

# STABEX

*BENEFICIARIES' HANDBOOK*

Fourth  
**ACP-EC**  
Convention  
of Lomé

*Second Financial Protocol*

October 1995

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## FOREWORD

According to the Fourth Lomé Convention, a second Financial Protocol was to be negotiated to take effect after the first five years of implementation of the Convention.

On the occasion of the renegotiation of the Financial Protocol, it has appeared useful to amend slightly some of the provisions of Stabex in the sense of improving them or of adjusting them to take account of the experience gained during the first five years of implementation.

These amendments are presented in this new version of the "Beneficiaries' Handbook" which replaces the December 1990 edition.

## INTRODUCTION

1. The signing of the first Lomé Convention on 1 February 1975 gave birth not only to a wide range of important traditional financial, technical and trade cooperation instruments but also a system for stabilising the ACP States' export earnings from exports to the Community of certain individual tropical agricultural commodities (Stabex). The system was hailed as a major innovation in international economic relations.

The Commission and the Community had, of course, put a lot of thought into the system before it was unveiled. Then came negotiations with the ACP States. It was then adjusted at various times by the ACP-EC Council and, above all, each time the ACP-EC Convention was renegotiated.

2. The objectives of this Beneficiaries' Handbook is :
  - (I) To give a concise overview of the characteristics of the Stabex System;
  - (II) To provide a detailed description of its methods of operation and administration, in particular in relation to actual processing of transfers;
  - (III) To provide the beneficiaries with practical assistance notably through detailed information of the implementation of the system under Lomé IV.

Therefore, Chapter 1 sets out changes in the administration of the system under Lomé IV, changes which are then examined in greater detail in Chapters 2 to 5.

Chapter 3 focuses on the various problems of statistical methodology arising from the change over to import statistics.

Chapter 4 covers annulment or reduction of transfers for reasons other than a shortfall in resources or the limit on compensation in relation to a loss of earnings from all destinations.

Lastly, Chapter 5 explains the criteria for the use of transfers.

3. Attached are 8 annexes among which the text of the relevant provisions of the Second Financial Protocol of the Fourth Convention.

## Chapter 1

### THE MAIN CHANGES IN THE WAY THE SYSTEM IS TRIGGERED UNDER THE NEW CONVENTION

#### 1. Summary of previous provisions

The actual operation of the system, namely the calculation and payment of a transfer or advance has, ever since, its setting up, been subject to the ACP States' fulfilling two formal requirements :

- the ACP States had to make their request before a given deadline (31 March) otherwise the request was void;
- in the framework of statistical cooperation, the ACP States had to provide regularly a great deal of statistical information (by month and by Member State).

To ensure that these requirements were complied with uniformly and consistently, the ACP States had to complete a number of detailed forms and send them to the Commission on a regular basis.

#### 2. Problems encountered in implementing the system.

Despite efforts on both sides, compliance with these requirements often caused problems that had adverse effects on the speed, automatic application and transparency of the system. This was notably true in the case of :

- 2.1. the statistical requirements in the form of detailed forms, the number and complexity of which were felt by a number of ACP authorities to be inappropriate to the realities of their situation and an impediment to the implementation of the system;
- 2.2. the methods used to deal with the differences between the ACP State's export figures and the Community's import figures : the cross-checking of the two different sources under the first three Conventions often gave unsatisfactory results that could create doubts about the sound basis and transparency of the calculations;
- 2.3. the evaluation of the figures, since the different values used (FOB for ACP exports, CIF for Community imports) made it difficult to adopt a consistent approach;

2.4. currencies : the fact that the ACP States compiled their export figures in their own currencies while the transfers were calculated in ECU caused a number of thorny problems, two of which are worth citing:

2.4.1. In some cases it was difficult for the ACP authorities to work out whether or not there was a loss of earnings in ECU or not, and hence whether they should be entitled to a transfer or not.

2.4.2. Following problems raised by some ACP States regarding the method, a system known as the tunnel was introduced under the third Convention, which was designed, in cases of major exchange rate fluctuations, to replace the real rate by an artificially restricted rate (Article 160(4)) : for ACP States whose currencies had greatly depreciated in the year in question, this provision meant that the conversion into ECU showed no loss of export earnings despite the fact that there had unquestionably been a loss in foreign exchange.

### 3. The new approach

In view of the problems and complications that had hampered, sometimes seriously, the proper working of the system in the past, the negotiators thought it advisable to make some practical changes in the way the system operated. Article 200 of the Fourth Convention lays down that the calculation of transfers and advances is to be based on Community data<sup>1</sup>, the values of which are compiled CIF and in ECU. In most cases, namely where exports are sent to the Community, this boils down to using the Community's import statistics as calculated and published by the Statistical Office of the European Communities (SOEC) (see Chapter 3 below). As for the exceptions (inclusion of exports to other ACP States and coverage of exports to all destinations), Article 200(3) ensures an identical basis by stipulating CIF unit values in ECU.

3.1. Henceforth, the ACP States are no longer required to request transfers. The Commission has set up a review programme backed up with Community statistics (see point 4.1.). In this way the risk of oversights and uncertainties about whether or not there is a transfer right are zero.

3.2. The statistical requirements are fewer and simpler. Since January 1990 this year there has been no requirements to supply monthly statistics or a breakdown of exports by Member State.

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<sup>1</sup> Unless there are substantial differences that call for consultations between the ACP State concerned and the Commission.

Pursuant to Article 199(2) and Annex XLIII to the Convention the following information concerning each ACP State was to be sent to the Commission in Brussels before the first year of administration (1991): figures on earnings from exports of all products to all destinations, which as a rule will cover the year preceding the year of application, plus figures for each Stabex product exported stretching back no more than seven years (six reference years plus the year of application)<sup>2</sup>. This data base is updated every year.

- 3.3. The provisions of Article 200 are unambiguous and should minimise the risk of any statistical divergences. If ever such divergences should rise to a significant extent, its paragraph 4 calls for consultations between the ACP State and the Commission.
- 3.4. In addition to these practical improvements, there are undoubted financial benefits:
  - 3.4.1. The use of CIF rather than FOB statistics means that the transfer calculations will be based on a higher value than before. This could lead to an increase in the amount of the transfer.
  - 3.4.2. Lastly, and perhaps most importantly, the use of SOEC figures expressed in ECU will prevent the distortions which occurred in the calculation of transfers under the tunnel method of Lomé III. Account has thus been taken of the justifiable concerns of the ACP States that suffered under the tunnel in the past, namely those with a greatly devalued currency.

#### **4. The new responsibilities of the Commission.**

- 4.1. The statistics used for calculating exports to the Community are drawn directly from the COMEXT base (external trade). These figures are published by the SOEC.
- 4.2. The programmes developed by the Commission will show the situation of each ACP State in respect of each of its Stabex products. Some 3,000 ACP State/product combinations will be entered and reviewed each year, ensuring that no loss will pass unnoticed.

The same principle applies to ACP States accorded the derogation for exports to other ACP States or for exports to all destinations as long as the States in question have notified the Commission of the volume exported to other ACP States or to all destinations, in accordance with Article 200(3).

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<sup>2</sup> See chapter 2 and the table in Annex 3.

- 4.3. With the aim of complete transparency and in accordance with Article 207, the Commission will give each ACP State exhaustive information concerning its situation in respect of each product, whether or not the dependency threshold has been reached and whether or not there has been a rise or fall in earnings. In so doing, the Commission will act in the interests of the ACP States as laid down in Article 187(2) and provide the information in product groups, where admissible, or product by product, where not.
- 4.4. The Commission will provide the ACP Committee of Ambassadors and the ACP General Secretariat with all additional relevant information and statistical data that may be required in the implementation of the system in accordance with Annex XLI.

## **5. The responsibilities of the ACP States.**

In return for these advantages resulting from the new approach, all ACP States have decided:

1. to send the Commission, at the initiative and via the Delegations<sup>3</sup> the statistics needed by the Commission to carry out its obligations under the Convention; in particular, ACP States granted the all destination or the intra-ACP trade derogation will continue to provide the necessary statistical data to the EC Delegation Offices in their respective countries.
2. to do so not later than 31 March each year.
3. that copies of these statistical data shall be made available to the ACP General Secretariat.

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<sup>3</sup> The practical implementation of this requirement will be arranged on the spot in a pragmatic case by case approach. Obviously, the ACP Authorities are free to take any practical measures they deem necessary in this context.



## Chapter 2

### STABEX UNDER THE SECOND FINANCIAL PROTOCOL OF THE CONVENTION

#### 1. Geographical coverage

The countries covered by the system are the States signatory to the Fourth Lomé Convention, namely the signatories to Lomé III plus Haiti, the Dominican Republic and Namibia.

#### 2. Products covered

2.1. The products covered are those listed in Article 187(1). They are all commodities, mostly tropical products, of agricultural, forestry, animal or fishery origin. In some cases coverage extends to products of first-stage processing.

In relation to Lomé III there have been the following changes:

##### 2.1.1. Five new products:

1. octopus and cuttlefish, which have been added to ex n° 37 to form a new n° 39;
2. cocoa husks, shells and skins and other waste - the new n° 4;
3. cocoa powder, the new n° 7;
4. extension of ex n° 32 (essential oils, not terpeneless, of cloves, of niaouli and of ylang-ylang) to cover all essential oils, including vetiver, lemon and amyrene, under n° 34.
5. karakul skins at n° 50.

2.1.2. Ex n°s 20 (wood in the rough) and 21 (wood roughly, squared or half-squared, but not further manufactured), have been combined to make a new n° 22 (wood in the rough and squared wood). Indeed, there is no longer a separate tariff heading for wood roughly squared.

2.2. Article 187(2) requires the Commission to consider the groups of products listed in subparagraph (b) automatically as product families, naturally taking into account the specific characteristics of each product in the family.

- 2.3. Article 188 lays down the following procedure for adding new products to the list:
- 2.3.1. products may not be added until twelve months have elapsed since the entry into force of the Convention;
  - 2.3.2. the economies of one or more ACP States must depend to a considerable extent on the product or products;
  - 2.3.3. export earnings must have undergone sharp fluctuations;
  - 2.3.4. the Council of Ministers must take a decision not more than six months after presentation of the request;
  - 2.3.5. it must examine the conditions which characterise similar or identical products originating in the Community.
- 2.4. In Annex XLVIII the Community notes the requests made by the ACP States concerning inclusion of cottonseed oil, chamois leather and live bovine animals, sheep and goats in the list of products covered by the system. It declares its readiness to examine these requests under Article 188 as soon as substantial supporting documents are provided.

### **3. Exports earnings covered**

#### **3.1. The principle**

- 3.1.1. Article 189(1)(a) lays down that the export earnings to which the system is applicable are those from exports by each ACP State to the Community of each product referred to in Article 187(2), namely individual products or families of products, depending on the case.
- 3.1.2. The products are those released for home use in the Community or brought into the Community under the inward processing arrangements (Article 200(1)).

#### **3.2. Derogations**

##### **3.2.1. *Exports to other ACP States***

- 1. Under Article 189(1)(b) and (2) the Council of Ministers may decide, not more than six months after the presentation of a request by one or more ACP States in respect of one or more products in question to other ACP States.

In making its decision the Council will base itself on a report drawn up by the Commission on the basis of relevant information<sup>4</sup> provided by the requesting ACP States or State.

2. In this case Article 200(3)(a) stipulates that the statistics on exports to other ACP States to be taken into consideration are: for the volume, the figures relating to the ACP State's exports and notified to the Commission pursuant to paragraphs 1(c) and 2 of Annex XLIII to the Convention; for the unit values by which this volume is multiplied, those calculated and published by the SOEC for the product or products concerned.
3. ACP exports to the Overseas Countries and Territories (OCT) are also taken into consideration under these provisions, as laid down in Annex XLII.
4. The ACP State/product combinations to which this derogation currently applies are set out in Annex XLV, namely:
  - exports of coconuts and coconut oil by Dominica
  - exports of cowpeas (*Vigna unguiculata*) by Niger.

### 3.2.2. *Exports to all destinations*

1. Coverage of exports to all destinations is governed by Article 189(1)(c) and (3). In particular, paragraph 3 provides that if, on the basis of the average of the two years preceding the application year, at least 70 % of the total export earnings from products covered by the system do not come from exports to the Community, the system is automatically applied to exports of all the products covered, whatever the destination. The percentage is 60 % in the case of the least-developed ACP States. The Commission will check that these criteria have been fulfilled for each year of application and for each ACP State. The figures used are those notified to the Commission by the ACP States.
2. This "all destinations" guarantee applies to each of the Stabex products exported by an ACP State.

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<sup>4</sup> "Relevant information" refer in particular to reliable yearly data on exports by destination, i.e. ACP States (quantities, values), on production (quantities) and, if possible, on the importance of the product on employment in the ACP State concerned.

### 3.3. Exchange rates

In all cases, whether standard ones or derogations covering exports to other ACP States (and the OCT) or to all destinations, there is no longer any problem of exchange rates for earnings from exports of products covered by the system. Both Community imports (cases covered by the principle set out in 3.1.) and the unit values (for the derogations set out in 3.2. are expressed in ECU.

## 4. The dependency threshold (Article 196)

- 4.1. The system is applicable to an ACP State's export earnings if, during the year preceding the year of application, earnings from the export of each product to all destinations, excluding re-exports, represented at least 5 % of its total earnings from exports of all goods. The percentage is 4 % in the case of sisal.
- 4.2. The percentage referred to above is 1 % in the case of the least-developed, landlocked and island countries.
- 4.3. Where, following a natural disaster, production of the product in question falls substantially during the year preceding the year of application, the percentage referred to above will be calculated on the basis of the average export earnings from that product during the three reference years preceding the year before the year of application.

A substantial fall in production is taken to mean at least 50 % of the average production during the first three reference years.

## 5. Reference level

- 5.1. In order to implement the system a reference level is calculated for each ACP State and for the exports of each product or product group, covered by the System, to the Community or to other destinations. In this way, wherever the Convention allows for product group in lett. (b) of Article 187(2), this group will be automatically formed and considered as a product in itself.
- 5.2. The reference level is constituted by the average of export earnings during the period of the six calendar years preceding each year of application, less the two years with the highest and lowest figures.
- 5.3. Where an ACP State:
  - begins processing a product traditionally exported in the raw state, or

- begins exporting a product which it did not traditionally produce, the system may be, according to Article 198(1), put into operation on the basis of a reference level calculated over the three years preceding the year of application.

