

# 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  
1987 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 1987 application year under Article 154 of the Lomé Convention amount to 255,415,314 ECU. This sum is composed of the following elements :

|  |                 |
|--|-----------------|
| - annual instalment                                  | 185,000,000 ECU |
| - balance from 1986 application year                 | 19,456,639 "    |
| - replenishments between 1.1.1988 and<br>30.6.1988   | 2,461,810 "     |
| - advance from 1988 instalment                       | 46,250,000 "    |
| - Stabex fund interest from 1.1.1988<br>to 15.7.1988 | 2,246,685 "     |

In addition to these normal resources, the ACP-EEC Committee of Ambassadors, by its decision of 7 July, 1988 added an amount of 120 million ECU coming from the balances remaining from the first two Lomé Conventions (80 million ECU) and the LOME III programming reserve (40 million ECU). The total resources of the system thus came to 375,415,314 ECU.

2. For the 1987 application year the Commission received a total of 70 transfer requests from 36 ACP States.

The processing of all these requests has been completed. Arising from this, 27 requests have had to be refused, while 43 others have lead to transfers concerning 29 countries.

After the partial compensation of replenishment obligations against transfer rights(cf. point 5), the number of requests giving rise to actual transfers was reduced to 42.

The latter lead to a Commission decision of 26 July, 1987.

Almost all the transfer requests have now been signed and the majority of payments have already taken place.

#### REFUSED TRANSFER REQUESTS

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

| <u>ACP State</u> | <u>Product</u>   |
|------------------|------------------|
| Burkina Faso     | Sesame seeds     |
| Fiji             | Copra oil        |
| Uganda           | Tea              |
| PNG              | Oil cakes(copra) |
| Tonga            | "                |
| W. Samoa         | "                |
| W. Samoa         | Bananas          |

Seventeen other requests were refused because the export earnings calculated according to the provisions of Article 160 of the Convention did not give rise to a loss.

| <u>ACP State</u> | <u>Product</u>  |
|------------------|-----------------|
| Cameroon         | Wood            |
| CAR              | Rough wood      |
| Guinea Bissau    | Groundnuts      |
| "                | Cotton          |
| "                | Palm products   |
| "                | Wood            |
| Uganda           | Coffee          |
| "                | Cotton          |
| Sudan            | Cotton          |
| "                | Hides and Skins |
| "                | Sesame seeds    |
| Tanzania         | Coffee          |
| "                | Cotton          |
| "                | Tea             |
| "                | Cashew kernels  |
| "                | Sisal           |
| Zaire            | Coffee          |

In the case of the request presented by the Comoros in respect of essential oils (ylang-ylang), the loss of earnings did not reach the fluctuation threshold specified at Article 162 of the Convention.

Finally, two transfer requests were refused arising from consultation in application of Article 164. In one case, Western Samoa withdrew a request for copra. In the other, the request presented by Sao-Tomé E Principe for cocoa was unsuccessful as it was clear that the loss of export earnings in 1987 was due to a substantial stocking of the product at the end of the year.

#### **CALCULATION OF THE TRANSFER BASES (cf. Annex)**

4. The total amount of the 43 transfer bases established from the calculations and the consultations in application of Article 164 of the Convention, comes to 803,445,878 ECU.
5. Six ACP States (Cameroon, Côte d'Ivoire, Kenya, Madagascar, Papua New Guinea and Senegal) have made use of the facility provided at Article 174 § 2, 2nd indent, which allows the possibility for a State to make contributions to the replenishment of the resources of the system "by deduction from

its transfer rights established before any application of Article 155". This operation, carried out by discounting the replenishment obligations at an annual rate of 9.35 %, effective on 15 July, 1988, leads to the transfer bases being reduced by an amount of 116,246,998 ECU, thus leaving the total at 687,199,880 ECU.

In the case of Papua New-Guinea, the compensation procedure covered the totality of one of the transfer bases.

6. 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. These reductions came to 107,755,135 ECU and reduced the transfer bases to 579,444,745 ECU.

#### **FIXING OF TRANSFER AMOUNTS**

7. The approved transfers, the amount of which is equal to the total available financial resources of the system (375,415,314 ECU - cf. point 1) allowed a level of cover equal to 64.8 % of the transfer bases.

