria on which to base any reduction in the transfers pursuant to Article 18(4)². However, the Commission does not consider it advisable to make Stabex more automatic.

¹ Coal is an obvious case in point.

² Similarly, Article 18(5) or Article 21(4) entail negotiations.

It should be remembered that making the transfers as automatic as possible is not an end in itself but that, in conjunction with other objectives¹, the aim is to ensure that similar situations are dealt with identically. But this is precisely where the problem lies since, after four years of applying the system, the Commission now realizes that every application for a transfer has individual features. Absolutely identical cases do not exist since the number of additional factors and phenomena determining the nature and degree of a fall in export earnings is far too great.

However, the principle of identical treatment requires that dissimilar things should be treated differently. Consequently, the Commission has come to the conclusion that it is impossible to meet the requirements of each individual case on the basis of detailed rules valid for all cases and designed to eliminate the discontinuities in the automatic process of dealing with an application for a transfer².

Only through consultations between the Commission and the applicant is it possible to meet the requirements of individual situations. Hence the discontinuities in the automatic system are an absolute necessity.

¹E.g. transparency, speed and objectivity in the calculating process.

²Consultations under Article 19(b) represent the most striking illustration but the same can also be said of cross-checking. It is well known that, for various reasons, import statistics may differ from export statistics.

Additional points concerning Part III.2

1. According to the figures of the Ivory Coast's price stabilization office for agricultural products, the breakdown of the fob value of one tonne of cocoa in October 1977 was as set out below (value in CFAF):

	<u>Value per tonne</u>	<u>%</u>
Producer price	250 000	74.85
Cost of transport and storage	27 220	8.15
Warehouse value	277 220	83.00
Cost of transport from warehouse to port	1 471	0.44
State taxes	51 416	15.39
Other costs	3 877	1.17
fob value	333 984	100.00

Approximately three-quarters of the fob value therefore goes to the producer as income. As the State takes 15.4% of the fob value, the producer and the State account for about 90% of the fob value.

2. Other things being equal, what is the significance of a Stabex transfer when a drop in export earnings threatens, or has already caused, a drop in the income of the producers and the State?

To get some idea, we must first be clear about what would happen without a transfer. The earnings of the cocoa producers would drop and so would their demand. At the same time that part of the State's revenue obtained from the cocoa sector would drop and the effect would be a corresponding drop in total public expenditure. The cumulative effect of these two factors in the cocoa sector would set in motion a process of contraction in the national income, which would drop below its previous level.

In order to stop the contraction process, the State may try to avoid taking the requisite step of reducing expenditure and instead attempt to maintain its total expenditure at a constant level, or even increase it to offset the consequences of the drop in the earnings of private producers. Such expenditure in excess of the State's resources could be financed by printing money but this would certainly cause inflation or greater inflation. Another possibility would be for other unaffected earners to help bear the financial burdens by means of an increase in taxes. However, the effect of this would be to reduce overall saving and hence growth prospects. Finally the State may run into debt abroad, and this is where Stabex comes in.

Thanks to the funds flowing in by means of Stabex transfers¹, the State is able to maintain a constant level of budget expenditure² proportional to its trade with the Community, without causing further depreciation of its currency and without requiring unaffected earners to contribute towards the burden of financing, thereby avoiding other problems. The State would therefore retain a portion of the transfer in order to maintain the level of expenditure which would have been financed from the revenue it would normally have raised from the cocoa sector. In addition, most of the Stabex transfer would be used to offset the drop in income in the private part of the cocoa sector. Technically this would be done by a budget transfer to the stabilization office whose duty it is to apply the producer pricing policy in such a way as to ensure that producers' earnings remain constant. If exports drop this will always mean a loss for the office.

¹ To be more precise, the procedure is as follows. The currency transferred is added to the reserves and the equivalent in the national currency of the receiving State is entered in the accounts as revenue in the capital balance or the transfers balance. The same sum is also entered in the revenue column of the budget.

² Subject to the State concerned exporting its total production to the Community. Generally speaking, however, this does not happen, so the Stabex transfer can never be more than a partial compensation corresponding to that proportion of exports to all destinations which is imported into the Community.

Hence the essential point is that expenditure may be incurred without producing a rise in prices. This is achieved by maintaining the demand for imported goods constant relative to the national income. The balance between monetary demand and the supply of goods thereby remains undisturbed.

3. These observations should make it clear that:

- (a) it would be a mistake to believe that a transfer would have two effects, one on the external economy and the other on the internal economy. The transfer represents only one thing, a transfer of resources which can be analysed from different points of view;
- (b) from the economic point of view, the main target of the transfer is the affected sector triggering off the contraction affecting the internal economy of the ACP State. It would therefore be appropriate to describe the effects of a Stabex transfer from the point of view of the internal economy. The significance of the transfer from the point of view of the external economy is simply a reflection of the compensation phenomena within the internal economy;
- (c) it is therefore correct to analyse the effects of the transfer in financial aggregates expressed in national currency. The overall effects of a transfer of this type tend to be overlooked if attention is focused on the currency aspect of the transfer.

COMMENTS
ON THE OPERATION OF THE
EXPORT EARNINGS STABILIZATION SYSTEM
(STABEX)

Report adopted by the
Court of Auditors of the
European Communities
on 19 July 1979

TABLE OF CONTENTS

	<u>Page</u>
I. OBJECTIVES	1
II. CONDITIONS OF APPLICATION	2
1. Dependence threshold	2
2. Reference level	2
3. Inadmissability of requests for transfer	2
III. STATISTICAL BASIS	4
1. Cross-checking	4
2. Disputes relating to the application of the Convention	5
3. Wide interpretation of the Convention	6
4. Extension of the guarantee	7
5. Factors initiating the transfer	7
IV. LIST OF PRODUCTS	8
V. ALLOCATION	10
1. ACP States	10
2. OCT	10
3. Distribution of the annual instalment in the event of insufficiency of resources	11
VI. TRANSFERS AND ADVANCES	12
1. Nature of the transfers	12
2. Advances	13
3. Transfers paid	13
3.1. ACP States	13
3.2. OCT	13
4. Time-limits for payment	14
4.1. Transfer	14
4.2. Advances	14
5. Distribution of transfers by country and by product	15
6. European currency used for the payments	15

	<u>Page</u>
VII. USE OF RESOURCES DERIVED FROM STABEX TRANSFERS,	16
VIII. RECONSTITUTION	17
1. ACP States	17
2. OCT	19
3. Exchange risks	19
IX. EFFECTS ON THE ECONOMIES OF THE ACP STATES	20
X. CONCLUSIONS	21

ANNEXES

1. List of the ACP States
2. List of the products
3. Distribution of transfers with reference to the currencies requested
4. Breakdown of transfers by ACP State
5. Breakdown of transfers by product (ACP States)
6. Breakdown of transfers by country and by product (OCT)
7. Utilization of annual instalments and nature of the transfers
8. Reimbursable transfers by ACP State
9. Replenishment in 1978

TABLES

1. Cumulative survey by product
2. Utilization of the annual instalments
3. Nature of the transfers
4. Reconstitution in 1978

INTRODUCTION

The European Parliament has repeatedly requested the Court of Auditors to examine the efficiency of the mechanics of the export earnings stabilization system (STABEX), in particular in its resolution upon the observations accompanying the discharge decisions on the implementation of the budget of the European Communities for the financial year 1976. The Court of Auditors has not, however, received an official request from the Parliament.

Nonetheless, in accordance with Article 16 of the Treaty amending certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities, the Court of Auditors may, at any time, submit its observations on a specific question. The Court of Auditors has accordingly exercised the right to prepare this special report of its own initiative.

The Court waited until the close of the third year of application to complete its report on STABEX, so as to be able to include the most recent data and extend the scope of its observations to a third financial year. Thus the comments on the operation of STABEX relate primarily to the first three years of application, i.e. 1975, 1976 and 1977. The conclusions are therefore of necessity provisional, since they are based on findings relating to three out of a total of five financial years provided for in the Lomé Convention.

I. OBJECTIVES

In the text of the Convention the object of STABEX is defined as follows: "With the aim of remedying the harmful effects of the instability of export earnings and of thereby enabling the ACP States to achieve the stability, profitability and sustained growth of their economies, the Community shall implement a system for guaranteeing the stabilization of earnings from exports by the ACP States to the Community of certain products (see list in Annex II) on which their economies are dependent and which are affected by fluctuations in price and/or quantity". (Art. 16).

The Community has in this way unilaterally committed itself to provide compensation for the fluctuations in revenue arising from the export of certain products, for the most part agricultural.

Unlike the international agreements on raw materials, for example the International Coffee Agreement, STABEX covers 36 products, including iron ore, and does not make provision for any stabilization of prices nor any intervention in the market mechanisms.

The aim of STABEX is ultimately the stabilization of the State's export revenue, and not of the producer's prices. STABEX intervenes after the close of all the commercial operations of the year of application to compensate any loss of revenue in foreign currency by means of financial transfers to the requesting ACP State.

Under these circumstances the compensation of losses incurred is effected between the Community and the ACP State concerned. The decision to pass on the financial compensation to the national producers who have suffered losses in revenue lies entirely with the government of each beneficiary State, which remains free to allocate the transfers received where it sees fit.

Every ACP State that fulfils the conditions laid down in the Convention will, upon request, receive a financial transfer for each individual STABEX product, independently of the state of its balance of payments, or of its total export revenue, or even of its export revenue from other STABEX products. An exhaustive list of conditions of transfer is given

in the Convention. Fulfilment of these conditions alone is enough to give the right to a transfer, although they are open to differing interpretations.

II. CONDITIONS OF APPLICATION

1. Dependence threshold

The system applies to the export earnings of each ACP State or OCT from the products covered if, during the year preceding the year of application, earnings from the export of the product or products to all destinations represented at least 7.5% (for sisal 5%) of its total earnings from merchandise exports (for the least developed, landlocked or island countries, the percentage is 2.5%).

To come within the system, the export earnings of each product considered individually must exceed the dependence threshold.

2. Reference level

An ACP or OCT State is entitled to request a financial transfer if, on the basis of the results of a calendar year, its actual earnings which arise from the export to the Community of each of the products considered individually, are at least 7.5% lower than the corresponding average receipts for the previous four years. For the least developed, landlocked or island ACP States or OCT this percentage is 2.5%.

For certain special cases, the system applies to the exports to all destinations of the product in question.

3. Inadmissibility of requests for transfer

Requests for transfers are not admissible if the fall in earnings from exports to the Community is the result of a trade policy measure of the ACP State concerned, adversely affecting exports to the Community in particular.

Consultations are held between the Commission and the requesting ACP State to determine whether such changes in the trend of total exports in the requesting ACP State are likely to have an effect on the amount of the transfer, and if so, to what extent.

Thus, for example, the Congo (7.3 MEUA) and the Ivory Coast (15.0 MEUA) received a transfer in 1975 although the limitations in Article 19, paragraph 4, could have been applied. The Congo prevented exports by private undertakings by establishing a trade monopoly. The Ivory Coast raised the quota of products which had to be diverted to local industry. In both cases the final effect on the export statistics of the product covered, i.e. wood, was negative.