## **6. Excess clause (Articles 197(3) and (4) and 195(a))**

- 6.1. In order to emphasise more clearly than before that Stabex is a form of insurance, an "excess clause", namely a contribution by the insured party to the losses, has been introduced under Lomé IV. It corresponds to 4.5 % of the reference level, except for the least-developed countries, for which it is 1 %.
- 6.2. In return for the ACP States' agreement to this principle, the Community has abandoned the fluctuation threshold, which, since Lomé I, had to be reached if an ACP State was to become eligible for a transfer<sup>5</sup>.
- 6.3. The reductions referred to in point 6.1. do not apply in the case of the least-developed or landlocked ACP States if the difference between the reference level and actual earnings is less than ECU 2 million, or, in the case of island ACP States if this difference is less than ECU 1 million. These amounts of 1 and 2 million are a rock bottom, below which transfer bases may not be reduced. Of course, if the amount calculated initially is lower, there is no change in the initial amount.

In no case will the reduction of the difference between the reference level and actual earnings be greater than:

- 20 % for the least-developed and for landlocked States;
  - 30 % for other ACP States.
- 6.4. Furthermore, Article 195(a) lays down that the amounts corresponding to 4.5 % of the reference level (or 1 % in the case of the least-developed countries) which are deducted from the difference between the reference level and actual earnings and retained by the system, are to be repaid to each individual transfer made in proportion to the deduction or deductions made under Article 197(3) and (4) after the expiry of the last year of administration of the system under the Second

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<sup>5</sup> This meant that losses of earnings had to reach a minimum percentage of the reference level.

Lomé IV financial protocol, if anything remains of the overall allocation and any accrued interest, of course. If the clause limiting the reduction to 20 % or 30 % of the difference between the reference level and actual earnings comes into play, the amount repayable to the country is the amount of the actual reduction and not the difference before application of the 20 %/30 % rule.

## **7. The transfer basis and the transfer amount**

- 7.1. The transfer basis is constituted by the difference between the reference level and actual earnings in the calendar year of application, less the amount of the excess clause<sup>6</sup>. Naturally, the figures are calculated for each ACP State/product combination and for each year of application in accordance with the system's geographical coverage. Also relevant are Articles 198(1)<sup>7</sup> and 197(4)<sup>8</sup>. However, it should be remembered that application of these provisions depends on compliance with the deadline set out in Article 199(3), whereby the statistical information needed to compile the dossier must be sent to the Commission not later than the 31 March of the year following the year of application<sup>9</sup>.
- 7.2. Article 204 lays down that every transfer basis has to be tested against the loss to all destinations. This means that no transfer basis for a country/product combination may be greater than the loss of export earnings recorded by the Commission for each of these combinations and destinations.
- 7.3. The transfer bases must then be examined in the light of Articles 201 and 203 to see whether they may be deemed void (Article 201) or reduced (Articles 202 and 203)<sup>10</sup>.
- 7.4. If the system's resources fall short after application of Articles 202 to 204, advance use will automatically be made of a maximum of 25 % of the following year's instalment.

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<sup>6</sup> See point 6.1.

<sup>7</sup> See point 5.3.

<sup>8</sup> See point 6.3.

<sup>9</sup> See point 9.

<sup>10</sup> For more details, see Chapter 4.

7.5. If, after this operation, the amount of resources available is less than the total amount of the transfer bases, the amount of each transfer basis will be reduced by 10 %<sup>11</sup>.

7.6. The amount of the transfer is constituted by the transfer basis after application, where relevant, of Articles 202, 203 and 194(1) to (3) in that order.

## **8. Financial resources available to the system**

### **8.1. Allocation**

8.1.1. Under the second financial protocol of Lomé IV, valid for five years, ECU 1,8 billion have been allocated to the system as grants, a nominal increase of 20 % on the First Financial Protocol.

8.1.2. To this 1,8 billion is added the interest accruing on the unexpended amount of half of each annual instalment. Interest will continue to accrue until the amount in question is exhausted.

8.1.3. To sum up, the resources available for each year of application of the Second Financial Protocol except the last will be carried forward automatically to the following year.

8.1.4. To sum up, the resources available for each year of application are made up of the sum of the following:

1. the annual instalment plus any sums drawn on the next year's instalment up to the ceiling of 25 %;
2. sums carried forward as described above;
3. interest accrued;
4. any amount accruing from the application of Article 366(a), paragraph 2., first indent.

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<sup>11</sup> If, after the reduction referred to in point 7.5. the total amount of the transfers so calculated is less than the amount of resources available, the remainder will be shared among all transfers in proportion to the amounts by which each transfer was reduced.

- 8.2. The adjustment of resources to requirements was described in points 7.5. and 7.6. If, after the various reductions provided for in the Convention, the total amount of the transfers exceeds the amount of available resources, the Council of Ministers will evaluate the situation on the basis of a Commission report on the probable development of the system and examine the steps to be taken to remedy the situation within the terms of the Convention.
- 8.3. Special provisions for the reduction of transfers in favour of least developed, landlocked and island ACP States are laid out in paragraph 5 of Article 194 which provides that, other than the reduction referred to in the case of insufficient resources after the anticipated drawing of 25 % of the instalment of the following year, there shall be no further reduction of the transfer basis as a result of a shortfall in the resources of the system if, in the case of least developed or landlocked ACP States, the transfer basis so reduced in accordance with paragraph 2 is less than ECU 2 million, or, in the case of island States, is less than ECU 1 million.

## 9. Statistical cooperation<sup>12</sup>

- 9.1. Although the statistics used to calculate the reference level and the transfer basis are those compiled and published by the SOEC, the Commission still needs the cooperation of the ACP States to administer the system properly. This is the purpose of Article 199(1)<sup>13</sup>.
- 9.2. The following information (set out in Annex XLIII) for each of the ACP States is to be sent to the Commission not later than 31 March in the year following the first year of application:
- 9.2.1. the value of their exports of all goods to all destinations for the year preceding the year of application;
  - 9.2.2. the volume of marketed production of each product during the reference period and in the year of application;

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<sup>12</sup> See Annex 3.

<sup>13</sup> Chapter 3 explains the methodology used to compile these statistics.



- 9.2.3. the volume and value of exports of each product to all destinations during the reference period and in the year of application. The ACP States to which Article 189(2) is applicable must also notify the Commission of the volume of their exports of the product or products in question to other ACP States during the reference period and in the year of application;
- 9.2.4. the volume and value of exports of the product or products in question to the Community during the reference period and in the year of application.
- 9.3. In subsequent years of administration of the system, the statistical information need concerns only the year not covered by the information provided in the previous year.
- 9.4. This information must be made available to the Commission via its Delegation not later than 31 March in the year following that of application. Failure to do so will result in the ACP State concerned losing all transfer right for the product or products in question for the relevant year of application.

## **10. Advances**

Article 206 lays down that the ACP State concerned and the Commission must take such steps as are required to expedite the payment of advances. An advance is on account of a transfer and this is why all provisions on transfers are applicable by analogy to advances.

## **11. Transfer agreement**

After the Commission has reached a decision on the transfer in the light of the examination carried out in conjunction with the ACP State, a transfer agreement is signed between the Commission and the ACP State. This legal act enables the Commission to pay the amount of the transfer, in ECU, into an account, for which presentation of two signatures, of the ACP State and the Commission, is required. This money can then be mobilised in accordance with the framework of mutual obligations that has been negotiated and signed between the two parties.

## 12. Timetable of operations

Here is a brief outline of the stages of a transfer operation in the year of administration following any year of application:

- 12.1. Not later than 31 March, the statistics referred to in point 9 must reach the Commission.
- 12.2. Not later than 30 April, the Commission informs the ACP State concerned of the situation of each of the products it exports.
- 12.3. May and June: application of Articles 201 to 203, where relevant<sup>14</sup>.
- 12.4. A decision on all transfers will normally be made not later than 31 July.
- 12.5. The transfer agreement is signed immediately after the decision.
- 12.6. As soon as the transfer agreement is signed, payment is made in ECU into an account for which two signatures are required.
- 12.7. A progress report on operations is made to the Committee of Ambassadors not later than 30 September.
- 12.8. By 31 October, any good offices procedure is to be completed<sup>15</sup>.
- 12.9. In the 12 months following the mobilisation of resources the recipient ACP State draws up a report, or an initial report, on the use made of the transfer.

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<sup>14</sup> See Chapter 4.

<sup>15</sup> See point 13.

### **13. The good offices procedure**

- 13.1. In the event of disagreement between an ACP State and the Commission over the results of the examinations or consultations referred to in the Stabex provisions<sup>16</sup>, the ACP State concerned has the right to initiate, without prejudice to possible recourse to Article 352, a good offices procedure.
- 13.2. The good offices procedure will be carried out by an expert appointed by agreement between the Commission and the ACP State concerned.
- 13.3. Within two months of the appointment, the conclusions of the procedure are to be communicated to the ACP State concerned and to the Commission, which will take account of them in making the transfer decision.
- 13.4. The procedure must not result in a delay in processing of any other transfers for the same year of application.

### **14. Other points**

- 14.1. For the purpose of achieving appropriate transparency in the implementation of the system, the Commission confirms that, in support of the report to the Committee of Ambassadors, it will provide the ACP Committee of Ambassadors with all the additional relevant information that may be requested.
- 14.2. The contracting parties have agreed to adopt the simplest possible procedures for the application of the articles concerning the use of transfers with a view to making transfers available to the ACP States as swiftly as possible.

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<sup>16</sup> Article 199(3) and Articles 201 to 203.

## Chapter 3

### ESTABLISHMENT OF STATISTICS BY THE STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES

Article 200 lays down that:

- "1. *The system shall be implemented in respect of the products listed in Article 187 where they are:*
  - (a) *released for home use in the Community, or*
  - (b) *brought into the Community under the inward processing arrangements in order to be processed.*
2. *The statistics to be used to carry out the calculations referred to in Article 197 shall be those calculated and published by the Statistical Office of the European Communities."*

This is why it is useful to explain the methods used to establish these statistics, focusing on those for imports by the Community<sup>17</sup>.

#### 1. Definitions and methods

##### 1.1. Legal basis

The statistics on Community external trade and trade between Member States are compiled under Community legislation which is directly applicable in the Member States. The methodology (in the widest sense of the term), is laid down by Council Regulations n°s 1736/75, 200/83 and 2954/85 and by the Commission implementing regulations.

The classification of goods applicable to these statistics is the Combined Tariff and Statistical Nomenclature established by Council Regulation n° 2658/87. The methodology and nomenclature are administered and updated by the Commission in cooperation with the Member States through two institutional committees, the Committee on External Trade Statistics and the Combined Nomenclature Committee.

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<sup>17</sup> This chapter is based on a paper provided by the Statistical Office of the European Communities (SOEC).

## 1.2. Scope

The statistics on Community external trade and trade between Member States cover all goods

- entering or leaving the statistical territory of the Community,
- moving between the statistical territories of the Member States.

Some of these goods are covered by transit or warehousing statistics, which are not currently compiled at Community level. The SOEC therefore publishes only figures for "special trade", which, unlike "general trade", does not include warehousing traffic<sup>18</sup>.

## 1.3. Special trade system

Special trade figures are those referred to in Article 200 of the Convention. They cover imports of goods placed in free circulation and/or released for consumption on arrival or on leaving warehouses, imports for inward processing and imports after outward processing.

## 1.4. Statistical territory

The statistical territory of the Community comprises the customs territory of the Community<sup>19</sup> with the exception of the French overseas departments. This means that Greenland, the Canary Islands, Ceuta and Melilla are excluded but the Azores and Madeira (Portugal) and the Balearics (Spain) are included.

## 1.5. Exclusions and simplifications

Community statistics do not include data on the following:

1. goods on the list of exclusions in Annex B to Regulation (EEC) n° 1736/75 for instance :
  - legal tender
  - goods for diplomatic and similar use
  - imports and exports of a transitory nature;

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<sup>18</sup> It is thus clear that under Stabex no account will be taken of ACP exports to the Community that have not entered the statistical territory of the Community. The most obvious example is that of consignments from a non-customs warehouse.

<sup>19</sup> Since October 3rd, 1990, the former German Democratic Republic is also included in the external trade statistics of the Community. On the basis of the ACP States' indications, Stabex relevant imports by the former GDR will be included in the import data for the reference years and the calendar year 1990.

2. goods with a value or weight below the statistical threshold fixed by the Member States in accordance with Article 24 of the above Regulation;
3. goods to which specific arrangements apply (for instance, certain repairs, certain transactions of the national and foreign armed forces, and monetary gold).

#### 1.6. Information recorded

Of the data collected by each Member State on trade in goods, the following are used for Community statistics:

- the reference period (calendar month)
- the type of flow (i.e. import)
- the statistical procedure
- the country of origin or consignment for exports
- the statistical value
- the net weight
- supplementary units of measurement for certain goods

Since 1988 transport information - mode, vehicle nationality, container transport - has also been recorded.

#### 1.7. Statistical procedures

Statistical procedures are laid down in respect of customs procedures and their equivalence is laid down in Regulations (EEC) n°s 546/77 and 3678/87.

Since 1 January 1988 statistical procedures for imports have been coded as follows in SOEC statistics:

1. normal import
3. import after outward processing
5. import for inward processing - suspension system (under code 2 up to 1987)
6. import for inward processing - drawback system (under code 2 up to 1987)
7. import after economic outward processing

#### 1.8. Trading partners

Community import statistics mention:

- 1.8.1. the country of origin for goods originating in non-member countries and declared for free circulation in the Community or imported for inward processing;
- 1.8.2. the country of consignment
  - for goods originating in non-member countries and already in free circulation in the Community or placed under the customs procedure for inward processing,
  - for goods originating in the Member States,

- for all goods listed in Chapter 97 of the Combined Nomenclature (up to 1987, Chapter 99 of the Nimese): works of art, collectors' pieces and antiques.

