

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 548 final

Brussels, 13 November 1979

COMMISSION COMMUNICATION TO THE COUNCIL
ON THE ACCESSION OF SAINT LUCIA AND THE REPUBLIC OF KIRIBATI
TO THE ACP-EEC CONVENTION OF LOME AND PROPOSALS FOR
CERTAIN LEGAL ACTS RELATING THERETO

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1. Introduction

The OCT of Saint Lucia and Gilbert Islands became independent on 22 February and 12 July 1979 respectively, the latter as Republic of Kiribati. The formalities provided for, in the case of former OCTs acceding to independence, involve, in accordance with Art. 89 of the Convention, the approval of their requests for accession by the ACP-EEC Council of Ministers, and the depositing, by the country concerned, of an instrument of accession with the Secretariat of the Council. These procedures have been finalised by Saint Lucia and have already been initiated by the other OCT.

Meanwhile, the Commission referred to the Council, the texts of two decisions concerning the provisional application of the arrangements provided for by Decision of 29 June 1976 concerning the association of the OCTs with the EEC, to :

- Saint Lucia (adopted by Council on 22nd March 1979),
- Republic of Kiribati (adopted by Council on 1 August 1979).

To avoid unnecessary delays in the application to these States of the regulations provided for by the Lomé Convention, after the accession of these States to the Convention, it is important to proceed, immediately, to the adoption of the legal acts necessary for this purpose.

As the measures to be taken are similar in nature, it has been considered advisable to introduce together the submission of these two countries, most particularly by carrying out the necessary adjustments to the EDF amounts available, in one single operation.

2. Transfer of Resources

Article 1(4) of the Internal Agreement on the financing and administration of Community aid of 11 July 1975 reads as follows :

"Where a country or territory which has become independent accedes to the Convention, the amounts indicated in paragraph 3(b) above shall be reduced and those indicated in paragraph 3(a) above correspondingly increased by a decision taken by 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 Commission's proposal has been worked out on the basis of the amounts allocated to these two former OCTs by the United Kingdom, taking into account the allocation made by the United Kingdom to its overseas countries and territories, in consultation and with the agreement of the Commission, in accordance with the following principles :

- a) The amount of resources to be transferred for each country is made up of :
- the amount corresponding to the indicative programme increased by the share allotted to each country, by the Council, from the resources reserved for the poorest OCTs,
 - increased by delegation costs, taken out of the regional amount reserved for this purpose, for the Caribbean and Pacific Ocean OCTs respectively, and
 - decreased, as appropriate, by an amount equal to commitments already incurred on projects.

The total amount of resources to be transferred for the two OCTs is equal to 4,668,500 ECU.

- b) The assignment of this sum to the ACP States is entirely allocated as grants.

For the deduction of these amounts from the appropriations earmarked for the OCTs, due account has been taken of the decisions taken in May 1978 by the Council, in the apportioning amongst the various OCTs,

of the portion allocated to them from the "OCT Reserve", as well as the portion earmarked for the "least-favoured OCTs".

- c) Transfer of these two OCTs' appropriations to the ACP funds are made from the latest estimated account in force, that is, the Council Decision concerning the adjustments of the amounts made available to the EDF, following the accession of the Solomon Islands, Tuvalu and Dominica to the Lomé Convention.

After consultation with the European Investment Bank, it was considered necessary to transfer 1,500,000 EUA risk capital as an overall transfer of OCTs having acceded or acceding to the Lomé Convention.

As regards STABEX, it is suggested that a declaration should be recorded in the Minutes of the Council calling attention to the provision of Article 1(5) of the Internal Agreement (Annex III).

• Adjustment of the Texts

- a) Article 56, the Decision of 29 June 1976 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 30".

The adjustment to Article 30 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 in para 2 above. Moreover, the names of the two former Territories are to be deleted from :

- the list of OCTs in Annex I to the Decision,
- Article 23(5) of the Decision,
- Article 26 of the Decision.

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

b) A list of the OCTs also appears in :

- Annex I to Council Regulation (EEC) No 706/76 of 30 March 1976 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories.

The Commission therefore, proposes that the said regulations be amended (Annex IV).

