

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION REPORT TO THE ACP-EEC COMMITTEE OF AMBASSADORS

*concerning the state of progress in the processing
of the transfer requests presented for the
1988 application year under the system for the
stabilization of export earnings provided for in the
Third ACP-EEC Convention.*

(Report mentioned at Article 168 of the Convention)

1. The financial resources available to the system for the 1988 application year under Article 154 of the Lomé Convention amount to 190,350,000 ECU. This sum is composed of the following elements :

- 1988 annual instalment reduced by 25 %	138,750,000 ecus
- (advance used for 1987 exercise)	
- advance from 1989 instalment	46,250,000 ecus
- amount of interest at 15.7.1989 in application of Art. 153 § 2 (including estimate of interest for July 1989)	<u>5,350,000 ecus</u>
	190,350,000 ecus

In addition to these normal resources, the ACP-EEC Committee of Ambassadors, by its decision of 28 July, 1989 added an amount of 125 million ECU coming from the balances remaining from the first two Lomé Conventions (20,565,845 ecus), EDF Treasury Interest (9,434,155 ecus), and the funds allocated for Sysmin and EIB loan interest subsidies under Lomé III.

2. For the 1988 application year the Commission received a total of 83 transfer requests from 33 ACP States.

The processing of all these requests has been completed. Arising from this, 36 requests have had to be refused, while 47 others have lead to transfers concerning 25 countries.

The latter were the subject of a Commission decision which immediately followed the meeting of the Committee of Ambassadors.

REFUSED TRANSFER REQUESTS

3. Ten requests were refused because the dependence threshold specified at Article 161 of the Convention was not reached.

<u>ACP State</u>	<u>Product</u>
Comores	Copra
Guinea Bissau	Shrimps
	Cotton seeds
	Oil cakes
Equ. Guinea	Coffee
Mauritius	Tea
Mozambique	Tea
	Sisal
Sudan	Groundnuts
Uganda	Tea

Twenty-six other requests were refused because the export earnings calculated according to the provisions of the Convention and, in particular, Article 165 para. 2 (b), and Article 160 paras. 3 and 4, did not give rise to losses :

<u>ACP State</u>	<u>Product</u>
Comores	Vanilla
	Essential oils
Gambia	Oil cakes
Ghana	Cocoa
	Cocoa butter
Guinea Bissau	Groundnuts
"	Cotton
"	Palm products
"	Wood
"	Cashew nuts
Mozambique	Cotton
	Copra
	Cashew nuts
Uganda	Coffee
"	Cotton
Tanzania	Coffee
"	Cotton
"	Tea
"	Cashew kernels
"	Sisal
Sudan	Cotton
"	Groundnut oil
"	Hides and Skins
"	Arabic gum
"	Sesame seeds
Zimbabwe	Coffee

The particularly high number of transfer requests refused is explained in part by the practice of certain ACP States of automatically submitting requests in respect of most or all of the Stabex products which they export.

CALCULATION OF THE TRANSFER BASES (cf. Table 1)

4. The total amount of the transfer bases established from the calculations and the consultations in application of Article 164 of the Convention, comes to 761,381,257 ecus.
5. Due to the insufficiency of the financial resources of the system in relation to the transfer bases, it was necessary to reduce the latter in application of the provisions of Article 155 §§ 2 and 3 of the Convention. The result of the application of these provisions is as follows :

- *the reduction was not applied to 19 transfer bases concerning least-developed ACP States which were less than 2,000,000 ecus. The countries concerned for some or all of their requests are : Bénin, Burundi, CAR, Gambia, Grenada, Rwanda, Solomon Islands, Tonga, Tuvalu, Vanuatu, Western Samoa.*
- *In the other cases, the reduction was calculated as a percentage of the reference level : 6 % for those ACP States not in the categories of least-developed, landlocked, or Islands (Cameroon, Côte d'Ivoire, Gabon, Kenya and Senegal), 1.5 % for the other countries.*
- *In relation to the requests from Gabon and Senegal, the reductions calculated were limited to 40 % of the transfer bases, in conformity with point (c) of Art. 155, para. 3.*

The total amount of reductions under Art. 155 thus came to 130,164,455 ecus. This brought the transfer bases to 631,216,802 ecus.