Community statistics therefore fall into two categories:

- Community external trade statistics (extra-EC trade), which, as far as imports are concerned, are generally based on origin;
- statistics on trade between Member States (intra-EC trade), which, in order to avoid double counting at Community level, record the country of consignment (e.g. goods of ACP origin imported into Belgium and then exported to France will be considered as being of ACP origin for the Belgian import declaration and then Belgium will be given as the country of consignment in the French import declaration to avoid inclusion of the goods twice under trade with the ACP State in the EC aggregate<sup>20</sup>).

#### 1.9. Statistical value and quantity

1. For imports, the statistical value is equal to the customs value or to a value determined by reference to the concept of customs value (CIF).
2. The statistics mention the net weight of goods and, where appropriate, supplementary units of measurement (number of pieces, pairs, hectolitres, etc.).

## 2. Nomenclatures

### 2.1. Countries

In Community statistics trading partners and reporting countries are represented by code numbers in accordance with the definitions of the Country Nomenclature for the External Trade Statistics of the Community and Statistics of Trade between Member States (geonomenclature)<sup>21</sup>.

The geonomenclature was introduced by Regulation (EEC) n° 1736/75 and an updated version is published annually in the Official Journal.

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<sup>20</sup> As regards the statistics referred to in Article 200(1) and (2), a product imported from an ACP State in the case in question is attributed to Belgium and counted for that country only, any re-export within the Community being of no relevance.

<sup>21</sup> See Annex 7.

Countries are identified by a three-digit numerical code, structured by continent and major geographical region and, within each region, according to its geographical position, normally progressing from west to east along successive lines of longitude starting in the north and working south.

## 2.2. Goods

Since 1 January 1988 the Combined Nomenclature has been the Community's tariff and statistical nomenclature, replacing the old Community nomenclatures, Nimexe (statistical) and the CCT (customs tariff). Regulation n° 2658/87 requires all Member States to use the Combined Nomenclature.

The Combined Nomenclature is aligned on the nomenclature of the Customs Cooperation Council (CCC), the Harmonised Commodity Description and Coding System (HS), which is used worldwide for applying customs tariffs and compiling external trade statistics<sup>22</sup>.

## 3. Collection, processing and dissemination of data

### 3.1. Sources

Community statistics are compiled from national data sent monthly to the SOEC by the Member States in a standardised form and in accordance with the procedures laid down in Community Regulations.

Generally speaking, imports are recorded for statistical purposes on the basis of customs declarations made by declarants at the time of customs clearance. In some Member States certain firms are allowed to submit multiple declarations.

### 3.2. Reference period and deadlines

The reference period is the calendar month. The data supplied by the Member States are recorded under the calendar month of the date of registration of the customs declaration or, failing that, the date of the multiple statistical declaration.

### 3.3. Statistical threshold

The statistical threshold is the limit below which figures for a transaction - expressed in net weight and value - are not transmitted to the SOEC.

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<sup>22</sup> It should be noted that as regards the definition of products covered by reference to the Combined Nomenclature in Article 187(1), it will not be possible for practical reasons to take account in the Convention of any possible changes in the CN headings for given products. Any change of the latter kind will, however, not affect the product coverage by the Convention in any way.



In the absence of a single statistical threshold for the Community, the Member States inform the Commission of the limit applied, which must not exceed 1,000 kg (whatever the value of the goods) or ECU 800 (whatever the weight).

#### 3.4. Corrections

Wherever possible, the corrections submitted by Member States are applied to the month in which the incorrect figure was recorded.

#### 3.5. Compilation at Community level

External trade statistics of the Community and statistics of trade between Member States are compiled from national figures. They are made available to users by the Commission in the form of monthly, quarterly and annual publications through data bases and computerised information systems set up by the SOEC.

#### 3.6. Discrepancies

Comparison of the statistics on Community external trade and trade between Member States with the results published by the Member States or other bodies may reveal discrepancies between the figures of the importing and exporting countries for the same reference period.

It is possible that the goods recorded as exports by the exporting ACP State:

- 3.6.1. are not recorded in the imports of the Member State because on arrival at their destination they are placed under a transit procedure or in a customs warehouse;
- 3.6.2. are recorded in the imports of the importing Member State with a different value, not only because of the rule "exports - FOB, imports - CIF", but above all as a result of special situations such as trade between associated companies with revaluing of imports and declaration of the value to be used for calculating VAT as the statistical value;
- 3.6.3. are recorded in the imports of the importing Member State:
  - during a later period (affecting the overall figures and the figures by type of goods);
  - under a different statistical heading (affecting the figures by type of goods).
- 3.6.4. are recorded in the importing Member State's imports by different methods because:
  - no all applications of the Regulation have been settled (victualling, postal consignments, confidential data, aircraft maintenance, etc.);
  - it is impossible to eliminate all the errors in data returns or in the processing and forwarding of results;
  - there are still a number of fraudulent declarations.

Examples of causes of discrepancies include:

- delivery times, as in the case of the "31 December boat": the cargo of a vessel leaving an ACP port on 31 December of year T will be recorded as an export of the year T by the ACP State but as an import in the year following year T by the EC;
- the destination of the goods changes before customs clearance (sales on consignment, re-exports);
- weight losses (as a result of dehydration, deterioration or average).

#### **4. Currency**

Values are expressed in ECU. The ECU is a "basket" monetary unit based on the market exchange rates for a specific quantity of each of the Member States' currencies and a weighting representing the five-year average of the each Member State's GNP and intra-Community trade.

The rate used for converting national values over a given period into ECU is the average of the daily rates over the same period.

## Chapter 4

### CONSULTATIONS AND REDUCTIONS

Apart from a shortfall of resources and the limit on compensation for losses of earnings to all destinations, there are cases (Article 201) where no transfer is accorded or where (Articles 202 and 203) the transfer basis may be reduced or even annulled.

Special provisions apply in the case of the reduction of transfers in favour of least developed, landlocked and island States (Article 194, paragraph 5).

#### 1. Article 201

- 1.1. This article lays down that if it emerges from the examination of the dossier undertaken by the Commission in conjunction with the ACP State concerned that the fall in earnings from exports to the Community is the result of measures or policies involving discrimination detrimental to the Community, no transfer shall take place.
- 1.2. Specific reference is made to a fall in earnings from exports to the Community. It implies therefore that export earnings from other destinations are not affected by the measures or policies in question.

Obviously, it has to be proven that the drop is the result of measures or policies that discriminate against the Community alone. The article comes into play only if legislative acts or regulations are adopted and published with the express aim of reducing or even banning exports to the Community.

#### 2. Article 203

This article has been substantially modified in the Second Financial Protocol to make it more transparent. It provides for consultations should there be significant changes in the trend of the ACP State's exports to all destinations, of production of the product in question or of the proportion of exports to the Community. The implementation of this provision raises a number of questions:

1. What indicators should be used to measure these trends?
2. What kind of changes should be regarded as significant?
3. Should the transfer basis be maintained or reduced?
4. If the transfer basis is to be reduced, by how much?

2.1. Statistically, the changes referred to in Article 203 are reflected in the trends of:

2.1.1. total marketed production<sup>23</sup> of the product in question;

2.1.2. exports to all destinations as a proportion of marketed production;

2.1.3. exports to the Community as a proportion of total exports.

Like the transfer basis, these trends are measured by comparing the situation in the application year with the average situation in the reference period. To do this the Commission will usually use the six-year reference period less the best and the worst year to permit a better "smoothing" for the three parameters in question. There may be exceptions to this rule, however, where there are valid reasons.

Unlike the calculation of transfer bases, which are carried out by comparing absolute values and figures, the calculations we are dealing with here are based on quantities. Furthermore, the comparison referred to in 2.1.1. is expressed as one percentage, while the comparisons of the indicators referred to in 2.1.2. and 2.1.3. involve two percentages. They are thus expressed in percentage points.

2.2. To trigger the consultations referred to in Article 203, the change or changes recorded must be significant. A change is considered significant where:

2.2.1. the volume of marketed production in the year of application is at least 20 % below the average volume of the reference period;

2.2.2. the percentage of marketed production exported to all destinations in the year of application is at least 20 points below the weighted average percentage of the reference period;

2.2.3. the percentage of total exports to the Community in the year of application is at least 20 points below the weighted average percentage of the reference period;

2.2.4. the sum of the points in 2.2.2. and 2.2.3. is at least 20.

2.3. In order to answer the question of whether or not the transfer basis should be reduced, the reasons for any changes have to be identified. The starting point for this is the body of information on the grounds for the loss of earnings that has to be sent to the Commission<sup>24</sup>.

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<sup>23</sup> "Marketed production" refers to the quantities delivered by the producers to the organisation or the bodies responsible for the marketing of the product in question.

<sup>24</sup> See Article 209(1) and Annex XLIII to the Convention.

- 2.4. If consultations lead to the conclusion that there are grounds for a reduction, we have to reply to the last question concerning the amount by which the transfer basis is to be reduced. The amount of the reduction is established on the basis of the individual changes in each of the criteria mentioned earlier. Should a reduction be fully justified, the amount is calculated as follows:
- 2.4.1. Marketed production: the transfer basis is reduced by a percentage equal to that of the recorded drop in production;
  - 2.4.2. proportion of marketed production exported to all destinations: the transfer basis is reduced by a percentage equal to the difference (measured in points) between the average percentage of the reference period and the percentage of the year of application.
  - 2.4.3. proportion of exports to all destinations sent to the Community: the transfer basis is reduced by a percentage equal to the difference (measured in points) between the average percentage of the reference period and the percentage of the year of application.
- 2.5. It goes without saying that the amount of the final reduction does not necessarily correspond to the calculated amount. If the ACP State is only partially responsible, the amount of the reduction may be diminished, which is the whole point of the consultations process.
- 2.6. No reduction will be applied to the transfer if the loss in export earnings is due to a natural disaster or to adverse weather conditions or to their unfortunate consequences in the sector. The same holds in case of a fall in world market export prices or of transport and/or chartering problems, caused to the ACP State by the behaviour of its transport and/or chartering agents.
- 2.7. Application of Article 203 can pose problems if there are a number of simultaneous reasons for making a reduction. In this case, the question is how to add up the various reductions. The addition of a number of percentages and the application of the total thus obtained to the transfer basis could lead to too drastic a cut in the transfer. This is why the percentages are applied in successive stages.

In other words, a second reduction is made by applying the relevant percentage to the transfer basis remaining after the first reduction and so on.

### 3. Article 202

Article 164 of the Lomé III, carried over unchanged as Article 203 of Lomé IV, was shown in practice not to take sufficient account of a rare, but nevertheless possible, situation that could arise if an ACP State, or its economic operators, causes a drop in earnings from exports of a given product to the Community by adopting commercial policy measures designed to restrict supply<sup>25</sup>.

From the economic point of view, this provision is an extension of the former Article 164. Its target is a certain type of commercial behaviour. In fact, Article 202 refers to a specific case among the range covered by the general provisions of Article 203, a case, however, that the contracting parties felt merited special attention. Looked at from its angle, we can say that Article 202 merely codifies a rule that existed before.

But, Article 202 is also fairly close to Article 201; it means that if the adoption of such measures leads to a loss of earnings from exports to the Community, or aggravates the situation, the resultant losses will not be compensated by a Stabex payment. Logically, if the losses recorded are wholly due to the measures in question, namely restriction of supply, the reduction of the transfer of the transfer basis will entail its annulment.

The impact of restriction of supply will usually be measured by its increase in exportable stocks in the year of application. The percentage of exports to the Community is then applied to these increased quantities and the result multiplied by the unit values of these exports. The resulting value will then be deducted from the transfer basis established under Article 197.

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<sup>25</sup> The wording of Article 202 clearly excludes from its application the impact of any international agreements ("... measures taken by the ACP State or through its economic operators ...") and adjustment of production to different circumstances on the world market ("... trade-policy measures ...").

## Chapter 5

### USE OF TRANSFERS

In this chapter we shall review the allocation of resources in relation to the objectives of the system (Articles 186 and 209), the "framework of mutual obligations" (Article 210) and its implementation (Article 211) and the report on the use made of the funds (Article 212).

#### **1. The allocation of resources in relation to the objectives of the system**

1.1. The objectives (Article 186(1)) are exactly the same as under Lomé III and do not require any further comment. What is new is the allocation of transfers "to attain these objectives" in the words of Article 186(2). Here it is stipulated that transfers are to be devoted

1.1.1. "either to the sector, interpreted in the widest possible sense, that recorded the loss of export earnings and be used there for the benefit of economic operators adversely affected by this loss",

1.1.2. "or, where appropriate, to diversification,

1. either for use in other appropriate productive sectors, in principle agricultural,

2. or for the processing of agricultural products."

1.2. A closer look at the provisions gives rise to the following conclusions:

1.2.1. There is a hierarchy of objectives. Although we seem to have a simple alternative ("either ... or"), the words "where appropriate" in connection with diversification measures indicates that there may be cases where such measures are not appropriate. There is therefore a kind of implicit restriction on recourse to diversification measures, whereas one could say that there is an automatic right to allocate the funds to the sector, and so this course of action has priority. First, efforts have to be made to tackle the difficulties in the sector and only then may diversification objectives be pursued, where appropriate. It should also be noted that there is nothing to stop sectoral support and diversification measures being carried out at the same time as long as the hierarchy between them is observed.

1.2.2. The transfer to the sector must benefit the economic operators adversely affected by the fall in export earnings. If this is true of transfers to the sector, there is no reason why it should not be true of diversification measures. Thus, transfers must benefit economic operators in all cases.

The upshot of the principle laid down in Lomé IV. is that Stabex transfers may not be used indiscriminately as an untied budgetary resource. Naturally, if it is duly established that some form of public financing has been advanced, pending a Stabex transfer, for a purpose in keeping with the letter and spirit of the Stabex provisions, it is only right that the sum deployed be covered by the Stabex transfer.

1.2.3. Where diversification measures appear appropriate, the ACP State must notify the Commission of the reasons for its decision (Article 209(2)). In addition to what was said in 1.1.2., it should be noted that:

1. in all cases operations must be carried out in cooperation with the Commission;
2. the sectors supported must be sectors directed towards domestic consumption, exports, or both;
3. there may be exceptions to the rule that the transfers are allocated to agriculture, as indicated by the use of "in principle" but in such cases the grounds obviously have to be particularly well-founded.