4. ECSC Agreement

The Agreement (with the ACP States) on products within the province of the European Coal and Steel Community of 28 February 1975 does not provide for any accession procedure. It therefore follows that accession can take place only by means of an agreement between all the contracting parties to the 1975 Agreement. It would furthermore be possible to envisage agreements with the same content between the Member States of the ECSC and each of the two new ACP States. Once these States are deleted from the list in Annex I to the Council Decision of 29 June 1976 (see point 3(a) above) they can no longer benefit under the Decision of the representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council of 20 January 1976, on the opening of tariff preferences for products within the province of that Community originating in the overseas countries and territories associated with the Community (1).

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(1) See the first paragraph of Article 1 :

"The duties applicable in the Community to imports of products within the province of the European Coal and Steel Community originating in the countries and territories listed in Annex I to Decision 76/568/EEC, the charges having an effect equivalent to such duties and the collection of such duties and charges shall be suspended; however, the treatment applied to these products shall not be more favourable than that applied by the Member States among themselves."

Since this Agreement has no real economic significance for the two new States in question, which have no coal or steel industry, and given that the Agreement is only in force for five years, that is until 1980, and in view of the time that would be needed for the Member States to ratify any supplementary Agreement, it does not seem necessary to propose any action on this point.

5. Decision to be taken by the ACP-EEC Council of Ministers

a) Article 48(3) of the Convention provides that :

"The list of ACP States in paragraph 2 may be amended by decision of the Council of Ministers :

where a third State in a comparable economic situation accedes to this Convention;

....."

This list is also applicable in connection with the stabilization of export earnings system provided for in the Convention (Article 21(5)).

Saint Lucia and the Republic of Kiribati are referred to by the corresponding provision of the Council Decision of 29 June 1976 (Article 23(5)), which clearly indicates that the EEC counts these countries as being among the least developed OCTs.

This classification is equally valid within the ACPs, 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 recommends to the Council that the Community adopt a favourable position in the ACP-EEC Council of Ministers on the inclusion of these two new ACP States to the list in Article 48 (draft decision, Annex III).

b) The list in Article 24 of the Convention contains not only the least developed but also the landlocked or island ACP States. Saint Lucia and the Republic of Kiribati being island states, must automatically be included in this list.

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 (1975) for the ACP States on the one hand and the countries and territories and the French overseas departments on the other hand (Annex I);
- proposal for a Council Decision adapting the Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community (Annex II);
- proposal for a Council Decision relating to STABEX (Annex III);
- proposal for a Council Regulation amending Regulation No. 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories as regards the list of the countries and territories in question (Annex IV);
- proposal for an ACP-EEC Council of Ministers decision amending the list of the least developed ACP States (Annex V).

PROPOSAL FOR A COUNCIL DECISION

adjusting the amounts made available to the European Development Fund (1975) for the ACP States and for the overseas countries and territories and the French overseas departments

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 at Brussels on 11 July 1975, hereinafter referred to as the "Internal Agreement", as amended by the Agreement of March 1977 (2) and in particular Article 1 (4) thereof,

Having regard to the proposal from the Commission,

Whereas Saint Lucia and the Republic of Kiribati, former overseas countries and territories associated with the Community under Decision 76/568/EEC (3), have become independent and have applied to accede to the Convention of Lomé, hereinafter referred to as the "Convention", pursuant to Article 89 thereof; whereas the ACP-EEC Council of Ministers has approved these requests; whereas these States deposited their instruments of accession with the General Secretariat of the Council of the European Communities on 28 June 1979 respectively, and thus acceded to the Convention on those dates;

Whereas, therefore, in accordance with Article 1 (4) of the Internal Agreement, the amounts provided for the overseas countries and territories and the French overseas departments in Article 1 (3a) (b) of the said Internal Agreement should be reduced and those provided for the ACP States in (a) of that paragraph correspondingly increased;

(1) OJ No L 25, 30. 1.1976, p. 168
(2) OJ No L 287, 13.10.1978, p. 22
(3) OJ No L 176, 1. 7.1976, p. 8

Whereas this adjustment must be made on the basis of the amounts specified in Decision 79/309/EEC (1), which last adjusted the amounts made available to the European Development Fund following the accession of former associated overseas countries and territories to the Convention,