The fall in export earnings from the products covered by STABEX must bring them to at least 7.5% below the reference level. In theory then, the system introduced would result in the refusal of requests based on a fall in exports of 7.4%. In practice, however, the Commission, in certain cases where the fall was less, tempered the excessive rigidity of this provision in its application of the Convention.

The same ACP State may receive a financial transfer for a STABEX product which slightly exceeds the dependence threshold, whereas for another STABEX product which greatly exceeds this same threshold the transfer is refused because the reduction in export earnings is only a small percentage below the reference level. In this latter case the absolute amount of the fall may reach a multiple of the fall in the export earnings which initiated the financial transfer in the first case. In consequence, the most substantial loss of earnings by the ACP States does not entitle them to compensation by a financial transfer.

The result is that the most vulnerable economies of the ACP States, i.e. the less diversified, are those least protected by the STABEX system.

III. STATISTICAL BASIS

If an ACP State considers that it fulfils the conditions for benefiting from a STABEX transfer, it forwards its request, together with supporting documents, to the Commission, which then proceeds to examine the request.

1. Cross-checking

The statistics used for implementation of the system are those obtained by cross-checking the statistics of the ACP States and of the Community, account being taken of the fob values.

In the case of the ACP States whose exports of STABEX products to all destinations are taken into account, the figures from the beneficiary ACP State are used as the basis for the transfer.

In order to ensure that the STABEX system functions efficiently and rapidly, statistical and customs co-operation has been instituted between the Community and the ACP States.

According to the Commission, unsolved practical or administrative problems in the ACP States sometimes hamper the compilation of reliable statistical data.

If the requesting ACP State does not agree to use the Community statistics as a basis for the transfer, cross-checking must be carried out and, according to the Commission, where significant disparities exist, this can assume the character of negotiations.

The Commission has not established any general guide-lines for the cross-checking operations. During these operations it has recourse, if the need arises, to "all the information available at that moment".

The discrepancies between the statistics adopted for the STABEX transfers and those arising from other sources are considerable.

Thus, for example, the national statistics of the same ACP State may differ greatly according to whether they were drawn up by the statistical, customs or banking departments.

In Burundi, the Central Bank and the Ministry of Planning publish export statistics. The data compiled by the Bank are forwarded to the Commission to serve as a basis for calculating STABEX transfers.

Cotton exports	1971	1972	1973	1974	1975
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1. Total exports in value

Unit : Thousand EUA

Central Bank *	1 848	1 500	1 293	1 518	569
Ministry +	1 698	1 154	789	904	587

2. Total exports in quantity

Unit : Tonnes

Central Bank *	3 256	2 428	1 606	1 799	808
Ministry +	3 364	2 514	1 664	1 868	808

3. Exports : unit price

Central Bank *	568	618	805	844	704
Ministry +	504	459	474	484	726

* data sent to the Commission

+ data sent to Statistical Office

There can likewise be considerable discrepancies between the export statistics of the ACP States and the Community import statistics (see Annual Report of the Court of Auditors for 1977).

Comparison of the statistics applied by the Commission with the statistical data produced by the ACP States in support of their requests reveals no less considerable disparities. Thus, for example, for the year of application 1975, Togo would have been entitled to a transfer of + 1 300 000 EUA according to the statistics that it supplied in support of its request, whereas the "statistics applied" resulted in a transfer of 2 680 324 EUA.

For the same year of application, Mali was granted a transfer of 648 503 EUA, whereas according to the statistics of that country, the transfer should have amounted to + 1 900 000 EUA.

Recently the cross-checking and accompanying negotiation procedure have been disputed. In June 1979, Uganda refused to agree to a transfer of 1.3 MEUA because the calculation of the transfer was based upon the import figures of the EEC. The Ugandans are asking for 2.3 MEUA, a sum based on their own export figures.

2. Disputes relating to the application of the Convention

Following the settlement by the ACP-EEC Council of Ministers in application of Article 81 of the Convention, of the dispute concerning the application of the Convention to requests for transfer presented out of time in 1977 for the year 1975 by, inter alia, Mali, the Commission proceeded to examine this application. Because of a statistical adjustment, this entailed a re-examination of the transfer already paid in 1975. According to the Commission the examination revealed that the request was well founded, and it resulted in an additional transfer of 496 501 EUA, paid in 1979.

In 1976 Mali submitted a request for a STABEX transfer in respect of gum arabic. Upon first examination, the request was refused, since the dependence threshold of 2.5% had not been passed. Following successive revisions of the export statistics, the Malian government submitted a further application emphasizing that the dependence threshold had been reached. After checks had been carried out by the Commission departments, the cross-checking of Malian and Community statistics resulted in the calculation of a transfer of 848 489 EUA which was paid out in the second half of 1978.

Even if the wide interpretation of certain provisions such as the time-limit for the submission of applications for transfer or the dependence threshold is exceptional, it does ensure a successful outcome to the beneficiaries' applications.

The question also arises, what stabilizing effect the transfer paid in 1979 can have had on export revenue in 1975, the year of application of the transfer. This question applies in general to all the transfers paid with a delay of several years.

3. Wide interpretation of the Convention

In at least two cases, the Commission, in accordance with the declaration of the ACP-EEC Council of Ministers at Fiji, agreed to take into consideration exports from the years prior to the reference period laid down by the Convention, (4 years preceding the year of application).

However, the legal service of one of the Community Institutions questioned this mode of conduct in an opinion given in 1977 and confirmed in 1978.

The Court considers that the procedure of statistical cross-checking and the use made of the financial resources transferred raises the problem of observance of the objects of STABEX, and also of who is to be the final beneficiary.

On the one hand, the provisions of the Convention provide for the calculation of a transfer basis according to strict mathematical rules. On the other hand, the practice of establishing "statistics applied" by the cross-checking procedure often assumes, as mentioned above, the character of negotiations.

In certain cases, the negotiation aspect allows the Commission in its capacity as administrator considerable scope in arriving at the "statistics applied" after the statistical cross-checking. The question, then, is whether the automatic character of the entitlement to transfer and of the calculation of the sum to be transferred are not compromised, in certain cases at least, by the negotiation aspect of the statistical cross-checking. Stricter rules for establishing the "statistics applied" could have a parallel effect upon the implementation of STABEX.

While welcoming the Commission's intention of drawing up cross-checking reports for all cases in which, for the implementation years 1978 and 1979, there are grounds for so doing, the Court feels impelled to mention that this willingness seems to be the first practical outcome of a Council recommendation, dated 30 October 1978, at the time of giving discharge in respect of the operations of the fourth EDF for the financial year 1976.

In this recommendation the Council considered that any possible disparities between the EEC and ACP States' statistics must be duly justified in a note which explains the choice of quantities and values adopted for cross-checking and not merely by referring to overall negotiations.

4. Extension of the guarantee

It was mentioned above (cf. II.2. page 2) that for certain ACP States the exports of STABEX products to all destinations are taken into account. In this event, the STABEX transfers are calculated on the basis of the statistical data provided by the recipient states.

If the extension of the STABEX guarantee to export earnings outside the Community reduces the significance of fluctuations in trade, such as the increase of exports to third countries, it increases that of other factors such as clandestine exports, variations in home consumption, or local regulations which result in a restriction of exports.

If these factors are taken into consideration, then it is clear that extension of the STABEX guarantee to export earnings outside the Community prevents any quantity control by the Community institutions, since there is no possibility of establishing any proper statistical basis, using the Community statistics in one form or another.

5. Factors initiating the transfer

In its third report, on the operation during 1977 of the system set up by the Lomé Convention for stabilizing export earnings, the Commission stated:

"Over the years experience of applying this system increasingly confirms the view that the guarantee comes into play mainly as a result of a drop in the quantities exported; falling prices are not, contrary to what might be supposed, a determining factor in the decline in export earnings noted for the products covered".

This phenomenon is borne out firstly in the size of the share of transfers effected following falls in production caused by local circumstances: 49% on average for the three years of application, but 30% for 1976 and 64% for 1977. Furthermore, analysis of the statistics reveals the decisive role of the drop in quantities exported even in the case of transfers paid because of the depressed economic situation: for example, with wood in the rough (47% of funds transferred for 1975), there was a slump in quantities exported compared with the reference period, whereas unit values remained higher in 1975 than average unit values for the same reference period 1971-74; exactly the same applies in the case of iron ore.

In fact, more than half of the transfers made during the first three years of application were primarily the result of a fall in the quantity of exports.

The recent tendency of STABEX products to rise in price does to some extent guarantee the ACP States through the STABEX transfers some compensation in so far as purchasing power is concerned, although it is not an automatic adjustment against the real loss of the value of the exports.

IV. LIST OF PRODUCTS

Except for iron ore, the products covered by STABEX are solely agricultural products exported by the ACP States. The export earnings of a number of ACP States derive mainly from a product which falls under the category of mineral resources other than iron ore, and is thus not covered by STABEX. Export earnings arising from the exploitation of mineral resources constitute a considerable proportion of the total exports of the ACP States. Losses on these products are not taken into account in the scheme of the 1975 Convention.

Cumulative results by product

Unit EUA

STABEX products	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%

1. ACP States

TOTAL	80 541 078 (+)	100.0	37.687.77 (+)	100.0	33.702.305 (+)	100.0	151.931.152 (+)	100.0
1. Wood	37 842 819	47.0	898 800	2.4	146 839	0.4	38 888 458	22.4
2. Groundnuts	7 781 942	9.7	11 351 697	30.1	11 934 461	35.5	31 068 100	21.0
3. Cotton	10 222 112	12.7	5 000 138	13.3	2 083 137	6.2	17 305 387	11.7
4. Sisal	-	-	6 928 151	18.4	8 176 614	24.3	15 104 765	10.5
5. Coffee	13 547 999	16.8	-	-	-	-	13 547 999	9.4
6. Iron ore	-	-	3 977 274	10.6	6 974 480	20.7	10 951 754	7.6
7. Raw hides and skins	8 658 877	10.8	265 328	0.7	169 629	0.5	9 093 834	6.3
8. Coir	913 444	1.1	3 949 606	10.5	367 784	1.1	5 230 834	3.7
9. Palm	-	-	1 392 542	3.7	2 679 190	7.9	4 071 732	2.8
10. Bananas	1 296 907	1.6	72 719	0.2	447 026	1.0	1 816 652	1.2
11. Cloves	-	-	1 139 516	3.0	552 547	1.6	1 692 063	1.2
12. Tea	-	-	1 399 953	3.7	-	-	1 399 953	1.0
13. Gum arabic	-	-	848 489	2.2	-	-	848 489	0.6
14. Cocoa	276 978	0.3	463 558	1.2	-	-	740 536	0.5
15. Ylang Ylang	-	-	-	-	170 596	0.5	170 596	0.2

2. OCT

TOTAL	2 204 340 (*)	100.0	2 748 519 (*)	100.0	202 714 (*)	100.0	5 155 580 (*)	100.0
1. Copra	1 303 452		2 748 519	100.0	-	-	4 051 971	
2. Saw wood	900 895		-	-	202 714	100.0	1 103 609	

(+) including 2 367 590 EUA chargeable to the allocation for the OCT, i.e. 555 198 EUA in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977.

