

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION COMMUNICATION
TO THE COUNCIL
ON THE FINANCIAL ADJUSTMENTS RESULTING FROM THE CHANGE OF
STATUS OF CERTAIN OCT TO
ACP
(SAINT VINCENT AND THE GRENADINES, REPUBLIC OF VANUATU)

COMMISSION COMMUNICATION
TO THE COUNCIL
ON THE AMENDMENT OF THE LISTS OF LEAST-DEVELOPMENT
AND ISLAND ACP STATES IN THE SECOND ACP-EEC CONVEN-
TION OF LOME

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COMMISSION COMMUNICATION TO THE COUNCIL
ON THE FINANCIAL ADJUSTMENTS RESULTING FROM
THE CHANGE OF STATUS OF CERTAIN OCT TO ACP
(SAINT VINCENT AND THE GRENADINES, REPUBLIC OF VANUATU)

1. INTRODUCTION

The OCT of Saint Vincent and the New Hebrides became independent on 27 October 1979 and 30 July 1980 respectively, the former now being known as Saint Vincent and the Grenadines and the latter as the Republic of Vanuatu. Saint Vincent and the Grenadines is one of the ACP States which signed the Second ACP-EEC Convention of Lomé and has indeed ratified it.

In accordance with Article 185 of the Second Lomé Convention former OCT that have become independent and wish to accede to the Convention have to have their requests for accession approved by the ACP-EEC Council of Ministers, and must deposit an instrument of accession with the Secretariat of the Council. The Republic of Vanuatu acceded to the Convention in this way on 18 March 1981.

Meanwhile the Council has adopted a Decision on the temporary preservation, in the case of the Republic of Vanuatu, of the arrangements provided for by the Decision of 29 June 1976 on the association of the OCT with the EEC and the Decision of 16 December 1980¹ which replaced it.

To avoid further delays in the application to this State after its accession of the arrangements provided for by the Lomé Convention, all the legal acts necessary for this purpose should be adopted; also, certain adjustments should be made in the case of Saint Vincent and the Grenadines.

As the acts are similar, it was considered advisable to make a joint submission for the two countries, and to carry out the necessary adjustments to the EDF appropriations in one single operation.

¹ Decision 80/1186/EEC of 16 December 1980 (OJ No L 361, 31 December 1980, pp. 1 - 110.

2. TRANSFER OF RESOURCES

Article 1(4) of the Internal Agreement on the financing and administration of Community aid of 20 November 1979 reads as follows:

"Where a country or territory which has become independent accedes to the Convention, the amounts indicated in paragraph 3(b) shall be reduced and those indicated in paragraph 3(a) correspondingly increased by a decision of the Council acting unanimously on a proposal from the Commission."

The Commission therefore proposes that the Council adopt a decision to this effect (Annex I), the amounts having been fixed when the two countries were still considered as OCT.

The Commission's proposal has been worked out on the basis of the amounts allocated to this former United Kingdom OCT and this former Franco-British Condominium, taking into account the allocations made by the United Kingdom and the French Republic to their overseas territories, in consultation and with the agreement of the Commission, and in accordance with the following principles:

- (a) The amount of resources to be transferred for each country is made up of:
- the corresponding amount earmarked for the fifth EDF (OCT part);
 - a proportion of the financial resources reserved for regional cooperation.

The total amount of resources to be transferred for the two OCT is equal to 10 million ECU.

- (b) This sum is allocated to the fifth EDF (ACP part) in grant form.
- (c) As regards Stabex, it is suggested that a declaration should be recorded in the Minutes of the Council calling attention to the provisions of Article 1(5) of the Internal Agreement (Annex III).

3. ADJUSTMENT OF THE TEXTS

(a) Article 143 of the Council Decision of 16 December 1980 on the association of the OCT with the EEC provides that:

"If a country or territory becomes independent, the Council, acting unanimously on a proposal from the Commission, shall decide on any necessary adjustments to this Decision, in particular to the amounts specified in Article 83".

The adjustment to Articles 83 and 114 of the above Decision on the basis of the transfer to be carried out in the Internal Agreement is in line with the allocation made under 2 above.

The Commission therefore proposes that the Council adopt a decision to this effect (Annex II).

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The Council will find enclosed the following proposals and recommendations:

- proposal for a Council Decision adjusting the amounts made available to the European Development Fund (1979) for the ACP States and the overseas countries and territories (Annex I);
- proposal for a Council Decision adapting the Decision of 16 December 1980 on the association of the overseas countries and territories with the European Economic Community (Annex II);
- proposal for a Council Declaration relating to Stabex (Annex III).