HAS DECIDED AS FOLLOWS:

Article 1

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

"3a. From , the amount of 3,159.50 million European units of Account referred to in paragraph 2a shall be allocated as follows :

- (a) 3 073.9355 million European Units of Account for the ACP States, consisting of:
- 3 000 million European Units of Account from the appropriation initially provided for in paragraph 3 (a) for the original ACP States,
 - 9.50 million European Units of Account from the amount provided for in paragraph 2a,
 - 13 million European Units of Account from the amount appearing in the first indent of Article 30(4) (a) as introduced by Council Decision 77/155/EEC of 14 February 1977 adjusting Decision 76/568/EEC on the association of the overseas countries and territories with the European Economic Community (2),
 - 51.4355 million European Units of Account from the amount transferred from the appropriation for the OCT to that for the ACP under Decisions 77/156/EEC (2), 78/464/EEC (4) and 79/309/EEC (5), adjusting

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(1) OJ No L 72, 23.3.1979, p. 31
(2) OJ No L 46, 18.2.1977, p. 15
(3) OJ No L 46, 18.2.1977, p. 17
(4) OJ No L 146, 3.6.1978, p. 37
(5) OJ No L 72, 23.3.1979, p. 31

the amounts made available to the European Development Fund (1975) for the ACP States on the one hand and for the overseas countries and territories and the French overseas departments on the other, following the accession of the Republic of Suriname, the Republic of Seychelles, the Comoro State, the Republic of Jibuti, the Solomon Islands, Tuvalu, Dominica, Saint Lucia and the Republic of Kiribati to the Convention,

(b) 85 5645 million European Units of Account for the overseas countries and territories and the French overseas departments from the amounts originally laid down in paragraph 3 (b) and (c), taking into account the reduction made under the Decision referred to in the fourth indent of (a).

3b (a) The amount stated in paragraph 3a (a) for the ACP States shall be allocated as follows :

- 2.149.8505 million European Units of Account in the form of grants,
- 445.585 million European Units of Account in the form of special loans,
- 985.000 million European Units of Account in the form of risk capital,
- 380.000 million European Units of Account in the form of transfers pursuant to Title II of the Convention.

(b) The amount stated in paragraph 3a (b) for the overseas countries and territories and the French overseas departments shall be allocated as follows:

- 28.1375 million European Units of Account in the form of grants,
- 23.915 million European Units of Account in the form of special loans,
- 2.500 million European Units of Account in the form of risk capital,
- 11.0120 million European Units of Account in the form of a reserve,
- 20.000 million European Units of Account in the form of transfers for the countries and territories, pursuant to those provisions concerning the system for stabilizing export earnings." earnings.

no -

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Article 2

This decision shall apply from 1 November 1979

Done at Brussels
For the Council
The President

HAS DECIDED AS FOLLOWS:

Article 1

Decision 76/568/EEC is hereby amended as follows:

1. The following shall be deleted from Articles 23 (5) and 26 and from the list in Annex I: 'Saint Lucia' and 'Gilbert Islands'.

2. Article 30 shall be replaced by the following:

"Article 30

The following provisions shall apply with effect from 1979:

1. The overall amount of Community aid shall be reduced to 95.5645 million European units of account.

2. This amount shall comprise:

(a) 85.5645 million European Units of Account from the European Development Fund (1975), hereinafter referred to as the 'Fund', allocated as follows:

(i) for the purposes set out in Article 28, 65.5645 million European Units of Account consisting of:

- 28.1375 million European Units of Account in the form of grants,
- 23.915 million European Units of Account in the form of special loans,
- 2.5 million European Units of Account in the form of risk capital,
- 11.012 million European Units of Account in the form of a reserve;

(ii) 20 million European Units of Account, likewise from the Fund, in the form of transfers to the countries and territories for the stabilization of export earnings:

(b) For the purposes set out in Article 28, up to 10 million European Units of Account in the form of loans from the Bank, made from its own resources on the terms and conditions provided for in its Statute and supplemented, as a general rule, by a 3% interest rate subsidy, under the conditions laid down in Article 4 of Annex V.

The total cost of the interest rate subsidies shall be charged against the amount of the grants provided for in 2 (a) (i).

