

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 4 final

Brussels, 14 January 1980

COMMUNICATION TO THE COUNCIL BY THE COMMISSION

Measures to be taken in application of
Article 18 § 5 of the Lomé Convention concerning
the System for Stabilization of Export Earnings (Stabex)

Draft Decision ACP-EEC of the ACP-EEC Council of Ministers
on the implementation of Article 18(5) of the ACP-EEC Convention of Lomé

(submitted to the Council by the Commission)

COM(80) 4 final

1. In Article 18 § 5, the ACP/EEC Lomé Convention provides that before the expiry of this Convention, the ACP/EEC Council of Ministers shall decide, on the one hand, upon the allocation of any balances remaining from the total funding available to cover the obligations of the Community under the system for stabilization of export earnings (Stabex), set up by this Convention, as well as, on the other hand, upon the conditions governing the allocation of the amounts remaining due under Article 21 of this Convention, concerning contributions to the reconstitution of the resources made available to the Stabex system.

2. It is most unlikely that, at the time of the expiry of the present Lomé Convention, the second Convention, signed 31 October 1979 at Lomé, will yet be in force. At that time, Article 187 of this second Convention, which provides that the powers conferred upon the ACP/EEC Council of Ministers by the Lomé Convention are exercised by the ACP/EEC Council of Ministers set up by the second Lomé Convention, cannot be applied.

It follows that the ACP/EEC Council of Ministers of the Lomé Convention should take a decision, by 29 February 1980 at the latest, on the two problems mentioned in Article 18 § 5 of the Lomé Convention.

3. Concerning any balances remaining, it is impossible, at present, to forecast if the operations concerning the year of application 1979, which will take place from 1 April 1980 onwards, will leave such balances, and, if this is the case, what will be their magnitude.

Consequently, the decision taken by the ACP/EEC Council of Ministers can consist only of a decision in principle of which the practical effect will be dependent on the outcome of certain possibilities.

4. Taking account of this difficulty in forecasting, the Commission proposes that any balances are made available for the financing of projects and programme aid, as is the case for other over-funding in the 4th EDF.

5. As for the amounts remaining to be paid by the ACP States under Article 21 of the Lomé Convention, the probability of reconstitution and the consequent amounts will remain equally unknown at the time of the expiry of the Convention. Article 21 § 2 of this Convention stipulates that the ACP States which have benefitted from a transfer shall contribute, during the five years following the payment of each transfer, to the reconstitution of the resources made available to the system. It will thus only be at the beginning of 1985 that the Commission will be in a position to observe, for the last time, on the basis of the 1984 figures, if a transfer made under the 1979 operation will give rise, completely or partially, to a reconstitution of resources.

6. In order to remain faithful to the idea of "revolving funds", an idea which is one of the essential foundations of the Stabex system, and which reflects the letter and the spirit of Article 21 of the Lomé Convention, the Commission proposes that the ACP/EEC Council of Ministers take the decision that the resources to be paid back into the system under Article 21 of the Lomé Convention will be added, as and when they are made available, to the resources available to the Stabex system set up by the second Lomé Convention.

DRAFT DECISION ACP-EEC

of the ACP-EEC Council of Ministers

on the implementation of Article 18(5) of the ACP-EEC Convention of Lomé

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the ACP-EEC Convention of Lomé, and in particular Article 18(5) thereof;

Whereas that Article calls for a decision before the expiry of the said Convention;

Whereas, consequently, this decision cannot be taken under Article 187 of the second ACP-EEC Convention of Lomé, signed at Lomé on 31 October 1979;

Whereas, at the moment this decision must be adopted, the amounts referred to in Article 18(5) of the Convention of Lomé cannot be known;

HAS DECIDED AS FOLLOWS:

Article 1

If, after termination of operations relating to the final year of application of the system of stabilization of export earnings set up by the ACP-EEC Convention of Lomé, there is a remaining balance from the total funding mentioned in Article 18(1) of the said Convention, this remaining balance shall be used to finance projects and action programmes.

Article 2

If, during the period mentioned in Article 21(2) of the ACP-EEC Convention of Lomé, payments are made by ACP States under the reconstitution of the resources made available to the system by the Community, the amounts thus repaid shall be added to the amount mentioned under Article 31 of the second ACP-EEC Convention signed at Lomé on 31 October 1979.