PROPOSAL FOR A COUNCIL DECISION

adjusting the amounts made available
to the European Development Fund for the
ACP States and for the overseas countries and territories
(Saint Vincent and the Grenadines, Republic of Vanuatu)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Internal Agreement on the financing and administration of Community aid ¹, signed in Brussels on 20 November 1979, hereinafter referred to as the "Internal Agreement", and in particular Article 1(4) thereof,

Having regard to the proposal from the Commission,

Whereas Saint Vincent, which was associated with the Community under Council Decision 76/568/EEC², has become independent and has signed and ratified the Second ACP-EEC Convention of Lomé hereinafter referred to as "the Convention"; whereas the Republic of Vanuatu, having acquired the same status, applied to accede to the Convention pursuant to Article 185 thereof; whereas the ACP-EEC Council of Ministers has approved this application;

Whereas the Convention has accordingly applied to these two States from 1 January 1981 and 18 March 1981 respectively;

¹ OJ No L 347, 22. 12. 1980, p. 210.

² OJ No L 176, 1. 7. 1976, p. 8

Whereas the amounts provided for in Article 1 (3) (a) and (b) of the Internal Agreement were fixed at a time when the two States in question were considered associated overseas countries and territories; whereas, therefore, in accordance with Article 1(4) of the said Agreement, the amounts provided for the overseas countries and territories in Article 1(3)(b) of the said Agreement should be reduced and those provided for the ACP States under (a) of that paragraph correspondingly increased;

HAS DECIDED AS FOLLOWS:

Article 1

Article 1(3) of the Internal Agreement shall be replaced by the following:

"3. The amount stated in paragraph 2 shall be allocated as follows:

(a) 4 552 million ECU for the ACP States, comprising:

2 938 million ECU in the form of grants,

504 million ECU in the form of special loans,

280 million ECU in the form of risk capital,

550 million ECU in the form of transfers pursuant to Title II (Chapter 1) of the Convention;

280 million ECU in the form of the special financing facility pursuant to Title III, Chapter 1 of the Convention.

(b) 75 million ECU for the countries and territories, comprising:

41 million ECU in the form of grants,

27 million ECU in the form of special loans,

7 million ECU in the form of risk capital,

for the record in the form of the special financing facility pursuant to the provisions of the Decision relating to mineral products;

- (c) 9 million EJA in the form of transfers for the countries and territories, pursuant to those provisions of the Decision which concern the system for stabilizing export earnings."

Article 2

This Decision shall apply with effect from 1 May 1981

Done at Brussels,
For the Council
The President

PROPOSAL FOR A COUNCIL DECISION

amending Decision 80/1186/EEC on the association of the overseas countries
and territories with the European Economic Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 80/1186/EEC of 16 December 1980 on the
association of the overseas countries and territories with the European
Economic Community ¹, and in particular Article 143 thereof,

Having regard to the proposal from the Commission,

Whereas the Internal Agreement on the financing and administration of
Community aid ², signed in Brussels on 20 November 1979, was amended by
Decision

Whereas, accordingly, the amounts provided for in Articles 83 and 114 of
Decision 80/1186/EEC should be adjusted, in view of the fact that the second
ACP-EEC Convention of Lomé has applied to Saint Vincent and the Grenadines since
1 January 1981 and to the Republic of Vanuatu since 18 March 1981,

¹ OJ No L 361, 31. 12. 1980, p. 7

² OJ No L 347, 22. 12. 1980, p. 210

HAS DECIDED AS FOLLOWS:

Article 1

Decision 80/1186/EEC is hereby amended as follows:

1. Article 83 shall be replaced by the following:

"Article 83

For the period of application of this Decision, the overall amount of the Community's financial assistance shall be 99 million ECU.

This amount shall comprise:

1. 84 million ECU from the European Development Fund, hereinafter referred to as 'the Fund', allocated as follows:
 - (a) 75 million ECU for the purposes set out in Articles 79 and 80, consisting of:
 - 41 million ECU in the form of grants,
 - 27 million ECU in the form of special loans,
 - 7 million ECU in the form of risk capital,
 - (for the record) in the form of the special financing facility set up under the provisions relating to mineral products;
 - (b) for the purposes set out in Title II, up to 9 million ECU in the form of transfers for the stabilization of export earnings.
2. For the purposes set out in Articles 79 and 80, up to 15 million ECU in the form of loans from the Bank, made from its own resources in accordance with the terms and conditions provided for in its Statute. These loans shall carry, under the conditions laid down in Article 87, a 3% interest rate subsidy, the cost of which shall be charged against the amounts of grant aid provided for in † (a).

3. The amounts provided for in the form of grants and special loans, i.e. 68 million ECU, less the allocations for regional cooperation projects and emergency aid, as provided for in Article 114(2) and Article 117 respectively, and the amount, if any, earmarked for interest subsidies for loans from the Bank, shall be allocated as follows:

- French overseas territories: 18 million ECU,
- Netherlands Antilles: 20 million ECU
- United Kingdom overseas countries and territories: 13.5 million ECU."

2. Article 114(2) shall be replaced by the following:

"2. To this end, an amount of 9.5 million ECU from the financial resources provided for in Article 83 for the economic and social development of the countries and territories shall be reserved for financing their regional and inter-regional projects."

Article 2

This Decision shall enter into force on 1 May 1981.