1.2.4. Article 209(4) has been modified to allow ACP States undergoing structural adjustment and which wish to use Stabex transfers to support in full or in part these programmes not to be subjected for double conditionality. There are two specific rules to be followed in using Stabex transfers to support adjustment operations:

1. Stabex transfers must "second" these efforts. This means that adjustment operations and the use to which Stabex transfers are put must not pull in different directions. It also means that, failing direct support for these operations, Stabex transfers may be used for perfectly valid purposes for which support is lacking owing to temporary adjustment constraints.
2. Stabex transfers may, where necessary, be used to give direct support to any consistent reform policy in the sectors concerned; by this we mean where there is agreement between the authorities responsible and the Commission on these policies and where the "critical mass" of the transfer, to be evaluated according to the merits of each individual case, is enough to make a useful contribution. Lastly, it should be emphasised that this is an option and not an obligation.

1.2.5. Transfers are made in ECU and may generate funds in local currency.

Any counterpart funds thus raised are also covered by the framework of mutual obligations and are to be paid into an interest-bearing account (requiring two signatures) which will preserve their value.

1.2.6. Whatever the case, resources must be used more effectively to prevent Stabex being a form of stop-gap relief.



## 2. Further provisions on the use of transfers

- 2.1. Article 186(2) provides that, in order to obtain the objectives of the system laid down in paragraph 1 of the same Article, use of the transfers shall be defined by "a framework of mutual obligations to be agreed between the ACP State concerned and the Commission in each case".

More details on the framework of mutual obligations are to be found in Article 210:

*"When agreement is reached on the use of resources, the ACP State and the Commission shall sign a protocol setting up a framework of mutual obligations stipulating how the funds are to be used at the various stages of the operations agreed on."*

- 2.2. In order to prepare the ground for a rapid agreement, the ACP State concerned, in accordance with Article 209(1), shall "where application of Articles 196 and 197 gives rise to a transfer basis, ... in the month following receipt of the notification referred to in Article 207(1), send the Commission a substantial analysis of the sector recording the loss of earnings, the causes of the loss, the policies pursued by the authorities and the projects, programmes and operations to which the recipient State undertakes to allocate the resources in accordance with the objectives set out in Article 186(2)".

According to paragraph 3 of the same Article, these "projects, programmes or operations to which the recipient ACP State undertakes to allocate the transferred resources shall be examined jointly by the Commission and the ACP State concerned".

As outlined above, this examination leads to the framework of mutual obligations.

- 2.3. However, the granting of the resources must not possibly wait until the framework of mutual obligations is finalised, but will be made in any event on the signature of the transfer agreement, as Article 211(1) provides:

*"The transfer shall be made in ECU upon signature of the transfer agreement referred to in Article 205(2) into an interest-bearing account in a Member State of the Community, for which the presentation of two signatures, of the ACP State and the Commission, shall be required. Any interest shall be credited to this account".*

With regard to the actual use of these funds, paragraph 2 of the same Article stipulates that

*"the funds in the account referred to in paragraph 1 shall be mobilised as the operations specified in the protocol on the use of the funds are implemented, on condition that the provisions of Article 212 have been complied with".*

- 2.4. Paragraph 3 of Article 211 evokes possible counterpart funds and provides that "the procedures laid down in paragraph 2 shall be applicable by analogy to any counterpart funds generated".
- 2.5. Where there is an adjustment programme in place, including operations designed to restructure production and export activities, or to achieve diversification, the resources will be used in conformity with these efforts and support any consistent reform policy.
- 2.6. Pursuant to the decision of the ACP-EC Council of Ministers of 21 May 1992 in Kingston, Jamaica, and with a view to avoiding difficulties in the rapid inception and implementation of the Framework of Mutual Obligations, the Contracting Parties agree by virtue of Annex XLVI to use all appropriate means including information seminars, appropriate technical assistance, etc., within the framework of Development Finance Cooperation.

### 3. Reports

- 3.1. Within 12 months of the mobilisation of each instalment of resources, the recipient ACP State will send the Commission a report on the use which it has made of the funds transferred.
- 3.2. On completion of the project, programme or operation negotiated, the ACP State will send the Commission a final report.
- 3.3. If the report referred to in point 3.1. is not represented within the time-limit, or should it call for comment, the Commission will send a request for substantiation to the ACP State concerned, which will be required to reply within two months<sup>26</sup>.
- 3.4. Once the two-month deadline has expired, the Commission may, having referred the matter to the Council of Ministers and having duly informed the ACP State concerned, three months after completion of this procedure, suspend application of decisions on subsequent transfers until that State has provided the required information.

The ACP State concerned must be notified of this measure immediately.

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<sup>26</sup> See Article 212(2) and (3).

**PROVISIONS OF THE FOURTH LOME CONVENTION  
CONCERNING STABEX<sup>27</sup>.**

**TITLE II**

**CO-OPERATION IN THE FIELD OF COMMODITIES**

**CHAPTER 1**

**STABILISATION OF EXPORT EARNINGS  
FROM AGRICULTURAL COMMODITIES**

**Article 186**

1. With the aim of remedying the harmful effects of the instability of export earnings and to help the ACP States overcome one of the main obstacles to the stability, profitability and sustained growth of their economies, to support their development efforts and to enable them in this way to ensure economic and social progress for their peoples by helping to safeguard their purchasing power, a system shall be operated to guarantee the stabilisation of export earnings derived from the ACP States' exports to the Community or other destinations as defined in Article 189, of products on which their economies are dependent and which are affected by fluctuations in price or quantity or both these factors.

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<sup>27</sup> Changes to the text following the renegotiation of the Financial Protocol are shadowed.

2. In order to attain these objectives, transfers shall be devoted, in accordance with a framework of mutual obligations to be agreed between the ACP State concerned and the Commission in each case, either to the sector, interpreted in the widest possible sense, that recorded the loss of export earnings and be used there for the benefit of economic operators adversely affected by this loss, or, where appropriate, to diversification, either for use in other appropriate productive sectors in principle agricultural, or for the processing of agricultural products.

<b>Article 187</b>
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1. The following products shall be covered:

	<u>Combined Nomenclature Position</u>
1. Groundnuts in shell or shelled	1202
2. Groundnut oil	1508
3. Cocoa beans	1801
4. Cocoa husks, shells and skins and other waste	1802
5. Cocoa paste	1803
6. Cocoa butter	1804
7. Cocoa powder	1805
8. Raw or roasted coffee	0901 11 to 0901 22
9. Extracts, essences and concentrates of coffee	2101 10 11 2101 10 19
10. Cotton not carded or combed	5201
11. Cotton linters	1404 20
12. Coconuts	0801 10
13. Copra	1203
14. Coconut oil	1513 11 1513 19
15. Palm oil	1511

16.	Palm kernel oil	1513 21 1513 29
17.	Palm nuts and kernels	1207 10
18.	Raw hides and skins	4101 10 to 4101 30 4102 4103 10
19.	Leather and bovine animals	4104 10 to 4104 29 4104 31 11 4104 31 19 4104 31 30 4104 39 10
20.	Sheep and lamb skin leather	4105
21.	Goat and kid skin leather	4106
22.	Wood in the rough and squared wood	4403
23.	Sawn wood	4407
24.	Fresh bananas	0803 00 11 and 19
25.	Dried bananas	0803 00 90
26.	Tea	0902
27.	Raw sisal	5304 10
28.	Vanilla	0905
29.	Cloves	0907
30.	Wool not carded or combed	5101
31.	Fine animal hair of Angora goat - Mohair	5102 10 50
32.	Gum Arabic	1301 20 00
33.	Pyrethrum; saps and extracts of pyrethrum	1211 90 10 1302 14
34.	Essential oils	3301 11 to 3301 29

35.	Sesame seed	1207 40
36.	Cashew nuts and kernels	0801 30
37.	Pepper	0904
38.	Shrimps and prawns	0306 13 0306 23
39.	Squid, octopus and cuttlefish	0307 41 0307 49 0307 51 0307 59
40.	Cotton seed	1207 20
41.	Oil cake	2305 2306 10 2306 50 2306 60 2306 90 93
42.	Rubber	4001
43.	Peas	0708 10 0713 10 0713 20
44.	Beans	0708 20 0713 31 to 0713 39 ex 0713 90
45.	Lentils	0713 40
46.	Nutmeg and Mace	0908 10 0908 20
47.	Shea nuts	1207 92
48.	Shea nut oil	ex 1515 90 40 to ex 1515 90 99
49.	Mangoes	ex 0804 50
50.	Karakul Skins	ex 4301 30 00 ex 4302 13 00 ex 4302 30 31

2. In all cases of application of the system, the Commission shall, in the interest of the ACP State concerned, consider as products within the meaning of this chapter:
  - (a) each product listed in paragraph 1
  - (b) product groups 1 and 2, 3 to 7, 8 and 9, 10 and 11, 12 to 14, 15 to 17, 18 to 21, 22 and 23, 24 and 25, 47 and 48.

#### Article 188

If, twelve months after the entry into force of this Convention, one or more products not contained in the list in Article 187 but upon which the economies of one or more ACP States depend to a considerable extent are affected by sharp fluctuations, the Council of Ministers shall decide, not more than six months after the presentation of a request by the ACP State or States concerned whether or not to include the said product or products in the list, taking account of factors such as employment, deterioration of the terms of trade between the Community and the ACP State concerned, the level of development of the ACP State concerned and the conditions which characterise products originating in the Community.

#### Article 189

1. The system shall apply to earnings from exports
  - (a) by each ACP State to the Community of each product referred to in Article 187(2);
  - (b) by the ACP States benefiting from the derogation referred to in paragraph 2 to the other ACP States of each product referred to in Article 187(2) for which such derogation has been granted;
  - (c) by the ACP States benefiting from the derogation referred to in paragraph 3 to all destinations of each product referred to in Article 187(2).
2. At the request of one or more ACP States in respect of one or more of the products referred to in Article 187(1), the Council of Ministers may decide, after examination of a report established by the Commission on the basis of the relevant information provided by the requesting ACP State or States, and not more than six months after the presentation of the request, to apply the system to exports of the products in question from the said ACP State or States to other ACP States.

3. If, on the basis of relevant data for the average of the two years preceding the application year, at least 70 % of an ACP State's total export earnings from products covered by the system do not come from exports to the Community, the system shall be automatically applied to its exports of each of the products referred to in Article 187(2), whatever the destination.

In the case of the least-developed ACP States this percentage shall be 60 %.

For each year of application and for each ACP State, the Commission shall check that these criteria have been fulfilled.

#### Article 190

For the purposes stipulated in Article 186 and for the duration of the Financial Protocol annexed to this Convention, the amount provided for in that protocol shall be allocated to the system. It shall be managed by the Commission.

#### Article 191

1. The overall amount referred to in Article 190 shall be divided into a number of equal annual instalments corresponding to the number of years of application of the Financial Protocol.
2. Whatever balance remains at the end of each year of application of the Financial Protocol annexed to this Convention except the last shall be carried forward automatically to the following year.

#### Article 192

Interest earned by investment in the market, over the period from 1 April to 30 June, of the sum equivalent to half each annual instalment, minus any advances and transfers paid during that period, shall be credited to the system's resources.

Interest earned by investment in the market, over the period from 1 July to 31 March, of the sum equivalent to the second half of each annual instalment, minus any advances and transfers paid during that second period, shall be credited to the system's resources.



Any part of an annual instalment which has not been advanced or transformed shall continue to bear interest which will be added to the system's resources until its utilisation in the following year.

### Article 193

The resources available for each year of application are made up of the sum of the following:

1. the annual instalment, plus any amounts available or less any amounts used under Article 194(1);
2. the sums carried forward under Article 191(2);
3. the amount of interest earned pursuant to Article 192;
4. amounts accruing from the application of Article 366a, paragraph 2, 1st indent

### Article 194

1. If the total amount of the transfer bases in a year of application, calculated in accordance with Article 197, and where appropriate reduced in accordance with Articles 202 to 204, exceeds the amount of resources available in the system for that year, advance use shall be made automatically, for each year except the last, of a maximum of 25 % of the following year's instalment.
2. If, after the operation referred to in paragraph 1, the amount of resources available is still less than the total amount of the transfer bases referred to in paragraph 1 for the same year of application, the amount of each transfer basis shall be reduced by 10 % of that amount.
3. If, after the reduction referred to in paragraph 2, the total amount of the transfers so calculated is less than the amount of resources available, the remainder shall be shared among all the transfers in proportion to the amounts by which each transfer was reduced.
4. If, after the reduction referred to in paragraph 2, the total amount of the transfers which may give rise to a payment exceeds the amount of available resources, the Council of Ministers shall evaluate the situation on the basis of a Commission report on the probable development of the system and shall examine the steps to be taken to remedy that situation, within the terms of this Convention.

5. Other than the reduction referred to in paragraph 2, there shall be no further reduction of the transfer basis as a result of a shortfall in the resources of the system if, in the case of least developed or landlocked ACP States, the transfer basis so reduced in accordance with paragraph 2 is less than ECU 2 million, or in the case of island States, is less than ECU 1 million.

### Article 195

In the case of any balance remaining from the overall amount referred to in Article 190, including the interest referred to in Article 192 after the expiry of the last year of administration of the system under the Financial Protocol annexed to this Convention:

- (a) the amounts resulting from the application of the percentages referred to in Article 197(3) and (4) shall be repaid to each ACP State in proportion to the deduction or deductions made in application of those provisions;
- (b) if any balance remains after application of (a), the Council of Ministers shall decide on its use.

### Article 196

1. The system shall apply to the earnings from an ACP State's exports of the products referred to in Article 187(2) if, during the year preceding the year of application, earnings from the export of each product to all destinations, re-exports excluded, represented at least 5 % of its total earnings from exports of all goods. The percentage shall be 4 % in the case of sisal.
2. For the least-developed, landlocked and island ACP States, the percentage referred to in paragraph 1 shall be 1 %.
3. Where, following a natural disaster, a substantial fall in production of the product in question is recorded during the year preceding the year of application, the percentage referred to in paragraph 1 shall be calculated on the basis of the average export earnings from that product during the three years preceding the year of the disaster.

A substantial fall in production shall be taken to mean at least 50 % of the average production during the three years preceding the year of the disaster.