(*) excluding 2 367 590 EUA transferred to Djibouti and to the Comoros which have become ACP States.

V. ALLOCATION

1. ACP States

The global allocation of 375 MEUA for STABEX increased by 5 MEUA on the accession of the new ACP States in 1976, was initially divided into 5 equal annual instalments of 75 MEUA. Except for the last, each annual instalment may be increased by 20%. Any balance from each of the first four annual instalments is automatically carried forward to the following year.

Before the expiry of the Convention, the ACP-EEC Council of Ministers is to decide how any balance remaining is to be allocated, and under what conditions are to be allocated the sums still to be reimbursed by the ACP States to whom the STABEX transfer was accorded in the form of a non-interest-bearing loan.

2. OCT

The global STABEX allocation amounts to 20 MEUA divided into 5 annual instalments of 4 MEUA.

Utilization of annual instalments

Unit EUA

1975		1976		1977		TOTAL	
Amount	%	Amount	%	Amount	%	Amount	%

1. ACP States

Expenditure including loans	79 985 880	106.7	37 135 935	49.5	32 441 747	42.3	149 563 562	66.0
Balance	38 457 959	51.3	8 843 125	11.8	-	47 301 084	20.9	
Annual instalment	-4 985 880	-6.7	37 864 065	50.5	44 224 919	57.7	77 103 104	31.0
	75 000 000	100.0	75 000 000	100.0	76 666 666	100.0	226 666 666	100.0

* excluding refunds of 2 332 097 EUA

2. OCT

Expenditure including loans	2 759 545	69.0	3 300 355	82.5	1 463 270	36.6	7 523 170	62.0
Balance	1 243 149	31.1	1 410 462	35.3	202 714	5.1	2 856 325	23.0
Annual instalment	1 240 455	31.0	699 645	17.5	2 536 730	63.4	4 476 830	37.0
	4 000 000	100.0	4 000 000	100.0	4 000 000	100.0	12 000 000	100.0

* excluding refunds of 61 133 EUA

3. Distribution of the annual instalment in the event of insufficiency of resources

During the period 1970-1976 the export earnings of the ACP States from STABEX products varied from one year to the next by up to 25%. The decline in revenue reached a multiple (between 1 and 5) of the annual STABEX allocation.

For the year of application 1978 the transfers decided upon during the first half of 1979 amounted to 74 378 469 EUA for groundnut products alone. This sum does not include the 16.6 MEUA which Senegal agreed to forego.

At 1 June 1979 the sums transferred for the year of application 1978 amounted to 118 207 438 EUA, more than the annual instalment inclusive of the 20% increase i.e. 90 MEUA. This was only possible thanks to the carry-overs from the previous years.

Exports of coffee products alone accounted for about 30% of the exports of STABEX products. The spectacular rise in the price of coffee in 1977 (triple the price in Spring 1976) considerably increased the revenue earned from the export of coffee products. In 1979 the prices returned to the level of Spring 1976.

In 1979, a single beneficiary received two transfers representing more than 85% of the annual instalment.

The above-mentioned examples illustrate that there is a relatively high risk of a temporary shortage of funds. The annual fluctuations in the export of STABEX products overall have already reached multiples of the annual instalment and nearly half of these exports in terms of value are confined to two products and/or two ACP States.

If insufficient amounts are carried forward, the question could arise in the future of how to divide the instalment for a particular year of application. The present Convention does not lay down any criteria for distribution between the ACP States requesting a transfer, when the sums to be transferred exceed the allocation or the annual instalment available.

VI TRANSFERS AND ADVANCES

The Commission calculates the amount to be transferred and after having informed the Council draws up a transfer agreement which is signed by the beneficiary and the Commission. This sum is transferred to the beneficiary state.

1. Nature of the transfers

The transfers are made in the form of a grant or a loan according to the stage of development of the recipient country. The sums transferred do not bear interest. In the five years following each transfer the ACP States who have received loans replenish a part of the resources made available to the system by the Community. The least developed ACP States listed in Article 48, paragraph 2 of the Convention are exempted from reimbursement. Certain OCT benefit from similar provisions.

Nature of the transfer

Unit : EUA

	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%
1. ACP States								
Grants	42.083.118 ^(*)	52.3	28.844.64 ^(*)	76.5	33.702.30 ^(*)	100.0	104.630.068 ^(*)	68.9
Loans	38.457.959	47.7	8.843.125	23.5	-	-	47.301.084	31.1
Total	80.541.078 ^(*)	100.0	37.687.77 ^(*)	100.0	33.702.30 ^(*)	100.0	151.931.152 ^(*)	100.0
2. OCT								
Grants	961.198 ^(*)	43.6	1.338.057 ^(*)	48.7	- ^(*)	-	2.299.255 ^(*)	44.6
Loans	1.243.149	56.4	1.410.462	51.3	202.714	100.0	2.856.325	55.6
Total	2.204.347 ^(*)	100.0	2.748.519 ^(*)	100.0	202.714 ^(*)	100.0	5.155.580 ^(*)	100.0

(*) including 2 367 590 EUA charged to the allocation for the OCT, i.e. 555 198 EUA in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977

(*) excluding 2 367 590 EUA transferred to Djibouti and to the Comoros which have now become ACP States

2. Advances

All necessary steps are taken to ensure that transfers are made rapidly, for example by means of advances, normally six-monthly.

The transfer is paid into an account specified to the Commission by the competent authorities in the recipient ACP State. Generally, the representative of the ACP State accredited to the Communities is instructed by his government to ensure that the operations are completed in order.

3. Transfers paid

3.1. ACP States

The 56 non-repayable transfers amounted to 102 262 478 EUA for the first three years of application (*).

For the first three financial years the 11 repayable but interest-free transfers totalled 47 301 085 EUA.

Repayable transfers were effected during the first three years for 38 457 959 EUA, 8 843 125 EUA and 0 EUA respectively.

The balance available from the total allocation for the last two years to which the Convention has applied (1978 and 1979) amounted to 232 768 535 EUA, including reimbursements of 2 332 097 EUA. The balance outstanding from repayable transfers was 44 968 987 EUA. A sum of 118 865 011 EUA was transferred to the recipient ACP States after the first series of transfers for the year of application 1978.

3.2. OCT

The 13 non-repayable transfers amounted to 1 516 486 EUA, 1 889 893 EUA and 1 260 556 EUA respectively, i.e. a total of 4 666 935 EUA for the past three years of application.

The five repayable but interest-free transfers (two in 1975, two in 1976 and one in 1977) for the three financial years amounted to 1 243 149 EUA, 1 410 462 EUA and 202 714 EUA respectively, i.e. a total of 2 856 325 EUA.

(*) excluding the transfers totalling 2 367 590 EUA granted to the Comoros and to Djibouti which were charged to the allocations for the OCT.

The balance available for the total allocation for the last two years of application (1978 and 1979) amounted to 12 537 873 EUA, account being taken of a repayment of 61 133 EUA.

4. Time-limits for payment

4.1. Transfer

The administrative procedure adopted by the Commission is such that the beneficiary country receives the transfer some 6 to 18 months after the loss is recorded, for during the first three years of reference, the Commission did not make use of its ability to grant advances on transfers.

In this connection, it should be pointed out that in 1979, the Commission granted five transfers relating to the year of application 1975 and one transfer relating to the year of application 1977. The recipients were three ACP States and two OCT.

4.2. Advances

The first advances were paid to four ACP States in 1978. Thus Senegal, Mauritania, the Gambia and Tonga received a total of 27 670 000 EUA for the year of application 1978. The corresponding transfers were of 101 234 820 EUA. The advances received vary between 20% and 65% of the final transfer.

The Commission has not laid down rules of practice for the percentage of the final transfer that may be paid as an advance. As no limit has been set, excessive sums could be advanced to the beneficiary States. The present Convention makes no provision for the repayment of excessive advances granted to the recipient States nor does it define the conditions in which a rapid adjustment could be made of amounts received in excess. On the other hand, an amount which according to the Community statistics is in excess may be taken into consideration by the Commission during negotiations for the establishment of the final basis for transfer.

5. Distribution of transfers by country and by product (see annexes 4, 5 and 6)

In all, 28 ACP States have received one or more transfers. STABEX intervened in the case of about twenty products. No transfer was granted in the case of four products (wool, mohair, pyrethrum, vanilla).

For the first three years of application, five ACP States (Niger, Benin, Tanzania, Ivory Coast and Ethiopia) shared 82 711 011 EUA, i.e. almost 55 per cent of the amount of the transfers. Six ACP States have received one or more transfers during each of the first three years of application.

During this same period, five products (wood, groundnuts, cotton, sisal, coffee) accounted for 75% of the sums transferred.

Including the first data available for the financial year 1978, the percentages for five States and five products are 60% and 85% respectively.

6. European currency used for the payments (see Annex 3)

Overall for the first three financial years, 60% of the transfers were paid in French francs, 30% in German marks and 10% in pounds sterling, the other European currencies only amounting to 2.5%.

The proportion of transfers in marks decreased by $\frac{2}{3}$ from the first to the third financial year whereas transfers in sterling increased to a quarter of the total.

VII USE OF RESOURCES DERIVED FROM STABEX TRANSFERS

According to the information received on the use of the funds transferred for 1975, 63% of the sums transferred by way of STABEX were allocated by the ACP States to one or more specific projects. In this regard, nine ACP States intend to allot 30% of the transfers, totally or in part, to develop the production, marketing, or export of STABEX products and ancillary services. In one or two specific cases the beneficiary project features on the list of projects which are financed or co-financed by the EDF within the context of technical and financial co-operation.

As to the use of the remaining 37% of the transferred sums, the replies have been rather evasive, expressing the intention to allocate resources to a programme without specifying the project, referring to the replenishing of public funds, or failing to give any answer.

The evasive replies given do in fact comply with the letter of Article 20 of the Lomé Convention which merely states:

"The recipient ACP State shall decide how the resources will be used. It shall inform the Commission annually of the use to which it has put the resources transferred".

In one case, 45% of the sum of the transfer was used by the Ministry of the Interior for the purchase of 70 vehicles for its departments, which include the Directorate-General for National Security and the security police.

While during the first financial year one ACP State failed to provide information on the use made of the funds derived from the transfer within the prescribed time-limit of twelve months three failed to meet this obligation in the following financial year of 1976.

A quarter of the amounts transferred were used for the development of the products which occasioned the transfers.

For the first two financial years, the major part of the sums transferred were not allocated to the development of those products which occasioned the transfers. Moreover, these reports are not necessarily binding on the beneficiary country. The ACP State alone decides upon the utilization of the sums transferred and the Community has no way of checking this. No guidelines are adopted for the utilization of the funds.

After the Commission's efforts to draw up in conjunction with the ACP States a standard form for these reports, the formal quality of the information received improved. The data supplied by the recipient ACP States are now more complete, but these standardized reports are still based on the unilateral statements of the beneficiaries. Moreover, proof that the transfers have been allocated in accordance with the information provided is not forwarded to the Commission. The 1975 Convention does not enable the Community institutions in practice to ascertain the final use made of the transfers.