3. Following the accession of Saint Lucia and the Republic of Kiribati to the Convention, the amounts provided for in the form of grants, special loans and a reserve, initially allocated in three equal parts among the French overseas territories and departments and the Netherlands and United Kingdom overseas countries and territories, shall be reduced in accordance with Decision

4. (a) Of the portion allocated to the French overseas territories and departments:

- 7.70 million European Units of Account shall be allocated to the French overseas departments,

- 500 000 European Units of Account shall remain allocated as financial aid to the least favoured overseas countries and territories, irrespective of the zones within which they fall;

(b) The sums allocated to the French overseas territories shall amount to 12.1 million European Units of Account, consisting of:

- 10.1 million European Units of Account taken from the portion allocated to the French overseas territories and departments,

- 2.00 million European Units of Account pursuant to Decision 76/569/EEC."

Article 2

This Decision shall apply from 1 November 1979.

Done at Brussels

For the Council

The President .

COUNCIL DECLARATION IN RESPECT OF
SAINT LUCIA AND THE REPUBLIC OF KIRIBATI AND
STABEX

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 above-mentioned ACP States will continue to be eligible for the funds provided for in Article 1(3) of that Agreement, subject to the management rules laid down in Title II of the ACP-EEC Convention of Lomé.

COUNCIL REGULATION (EEC)

amending the list of countries and territories in
Regulation (EEC) No 706/76 on the arrangements applicable to
agricultural products and certain goods resulting from the processing
of agricultural products originating in the
African, Caribbean and Pacific States
or in the overseas countries and territories

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 43 and 113 thereof,

Having regard to Council Regulation (EEC) No 1059/69 of 28 May 1969
laying down trade arrangements applicable to certain goods resulting from
the processing of agricultural products (1), as last amended by Regulation
(EEC) No 3058/75 (2), and in particular Article 12 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3),

Whereas Council Regulation (EEC) No 706/76 (4) laid down the
arrangements applicable to agricultural products and certain goods
resulting from the processing of agricultural products originating in the
African, Caribbean and Pacific States or in the overseas countries and
territories;

Whereas Saint Lucia and the Gilbert Islands, which appear in the list of
countries and territories set out in Annex I to that Regulation, have become
independent;

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- (1) OJ No L 141, 12. 6.1969, p.1
 - (2) OJ No L 306, 26.11.1975, p.3
 - (3) OJ No
 - (4) OJ No L 85, 31. 3.1976, p. 2

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Whereas these States acceded to the ACP-EEC Convention of Lomé on 28 June, and 1979 and should consequently be counted among the ACP States referred to in Article 1 of the Regulation (EEC) No 706/76; whereas the list in Annex I to that Regulation should therefore be amended,

HAS ADOPTED THIS REGULATION :

Article 1

In Annex I to Regulation (EEC) No 706/76, the words "Saint Lucia" and "Gilbert Islands" are deleted.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,
For the Council
The President

Proposal for a Decision of the
ACP-EEC Council of Ministers
amending the list in Article 48 (2) of the Convention

The ACP-EEC Council of Ministers has decided as follows :

Article 1

Saint Lucia and the Republic of Kiribati are hereby added to the list of States in Article 48 of the Convention of Lomé.

Article 2

This Decision shall enter into force on

Article 3

The ACP States, the Member States and the Community shall within their respective areas of competence, take the necessary steps to implement this Decision.

Done at

For the Council of Ministers

The President

FINANCIAL RECORD

for the 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 Lucia and the Republic of Kiribati 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 u.a.)

a) Multi-annual timetable

Measures applicable throughout the period of validity of the Lomé Convention.

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

None

c) Calculation Model

None

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6. TYPE OF CONTROL TO BE APPLIED

System of control provided for in the Financial Regulation of 25 April 1973 (own resources) and in the Lomé Convention.

PART TWO : ADDITIONAL DATA TO BE PROVIDED FOR A NEW PROJECT (1)

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 respectively in the Lomé Convention, which are borne by the Member States. There is therefore no effect on the Community Budget.

(1) The Commission Decision of 28 November 1973 on new budget procedures mentions the need to draw up for each new project a "financial memorandum" consisting of the two parts of this financial record.