### Article 197

1. In order to implement the system, a reference level and a transfer basis shall be calculated for each ACP State and for exports of each product referred to in Article 187(1) to the Community or other destinations as defined in Article 189.
2. The reference level shall be constituted by the average of export earnings during the period of the six calendar years preceding each year of application less the two years with the highest and lowest figures.
3. The transfer basis shall be constituted by the difference between the reference level and actual earnings in the calendar year of application, reduced by an amount corresponding to 4.5 % of the reference level. In the case of the least-developed ACP States, this percentage shall be 1 %.
4. The reductions referred to in paragraph 3 shall not apply in the case of the least-developed or landlocked ACP States if the difference between the reference level and actual earnings is less than ECU 2 million, or in the case of island ACP States if this difference is less than ECU 1 million.

In no case shall the reduction of the difference between the reference level and actual earnings be greater than

- 20 % for the least-developed and for landlocked ACP States;
  - 30 % for other ACP States.
5. The amount of the transfer shall be the transfer basis after application, where relevant, of Articles 202 to 204 and 194.

### Article 198

1. Where an ACP State:
  - begins processing a product traditionally exported in raw state, or
  - begins exporting a product which it did not traditionally produce,

the system may be put into operation on the basis of a reference level calculated over the three years preceding the year of application.

2. In the case of the ACP States accorded the derogation

- referred to in Article 189(2), the transfer basis shall be calculated by adding to the earnings from exports of the product or products concerned to the Community the earnings from exports of those products to other ACP States;
- referred to in Article 189(3), the transfer basis shall be calculated according to the earnings from exports of the product or products concerned to all destinations.

**Article 199**

1. In order to ensure that the system functions efficiently and rapidly, statistical co-operation shall be instituted between each ACP State and the Commission.
2. The ACP State shall notify the Commission of the annual statistical data specified in the joint declaration in Annex XLIII.
3. This information must be sent to the Commission not later than 31 March in the year following that of application. Failure to do so shall result in the ACP State concerned losing all transfer right in relation to the product or products in question for the relevant year of application.

**Article 200**

1. The system shall be implemented in respect of the products listed in Article 187 where they are:
  - (a) released for home use in the Community, or
  - (b) brought into the Community under the inward processing arrangements in order to be processed.
2. The statistics to be used to carry out the calculations referred to in Article 197 shall be those calculated and published by the Statistical Office in the European Communities.
3. In the case of ACP States accorded the derogation
  - (a) referred to in Article 189(2), the statistics relating to exports of the product or products in question to other ACP States shall be the volume exported by the ACP State concerned multiplied by the average unit value of imports by the Community as calculated and published by the Statistical Office of the European Communities or, failing those, the statistics of the ACP State concerned;

(b) referred to in Article 189(3), the statistics relating to exports of the product or products in question to all destinations shall be the volume exported by the ACP State concerned multiplied by the average unit value of imports by the Community as calculated and published by the Statistical Office of the European Communities or, failing those, the statistics of the ACP State concerned.

4. Should there be significant differences between the statistics of the Statistical Office of the European Communities and those of the ACP States concerned, consultations shall be held between that ACP State and the Commission.

### Article 201

No transfer shall take place if it emerges from the examination of the dossier to be undertaken by the Commission in conjunction with the ACP State concerned that the fall in earnings from exports to the Community is the result of measures or policies involving discrimination detrimental to the Community.

### Article 202

The transfer basis shall be reduced in due proportion to the fall in earnings from exports to the Community of the product in question if, after joint examination by the Commission and the ACP State concerned, it appears that such a drop in the consequence of trade-policy measures taken by the ACP State or through its economic operators with the aim of restricting supply; such reduction may entail the annulment of the transfer basis.

### Article 203

1. Should the examination of:

(a) marketed production in the application year by comparison with the reference period

or

(b) total exports as a share of marketed production over the same period

or

(c) the share of total exports going to the Community over the same period

or

(d) the sum of figures referred to in (b) and (c)

reveal a large decline, consultations shall be held between the Commission and that ACP State to determine whether the transfer basis is to be maintained or reduced, and if reduced, to what extent.

2. For the purpose of applying paragraph 1, a decline shall be deemed to be large if it is at least 20 %.

#### Article 204

In no case shall any transfer basis for a given product be greater than the corresponding amount calculated on the basis of the exports of the ACP State concerned to all destinations.

#### Article 205

1. The Commission shall adopt a transfer decision on completion of the examination carried out in conjunction with the ACP State; this examination shall bear on the statistical data and the calculation of the transfer basis which may give rise to a payment.
2. For each transfer a transfer agreement shall be concluded between the Commission and the ACP State concerned.

#### Article 206

1. The ACP State concerned and the Commission shall take such steps as are required to ensure that advances and transfers are made rapidly in accordance with the procedures laid down in Article 207.
2. Article 205 shall be applicable by analogy to advances.

## **Article 207**

1. Provided that the ACP State concerned has sent all the necessary statistical information by 31 March in the year following that of application, in accordance with Article 199(3), the Commission shall notify each ACP State not later than the 30 April following of its situation in respect of each of the products listed in Article 187(2) exported by that State during that year.
2. The ACP State concerned and the Commission shall take all possible steps to ensure that the procedures referred to in Articles 201, 202 and 203 are concluded not later than 30 June of the year in question. After this period has elapsed, the Commission shall notify the ACP States of the amount of the transfer resulting from appraisal of the dossier.
3. Without prejudice to Article 206 and not later than 31 July of the year in question the Commission shall take decisions concerning all transfers, except for those where consultations have not been concluded.
4. On 30 September of the year in question the Commission shall report to the Committee of Ambassadors on the progress made with the processing of all transfers.

## **Article 208**

1. In the event of a disagreement between an ACP State and the Commission over the results of the examinations or consultations referred to in Articles 201 to 203 and 199(3), the ACP State concerned shall have the right to initiate, without prejudice to possible recourse to Article 352, a good offices procedure.
2. The good offices procedure shall be carried out by an expert appointed by agreement between the Commission and the ACP State concerned.
3. Within two months of this appointment, the conclusions of the procedure shall be communicated to the ACP State concerned and to the Commission, which shall take account of them in making the transfer decision.

The ACP State concerned and the Commission shall take all possible steps to ensure that the decision is taken not later than the 31 October following receipt of the request.

4. The procedure shall not result in a delay in the processing of any other transfers for the same year of application.

## Article 209

1. Where application of Articles 196 and 197 gives rise to a transfer basis, the ACP State concerned shall, in the month following receipt of the notification referred to in Article 207(1), send the Commission a substantial analysis of the sector recording the loss of earnings, the causes of the loss, the policies pursued by the authorities and the projects, programmes and operations to which the recipient State undertakes to allocate the resources in accordance with the objectives set out in Article 186(2).
2. Should the recipient ACP State intend, as provided for in Article 196(2), to allocate the funds to a sector other than that where the loss has occurred, it shall communicate to the Commission the reasons for this allocation.
3. Projects, programmes or operations to which the recipient ACP State undertakes to allocate the transferred resources shall be examined jointly by the Commission and the ACP State concerned.
4. Where there is an adjustment programme in place, including operations designed to restructure production and export activities, or to achieve diversification, the resources will be used in conformity with these efforts and support any consistent reform policy.

## Article 210

When agreement is reached on the use of resources, the ACP State and the Commission shall sign a protocol setting up a framework of mutual obligations stipulating how the funds are to be used at the various stages of the operations agreed on.

## Article 211

1. The transfer shall be made in ECU upon signature of the transfer agreement referred to in Article 205(2) into an interest-bearing account in a Member State of Community, for which presentation of two signatures, of the ACP State and the Commission, shall be required. Any interest shall be credited to this account.
2. The funds in the account referred to in paragraph 1 shall be mobilised as the operations specified in the protocol on the use of the funds are implemented, on condition that the provisions of Article 212 have been complied with.



3. The procedures laid down in paragraph 2 shall be applicable by analogy to any counterpart funds generated.

### Article 212

1. Within twelve months of the mobilisation of resources the recipient ACP state shall send the Commission a report on the use which it has made of the funds transferred.
2. Should the report referred to in paragraph 1 not be presented within the time-limit set or should it call for comment, the Commission shall send a request for substantiation to the ACP State concerned, which shall be obliged to reply thereto within two months.
3. Once the deadline referred to in paragraph 2 has expired, the Commission may, having referred the matter to the Council of Ministers and having duly informed the ACP State concerned, three months after completion of this procedure, suspend application of decisions on subsequent transfers until that State has provided the required information.

The ACP State concerned shall be notified of this measure immediately.

\*

\*   \*

## ANNEXES TO THE CONVENTION

### ANNEX XLI

#### *Stabex*

#### *Commission declaration on the management of the system*

For the purpose of ensuring appropriate transparency in the implementation of the system, the Commission confirms that, in support of the report referred to in Article 207(4), it will provide the ACP Committee of Ambassadors with all additional relevant information that may be requested.

**ANNEX XLII**

*Stabex*  
*Joint declaration on ACP exports to the OCT*

For the application of Article 189(1)(b) and (2), ACP exports to the OCT shall be taken into consideration.

**ANNEX XLIII**

*Stabex*  
*Joint declaration on statistical requirements*  
*(Article 199(2))*

1. For the first year of application, the ACP States shall notify the Commission of:
  - (a) the value of their exports of all goods to all destinations for the year preceding the year of application;
  - (b) the volume of marketed production of the product or products in question during the reference period and in the year of application;
  - (c) the volume and the value of exports of the product or products in question to all destinations in the reference period and in the year of application. The ACP States to which Article 189(2) is applicable shall also notify the Commission of the volume of their exports of the product or products in question to other ACP States during the reference period and in the year of application;
  - (d) the volume and the value of exports of the product or products in question to the Community during the reference period and in the year of application.
2. In subsequent years of administration of the system, the statistical requirements referred to above shall refer only to the year not covered by the information provided in the previous year.

**ANNEX XLIV**

*Stabex*

*Joint declaration on ACP-EC consultations in the event of the establishment of a system for the stabilisation of export earnings at world level.*

The Contracting Parties agree to concert action in the context of the Convention in order to avoid any double compensation in the event of a world system for the stabilisation of export earnings being established during the period of application of the Convention.

**ANNEX XLV**

*Stabex*

*Joint declaration on Article 189(1)(b)*

The Contracting Parties agree that the decisions taken pursuant to Article 27 of the second ACP-EC Convention in favour of coconuts and coconut oil as regards exports from Dominica and in favour of cowpeas (*Vigna unguiculata*) as regards exports from Niger shall continue to apply.

**ANNEX XLVI**

Pursuant to the decision of the ACP-EC Council of Ministers of 21 May 1992 in Kingston, Jamaica, and with a view to avoiding difficulties in the rapid inception and implementation of the Framework of Mutual Obligations, the Contracting Parties agree to use all appropriate means including information seminars, appropriate technical assistance, etc. within the framework of Development Finance Cooperation.

**ANNEX XLVII**

DELETED

**ANNEX XLVIII**

*Stabex  
Community declaration on Article 188*

The Community hereby takes note of the requests made by the ACP States during the negotiations concerning cottonseed oil, chamois leather and live bovine animals, sheep and goats.

It declares its readiness to examine these requests in the framework of the provisions referred to in Article 188, as soon as substantial supporting documents are provided.

## **RATIONALE FOR THE STABILISATION OF EXPORT EARNINGS.**

### **1. Why Stabex and how did it come to be set up?**

- 1.1. The springboard for Stabex was the observation that the beneficial effects of upswings in export earnings do not offset the damage wrought by downward fluctuations, even if the upward and downward movements appear to be of equal magnitude.

The disruption caused by fluctuations in export earnings takes a number of forms.

- 1.1.1. Investment planning is undermined since a developing country's economic structure is often too rigid for it to make the most of an unexpected rise in export earnings, while a sudden fall in earnings leads to the cancellation or mothballing of projects under way without any immediate prospect of replacing them by alternative schemes with a lower import content.
- 1.1.2. Fluctuations in export earnings disturb the internal balance of public finances. When commodity prices are rising governments tend to increase public expenditure on consumption, which is then difficult to cut back if there is a downturn. Loss of tax revenue then has to be offset by a heavier levy on producers' earnings or recourse to domestic debt with its concomitant inflationary risks.
- 1.1.3. The effect of fluctuating export earnings on the balance of payments is obvious.
- 1.1.4. At microeconomic level, namely the producers, the erosion of earnings may discourage them from producing for export and lead to a fall in export earnings and GNP. They will also consume less, which again affects the basis of public finances.

### **2. Stabilisation of prices and stabilisation of earnings.**

Fluctuations in commodity prices are not the only factor involved. Price stabilisation alone cannot stabilise the developing countries' export earnings. On the contrary, it can even be harmful to their economic development, since elimination or reduction of the part played by one of the market regulators could make export earnings more unstable if fluctuations in output are supply-related.

## 2.2. Aggregates which can be stabilised

Stabilisation or support measures can be applied to different aggregates:

2.2.1. Balance of payments. The main objective here is to achieve or restore balance between foreign exchange outflows and inflows where there is a temporary shortfall in the latter. Such measures may be based on either

- the basic balance of goods and services, or
- movements of goods only, or
- primary products, including, where necessary, some products of first-stage processing.

Any stabilisation measure taking the form of an injection of foreign currency into the exporting country obviously helps its balance of payments.

2.2.2 Stabilisation of government revenue. Commodity exports generally provide the governments of exporting countries with revenue

- in local currency from export duties and other direct or indirect taxes, and
- in foreign exchange through the repatriation of the proceeds of sales on the markets of consumer countries.

The stabilisation of export earnings can obviously affect both forms of revenue.

2.2.3. Stabilisation of the cash flow of a whole sector, producer incomes in particular. The most suitable instrument for stabilising producer incomes is a single or multi-product marketing board. Such boards are generally public bodies charged with the following duties:

- Buying at guaranteed prices as much as producers offer for sale. The guaranteed price is regularly adjusted by the authorities and its level is obviously decisive in giving peasant farmers an incentive to maintain output and market produce through the board.
- Selling the commodity. Where the state of the market allows, the guaranteed price will be lower than the actual selling price and all or part of the difference is put in a stabilisation fund on which the board can draw to pay the guaranteed price even when the selling price is lower.

These marketing boards worked satisfactorily until about 15 years ago but then gradually came under attack for various reasons. Nevertheless, implemented with the necessary rigour and realism, they are still an attractive option. If the above conditions are observed, they can fully integrate economic producers into the economic circuit. It is abuses of these boards that led to justifiable criticism;

- where necessary, helping to improve production methods, training producers, promoting sales, etc.