Under these circumstances, the principal or sole aim of STABEX is the partial compensation of losses in earnings from the export of certain commodities, i.e. a financial transfer to aid the balance of payments, and information on the use made of the transfers is still purely token in nature.

VIII RECONSTITUTION

1. ACP States

Out of eleven repayable transfers totalling 47 301 084 EUA, three transfers were reimbursed fully or in part in the sum of 2 332 097 EUA, i.e. 4.9%.

- 18 -
Reconstitution in 1978

Unit EUA

ACP STATE STABEX products	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%

1. ACP States

Fiji	615 140	1.6	1 253 399	14.2	-	-	1 868 539	3.1
coconut oil	615 140	1.6	1 253 399	14.2	-	-	1 868 539	3.1
CAMEROON	-	-	463 558	5.2	-	-	463 558	1.0
cocoa paste	-	-	463 558	5.2	-	-	463 558	1.0
TOTAL	615 140	1.6	1 716 957	19.4	-	-	2 332 097	4.9
To be reconstituted	38 457 959	100.0	8 843 125	100.0	-	-	47 301 084	

2. OCT

BELIZE	61 133	4.9	-	-	-	-	61 133	2.1
sawn wood	61 133	4.9	-	-	-	-	61 133	2.1
TOTAL	61 133	4.9	-	-	-	-	61 133	2.1
To be reconstituted	1 243 149	100.0	1 410 462	100.0	202 714	-	2 856 325	

The first repayments for the reconstitution of STABEX were made during 1978 by Cameroon and Fiji. Cameroon repaid in full a transfer received the previous year. Fiji has refunded the transfer received in 1975 and partially repaid that of 1976.

Although only three repayments have been made, reconstitution was effected in each case one year after having received the transfer. In the case of Fiji, the amount repaid in a single year exceeded the amount of each of the transfers which that country has received.

2. OCT

Out of five repayable transfers totalling 2 856 325 EUA, only one has been re-paid in the sum of 61 133 EUA, i.e. 2.1%.

3. Exchange risks

Generally, the repayment is made in the European currency requested on the occasion of the transfer. The transfer is expressed in EUA but paid in one or several Community currencies. As the various European currencies are not fixed in relation to each other, the value of the EUA expressed in one of these may vary day by day. Thus, Cameroon is bound to reimburse the equivalent of the transfer expressed in EUA, with an amount in European currency which is higher than that received the previous year on payment of the STABEX transfer. The risk of fluctuating exchange rates is in this case upon the recipient ACP State.

Finally, by neglecting any reference to total exports, the repayment of the transfer no less than its payment may accentuate the fluctuations in export earnings.

IX EFFECTS ON THE ECONOMIES OF THE ACP STATES

As a rule, in the 28 recipient ACP States, the STABEX transfers account for less than 5% of the total export earnings to all destinations.

This threshold was crossed by some ACP States in 1975 (Benin, Niger, Ethiopia, ...) in 1976 (Guinea-Bissau, Western Samoa, Tonga, Niger, ...) and in 1977 (Cape Verde, Benin, Comoros, ...).

In certain isolated cases the STABEX transfer reached considerable proportions in the sector which occasioned the transfer (1975: Niger, Congo ...; 1976: Guinea-Bissau, Fiji, ...; 1977: Cape Verde, Upper Volta, ...).

This matter is discussed in the Commission's third report, on the operation during 1977 of the system set up by the Lomé Convention for stabilizing export earnings:

"The impact of the transfers obviously appears far more clearly when one looks at the transfers made for a specific product and the export earnings (all destinations) corresponding to that same product (1977).

The following percentages illustrate this:

Upper Volta (groundnuts)	85%	Benin (cotton)	31%
Comoros (copra)	77%	Belize (sawn wood)	24%
Benin (palm oil)	72%	Benin (palm nut and kernel oil)	21%
Comoros (cloves)	53%	Comoros (ylang-ylang)	8%
Tanzania (sisal)	37%	Mauritania (iron ore)	3%
Swaziland (iron ore)	37%		

These data reveal that extent of the compensatory flows provided by the system for the sectors in question and consequently of the guarantee in respect of the ACP States' export earnings, particularly for the least developed countries".

Nonetheless, apart from the ten or so special cases observed during a specific year, the final impact on the economies of the recipient ACP States was probably slight. Sporadic transfers cannot have lasting effect, and the amount of financial resources involved is usually too small.

Among the few recipient countries where the volume of aid reached a significant proportion during a financial year, some chose to allocate these funds simply to sustaining the flow of imports rather than promoting economic development.

Seuls six Etats ACP (Niger, Bénin, Tanzanie, Samoa occidentales, Comores et Djibouti) ont bénéficié de transferts STABEX pendant tous les trois exercices. Dans le cas de ces six pays un examen approfondi à faire par la Commission pourrait permettre d'arriver à des constatations plus concluantes quant à l'impact économique et l'incidence sur l'évolution des échanges extérieures.

En présence des difficultés que la Communauté rencontre actuellement pour étudier l'incidence effective des transferts sur les économies des Etats ACP bénéficiaires, il serait présomptueux d'émettre à présent un jugement.

X. CONCLUSIONS

La création d'un système de stabilisation des recettes provenant de l'exportation par les Etats ACP de certains produits de base constitue sans nul doute une innovation historique dans les relations entre la Communauté et un groupe de pays en voie de développement, à savoir les Etats ACP signataires de la Convention de Lomé. (L'expérience relativement brève du STABEX a même encouragé certains pays de l'Extrême Orient à instaurer au sein de l'ASEAN un système dérivé du STABEX.)

Au cours des trois premières années d'application, le système a déjà été élargi pour inclure un nombre plus important de produits.

Au cours de cette période, la moitié des Etats ACP a bénéficié à une ou plusieurs reprises d'un transfert. Ces transferts ont profité en majeure partie aux Etats ACP les moins développés qui les reçoivent comme dons.

Au niveau de l'allocation des transferts le STABEX a fonctionné d'une manière généralement satisfaisante, malgré quelques différends relatifs à l'application des textes de la Convention. Au niveau de l'évaluation des effets des transferts sur l'économie des Etats ACP bénéficiaires, les résultats sont plus incertains.

In the majority of cases it is true to say that the sums transferred are such as would have a marked impact on the economies or the finances of the recipient countries on a medium-term basis.

On the other hand, in exceptional cases, where it has been possible to establish such an effect from the balance of payments of a specific year, it may be asked to what extent the transfer may have contributed to the maintenance of an excessively monolithic production structure, by sheltering the national authorities from the "signals" coming from price movements on the international market.

The lack of information on each country makes it impossible, at present, to have an accurate picture of the impact of the new system on the national economies concerned.

The recipient States seem to have realized very quickly that the system is not designed to compensate for the losses in the earnings of the producers but those of their economies in general. It is for this reason that they have redoubled their requests to lengthen the list of products, to reduce the dependence thresholds and reference levels, to index-link the transfers to the actual losses etc.. The effect of all of this would be to change the system into a guarantee of the global export earnings rather than a guarantee of revenue for certain specific products.

ACP STATES

Bahamas	Madagascar
Barbados	Malawi
Benin	Mali
Botswana	Mauritius
Burundi	Mauritania
Cameroon	Niger
* Cape Verde	Nigeria
Central African Empire	* Papua New Guinea
Chad	Rwanda
* Comoros	* Sao Tomé and Príncipe
Congo	Senegal
* Djibouti	* Seychelles
** Dominica	Sierra Leone
Equatorial Guinea	Somalia
Ethiopia	** Solomon Islands
Fiji	Sudan
Gabon	* Surinam
The Gambia	Swaziland
Ghana	Tanzania
Grenada	Togo
Guinea	Tonga
Guinea-Bissau	Trinidad and Tobago
Guyana	** Tuvalu
Ivory Coast	Uganda
Jamaica	Upper Volta
Kenya	Western Samoa
Lesotho	Zaire
Liberia	Zambia

* subsequent accessions
already effective
** current accessions

Signatory countries of the Lomé Convention	46
Subsequent accessions	7
Current accessions	3
	<hr/>
TOTAL	56

PRODUCTS ELIGIBLE TO BENEFIT FROM STAREX

- a) Groundnut products
- aa) groundnuts, shelled or not
- ab) groundnut oil
- ac) groundnut oilcake
- b) Cocoa products
- ba) cocoa beans
- ba) cocoa paste
- bc) cocoa butter
- c) Coffee products
- ca) raw or roasted coffee
- cb) extracts, essences or concentrates of coffee
- d) Cotton products
- da) cotton, not carded or combed
- db) cotton linters
- e) Coconut products
- ea) coconuts
- eb) copra
- ec) coconut oil (copra)
- ed) coconut oil cake
- f) Palm, palm nut and kernel products
- fa) palm oil
- fb) palm nut and kernel oil
- fc) palm nut and kernel oilcake
- fd) palm nuts and kernels
- g) Raw hides, skins and leather
- ga) raw hides and skins
- gb) bovine cattle leather
- gc) sheep and lamb skin leather
- gd) goat and kid skin leather

- h) Wood products
- ha) wood in the rough
- hb) wood, roughly squared or half squared
- hc) wood sawn lengthwise
- i) Fresh bananas
- k) Tea
- l) Raw sisal
- m) Iron ore
iron ores and concentrates and roasted iron pyrites
- n) Cloves
- o) Gum arabic
- p) Wool
- q) Mohair
- r) Pyrethrum
- s) Vanilla
- t) Ylang-ylang

BREAKDOWN OF STABEX TRANSFERS FOR 1975, 1976 AND 1977
ACCORDING TO CURRENCY REQUESTED BY ACP STATES (1)

CURRENCY	AMOUNTS IN EUA									
	1975	%	1976	%	1977	%	Total	%		%
FF	43 125 304	59.25	17 024 472	45.84	19 945 749	63.37	80-095 525			56.65
DM	26 954 587	37.03	11 972 565	32.24	3 618 358	11.50	42 545 510			30.09
£ St.	1 220 519	1.68	6 150 894	16.56	7 908 814	25.13	15 280 227			10.81
BF	1 485 655	2.04	868 489	2.28	-	-	2 354 144			1.65
HTL	-	-	1 139 516	3.07	-	-	1 139 516			0.81
TOTAL	72 786 065	100.00	37 135 936	100.00	31 472 921	100.00	141 394 922			100.00