FIXING OF TRANSFER AMOUNTS (cf. Table 2)

7. *The total amount of the transfers is equal to the resources available, i.e. 315,350,000 ecus. The distribution of this amount between the individual transfers was carried out in proportion to the transfer bases after application of Article 155, paras. 2 and 3.*

PAYMENT OF TRANSFERS

8. *At mid-September 1989, the payment procedures for a number of transfers had commenced. The amount of such transfers, including advances, comes to nearly 200,000,000 ecus, which is 63.4 % of the amount decided. For the other transfers, the Commission is not yet in possession of satisfactory information regarding the use of the funds, which the ACP States are required to provide in conformity with the provisions of Article 170 § 3 of the Lomé Convention.*

Table 1

Stabex transfer bases 1988

(in ecus)

I	I	I	I	I	I	I	I	I
I	I	I	Transfer	T.B. after	Reductions art.155 par.3			T.B. after
I Country	Product	I	bases	reductions	6%/1.5% R.L.	applied	% T.B.	reductions
I	I	I	(T.B.)	art.164	(art.155-3a)			art.155 par.3
I	I	I	I	I	I	I	I	I
I Benin	cotton	I	19,297,035	12,815,207	428,617	428,617	3.34	12,386,590
I	palm products	I	1,493,321	1,493,321	81,941	- (1)	-	1,493,321
I	oil cake	I	538,700	378,530	16,814	- (1)	-	378,530
I	cotton seed	I	75,622	75,622	33,428	- (1)	-	75,622
I Burundi	tea	I	1,085,406	1,085,406	98,470	- (1)	-	1,085,406
I	cotton	I	356,418	356,418	18,846	- (1)	-	356,418
I Cameroon	cocoa products	I	85,344,441	85,344,441	16,919,102	16,919,102	19.82	68,425,339
I	coffee	I	94,149,040	94,149,040	12,966,725	12,966,725	13.77	81,182,315
I CAR	coffee	I	8,219,588	8,219,588	418,125	418,125	5.09	7,801,463
I	cotton	I	7,225,226	7,225,226	146,109	146,109	2.02	7,079,117
I	rough wood	I	2,487,285	1,408,798	65,079	- (1)	-	1,408,798
I	sawn wood	I	331,184	331,184	60,649	- (1)	-	331,184
I Comoros	cloves	I	2,701,816	2,137,136	59,529	59,529	2.79	2,077,607
I Côte d'Ivoire	cocoa	I	171,331,090	141,056,886	41,335,221	41,335,221	29.30	99,721,665
I	coffee	I	156,901,611	156,901,611	26,157,182	26,157,182	16.67	130,744,429
I Ethiopia	coffee	I	17,504,150	17,504,150	4,329,997	4,329,997	24.74	13,174,153
I Gabon	rough wood	I	10,435,072	10,435,072	5,171,661	4,174,029 (2)	40.00	6,261,043
I Gambia	groundnuts	I	2,334,157	2,334,157	34,326	34,326	1.47	2,299,831
I	groundnut oil	I	956,973	956,973	94,132	- (1)	-	956,973
I Grenada	cocoa	I	1,689,901	1,689,901	72,773	- (1)	-	1,689,901
I Equat. Guinea	cocoa	I	4,391,054	4,391,054	208,629	208,629	4.75	4,182,425
I Kenya	coffee	I	51,707,612	51,707,612	13,431,274	13,431,274	25.98	38,276,338
I Lesotho	mohair	I	2,900,242	2,525,531	75,526	75,526	2.99	2,450,005
I Malawi	tea	I	15,716,589	15,716,589	867,631	867,631	5.52	14,848,958
I Mali	cotton	I	10,656,884	10,656,884	1,230,000	1,230,000	11.54	9,426,884
I PNG	cocoa	I	5,723,997	5,723,997	555,000	555,000	9.70	5,168,997
I	copra products	I	13,914,584	12,785,481	479,747	479,747	3.75	12,305,734
I	palm products	I	22,402,778	22,299,363	849,112	849,112	3.81	21,450,251
I Rwanda	coffee	I	30,215,381	30,215,381	1,721,382	1,721,382	5.70	28,493,999
I	hides & skins	I	1,600,784	1,600,784	88,086	- (1)	-	1,600,784
I	tea	I	5,073,023	5,073,023	320,817	320,817	6.32	4,752,206
I	pyrethrum	I	563,735	563,735	25,988	- (1)	-	563,735
I Senegal	groundnut prod.	I	6,088,347	3,314,349	4,117,762	1,325,740 (2)	40.00	1,988,609
I Solomon Isl.	copra	I	6,052,792	6,052,792	227,686	227,686	3.76	5,825,106
I	palm oil	I	1,307,636	1,307,636	128,495	- (1)	-	1,307,636
I	rough wood	I	805,379	609,994	317,080	- (1)	-	609,994
I Chad	cotton	I	16,986,327	15,044,790	1,001,684	1,001,684	6.66	14,043,106
I Togo	cocoa	I	11,641,161	11,641,161	251,048	251,048	2.16	11,390,113
I	coffee	I	4,125,860	4,125,860	342,906	342,906	8.31	3,782,954
I Tonga	coconuts	I	257,759	211,801	7,821	- (1)	-	211,801
I	copra oil	I	1,719,493	1,367,857	38,494	- (1)	-	1,367,857
I	bananas	I	386,851	386,851	12,693	- (1)	-	386,851
I Tuvalu	copra	I	121,160	46,512	1,782	- (1)	-	46,512
I Vanuatu	cocoa	I	434,615	317,443	16,385	- (1)	-	317,443
I	copra	I	5,608,628	4,009,047	189,633	189,633	4.73	3,819,414
I Western Samoa	cocoa	I	976,736	976,736	18,923	- (1)	-	976,736
I	copra oil	I	2,810,327	2,810,327	117,678	117,678	4.19	2,692,649
I	I	I	I	I	I	I	I	I
I TOTAL		I	808,647,770	761,381,257	135,151,988	130,164,455	17.10	631,216,802
I	I	I	I	I	I	I	I	I