2.2.4. Price stabilisation. This is discussed below.

### **3. The main ways of remedying the instability of export earnings and its consequences.**

Broadly speaking, there are four ways of influencing commodity-producing countries' export earnings:

#### **3.1. Market intervention (international commodity agreements or arrangements)**

Market intervention techniques to act on commodity prices entail a sharing-out of the export market, control of supply and sometimes the creation of buffer stocks. Such an approach runs into a certain amount of opposition, usually expressed as an attachment to free-market principles, which are merely the ideological reflection of obvious economic facts.

Since price swings for most tropical agricultural products are generally caused by variable crop size rather than fluctuating demand, price stabilisation works against consumers. An international agreement would encourage consumers to try to secure from producers a level of price stabilisation lower than the likely average rate. But the position of consumers and producers is reversed where price stability is mainly the result of fluctuating demand. This is the case of most minerals, the prices of which are influenced by changes in the economic climate in the industrialised countries rather than in the terms of supply. In addition to this, there are the difficulties inherent in price fixing and, in the case of buffer stocks, quantities and intervention terms reduce any incentive to overproduce.

Other arguments are put forward by critics of international agreements: many commodities are produced and exported by industrialised countries as well as developing countries, and in a good many cases developing countries are major importers. Price stabilisation could thus often benefit the industrialised countries more than the developing ones, which in some cases would be placed under an intolerable burden.

Furthermore, the reference price, namely the world price as quoted on the major commodity exchanges, is often far removed from the real value of exporters' sales, as can be seen from what we know of export unit values. But obviously we cannot ignore the quoted price, which remains a good indicator.

In any case, price stabilisation, by definition, stabilises prices and not earnings, which are the product of quantity times price; it offers no solution to losses of earnings resulting from a decline in volume. Even the best commodity agreement is no help to a country whose output has been hit, driving off the market or restricting the amount it is able to supply.

This is where earnings stabilisation can complement price stabilisation. Stabilisation of world prices for the main products, backed by sufficient funds, is the first step towards tackling the problems of commodity-exporting developing countries. It cannot solve all the problems, however.

### 3.2. Preferential systems.

These schemes are by definition geographically restricted, since they are based on a system of guaranteed prices supported by tariff or similar concessions to member producers. (An example is the system which operated in the franc area in the early sixties, which in exchange offered "reverse preferences" to France.) This approach would have run into stiff opposition as it would have entailed further barriers to international trade.

### 3.3. Non-market institutional systems with purchase and price guarantees.

This solution requires the establishment of bodies responsible for buying at a fixed price specific amounts of the product covered by the agreement from the producing countries and then either marketing them on a closed market, selling them on the world market, putting them in storage or denaturing them. In exchange there is no obligation to supply. The Commonwealth Sugar Agreement fell into this category.

### 3.4. Compensatory payments with no market intervention

The idea behind this system is to set a reference level and give exporting countries a guarantee of cash transfers to make up all or part of the difference between the actual value of exports and the reference level (only after a loss of earnings is recorded, of course).

This approach has the following advantages:

- it is conceptually simple;
- the operation of the system can be tailored to the situation of the individual recipient countries;
- it shields exporting countries for the vicissitudes of the market while letting the market continue to act as an indicator of any distortion between supply and demand.



#### **4. The solution chosen**

The solution chosen is a system of non-market intervention and compensatory payments - a solution chosen by the ACP States notwithstanding the fact that in principle the Community took a favourable attitude to international agreements and arrangements. Even after making this choice, there were still some basic decisions to be taken:

- 4.1. The system would be regional, that is, confined to ACP-EC trade.
- 4.2. It would cover all the ACP States, subject to differentiated access conditions ("thresholds") to take account of their level of development.
- 4.3. The system would cover individually all tropical agricultural commodities, excluding those produced in both tropical and temperate climates and products of first-stage processing.
- 4.4. The reference level would be based on previous price trends (the sliding arithmetical average of the four years preceding the application year).
- 4.5. Transfers to the least-developed countries would be in the forms of grants. Transfers to the other ACP States would be in the form of loans that would be repayable to the system under certain conditions.
- 4.6. The statistics would be those obtained by cross-checking ACP export statistics and Community import statistics on the basis of FOB values.
- 4.7. The compensation would be paid in convertible currency.
- 4.8. There would be no restrictions on the use made of the compensation.

#### **5. Adjustment to new circumstances.**

- 5.1. These were the choices made at the time of Lomé I. Under Lomé II and Lomé III the principles remained valid but there were changes of detail, for instance additions to the list of products and the lowering of thresholds. Some problems gave rise to different solutions.
  - 5.1.1. Coverage of exports to all destinations was restricted to five countries under Lomé I. The ACP States often asked for an increase in the number.
  - 5.1.2. There were chequered experiences with other aspects of the system (replenishment of resources, products covered, level of thresholds, etc.).
- 5.2. Until half-way through Lomé II, monetary fluctuations were taken into account for the purpose of calculating transfers in a pragmatic way - to the satisfaction of all concerned it appeared.

Then the sharp rise of the dollar caused problems for ACP countries with currencies pegged to this currency. This situation prevailed until the Lomé III negotiations, giving rise to Article 160(4) :

"If there is a fluctuation of more than 10 % in the annual average exchange rate of the year of application for the currency of the ACP State concerned against the ECU in relation to the average of the average annual exchange rates for each year of the reference period, the earnings for the year of application shall be converted in ECU, by way of derogation from paragraph 3 and without prejudice to paragraph 2, at a rate set at a level which restricts the fluctuation to 10 % in relation to the said average."

This provision, which became known as the "tunnel", proved extremely prejudicial to ACP States with currencies prone to depreciation, reducing, or even wiping out, their transfers.

- 5.3. There were no restrictions on the use of transfers under Lomé I; a report to the Commission on their use was all that was required under the Convention. Under Lomé II information on the proposed use and a report on actual use were required.

Things changed under Lomé III, which required the ACP States to supply substantial information on the proposed use when requesting a transfer. This substantial information had to be provided before the signing of the transfer agreement. A report on the use to which the transfer had been put had to be sent within twelve months of the signing.

- 5.4. The principles adopted under Lomé I and described above still apply under Lomé IV with the addition of new provisions for the reference period, which is now six years minus the two years with the highest and lowest figures.

There are other, more substantial changes, which will be described in greater detail in the following chapters :

- all transfers will henceforth be grants;
- the statistics used are the import statistics published by the Statistical Office of the European Communities;
- since these import statistics are calculated in ECU there is no longer any problem of exchange rates;
- transfers will be used in accordance with a "framework of mutual obligations" to be established by the ACP State concerned and the Commission.

## LIST OF ACRONYMS USED IN THE ANNEXES 3 AND 4

The abbreviations are composed of the following elements:

### 1. Nature of flows

- V earnings from exports (Values)
- Q Quantities exported (tons)

### 2. Geographic coverage

- EC flows related to the European Community
- ACP flows related to the ACP States
- AD flows related to All Destinations

### 3. Nature of products

- Pi one Product of the Stabex list, taken individually
- Pa all Products of the Stabex list, taken together
- PA all exported Products, taken together (all merchandise exports)

Example : VADPi means the Value of earnings from exports to All Destinations of an individual product of the Stabex list

### 4. Other items

- X quantity of marketed production (tons)
- UV Unit Value (value per ton)
- ED percentage of Effective Dependence
- RL amount of the Reference Level
- EE amount of Effective Earnings during a year of application
- f percentage of the excess clause ("franchise")
- F amount of the excess clause ("Franchise")
- TB amount of the Transfer Basis
- C amount resulting from Calculations
- Y increase of stock (tons)
- i amount of the reduction resulting from a situation of insufficient resources
- T amount of the Transfer

The suffixes -6, -5 etc. indicate the corresponding periods (civil years); the suffix 0 refers to the year of application.

The suffix ++ indicates the highest value of a time series; the suffix -- the lowest one.

## Compendium of the annual statistical data to be provided by ACP States to the Commission<sup>28</sup>

Figure	Utilisation	Periods to be covered	Article Lomé IV
VADPA	- ED, rule	- 1	196 (1) and (2)
	- ED*, exception	- 4 to - 2	196 (3)
VADPi <sup>29</sup>	- criterion of application of the "all destinations" clause	- 2 and - 1	189 (3)
	- ED, rule	- 1	196 (1) and (2)
	- ED*, exception	- 4 to - 2	196 (3)
	- TBTAD <sup>30</sup>	- 6 to 0	204
QADPi <sup>29</sup>	- consultations	- 6 to 0	202, 203
	- calculation of TB <sup>31</sup>	- 6 to 0	200 (3)(b)
VECPi <sup>29</sup>	criterion of application of the "all destinations" clause	- 2 and - 1	189 (3)
QECPi <sup>29</sup>	consultations	- 6 to 0	202, 203
QACPPi <sup>29</sup>	calculation of TB <sup>32</sup>	- 6 to 0	200 (3)(a)
XPi <sup>29</sup>	- consultations	- 6 to 0	203
	- definition of natural calamities	- 4 to - 1	196 (3)

<sup>28</sup> This table indicates the statistical data that is strictly necessary. Upon request from the Commission, other data could be required, in particular those relating to the increase of stocks of an individual Stabex product during the period of application.

<sup>29</sup> These data are to be provided for each individual product covered by Stabex.

<sup>30</sup> Transfer Basis arising from Test for All Destinations, applicable to ACP States referred to under Article 189(1)(a) and (b) (EC and EC + ACP coverage).

<sup>31</sup> Applicable to ACP States referred to under Article 189(1)(c) (all destinations coverage).

<sup>32</sup> Applicable to ACP States referred to under Article 189(1)(b) (EC + ACP coverage).

FORMULAS AND DEFINITIONS FOR CALCULATING A STABEX TRANSFER

Subject	Article Lomé IV	Formula/Definition
1. Determination of the "all destinations" clause	189 (3)	$X = 100 - \left[ \frac{VECP_{a-2} + VECP_{a-1}}{VADPA_{a-2} + VADPA_{a-1}} \right] \times 100$ <p>X ≥ 60 for the least-developed ACP countries                      ≥ 70 for all other ACP countries</p>
2. Effective Dependence ED		
2.1. Rule	196 (1), (2)	$ED = \frac{VADPI_{-1}}{VADPA_{-1}} \times 100$
2.2. Exception in case of a natural calamity in the year - 1	196 (3)	$ED* = \frac{VADPI_{-4} + VADPI_{-3} + VADPI_{-2}}{VADPA_{-4} + VADPA_{-3} + VADPA_{-2}} \times 100$
Definition of calamity	196 (3)	$X = 100 - \frac{XPI_{-1}}{1/3 (XPI_{-4} + XPI_{-3} + XPI_{-2})} \times 100$ <p>X ≥ 50</p>
2.3. Thresholds	196 (1), (2)	ED or ED* ≥ > > > <p>1 % for least-developed, landlocked and insular ACP States                      5 % for all other ACP States                      4 % for Sisaol</p>
3. Calculation of the Reference Level RL		
3.1. Rule		$[ VECPI_{-6} + \dots + VECPI_{-1} ] - [ VECPI^{++} + VECPI^{-} ]$
3.1.1. EC destination	197 (2) et 200 (2)	$RLEC = \frac{\quad}{4}$
3.1.2. EC plus other ACP destinations	197 (2) et 200 (3a)	RLEC+ACP = same formula as under 3.1.1., but utilisation for each year of VECPI+VACPPi = VECPI + (QACPPi x UVECPI)
3.1.3. All destinations	197 (2) et 200 (3b)	RLAD = same formula as under 3.1.1., but utilisation for each year of VADPI = QADPi x UVECPI

		Application of the following formula to the 3 cases under 3.1. above :
3.2. Exception in case of beginning production or processing	198 (1)	$RL^* = \frac{VPI_3 + \dots + VPI_{-1}}{3}$
4. Effective Earnings EE	197 (3)	<p>Data relating to the corresponding period 0 of the cases under 3.1. above :</p> $EEEC = VECPI_0$ $EEEC+ACP = VECPI_0 + (QACPPi_0 \times UVECPi_0)$ $EEAD = QADP_i_0 \times UVECPi_0$
5. Excess clause F and provisional Transfer Basis TB*		Application of the following formula to the data RL and EE of the paragraphes 3 and 4 above :
5.1. Rule	197 (3)	$TB1^* = (RL - EE) - F, \text{ where } F = f \times NR; \text{ hence :}$ $= RL (1 - f) - EE$ <p><math>f = 0.01</math> for least-developed ACP States  <math>f = 0.045</math> for all other ACP States</p>
5.2. "Softeners"		
5.2.1. Non application of F	197 (4) 1st alinea	$F = 0 \text{ if}$ <ul style="list-style-type: none"> <li>- for least-developed or landlocked ACP States, <math>(RL - EE) &lt; \text{ECU } 2 \text{ million}</math>,</li> <li>- for insular ACP States, <math>(RL - EE) &lt; \text{ECU } 1 \text{ million}</math></li> </ul> <p>and therefore :</p> $TB2^* = RL - EE$
5.2.2. Irreductable amounts	idem	<p>If, in cases of countries referred to under the two indentations here above, application of excess clause would lead to</p> $TB2^* < \text{ECU } 2 \text{ million, respectively } < \text{ECU } 1 \text{ million,}$ <p>It is set :</p> $TB3.1^* = \text{ECU } 2 \text{ million, respectively}$ $TB3.2^* = \text{ECU } 1 \text{ million}$

5.2.3. Ceiling for the impact of f

197 (4)  
2nd paragraph

Should application of rule under 5.1 lead to a situation where F in percent of the difference (RL - EE), namely

$$X = \frac{F}{RL-EE} \times 100 = 1 - \frac{TB^{1*}}{RL-EE} \times 100$$

is

X > 20 for least-developed and for landlocked ACP States

X > 30 for other ACP States

It is set :

$$F = (RL - EE) \times 0.2, \text{ respectively}$$

$$F = (RL - RE) \times 0.3,$$

so that

$$TB^{4.1*} = 0.8 (RL - EE), \text{ respectively}$$

$$BT^{4.2*} = 0.7 (RL - EE)$$

6. Test of the transfer basis to all destinations

204

6.1. Calculation of a Transfer Basis arising from Test for All Destinations TBTAD

204

- application of formulas under paragraph 5 to time series of data for  $VADP_i$  at  $t-1$  of  $VADP_i$  (EE)