(1) Adopted on 31 March 1979

BREAKDOWN OF STABEX TRANSFERS BY ACP STATE

Unit : EUA

ACP State STABEX products	1975		1976		1977		TOTAL	
	Amount	% *	Amount	% *	Amount	% *	Amount	%
1. NIGER	5 949 041	7.3	6 909 260	18.3	9 795 659	29.1	22 653 960	14.5
- groundnut oil	-	-	6 755 991	17.9	7 383 280	21.9	14 139 271	9.3
- groundnuts	5 441 294	6.7	-	-	2 412 379	7.2	7 853 673	5.2
- raw hides and skins	507 747	0.6	-	-	-	-	507 747	0.3
- oilcake	-	-	153 369	0.4	-	-	153 369	0.1
2. BENIN	7 129 848	8.9	3 515 923	9.3	4 762 327	14.1	15 408 098	16.2
- cotton	4 299 556	5.3	2 750 347	7.3	2 083 137	6.2	9 133 040	6.0
- palm oil	-	-	765 576	2.0	1 467 364	4.3	2 232 940	1.5
- palm nut and kernel oil	-	-	-	-	1 211 826	3.6	1 211 826	0.8
- oilcake	1 191 079	1.5	-	-	-	-	1 191 079	0.8
- coffee	1 174 883	1.5	-	-	-	-	1 174 883	0.8
- groundnuts	464 330	0.6	-	-	-	-	464 330	0.3
3. TANZANIA	1 887 082	2.4	5 165 208	13.7	8 176 614	24.3	15 228 904	10.0
- sisal	-	-	5 165 208	13.7	8 176 614	24.3	13 341 822	8.8
- cotton	1 887 082	2.4	-	-	-	-	1 887 082	1.2
4. IVORY COAST	15 000 000	18.6	-	-	-	-	15 000 000	9.9
- wood in the rough	15 000 000	18.6	-	-	-	-	15 000 000	9.3
5. ETHIOPIA	14 420 049	17.9	-	-	-	-	14 420 049	9.5
- coffee	9 339 684	11.7	-	-	-	-	9 339 684	6.2
- raw hides and skins	5 080 365	6.3	-	-	-	-	5 080 365	3.3
6. CONGO	7 361 677	9.2	-	-	-	-	7 361 677	4.8
- wood in the rough	7 361 677	9.2	-	-	-	-	7 361 677	4.8
7. GABON	6 703 311	8.3	-	-	-	-	6 703 311	4.4
- wood in the rough	6 703 311	8.3	-	-	-	-	6 703 311	4.4
8. UGANDA	1 748 932	2.2	3 649 744	9.7	-	-	5 398 676	3.5
- cotton	1 748 932	2.2	2 249 791	6.0	-	-	3 998 723	2.6
- tea	-	-	1 399 953	3.7	-	-	1 399 953	0.9
9. GUINEA-BISSAU	-	-	5 069 403	13.5	146 839	0.4	5 216 242	3.4
- groundnuts	-	-	4 442 437	11.8	-	-	4 442 437	2.9
- palm nuts and kernels	-	-	626 966	1.7	-	-	626 966	0.4
- sawn wood	-	-	-	-	146 839	0.4	146 839	0.1

* as a percentage of the annual total

BREAKDOWN OF STATEX TRANSFERS
BY ACP STATE

Unit : ECU

ACP State	1975		1976		1977		TOTAL	
	Amount	% *	Amount	% *	Amount	% *	Amount	% *
0. GHANA	5 176 408	6.4	-	-	-	-	5 176 408	3.4
wood in the rough	5 176 408	6.4	-	-	-	-	5 176 408	3.4
1. CAMEROON	3 601 423	4.5	463 558	1.2	-	-	4 064 981	2.7
wood in the rough	3 601 423	4.5	-	-	-	-	3 601 423	2.4
cocoa paste	-	-	463 558	1.2	-	-	463 558	0.3
2. SIERRA LEONE	-	-	3 977 274	10.6	-	-	3 977 274	2.6
iron ore	-	-	3 977 274	10.6	-	-	3 977 274	2.6
3. MAURITANIA	-	-	-	-	3 605 602	10.7	3 605 602	2.4
iron ore	-	-	-	-	3 605 602	10.7	3 605 602	2.4
4. SWAZILAND	-	-	-	-	3 368 978	10.0	3 368 978	2.2
iron ore	-	-	-	-	3 368 978	10.0	3 368 978	2.2
5. MADAGASCAR	-	-	2 902 459	7.7	-	-	2 902 459	1.9
- sisal	-	-	1 762 943	4.7	-	-	1 762 943	1.2
- cloves	-	-	1 139 516	3.0	-	-	1 139 516	0.7
16. TOGO	2 680 324	3.3	-	-	-	-	2 680 324	1.8
- coffee	2 680 324	3.3	-	-	-	-	2 680 324	1.8

* as a percentage of the annual total

BREAKDOWN OF STABEX TRANSFERS BY ACP STATE

Unit : EUA

ACP STATE Stabex products	1975		1976		1977		TOTAL	
	Amount	% *	Amount	% *	Amount	% *	Amount	% *
17. SUDAN	1 658 580	2,1	-	-	968 825	2,9	2 627 405	1,7
- raw hides and skins	1 658 580	2,1	-	-	-	-	1 658 580	1,1
- groundnuts	-	-	-	-	968 825	2,9	968 825	0,6
18. FIJI	615 140	0,7	1 499 834	4,0	-	-	2 114 974	1,4
- coconut oil	615 140	0,7	1 499 834	4,0	-	-	2 114 974	1,4
19. WESTERN SAMOA	276 978	0,3	1 680 537	4,4	99 313	0,3	2 056 828	1,4
- copra	-	-	1 331 544	3,5	-	-	1 331 544	0,9
- raw hides and skins	-	-	348 993	0,9	-	-	348 993	0,2
- cocoa	276 978	0,3	-	-	-	-	276 978	0,2
- bananas	-	-	-	-	99 313	0,3	99 313	0,1
20. UPPER VOLTA	861 175	1,1	-	-	1 169 977	3,5	2 031 152	1,3
- groundnuts	685 239	0,9	-	-	1 169 977	3,5	1 855 216	1,2
- cotton	175 936	0,2	-	-	-	-	175 936	0,1
21. MALI	1 145 004	1,4	848 489	2,2	-	-	1 993 405	1,3
- cotton	1 145 004	1,4	-	-	-	-	1 145 004	0,8
- gum arabic	-	-	848 489	2,2	-	-	848 489	0,5
22. SOMALIA	1 932 145	2,4	-	-	-	-	1 932 145	1,3
- bananas	1 296 907	1,6	-	-	-	-	1 296 907	0,9
- raw hides and skins	635 238	0,8	-	-	-	-	635 238	0,5
23. COMOROS **	298 304	0,4	286 508	0,8	1 090 927	3,2	1 675 739	1,1
- copra	298 304	0,4	286 508	0,8	367 784	1,1	952 596	0,6
- cloves	-	-	-	-	552 547	1,6	552 547	0,4
- ylang-ylang	-	-	-	-	170 596	0,5	170 596	0,1
24. BURUNDI	1 485 655	1,9	-	-	-	-	1 485 655	1,0
- cotton	965 602	1,2	-	-	-	-	965 602	0,6
- raw hides and skins	520 053	0,7	-	-	-	-	520 053	0,4
25. TONGA	-	-	904 439	2,4	-	-	904 439	0,6
- copra	-	-	831 720	2,2	-	-	831 720	0,6
- bananas	-	-	72 719	0,2	-	-	72 719	0,0

* as a percentage of the annual total ** continue to benefit under STABEX from the allocation for the OCT (Art. 1, para. 5 of Internal Agreement no. 75/165/EEC of 11 July 1975)
+ including 496 501 EUA decided and paid in 1979

BREAKDOWN OF STABEX TRANSFERS BY ACP STATE

Unit : EUA

ACP State STABEX products	1975		1976		1977		TOTAL	
	Amount	% *	Amount	% *	Amount	% *	Amount	% *
6. <u>C.A.E.</u>	353 108	0,4	549 807	1,5	-	-	902 915	0,
sawn wood	-	-	549 807	1,5	-	-	549 807	0,
coffee	353 108	0,4	-	-	-	-	353 108	0,
7. <u>DJIBOUTI</u>	256 894	0,3	265 328	0,7	169 629	0,5	691 851	0,
skins and leather	256 894	0,3	265 328	0,7	169 629	0,5	691 851	0,
8. <u>CAPE VERDE</u>	-	-	-	-	347 713	1,0	347 713	0,
bananas	-	-	-	-	347 713	1,0	347 713	0,
) TOTAL	80 541 078	100,0	37.687,77	100,0	33.702.303	100,0	151.931.152	100,0
Wood	37 842 819	47,0	898 800	2,4	146 839	0,4	38 888 458	22,4
Groundnuts	7 781 942	9,7	11 351 697	30,1	11 934 461	35,5	31 062 100	21,0
Cotton	10 222 112	12,7	5 000 138	13,3	2 083 137	6,2	17 305 387	11,7
Sisal	-	-	6 928 151	18,4	8 176 614	24,3	15 104 765	10,5
Coffee	13 547 999	16,8	-	-	-	-	13 547 999	9,4
Iron ore	-	-	3 977 274	10,6	6 974 480	20,7	10 951 754	7,6
Skins & leathers	658 877	10,8	265 328	0,7	169 629	0,5	9 093 834	6,3
Coir	913 444	1,1	3 949 666	10,5	367 784	1,1	5 230 334	3,7
Palm nuts and kernels	-	-	1 392 542	3,7	2 679 190	7,9	4 071 732	2,8
Bananas	1 296 907	1,6	72 719	0,2	447 026	1,3	1 816 652	1,2
Cloves	-	-	1 139 516	3,0	552 547	1,6	1 692 063	1,2
Tea	-	-	1 399 953	3,7	-	-	1 399 953	1,0
Gum arabic	-	-	848 489	2,2	-	-	848 489	0,6
Cocoa	276 978	0,3	463 558	1,2	-	-	740 536	0,5
Ylang-Ylang	-	-	-	-	170 596	0,5	170 596	0,1

(+) including 2 367 590 EUA charged to the allocation for the OCT, i.e. 555 198 EUA in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977

* as a percentage of the annual total

BREAKDOWN OF STABEX PRODUCTS BY PRODUCT
(ACP STATES)