Done at

For the Council,
The President

ANNEX III

COUNCIL DECLARATION RELATING TO
STABEX AND TO SAINT VINCENT AND
THE GRENADINES AND THE REPUBLIC OF VANUATU

The Council recalls that, in accordance with the procedure laid down in Article 1(5) of the Internal Agreement on the financing and administration of Community aid, the abovementioned ACP States will continue to be eligible for the funds provided for in Article 1(3)(c) of that Agreement, subject to the management rules laid down in Title II, Chapter 1 of the Second ACP-EEC Convention of Lomé.

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Commission Communication to the Council
on the amendment of the lists of least-development and
island ACP States in the Second ACP-EEC Convention of Lomé

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Introduction

The OCT of Saint Vincent and the New Hebrides became independent on 27 October 1979 and 30 July 1980, respectively, the former now being known as Saint Vincent and the Grenadines and the latter as the Republic of Vanuatu. Saint Vincent and the Grenadines is one of the ACP States which signed the Second ACP-EEC Convention of Lomé and has indeed ratified it. In accordance with Article 185 of the Second Lomé Convention former OCT that have become independent and wish to accede to the Convention have to have their requests for accession approved by the ACP-EEC Council of Ministers, and must deposit an instrument of accession with the Secretariat of the Council. The Republic of Vanuatu acceded to the Convention in this way on 18 March 1981.

To avoid further delays in the application to these States of the arrangements provided for by the Lomé Convention, the lists of least-developed and island ACP States should be amended.

Article 155(4) of the Convention provides that:

"The lists of the ACP States referred to in paragraph 3 may be amended by decision of the Council of Ministers:

- where a third State in a comparable situation accedes to this Convention

-"

The inclusion of Saint Vincent and the Grenadines and the Republic of Vanuatu in the lists of least-developed and island ACP States is warranted in view of their low level of per capita income and their dependence on a small range of exports. These factors are compounded by the problems caused by their geographical isolation and their insularity.

The Commission therefore recommends to the Council that the Community adopt a favourable position in the ACP-EEC Council of Ministers on the inclusion of these new ACP States in the lists in Article 155.

DRAFT

DECISION No /81 OF THE ACP-EEC COUNCIL OF MINISTERS

OF

amending the lists of the least-developed and island ACP States.

(Community proposal to the ACP States)

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the Second ACP-EEC Convention signed at Lomé on 31 October 1979, hereinafter referred to as "the Convention", and in particular Article 155(4) thereof,

Whereas Saint Vincent and the Grenadines is party to the Convention and the Republic of Vanuatu acceded to the Convention on 18 March 1981;

Whereas these two States come into the categories of least-developed and island States,

HAS DECIDED AS FOLLOWS:

Article 1

Saint Vincent and the Grenadines and the Republic of Vanuatu are hereby added to the lists of ACP States contained in Article 155(3)(a) and (c) of the Convention.

Article 2

This Decision shall enter into force immediately in respect of Saint Vincent and the Grenadines and on the day on which the act of accession to the Convention is deposited in respect of the Republic of Vanuatu.

Article 3

The ACP States, the Member States and the Community shall be bound, each to the extent to which it is concerned, to take the measures necessary to implement this Decision.

Done at

For the ACP-EEC Council of Ministers

The President

FINANCIAL RECORD

for the current budget.

PART ONE: INTERVENTION APPROPRIATIONS

(for existing and new projects)

1. RELEVANT BUDGET HEADING CODE

- a) Revenue Part - Title I
- b) Expenditure Part - None

2. TITLE OF BUDGET HEADING

- a) Own resources
- b) -

3. LEGAL BASIS

- a) Legal basis quoted in the accompanying texts

4. DESCRIPTION, OBJECTIVE(S) AND JUSTIFICATION OF PROJECT

a) Revenue

The accession of Saint Vincent and the Grenadines and the Republic of Vanuatu to the Convention merely involves a change from OCT status to ACP status.

Consequently, it will not result in any change in the levies, duties and taxes charged on the products exported by these States to the EEC.

b) Expenditure

The accession of these States will have no effect on Community expenditure.

5. APPROPRIATIONS (in ECU)

a) Multi-annual timetable

Measure applicable throughout the period of validity of the Second ACP-EEC Convention of Lomé.

b) Pattern of utilization during the financial year now being prepared

None

6. TYPE OF CONTROL TO BE APPLIED

System of control provided for in the Second ACP-EEC Convention of Lomé and the Financial Regulation applicable to the fifth EDF.

PART TWO : ADDITIONAL DATA TO BE PROVIDED FOR A NEW PROJECT

7. TOTAL COST OF THE PROJECT FOR THE WHOLE OF ITS EXPECTED DURATION

None

8. INFORMATION REGARDING STAFFING AND THE APPROPRIATIONS FOR ADMINISTRATIVE EXPENDITURE NECESSARY FOR THE IMPLEMENTATION OF THE PROJECT

The project will be carried out with the Commission's existing staff.

9. FINANCING OF THE PROJECT

The project affects only the allocation of the amounts earmarked for the OCT and ACP States respectively in the Second ACP-EEC Convention of Lomé, which are borne by the Member States. There is therefore no effect on the Community Budget.