- increase of result by 10 %

6.2. Determination, on the basis of the provisional TB\* and the figure for TBTAD, of the final TB

204  
197 (5)

$$TB = TBTAD, \text{ if } TB^* > TBTAD$$

$$TB = TB^*, \text{ if } TB^* < TBTAD$$

7. Impact of Consultations C and amount of Transfer T

197 (5)

$$T = BT - C$$

7.1. Drop of marketed production (C<sup>1</sup>)

203

$$C_1 = TB \times d_1, \text{ where:}$$

$$d_1 = \frac{1/4 [(XPI_{-6} + \dots + XPI_{-1}) - (XPI^{++} + XPI^{--})] - XPI_0}{1/4 [(XPI_{-6} + \dots + XPI_{-1}) - (XPI^{++} + XPI^{--})]}$$

$d_1 < -0.15$  is considered to be significant

7.2. Drop of the share of total exports of production (C<sub>2</sub>) 203

C<sub>2</sub> = TB × d<sub>2</sub>, where :

$$d_2 = \frac{(QADPI_{-6} + \dots + QADPI_{-1}) - (QADPI^{++} + QADPI^{--})}{(XPI_{-6} + \dots + XPI_{-1}) - (XPI^{++} + XPI^{--})} - \frac{QADPI_0}{XPI_0}$$

d<sub>2</sub> ≤ -0.15 is considered to be significant

7.3. Drop of the share of exports to the EC of exports to all destinations (C<sub>3</sub>) 203

C<sub>3</sub> = TB × d<sub>3</sub>, where :

$$d_3 = \frac{(QECPI_{-6} + \dots + QECPI_{-1}) - (QECPI^{++} + QECPI^{--})}{(QADPI_{-6} + \dots + QADPI_{-1}) - (QADPI^{++} + QADPI^{--})} - \frac{QECPI_0}{QADPI_0}$$

d<sub>3</sub> ≤ -0.15 is considered to be significant

7.4. Restriction of supply (C<sub>4</sub>) 202

$$C_4 = YPI_0 \times \frac{(QECPI_{-6} + \dots + QECPI_{-1}) - (QECPI^{++} + QECPI^{--})}{(QADPI_{-6} + \dots + QADPI_{-1}) - (QADPI^{++} + QADPI^{--})} \times UVECP1_0$$

7.5. Cumulation of causes 203

If d<sub>2</sub> + d<sub>3</sub> ≤ -0.15, the total change is considered to be significant

7.5.1. Successive calculation

Where applicable, calculation is as follows :

$$T_1 = BE - C_1$$

$$T_2 = T_1 - C_2$$

$$T_3 = T_2 - C_3$$

$$T_4 = T_3 - C_4$$

7.5.2. Incompatibilities

- application of Art. 204 (cf. 6.2, first case) excludes application of formula under 7.3

- application of formula under 7.4 can exclude application of formula under 7.2.

8. Reduction of transfers in case of insufficient resources 194 (2)

T' = T - I, where I = 0.1 T, so that

$$T' = 0.9 T$$



## LIST OF STABEX PRODUCTS

Number	Designation of Stabex product	NC position (from 1988)
STX01	Groundnuts, in shell or shelled	1202
STX02	Groundnut oil	1508
STX03	Cocoa beans	1801
STX04	Cocoa husks, shells and skins and other waste	1802
STX05	Cocoa paste	1803
STX06	Cocoa butter	1804
STX07	Cocoa powder	1805
STX08	Raw or roasted coffee	0901 11 to 0901 22
STX09	Extracts, essences and concentrates of coffee	2101 10 11 2101 10 19
STX10	Cotton not carded or combed	5201
STX11	Cotton linters	1404 20
STX12	Coconuts	0801 10
STX13	Copra	1203
STX14	Coconut oil	1513 11 1513 19
STX15	Palmoil	1511
STX16	Palm kernel oil	1513 21 1513 29
STX17	Palm nuts and kernels	1207 10
STX18	Raw hides and skins	4101 10 to 4101 30 4102 4103 10
STX19	Leather of bovine animals	4104 10 to 4104 29 4104 31 11 4104 31 19 4104 31 30 4104 39 10

<b>Number</b>	<b>Designation of Stabex product</b>	<b>NC position (from 1988)</b>
STX20	Sheep and lamb skin leather	4105
STX21	Sheep and lamb skin leather	4106
STX22	Wood in the rough and squared wood	4403
STX23	Sawn wood	4407
STX24	Fresh bananas	0803 00 11 and 19
STX25	Dried bananas	0803 00 90
STX26	Tea	0902
STX27	Raw sisal	5304 10
STX28	Vanilla	0905
STX29	Cloves	0907
STX30	Wool not carded or combed	5101
STX31	Fine animal hair of Angora goat - Mohair	5102 10 50
STX32	Gum Arabic	1301 20 00
STX33	Pyrethrum; saps and extracts of pyrethrum	1211 90 10 1302 14
STX34	Essential oils	3301 11 to 3301 29
STX35	Sesame seed	1207 40
STX36	Cashew nuts and kernels	0801 30
STX37	Pepper	0904
STX38	Shrimps and prawns	0306 13 0306 23
STX39	Squid, octopus and cuttlefish	0307 41 0307 49 0307 51 0307 59
STX40	Cotton seed	1207 20
STX41	Oil cake	2305 2306 10 2306 50 2306 60 2306 90 93

<b>Number</b>	<b>Designation of Stabex product</b>	<b>NC position (from 1988)</b>
STX42	Rubber	4001
STX43	Peas	0708 10 0713 10 0713 20
STX44	Beans	0708 20 0713 31 to 0713 39 (ex) 0713 90
STX45	Lentils	0713 40
STX46	Nutmeg and Mace	0908 10 0908 20
STX47	Sheanuts	1207 92
STX48	Sheanut oil	(ex) 1515 90 40 to (ex) 1515 90 99
STX49	Mangoes	(ex) 0804 50
STX50	Karakul furskins	(ex) 4301 30 00 (ex) 4302 13 00 (ex) 4302 30 31

**HOW THE STABEX PROVISIONS HAVE CHANGED  
BETWEEN THE FIRST AND THE SECOND FINANCIAL PROTOCOL**

Article	First Protocol	Second Protocol
Article 187	24. Fresh bananas 0803 00 10	24. Fresh bananas 0803 00 11 and 19  50. Karakul skins ex 4301 30 00 ex 4302 30 00 ex 4302 30 31
Article 193	The resources available for each year of application are made up of the sum of the following :  1. the annual instalment, plus any amounts available or less any amounts used under Article 194(1);  2. the sums carried forward under Article 191(2);  3. the amount of interest earned pursuant to Article 192.	The resources available for each year of application are made up of the sum of the following :  1. unchanged  2. unchanged  3. unchanged  4. amount accruing from the application of Article 366bis, par. 2, 1st indent.

Article	First Protocol	Second Protocol
Article 194	<ol style="list-style-type: none"> <li>1. If the total amount of the transfer bases in a year of application, calculated in accordance with Article 197, and where appropriate reduced in accordance with Articles 202 to 204, exceeds the amount of resources available in the system for that year, advance use shall be made automatically, for each year except the last, of a maximum of 25 % of the following year's instalment.</li> <li>2. If, after the operation referred to in paragraph 1, the amount of resources available is still less than the total amount of the transfer bases referred to in paragraph 1 for the same year of application, the amount of each transfer basis shall be reduced by 10 % of that amount.</li> <li>3. If, after the reduction referred to in paragraph 2, the total amount of the transfers so calculated is less than the amount of resources available, the remainder shall be shared among all the transfers in proportion to the amounts by which each transfer was reduced.</li> <li>4. If, after the reduction referred to in paragraph 2, the total amount of the transfers which may give rise to a payment exceeds the amount of available resources, the Council of Ministers shall evaluate the situation on the basis of a Commission report on the probable development of the system and shall examine the steps to be taken to remedy that situation, within the terms of this Convention.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unchanged</li> <li>2. Unchanged</li> <li>3. Unchanged</li> <li>4. Unchanged</li> <li>5. Other than the reduction referred to in paragraph 2, there shall be no further reduction of the transfer basis as a result of a shortfall in the resources of the system if, in the case of least developed or landlocked ACP States, the transfer basis thus reduced in accordance with paragraph 2 is less than ECU 2 million, or in the case of island States, is less than ECU 1 million.</li> </ol>

Article	First Protocol	Second Protocol
Article 203	Should examination of the trend of the ACP State's exports, to all destinations, of production of the product in question in the ACP State concerned and of demand in the Community reveal significant changes, consultations shall take place between the Commission and that ACP State to determine whether the transfer basis is to be maintained or reduced, and, if so, to what extent.	<p>1. Should the examination of :</p> <ul style="list-style-type: none"> <li>a) marketed production in the application year by comparison with the reference period</li> <li>or</li> <li>b) total exports as a share of marketed production over the same period</li> <li>or</li> <li>c) the share of total exports going to the Community over the same period</li> <li>or</li> <li>d) the sum of figures referred to in b) and c)</li> </ul> <p>reveal a large decline, consultations shall be held between the Commission and that ACP State to determine whether the transfer basis is to be maintained or reduced, and if reduced, to what extent.</p> <p>2. For the purpose of applying paragraph 1, a decline shall be deemed to be large if it is at least 20 %.</p>

Article	First Protocol	Second Protocol
<b>Article 204</b>	<ol style="list-style-type: none"> <li data-bbox="303 410 863 788">1. Where application of Articles 196 and 197 gives rise to a transfer basis, the ACP State concerned shall, in the month following receipt of the notification referred to in Article 207(1), send the Commission a substantial analysis of the sector recording the loss of earnings, the causes of the loss, programmes and operations to which the recipient State undertakes to allocate the resources in accordance with the objectives set out in Article 186(2).</li> <li data-bbox="303 821 863 1006">2. Should the recipient ACP State intend, as provided for in Article 186(2), to allocate the funds to a sector other than that where the loss has occurred, it shall communicate to the Commission the reasons for this allocation.</li> <li data-bbox="303 1039 863 1203">3. Projects, programmes or operations to which the recipient ACP State undertakes to allocate the transferred resources shall be examined jointly by the Commission and the ACP State concerned.</li> <li data-bbox="303 1236 863 1509">4. Where, in the sector for which the transfer is destined, there is already an adjustment operation designed to restructure production and export activities or to achieve diversification, the resources shall be used to second these efforts and, where necessary, support any consistent reform policy in the sectors concerned.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="893 410 1431 438">1. Unchanged</li> <li data-bbox="893 821 1431 849">2. Unchanged</li> <li data-bbox="893 1039 1431 1067">3. Unchanged</li> <li data-bbox="893 1236 1431 1454">4. Where there is an adjustment programme in place, including operations designed to restructure production and export activities, or to achieve diversification, the resources will be used in conformity with these efforts and support any consistent reform policy.</li> </ol>

Article	First Protocol	Second Protocol
<b>Article 211</b>	<p>1. The transfer shall be made in ECU upon signature of the transfer agreement referred to in Article 205(2) into an interest-bearing account, for which presentation of two signatures, of the ACP State and the Commission, shall be required. Any interest shall be credited to this account.</p> <p>2. The funds in the account referred to in paragraph 1 shall be mobilized as the operations specified in the protocol on the use of the funds are implemented, on condition that the provisions of Article 212 have been complied with.</p> <p>3. The procedures laid down in paragraph 2 shall be applicable by analogy to any counterpart funds generated.</p>	<p>1. The transfer shall be made in ECU upon signature of the transfer agreement referred to in Article 205(2) into an interest-bearing account in a Member State of the Community, for which the presentation of two signatures, of the ACP State and the Commission, shall be required. Any interest shall be credited to this account.</p> <p>2. Unchanged</p> <p>3. Unchanged</p>
<b>Annex XLVI</b>	<b>Joint declaration on Articles 210 and 211</b>	
	<p>The Contracting Parties agree to adopt the simplest possible procedures for the application of Article 210 and 211(2) and (3) with a view to making transfers available to the ACP States as swiftly as possible.</p>	<p>Pursuant to the decision of the ACP-EC Council of Ministers of 21 May 1992 in Kingston, Jamaica, and with a view to avoiding difficulties in the rapid inception and implementation of the Framework of Mutual Obligations, the Contracting Parties agree to use all appropriate means including information seminars, appropriate technical assistance, etc. within the framework of Development Finance Cooperation.</p>



**GEONOMENCLATURE 1989**  
**Communauté Européenne et Etats ACP**  
**European Community and ACP States**

FRANCAIS	N° / No	ENGLISH
<b>ETATS MEMBRES</b>		<b>MEMBER STATES</b>
France	001	France
Belgique et Luxembourg	002	Belgium and Luxembourg
Pays-Bas	003	Netherlands
République fédérale d'Allemagne	004	Federal Republic of Germany
Italie	005	Italy
Royaume-Uni	006	United Kingdom
Irlande	007	Ireland
Danemark	008	Denmark
Grèce	009	Greece
Portugal	010	Portugal
Espagne	011	Spain
Suède	030	Sweden
Finlande	032	Finland
Autriche	038	Austria
Territoire espagnols hors territoire douanier et statistique		Spanish territories not included in the customs or statistical territory
Iles Canaries	021	Canary Islands
Ceuta et Melilla	022	Ceuta and Melilla