Unit : EUA

PRODUCTS ACP States	1975		1976		1977		TOTAL	
	Amount	Z *	Amount	Z *	Amount	Z *	Amount	Z *
WOOD	37 842 819	47,0	898 800	2,4	146 839	0,4	38 888 458	25,6
- Ivory Coast	15 000 000	18,6	-	-	-	-	15 000 000	9,9
- Congo	7 361 677	9,2	-	-	-	-	7 361 677	4,7
- Gabon	6 703 311 ⁽¹⁾	8,3	-	-	-	-	6 703 311	4,2
- Ghana	5 176 408	6,4	-	-	-	-	5 176 408	3,2
- Cameroon	3 601 423	4,5	-	-	-	-	3 601 423	2,4
- C.A.E.	-	-	549 807	1,5	-	-	549 807	0,4
- W. Samoa	-	-	348 993	0,9	-	-	348 993	0,2
- Guinea Bissau	-	-	-	-	146 839	0,4	146 839	0,1
GROUNDNUTS	7 781 942	9,7	11 351 697	30,1	11 934 461	35,5	31 068 100	20,4
- Niger	5 441 294	6,7	6 909 260	18,3	9 795 659	29,1	22 146 213	14,6
- Guinea-Bissau	-	-	4 442 437	11,8	-	-	4 442 437	2,9
- Upper Volta	685 239	0,9	-	-	1 169 977	3,5	1 855 216	1,2
- Benin	1 655 409	2,1	-	-	-	-	1 655 409	1,1
- Sudan	-	-	-	-	968 825 ⁽¹⁾	2,9	968 825	0,6
COTTON	10 222 112	12,7	5 000 138	13,3	2 083 137	6,2	17 305 387	11,3
- Benin	4 299 556	5,3	2 750 347	7,3	2 083 137	6,2	9 133 040	6,0
- Uganda	1 748 932	2,2	2 249 791	6,0	-	-	3 9 8 723	2,6
- Tanzania	1 887 082	2,4	-	-	-	-	1 887 082	1,2
- Mali	1 145 000 ⁽²⁾	1,4	-	-	-	-	1 145 004	0,8
- Burundi	965 602	1,2	-	-	-	-	965 602	0,6
- Upper Volta	175 936	-	-	-	-	-	175 936	0,1
SISAL	-	-	6 928 151	18,4	8 176 614	24,3	15 104 765	10,0
- Tanzania	-	-	5 165 208	13,7	8 176 614	24,3	13 341 822	8,8
- Madagascar	-	-	1 762 943	4,7	-	-	1 762 943	1,2
COFFEE	13 547 999	16,8	-	-	-	-	13 547 999	9,0
- Ethiopia	9 339 684	11,6	-	-	-	-	9 339 684	6,2
- Togo	2 580 324	3,3	-	-	-	-	2 680 324	1,8
- Benin	1 174 883	1,5	-	-	-	-	1 174 883	0,8
- C.A.E.	353 108	0,4	-	-	-	-	353 108	0,2
IRON ORE	-	-	3 977 274	10,6	6 974 480	20,7	10 951 754	7,2
- Sierra Leone	-	-	3 977 274	10,6	-	-	3 977 274	2,6
- Mauritania	-	-	-	-	3 605 602	10,7	3 605 602	2,4
- Swaziland	-	-	-	-	3 368 878	10,0	3 368 878	2,2
SKINS & LEATHER	8 658 877	10,8	265 328	0,7	169 629	0,5	9 093 834	6,0
- Ethiopia	5 080 365	6,3	-	-	-	-	5 080 365	3,3
- Sudan	1 658 580	2,1	-	-	-	-	1 658 580	1,1
- Djibouti(+)	256 894	0,3	265 328	0,7	169 629	0,5	691 851	0,5
- Somalia	635 238	0,8	-	-	-	-	635 238	0,4
- Burundi	520 053	0,7	-	-	-	-	520 053	0,4
- Niger	507 747	0,6	-	-	-	-	507 747	0,3

(1) decided upon and paid in 1979
(2) including 496 501 EUA decided upon and paid in 1979

+ continues to benefit under STABEX from the allocation for the OCT Article 1, para. 5 of Internal Agreement No. 75/65/EEC of 11 July 1975
* as a percentage of the annual total.

BREAKDOWN OF STABEX PRODUCTS BY PRODUCT

Unit : EUA

PRODUCTS ICP States	1975		1976		1977		1978	
	Amount	% *	Amount	% *	Amount	% *	Amount	% *
9. COIR	913 444	1.1	3 949 606	10.5	367 784	1.1	5 230 8	3.5
- Fiji	615 140	0.7	1 499 834	4.0	-	-	2 114 974	1.4
- W. Samoa	-	-	1 331 544	3.5	-	-	1 331 544	0.9
- Comoros +	298 304	0.4	286 508	0.8	367 784	1.1	952 596	0.6
- Tonga	-	-	831	2.2	-	-	831 720	0.6
10. PALM NUTS AND KERNELS	-	-	1 392 542	3.7	2 679 190	7.9	4 071 732	2.7
- Benin	-	-	765 576	2.0	2 679 190	7.9	3 444 766	2.3
- Guinea-Bissau	-	-	626 966	1.7	-	-	626 966	0.4
10. BANANAS	1 296 907	1.6	72 719	0.2	447 026	1.3	1 816 652	1.2
- Somalia	1 296 907	1.6	-	-	-	-	1 296 907	0.9
- Cape Verde	-	-	-	-	347 713	1.0	347 713	0.2
- W. Samoa	-	-	-	-	99 313	0.3	99 313	0.1
- Tonga	-	-	72 719	0.2	-	-	72 719	0.0
11. CLOVES	-	-	1 139 516	3.0	552 547	1.6	1 692 063	1.1
- Madagascar	-	-	1 139 516	3.0	-	-	1 139 516	0.7
- Comoros +	-	-	-	-	552 547	1.6	552 547	0.4
12. TEA	-	-	1 399 953	3.7	-	-	1 399 953	0.9
- Uganda	-	-	1 399 953	3.7	-	-	1 399 953	0.9
13. GUM ARABIC	-	-	848 489	2.2	-	-	848 489	0.5
- Mali	-	-	848 489	2.2	-	-	848 489	0.5
14. COCOA	276 978	0.3	463 558	1.2	-	-	740 536	0.5
- Cameroon	-	-	463 558	1.2	-	-	463 558	0.3
- W. Samoa	276 978	0.3	-	-	-	-	276 978	0.2
15. YLANG YLANG	-	-	-	-	170 596	0.5	170 596	0.1
- Comoros +	-	-	-	-	170 596	0.5	170 596	0.1
TOTAL x	80 541 078	100.0	37 687 771	100.0	33 702 303	100.0	151 931 152	100.0
- Grants	42 083 110	52.3	28 844 646	76.5	33 702 303	100.0	104 630 068	68.9
- Loans	38 457 959	47.7	8 843 125	23.5	-	-	47 301 084	31.1

x including 2 367 590 EUA chargeable to the allocation for the OCT, i.e. 555 198 EUA in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977.

+ continue to benefit under STABEX from the allocation for the OCT (Art. 1, para. 5, of Internal Agreement No. 75/65/EEC of 11 July 1975)

* as a percentage of the annual total

BREAKDOWN OF STABEX TRANSFERS BY COUNTRY

AND BY PRODUCT

Unit : EUA

PRODUCTS ACP States	1975		1976		1977		TOTAL	
	Amount	% *	Amount	% *	Amount	% *	Amount	% *
TOTAL X	80.541.078	100.0	27.687.271	100.0	33.702.303	100.0	151.931.152	100.0
- Niger	5 949 041	7,3	6 909 260	18,3	9 795 659	29,1	22 653 960	14,9
- Benin	7 129 848	8,9	3 515 923	9,3	4 762 327	14,1	15 408 098	10,2
- Tanzania	1 887 082	2,4	5 165 208	13,7	8 176 614	25,0	15 228 904	10,0
- Ivory Coast	15 000 000	18,6	-	-	-	-	15 000 000	9,9
- Ethiopia	14 420 049	17,9	-	-	-	-	14 420 049	9,5
- Congo	7 361 677	9,2	-	-	-	-	7 361 677	4,8
- Gabon	6 703 311	8,3	-	-	-	-	6 703 311	4,4
- Uganda	1 748 932	2,2	3 649 744	9,7	-	-	5 398 676	3,5
- Guinea Bissau	-	-	5 069 403	13,5	146 839	0,4	5 216 242	3,4
- Ghana	5 176 408	6,4	-	-	-	-	5 176 408	3,4
- Cameroon	3 601 423	4,5	463 558	1,2	-	-	4 064 981	2,7
- Sierra Leone	-	-	3 977 274	10,6	-	-	3 977 274	2,6
- Mauritania	-	-	-	-	3 605 602	10,7	3 605 602	2,4
- Swaziland	-	-	-	-	3 368 878	10,0	3 368 878	2,2
- Madagascar	-	-	2 902 459	7,7	-	-	2 902 459	1,9
- Togo	2 680 324	3,3	-	-	-	-	2 680 324	1,8
- Sudan	1 658 580	2,1	-	-	968 825	2,9	2 627 405	1,7
- Fiji	615 140	0,7	1 499 834	4,0	-	-	2 114 974	1,4
- W. Samoa	276 978	0,3	1 680 537	4,4	99 313	0,3	2 056 828	1,4
- Upper Volta	861 175	1,1	-	-	1 169 977	3,5	2 031 152	1,3
- Mali	1 145 004	1,4	848 489	2,2	-	-	1 993 493	1,3
- Somalia	1 932 145	2,4	-	-	-	-	1 932 145	1,3
- Comoros +	298 304	0,4	286 508	0,8	1 090 927	3,2	1 675 739	1,1
- Sudan	1 658 580	-	-	-	-	-	-	-
- Burundi	1 485 655	1,9	-	-	-	-	1 485 655	1,0
- Tonga	-	-	904 439	2,4	-	-	904 439	0,6
- C.A.E.	353 108	0,4	549 807	1,5	-	-	902 915	0,6
- Djibouti +	256 894	0,3	265 328	0,7	169 629	0,5	691 851	0,5
- Cape Verde	-	-	-	-	347 713	1,0	347 713	0,2

x including 2 367 590 chargeable to the allocation for the OCT, i.e. 555 198 EUA in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977

+ continue to benefit under STABEX from the allocation for the OCT (Art. 1, para. 5, of Internal Agreement No. 75/65/EEC of 11 July 1975)

* as a percentage of the annual total.

BREAKDOWN OF STABEX TRANSFERS BY COUNTRY
AND BY PRODUCT (OCT)

		Sawn wood	Copra	Total
Belize +	75	139 650	-	139 650
	76	-	-	-
	77	202 714	-	202 714
	Total	342 364		342 364
Gilbert Islands +	75	-	-	-
	76	-	1 083 098	1 083 098
	77	-	-	-
	Total		1 083 098	1 083 098
New Hebrides +	75	-	1 103 499	1 103 499
	76	-	327 364	327 364
	77	-	-	-
	Total		1 430 863	1 430 863
Solomon Islands	75	761 245*	138 502*	899 747
	76	-	1 273 640	1 273 640
	77	-	-	-
	Total	761 245	1 412 142	2 173 387
Tuvalu	75	-	61 541*	61 541
	76	-	64 417	64 417
	77	-	-	-
	Total		125 958	125 958
Total	75	900 895	1 303 452	2 204 347
	76	-	2 748 519	2 748 519
	77	202 714	-	202 714
	Total	1 103 609	4 051 971	5 155 580

+ The transfers received are repayable

* Transfer decided upon and paid in 1979

N.B. The transfers granted to the OCT who had become ACP States since entry into force of the Convention were charged to the OCT allocation. The above table does not cover these amounts which are included in the table relating to the ACP States. The balances charged were: 555 198 in 1975, 551 836 EUA in 1976 and 1 260 556 EUA in 1977, i.e. 2 367 590 EUA in all. The recipients were Djibouti and Comoros.