(1) no reduction art.155 par.3 - cf. art.155 par.2

(2) reduction limited to 40% of the transfer basis - cf. art.155 par.3c

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Table 2

Stabex transfers 1988

(in ecus)

Country	Product	Transfers on Stabex resources	Transfers on additional resources	total	Advances paid	Payments to be made
Benin	cotton	3,735,305	2,452,919	6,188,224	2,000,000	4,188,224
	palm products	450,326	295,723	746,049		746,049
	oil cake	114,150	74,960	189,110		189,110
	cotton seed	22,805	14,975	37,780		37,780
Burundi	tea	327,315	214,943	542,258		542,258
	cotton	107,482	70,582	178,064		178,064
Cameroon	cocoa products	20,634,374	13,550,285	34,184,659	16,000,000	18,184,659
	coffee	24,481,373	16,076,552	40,557,925	19,000,000	21,557,925
CAR	coffee	2,352,612	1,544,925	3,897,537		3,897,537
	cotton	2,134,781	1,401,879	3,536,660		3,536,660
	rough wood	424,838	278,985	703,823		703,823
	sawn wood	99,872	65,584	165,456		165,456
Comoros	cloves	626,524	411,429	1,037,953		1,037,953
Côte d'Ivoire	cocoa	30,072,107	19,747,903	49,820,010		49,820,010
	coffee	39,427,345	25,891,348	65,318,693	28,000,000	37,318,693
Ethiopia	coffee	3,972,803	2,608,880	6,581,683		6,581,683
Gabon	rough wood	1,888,083	1,239,876	3,127,959		3,127,959
Gambia	groundnuts	693,538	455,436	1,148,974		1,148,974
	groundnut oil	288,585	189,510	478,095		478,095
Grenada	cocoa	509,607	334,651	844,258		844,258
Equat. Guinea	cocoa	1,261,254	828,247	2,089,501	900,000	1,189,501
Kenya	coffee	11,542,628	7,579,871	19,122,499		19,122,499
Lesotho	mohair	738,825	485,175	1,224,000		1,224,000
Malawi	tea	4,477,858	2,940,542	7,418,400		7,418,400
Mali	cotton	2,842,775	1,866,808	4,709,583		4,709,583
PNG	cocoa	1,558,765	1,023,618	2,582,383		2,582,383
	copra products	3,710,922	2,436,907	6,147,829		6,147,829
	palm products	6,468,546	4,247,798	10,716,344		10,716,344
Rwanda	coffee	8,592,662	5,642,673	14,235,335		14,235,335
	hides & skins	482,733	317,004	799,737		799,737
	tea	1,433,077	941,080	2,374,157		2,374,157
	pyrethrum	170,000	111,637	281,637		281,637
Senegal	groundnut prod.	599,686	393,805	993,491	400,000	593,491
Solomon Isl.	copra	1,756,621	1,153,547	2,910,168		2,910,168
	palm oil	394,331	258,951	653,282		653,282
	rough wood	183,950	120,797	304,747		304,747
Chad	cotton	4,234,845	2,780,959	7,015,804	3,000,000	4,015,804
Togo	cocoa	3,434,807	2,255,587	5,690,394		5,690,394
	coffee	1,140,789	749,139	1,889,928		1,889,928
Tonga	coconuts	63,871	41,943	105,814		105,814
	copra oil	412,492	270,877	683,369		683,369
	bananas	116,659	76,608	193,267		193,267
Tuvalu	copra	14,026	9,211	23,237		23,237
Vanuatu	cocoa	95,728	62,863	158,591		158,591
	copra	1,151,784	756,359	1,908,143		1,908,143
Western Samoa	cocoa	294,545	193,423	487,968		487,968
	copra oil	811,996	533,226	1,345,222		1,345,222
TOTAL		190,350,000	125,000,000	315,350,000	69,300,000	246,050,000