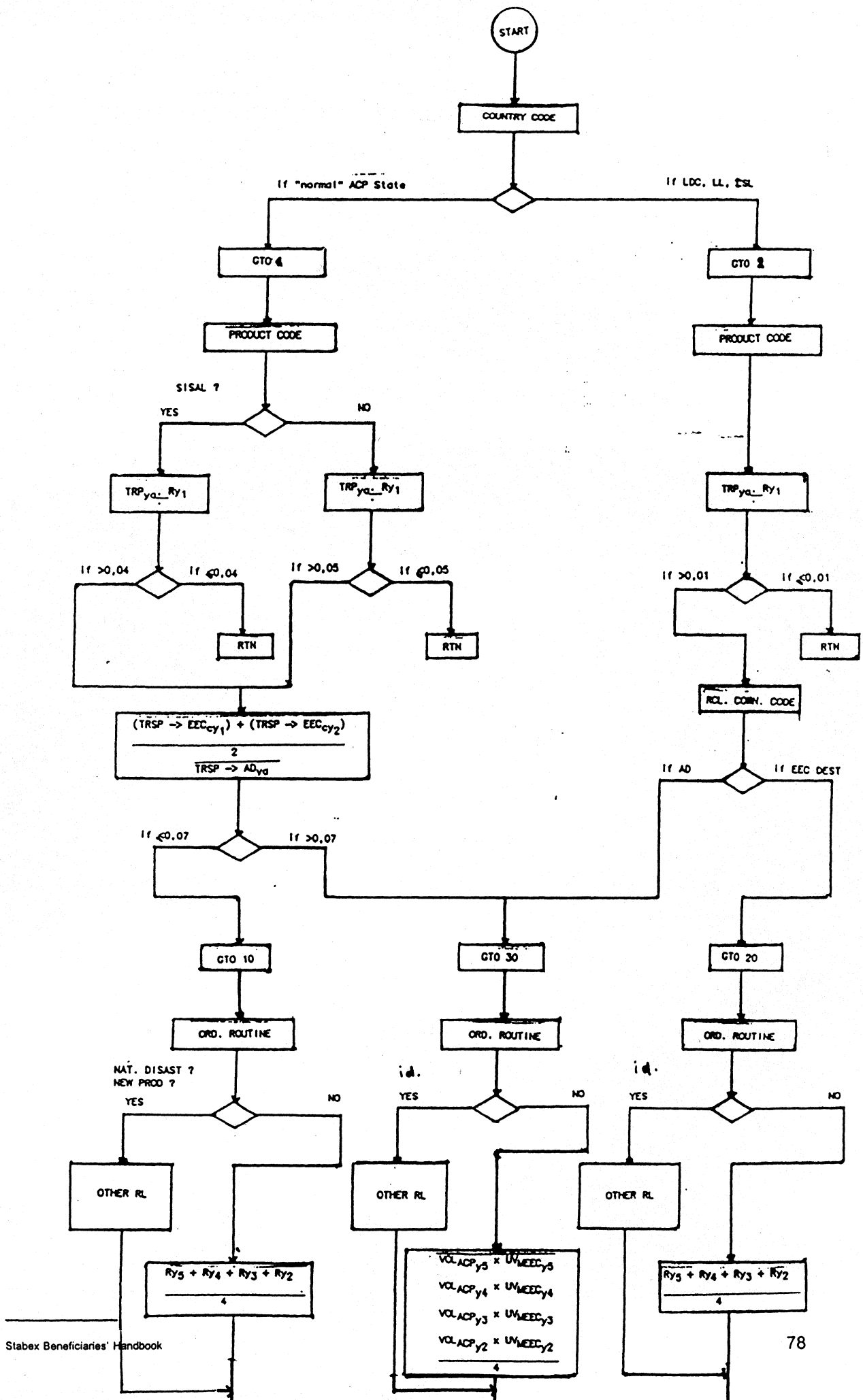
FRANCAIS	N° / No	ENGLISH
<b>AFRIQUE</b>		<b>AFRICA</b>
<u>Afrique du Nord</u>		<u>North Africa</u>
Soudan	224	Sudan
<u>Afrique Occidentale</u>		<u>West Africa</u>
Mauritanie	228	Mauritania
Mali	232	Mali
Burkina Faso	236	Burkina Faso
Niger	240	Niger
Tchad	244	Chad
Cap-Vert	247	Cape Verde
Sénégal	248	Senegal
Gambie	252	Gambia
Guinée-Bissau	257	Guinea Bissau
Guinée	260	Guinea
Sierra Leone	264	Sierra Leone
Libéria	268	Liberia
Côte d'Ivoire	272	Côte d'Ivoire
Ghana	276	Ghana
Togo	280	Togo
Bénin	284	Benin
Nigéria	288	Nigeria

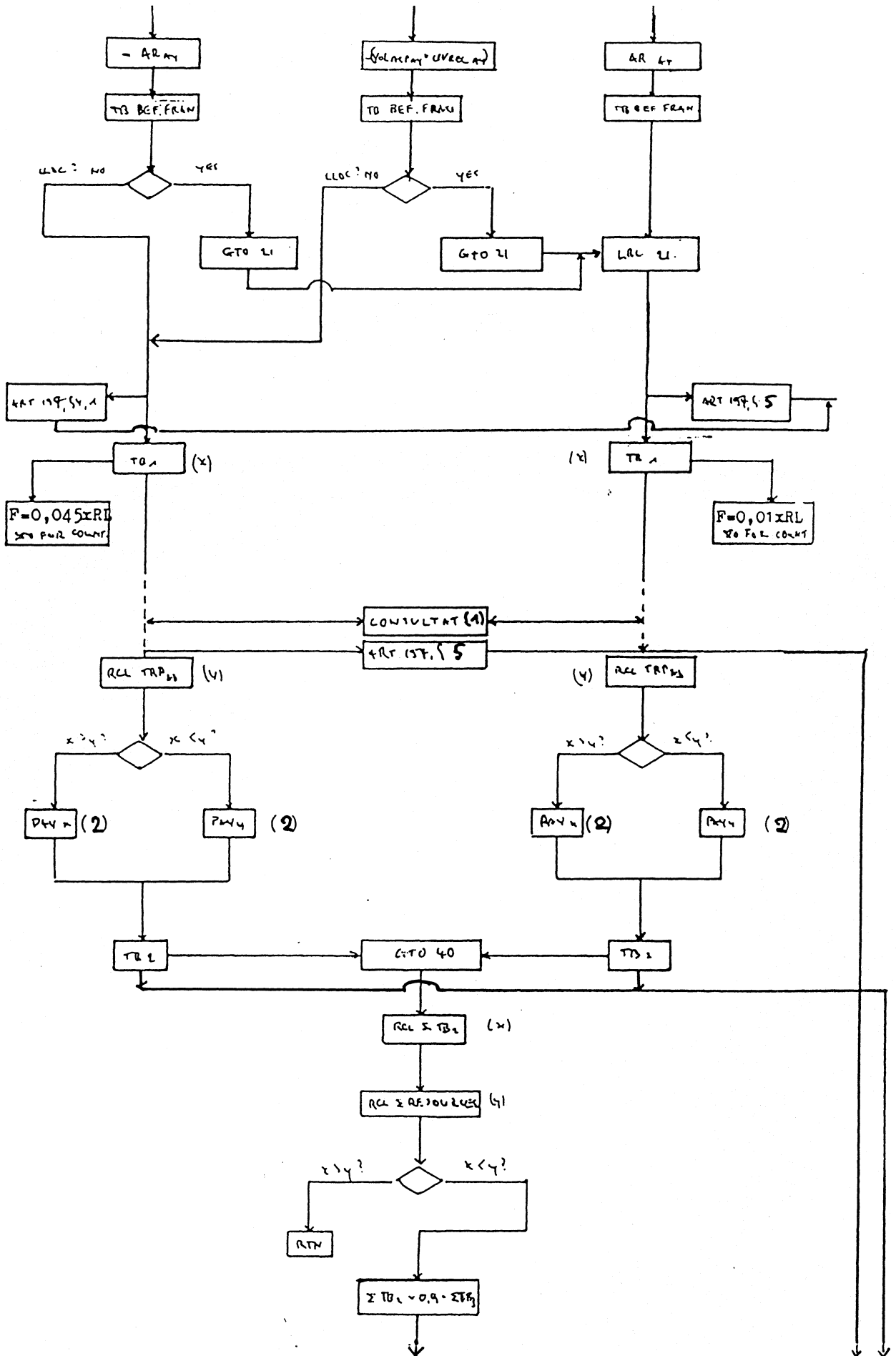
FRANCAIS	N° / No	ENGLISH
<u>Afrique centale, orientale et australe</u>		<u>Central, East and South Africa</u>
Cameroun	302	Cameroon
République centrafricaine	306	Central African Republic
Guinée équatoriale	310	Equatorial Guinea
São Tomé et Príncipe	311	São Tomé and Príncipe
Gabon	314	Gabon
Congo	318	Congo
Zaïre	322	Zaire
Rwanda	324	Rwanda
Burundi	328	Burundi
Angola	330	Angola
Ethiopie	334	Ethiopia
Erythrée	336	Eritrea
Djibouti	338	Djibouti
Somalie	342	Somalia
Kenya	346	Kenya
Ouganda	350	Uganda
Tanzanie	352	Tanzania
Seychelles et dépendances	355	Seychelles and dependencies
Mozambique	366	Mozambique
Madagascar	370	Madagascar
Maurice	373	Mauritius
Comores	375	Comoros
Zambie	378	Zambia
Zimbabwe	382	Zimbabwe
Malawi	386	Malawi
Namibie	389	Namibia
Botswana	391	Botswana
Swaziland	393	Swaziland
Lesotho	395	Lesotho
<b>AMERIQUE CENTRALE</b>		<b>CENTRAL AMERICA</b>
Belize	421	Belize
Saint-Christophe-et-Nevis	449	St Christopher and Nevis
Haïti	452	Haiti
Bahamas	453	Bahamas
République Dominicaine	456	Dominican Republic
Antigua et Barbuda	459	Antigua and Barbuda
Dominique	460	Dominica
Jamaïque	464	Jamaica
Sainte-Lucie	465	St Lucia
Saint-Vincent	467	St Vincent
Barbade	469	Barbados
Trinité et Tobago	472	Trinidad and Tobago
Grenade	473	Grenada
Guyana	488	Guyana
Suriname	492	Suriname

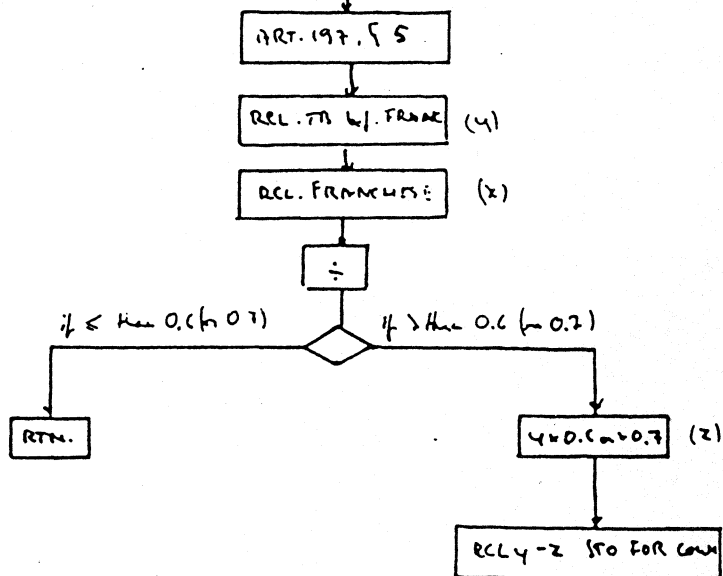
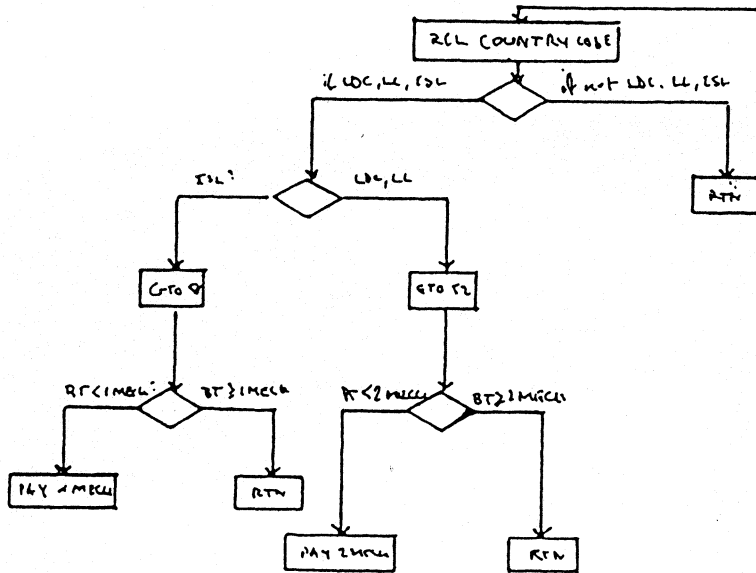
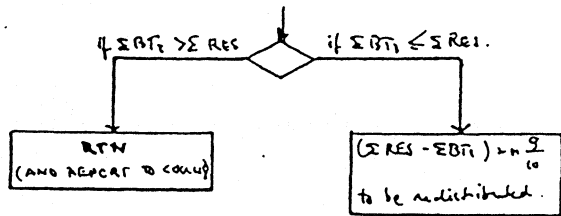
FRANCAIS	N° / No	ENGLISH
<b>OCEANIE</b>		<b>OCEANIA</b>
Papouasie-Nouvelle-Guinée	801	Papua New Guinea
Iles Salomon	806	Solomon Islands
Tuvalu	807	Tuvalu
Kiribati	812	Kiribati
Fidji	815	Fiji
Vanuatu	816	Vanuatu
Tonga	817	Tonga
Samoa occidentales	819	Western Samoa

## Acronyms - Abréviations

TRP	Total Receipts from Product Recettes totales provenant des exportations du produit		
TRAC	Total Receipts from All Commodities Recettes provenant des exportations de toutes les marchandises		
YA	Year of Application Année d'application		
RY	Reference Year Année de référence		
TRSP	Total Receipts of Stabex Products Recettes provenant des exportations de tous les produits Stabex		
EEC	European Community Communauté européenne		
AD	All Destinations Toutes destinations		
CY	Calendar Year Année civile		
RL	Reference Level Niveau de référence		
AR	Actual Receipts Recettes effectives		
TB	Transfer Basis Base de transfert		
VOL	VOLUME Quantité		
UV	Unit Value Valeur unitaire	MP	Marketed Production Production commercialisée
X	eXports Exportations	RET	RETurn Retour
M	iMports Importations	RCL	ReCaLI Rappel
RES	RESources Ressources	LBL	LaBeL Etiquette
		GTO	Go TO Allez en







- (1) If deviation  $\geq 20\%$ .  
 (2) Subject to consultation.