UTILIZATION OF THE ANNUAL INSTALMENTS AND NATURE
OF THE TRANSFERS

Unit : EUA

1975		1976		1977		TOTAL	
Amount	%	Amount	%	Amount	%	Amount	%

1. ACP States

Expenditure	79.985.880	106,7	37 135 935	49,5	32 441 747	42,3	149 563 562	66,0
Including loans	38.457.959	51,3	8 843 125	11,8	-	0	47 301 084	20,9
Balance	- 4.985.880	- 6,7	37 864 065	50,5	44 224 919	57,7	77 103 104 *	34,0
Annual instalment	75.000.000	100,0	75 000 000	100,0	76 666 666	100,0	226 666 666	100,0

* excluding refunds of 2 332 097 EUA

2. OCT

Expenditure	2 759 545	69,0	3 300 355	82,5	1 463 270	36,6	7 523 170	62,7
Including loans	1 243 149	31,1	1 410 462	35,3	202 714	5,1	2 856 325	23,8
Balance	1 240 455	31,0	699 645	17,5	2 536 730	63,4	4 476 830 *	37,8
Annual instalment	4 000 000	100,0	4 000 000	100,0	4 000 000	100,0	12 000 000	100,0

* excluding refunds of 61 133 EUA

REPAYABLE TRANSFERS BY ACP STATE

ACP STATE SPECIFIC Products	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%
IVORY COAST	15 000 000	39.0	-	-	-	-	15 000 000	31.7
wood in the rough	15 000 000	39.0	-	-	-	-	15 000 000	31.7
CONGO	7 361 677	19.1	-	-	-	-	7 361 677	15.6
wood in the rough	7 361 677	19.1	-	-	-	-	7 361 677	15.6
GABON	6 703 311	17.4	-	-	-	-	6 703 311	14.2
wood in the rough	6 703 311	17.4	-	-	-	-	6 703 311	14.2
GHANA	5 176 408	13.5	-	-	-	-	5 176 408	10.9
wood in the rough	5 176 408	13.5	-	-	-	-	5 176 408	10.9
CAMEROON	3 501 423	9.4	463 558	5.2	-	-	4 064 981	8.6
wood in the rough	3 601 423	9.4	-	-	-	-	3 601 423	7.6
cocoa paste	-	-	463 558	5.2	-	-	463 558	1.0
SIERRA LEONE	-	-	3 977 274	45.0	-	-	3 977 274	8.4
iron ore	-	-	3 977 274	45.0	-	-	3 977 274	8.4
MADAGASCAR	-	-	2 902 459	32.8	-	-	2 902 459	6.1
sisal	-	-	1 762 943	19.9	-	-	1 762 943	3.7
cloves	-	-	1 139 516	12.9	-	-	1 139 516	2.4
FIJI	615 140	1.6	1 499 834	17.0	-	-	2 114 974	4.5
coconut oil	615 140	1.6	1 499 834	17.0	-	-	2 114 974	4.5
TOTAL	38 457 959	100.0	8 843 125	100.0	-	-	47 301 084	100.0
wood in the rough	37 842 819	98.4	-	-	-	-	37 842 819	80.0
iron ore	-	-	3 977 274	45.0	-	-	3 977 274	8.4
coir	615 140	1.6	1 499 834	17.0	-	-	2 114 974	4.5
sisal	-	-	1 762 943	19.9	-	-	1 762 943	3.7
cloves	-	-	1 139 516	12.9	-	-	1 139 516	2.4
cocoa	-	-	463 558	5.2	-	-	463 558	1.0

RECONSTITUTION IN 1978

ACP STATE STABEX products	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%
1) <u>ACP States</u>								
FIJI	615 140	1,6	1 253 399	14,2	-	-	1 868 539	3,9
- coconut oil	615 140	1,6	1 253 399	14,2	-	-	1 868 539	3,9
CAMEROON	-	-	463 558	5,2	-	-	463 558	1,0
- cocoa paste	-	-	463 558	5,2	-	-	463 558	1,0
TOTAL	615 140	1,6	1 716 957	19,2	-	-	2 332 097	4,9
To be reconstituted	38 457 959	100,0	8 843 125	100,0	-	-	47 301 084	100,0

2) OCT

BELIZE	61 133	4,9	-	-	-	-	61 133	2,1
- Sawn wood	61 133	4,9	-	-	-	-	61 133	2,1
TOTAL	61 133	4,9	-	-	-	-	61 133	2,1
To be reconstituted	1 243 149	100,0	1 410 462	100,0	202 714	100,0	2 856 325	100,0

STABILISATION DES RECETTES D'EXPORTATION
STABILIZATION OF EXPORT EARNINGS

ANNEXE II.B.1

ANNEX II.B.1

FORMULAIRE DE NOTIFICATION A LA COMMISSION
NOTIFICATION FORM TO BE RECEIVED BY THE COMMISSION

A remplir sur la base des certificats d'origine émis par les autorités nationales
To be completed on the basis of the certificates of origin issued by the national authorities

Ce formulaire doit être adressé à la Commission pour le 15 de chaque mois suivant le mois d'exportation
This form is to be sent to the Commission by the 15th of the month following the month of export

Exportations vers la CEE

Exports to the EEC

1. Pays exportateur
Exporting country
2. Produit
Product
3. Période couverte par le formulaire
Period covered by the form

Quantité/Quantity
(*)

Valeur/Value
(**)

4. Production commercialisée (1) dans la période considérée
Marketed production (1) in the period under consideration
5. Exportations totales du produit en cause vers toutes destinations,
déduction faite des réexportations
Total exports of the product in question to all destinations,
excluding re-exports
6. Exportations du produit vers la Communauté
Exports of the product in question to the Community
61. Exportations par pays de destination
Export by country of destination
611. France/France
612. Union Economique Belgo-Luxembourgeoise
Economic Union of Belgium and Luxembourg
613. Pays-Bas/Netherlands
614. République Fédérale d'Allemagne
Federal Republic of Germany
615. Italie/Italy
616. Royaume-Uni/United Kingdom
617. Irlande/Ireland
618. Danemark/Denmark
62. Exportations totales du produit en cause
Total exports of the product in question
7. Exportations totales de biens vers toutes destinations, déduction
faite des réexportations
Total exports of all goods to all destinations, excluding re-exports

Certification officielle / Official certification

(1) Par production commercialisée on entend les quantités livrées par le producteur à l'organisme chargé de la commercialisation du produit en cause, ou les quantités déclarées aux services douaniers.
Marketed production is understood to mean the quantities delivered by the producers to the organisation responsible for the marketing of the product in question, or the quantities declared to the customs authorities.

(*) En tonnes métriques / In metric tons.

(**) FOB, en monnaie nationale / FOB, in the national currency.

STABILISATION DES RECETTES D'EXPORTATION
STABILIZATION OF EXPORT EARNINGS

ANNEXE II.B.2

FORMULAIRE DE NOTIFICATION A LA COMMISSION ANNEX II.B.2
NOTIFICATION FORM TO BE RECEIVED BY THE COMMISSION

A remplir sur la base des certificats d'origine émis par les autorités nationales
To be completed on the basis of the certificates of origin issued by the national authorities

Ce formulaire doit être adressé à la Commission pour le 15 de chaque mois suivant le mois d'exportation
This form is to be sent to the Commission by the 15th of the month following the month of export

- | | | |
|---|--|-------------------------------|
| 1. Pays exportateur
<i>Exporting country</i> | <u>Exportations vers toutes destinations</u>
<u>Exports to all destinations</u> | |
| 2. Produit
<i>Product</i> | | |
| 3. Période couverte par le formulaire
<i>Period covered by the form</i> | | |
| | Quantité / <i>Quantity</i>
(*) | Valeur / <i>Value</i>
(**) |
| 4. Production commercialisée (1) dans la période considérée
<i>Marketed production (1) in the period under consideration</i> | | |
| 5. Exportations totales du produit en cause vers toutes destinations, déduction faite des réexportations
<i>Total exports of the product in question to all destinations, excluding re-exports</i> | | |
| 6. Exportations totales de biens vers toutes destinations, déduction faite des réexportations
<i>Total exports of all goods to all destinations, excluding re-exports</i> | | |
| Certification officielle / <i>Official certification</i> | | |

(1) Par production commercialisée on entend les quantités livrées par le producteur à l'organisme chargé de la commercialisation du produit en cause, ou les quantités déclarées aux services douaniers.

Marketed production is understood to mean the quantities delivered by the producers to the organisation responsible for the marketing of the product in question, or the quantities declared to the customs authorities.

(*) En tonnes métriques / *In metric tons.*

(**) FOB, en monnaie nationale / *FOB, in the national currency.*

STABILISATION DES RECVTTES D'EXPORTATION

N° 1

Exportations vers la CEE

STABILIZATION OF EXPORT EARNINGS

Exports to the EEC

FORMULAIRE DE DEMANDE D'AVANCE

FORM TO REQUEST AN ADVANCE

ANNEXE II.C.1

ANNEX II.C.1

FOR THE ATTENTION OF THE DIRECTOR-GENERAL
FOR DEVELOPMENT

A L'ATTENTION DU DIRECTEUR GENERAL DU
DEVELOPPEMENT

By virtue of Chapter 1 of Title II of the Convention of Lomé and particularly the Article 19 § 6, I have the honour to forward to you a request for an advance on the expected transfer for the calendar year

En vertu du Chapitre 1 du Titre II de la Convention de Lomé et notamment de son article 19 § 6, j'ai l'honneur de vous faire parvenir une demande d'avance sur le transfert à attendre pour l'année calendaire

The fall in the export earnings from the following product :

La chute des recettes d'exportation pour le produit suivant :

.....
during the period under consideration, i.e. the first half of is explained as follows :

.....
pendant la période en considération, à savoir le premier semestre s'explique comme suit :

The statistical data necessary for the evaluation of a possible advance, notably :

Les données statistiques pour l'évaluation d'une avance éventuelle, notamment :

— the 6 notification forms required by the Commission duly completed for the months of January to June of this year,

— les 6 formulaires de notification nécessaires à la Commission dûment remplis pour les mois de janvier à juin de cette année,

— the monthly quantities of the product concerned exported to the EEC for a minimum period of 4 years,

— les quantités mensuelles du produit concerné et exporté vers la CEE pour une période minimale de 4 ans,

are in your possession/are attached in annex to this letter. *

se trouvent entre vos mains / se trouvent annexées à cette lettre. *

I remain at your disposition for any further information.

Je reste à votre disposition pour toute information complémentaire.

the
le

197.....

Signature of the authority entitled to present the request
Signature de l'autorité habilitée à introduire la demande

* Delete as appropriate
Biffer la mention inutile

Copy for the Commission des C.E.
Copy for the Commission of the E.C.

STABILISATION DES RECETTES D'EXPORTATION

STABILIZATION OF EXPORT EARNINGS

FORMULAIRE DE DEMANDE D'AVANCE

FORM TO REQUEST AN ADVANCE

N° 2

ANNEXE II.C.2

ANNEX II.C.2

Exportations vers
toutes destinations

Exports to all destinations

FOR THE ATTENTION OF THE DIRECTOR-GENERAL
FOR DEVELOPMENT

A L'ATTENTION DU DIRECTEUR GENERAL DU
DEVELOPPEMENT

By virtue of Chapter 1 of Title II of the Convention of Lomé and particularly the Article 19 § 6, I have the honour to forward to you a request for an advance on the expected transfer for the calendar year

En vertu du Chapitre 1 du Titre II de la Convention de Lomé et notamment de son article 19 § 6, j'ai l'honneur de vous faire parvenir une demande d'avance sur le transfert à attendre pour l'année calendaire

The fall in the export earnings from the following product :

La chute des recettes d'exportation pour le produit suivant :

during the period under consideration, i.e. the first half of is explained as follows :

pendant la période en considération, à savoir le premier semestre s'explique comme suit :

The statistical data necessary for the evaluation of a possible advance, notably :

Les données statistiques pour l'évaluation d'une avance éventuelle, notamment :

— the 6 notification forms required by the Commission duly completed for the months of January to June of this year.

— les 6 formulaires de notification nécessaires à la Commission dûment remplis pour les mois de janvier à juin de cette année.

— the monthly quantities of the product concerned exported to all destinations for a minimum period of 4 years,

— les quantités mensuelles du produit concerné et exporté vers toutes destinations pour une période minimale de 4 ans.

are in your possession/are attached in annex to this letter.

se trouvent entre vos mains / se trouvent annexées à cette lettre.

I remain at your disposition for any further information.

Je reste à votre disposition pour toute information complémentaire.

the
le

197.....

Signature of the authority entitled to present the request
Signature de l'autorité habilitée à introduire la demande

* Delete as appropriate
Biffer la mention inutile

Copy for the Commission des C.E.
Copy for the Commission of the E.C.

**STABILISATION DES RECETTES D'EXPORTATION
STABILIZATION OF EXPORT EARNINGS**

ANNEXE II.D.1

ANNEX II.D.1

**FORMULAIRE DE DEMANDE DE TRANSFERT A LA COMMISSION
TRANSFER REQUEST FORM TO BE RECEIVED BY THE COMMISSION**

A remplir sur la base des certificats d'origine émis par les autorités nationales
To be completed on the basis of the certificates of origin issued by the national authorities

Exportations vers la CEE

Exports to the EEC

1. Pays demandeur
Requesting country
2. Produit N° du tarif douanier national
Product National customs tariff heading n°
3. Année d'exportation
Year of export
4. Production commercialisée (1) Quantité/Quantity (*) Valeur/Value (**)
Marketed production (1)
5. Exportations totales du produit en cause vers toutes destinations
Total exports of the product in question to all destinations
6. Exportations totales du produit en cause vers la CEE
Total exports of the product in question to the EEC
7. Exportations totales de biens vers toutes destinations pendant
l'année précédant l'année d'exportation, déduction faite des réex-
portations
Total exports of all goods to all destinations during the year pre-
ceding the year of export, deduction made for reexports
8. Dépendance effective %
Actual dependence

CONSIDERANT que le niveau de référence pour les exportations à destination de la CEE durant la période
à est de (**)

CONSIDERING that the reference level of exports to the EEC during the years to
is (**)

que le seuil de dépendance de % est franchi
that the threshold of dependence of % is passed

que la fluctuation des recettes effectives par rapport au niveau de référence est de (**)
soit %

that the fluctuation of the actual export receipts respective to the reference level is of (**)
i.e. %

j'ai l'honneur de vous demander un transfert en application du Chapitre I du Titre II de la Convention de
Lomé

I have the honour to request a transfer in application of Chapter I of Title II of the Lomé Convention

le
the

Signature de l'autorité habilitée à introduire la demande
Signature of the authority entitled to present the request

(1) Par production commercialisée on entend les quantités livrées par le producteur à l'organisme chargé de la commercialisation du produit en cause.
Marketed production is understood to mean the quantities delivered by the producers to the organization responsible for the marketing of the product
in question.

(*) En tonnes métriques - In metric tons.

(**) FOB, en monnaie nationale - FOB, in the national currency.

STABILISATION DES RECETTES D'EXPORTATION
STABILIZATION OF EXPORT EARNINGS

ANNEXE II.D.2

ANNEX II.D.2

FORMULAIRE DE DEMANDE DE TRANSFERT A LA COMMISSION
TRANSFER REQUEST FORM TO BE RECEIVED BY THE COMMISSION

A remplir sur la base des certificats d'origine émis par les autorités nationales
To be completed on the basis of the certificates of origin issued by the national authorities

Exportations vers toutes destinations

Exports to all destinations

1. Pays demandeur
Requesting country
2. Produit
Product N° du tarif douanier national
National customs tariff heading n°
3. Année d'exportation
Year of export
4. Production commercialisée (1)
Marketed production (1) Quantité/Quantity (*) Valeur/Value (**)
5. Exportations totales du produit en cause vers toutes destinations
Total export of the product in question to all destinations
6. Exportations totales de biens vers toutes destinations pendant
l'année précédant l'année d'exportation, déduction faite des
réexportations
Total exports of all goods to all destinations during the year
preceding the year of export; deduction made for reexports
7. Dépendance effective
Actual dependence %

CONSIDERANT que le niveau de référence pour les exportations totales du produit durant la période
à est de (**)

CONSIDERING that the reference level of total exports of the product during the years
to is (**)

que le seuil de dépendance de % est franchi

that the threshold of dependence of % is passed

que la fluctuation des recettes effectives par rapport au niveau de référence est de
soit %,

that the fluctuation of the actual export receipts respective to the reference level is of
i.e. %,

j'ai l'honneur de vous demander un transfert en application du Chapitre I du Titre II de la Convention
de Lomé.

I have the honour to request a transfer in application of Chapter I of Title II of the Lomé Convention.

le
the

Signature de l'autorité habilitée à introduire la demande
Signature of the authority entitled to present the request

(1) Par production commercialisée on entend les quantités livrées par le producteur à l'organisme chargé de la commercialisation du produit en cause.
Marketed production is understood to mean the quantities delivered by the producers to the organization responsible for the marketing of the product
in question.

(*) En tonnes métriques - In metric tons.

(**) FOB, en monnaie nationale - FOB, in the national currency.

INFORMATION OF THE COMMISSION CONCERNING THE USE OF THE RESOURCES TRANSFERRED
INFORMATION DE LA COMMISSION SUR L'UTILISATION DES RESSOURCES TRANSFEREES
(Article 20 of the Lomé Convention)
(Article 20 de la Convention de Lomé)

1. Under Article of the Transfer Agreement n° signed on
....., the present report has to be sent, by the at the latest, to the following address :

The Director General
Directorate-General for Development
200, rue de la Loi
B-1049 Bruxelles
Belgium

2. Reminder of the data relating to the transfer

21. Country :

22. Authority entitled to inform the Commission :

23. Year :

24. Date of receipt of the transfer :

25. Amount of the transfer :

- in ECU :

- in Belgian francs :

- in Danish crowns :

- in German marks :

- in French francs :

- in Italian liras :

- in Dutch guilders :

- in Pounds sterling :

1. Aux termes de l'article de la Convention de transfert n°
signée le, le présent rapport est à envoyer pour le au plus tard, à l'adresse suivante :

Monsieur le Directeur Général
Direction Générale du Développement
200, rue de la Loi
B-1049 Bruxelles
Belgique

2. Rappel des données relatives au transfert

21. Pays :

22. Autorité habilitée à informer la Commission :

23. Année :

24. Date de réception du transfert :

25. Montant du transfert :

- en UCE :

- en francs belges :

- en couronnes danoises :

- en deutsche marks :

- en francs français :

- en liras italiennes :

- en florins :

- en livres sterling :

3. UTILIZATION OF FOREIGN CURRENCIES

3. UTILISATION DES DEVISES

Date Date	Amount Montant	Spending authority Autorité dépensière	Utilization of goods or services acquired Utilisation du bien ou service acquis
TOTAL			

Balance not yet utilized :

Reliquat non encore utilisé :

Expected utilization of the balance (1) :

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

4. DESTINATION OF PURCHASES MADE WITH FOREIGN CURRENCIES

4. DESTINATION DES ACHATS SUR DEVISES

Date Date	User authority Autorité utilisatrice	Goods or service Bien ou service	Subject (1) Objet (1)

(1) In case of projects : in case of national projects or projects financed by aid donors, please join a summary note indicating all useful data relating to the project and, in particular, its state of progress.

S'il s'agit de projets : s'il s'agit de projets nationaux ou financés par des donateurs d'aide, prière de joindre en annexe un résumé de toutes les données utiles relatives au projet, et notamment son état d'avancement.

5. IF THE GOODS PURCHASED ARE SOLD :

5. SI LES BIENS ACHETES SONT VENDUS :

ASSIGNMENT OF COMPLEMENTARY FUNDS (Fonds créés en vue de la vente de biens qui ont été acquis par l'intermédiaire de transferts)
 AFFECTATION DES FONDS DE COMPLEMENTAIRE (Fonds provenant de la vente des biens acquis au moyen des transferts)

Date Date	Amount Montant	Authority responsible for the decision Autorité responsable de la décision	User authority Autorité utilisatrice	Subject (1) Objet (1)
TOTAL				

Balance not yet utilized :

Expected utilization of the balance (1) :

Reliquat non encore utilisé :

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

6. DATA CONCERNING THE ANTICIPATED EFFECTS

6. INDICATIONS SUR LES EFFETS ESCOMPTEES

61. On the sector which gave rise to the transfer :

Sur le secteur qui a provoqué le transfert :

62. On the other sectors of the national economy :

Sur les autres secteurs de l'économie nationale :

63. On foreign exchanges :

Sur les échanges extérieurs :

Done at on 19

Fait à le 19

Signature of the authority entitled to inform
the Commission

Signature de l'Autorité habilitée à informer
la Commission

Subject : Transfer Agreement N° _____ of _____
between _____
and the EEC

Examination of the conditions for the reconstitution mentioned in
paragraph 3 of Article 21 of the Lomé Convention on the basis of
statistics relating to the year _____

Reference period :

Product :

Reference quantity, tonnes :

Reference unit value :
(in national currency/tonne)

Quantity, _____, tonnes :

Value, _____, (in 1.000 national currency) :

Unit value, _____ :
(in national currency/tonne)

Conclusion :

The first (and second) condition is not (are not) fulfilled :

- the export unit values to the Community not being higher than the reference unit value;
- the actual quantities exported to the Community not being at least equal to the reference quantity.

N.B. An examination of the EEC import statistics for the year shows
the same trend.

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION
OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM
(Art. 21 of the Lomé Convention)

ACP State : _____
 Product : _____ Transfer Agreement N° _____ of _____
 Reference period : _____ - Period of application : _____
 Basis of crosschecking : ACP/EEC statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

Quantities exported, tonnes (crosschecked)	Values exported 1.000 (crosschecked)	Unit Value, /tonne	Exchange rate, 1 EUA =	Values exported 1.000 EUA (crosschecked)	Unit value, EUA/tonne
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These figures lead to the following averages :

2. ACP/EEC statistics concerning the period of application

Quantities, tonnes	Values, 1.000 fob	Unit value, /tonne, fob	Exchange rate, 1 EUA =	Values, 1.000 EUA, fob	Unit value, EUA/tonne, fob
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3. Article 21 § 3 of the Lomé Convention states that each ACP State contributes to the reconstitution when it is determined that
- the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 21 § 3 of the Lomé Convention states that each recipient ACP State shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : _____ tonnes X _____ EUA/tonne = _____ EUA

III. For information

Amount of transfer : _____ EUA, of which already repaid : _____ EUA

Reconstitution as % of the transfer : _____
 as % of the outstanding balance : _____

Currencies received on payment of transfer : _____ % in _____
 % in _____