These transfers are :

| ACP State        | Product            | Amounts<br>in ECU  |
|------------------|--------------------|--------------------|
| Benin            | palm kernel oil    | 1,971,214          |
| Burkina Faso     | sheanuts           | 2,479,053          |
| Burundi          | coffee             | 24,520,506         |
| Cameroon         | cocoa              | 8,062,126          |
| Cameroon         | coffee             | 34,291,914         |
| C.A.R.           | coffee             | 14,702,281         |
| C.A.R.           | cotton             | 2,582,062          |
| Chad             | cotton             | 20,596,193         |
| Comoros          | vanilla            | 1,622,924          |
| Comoros          | cloves             | 404,494            |
| Côte d'Ivoire    | cocoa              | 15,396,938         |
| Côte d'Ivoire    | coffee             | 55,117,760         |
| Côte d'Ivoire    | wood               | 40,846,077         |
| Equat. Guinea    | cocoa              | 3,322,873          |
| Equat. Guinea    | coffee             | 103,750            |
| Ethiopia         | coffee             | 57,173,106         |
| The Gambia       | groundnuts         | 390,082            |
| The Gambia       | groundnut oil      | 1,153,949          |
| Grenada          | cocoa              | 595,432            |
| Kenya            | coffee             | 17,496,170         |
| Kiribati         | copra              | 819,475            |
| Lesotho          | mohair             | 3,140,313          |
| Madagascar       | cloves             | 2,397,380          |
| Malawi           | tea                | 9,565,371          |
| Mali             | cotton             | 1,382,855          |
| Mozambique       | tea                | 1,295,776          |
| Papua-New Guinea | copra products     | 5,697,060          |
| Rwanda           | coffee             | 15,824,308         |
| Rwanda           | hides and skins    | 391,578            |
| Rwanda           | tea                | 5,744,862          |
| Senegal          | groundnut products | 1,076,473          |
| Solomon Islands  | copra              | 5,435,875          |
| Solomon Islands  | palm products      | 3,283,484          |
| Sudan            | groundnuts         | 3,862,463          |
| Togo             | cocoa              | 3,556,662          |
| Tonga            | coconuts           | 79,601             |
| Tonga            | copra oil          | 837,275            |
| Tuvalu           | copra              | 13,437             |
| Vanuatu          | copra              | 5,002,650          |
| Western Samoa    | cocoa              | 393,412            |
| Western Samoa    | copra products     | 2,712,329          |
| Western Samoa    | rough wood         | 73,771             |
| <b>TOTAL</b>     |                    | <b>375,415,314</b> |

**PAYMENT OF TRANSFERS**

8. By mid September 1988, 28 transfers had been sent for payment. The amount of transfers paid, including advances, comes to 250,102,725 ECU, which is 66 % 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 Lome Convention.

## Annex.

## Bases de Transfert Stabex année d'application 1987.

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(en ECU)

| Pays           | Produit          | Bases de transferts (B.T.)(1) | Compensations art.174 (2) | B.T. après compensations art.174 | B.T. après réductions art.155 par.3 |
|----------------|------------------|-------------------------------|---------------------------|----------------------------------|-------------------------------------|
| Bénin          | huile palmiste   | 3.109.065                     |                           | 3.109.065                        | 3.042.523                           |
| Burkina Faso   | amandes karité   | 3.892.090                     |                           | 3.892.090                        | 3.826.360                           |
| Burundi        | café             | 39.600.324                    |                           | 39.600.324                       | 37.846.827                          |
| Cameroun       | cacao            | 38.739.187                    | 17.999.683                | 20.739.504                       | 12.443.702                          |
| Cameroun       | café             | 66.300.207                    |                           | 66.300.207                       | 52.928.766                          |
| R.C.A.         | café             | 23.305.640                    |                           | 23.305.640                       | 22.692.626                          |
| R.C.A.         | coton            | 4.142.877                     |                           | 4.142.877                        | 3.985.352                           |
| Comores        | vanille          | 2.650.241                     |                           | 2.650.241                        | 2.504.945                           |
| Comores        | girofle          | 624.327                       |                           | 624.327                          | 624.327                             |
| Côte d'Ivoire  | cacao            | 39.608.021                    |                           | 39.608.021                       | 23.764.813                          |
| Côte d'Ivoire  | café             | 129.976.035                   | 17.805.107                | 112.170.928                      | 85.072.972                          |
| Côte d'Ivoire  | bois             | 76.787.451                    |                           | 76.787.451                       | 63.044.964                          |
| Ethiopie       | café             | 92.951.934                    |                           | 92.951.934                       | 88.245.350                          |
| Gambie         | arachides        | 602.083                       |                           | 602.083                          | 602.083                             |
| Gambie         | huile d'arachide | 1.781.094                     |                           | 1.781.094                        | 1.781.094                           |
| Grenade        | cacao            | 919.036                       |                           | 919.036                          | 919.036                             |
| Guinée Equat.  | cacao            | 5.358.070                     |                           | 5.358.070                        | 5.128.777                           |
| Guinée Equat.  | café             | 160.135                       |                           | 160.135                          | 160.135                             |
| Kenya          | café             | 64.115.405                    | 23.195.412                | 40.919.993                       | 27.004.928                          |
| Kiribati       | coprah           | 1.264.840                     |                           | 1.264.840                        | 1.264.840                           |
| Lesotho        | mohair           | 4.944.041                     |                           | 4.944.041                        | 4.847.000                           |
| Madagascar     | girofle          | 5.950.285                     | 2.108.793                 | 3.841.492                        | 3.700.300                           |
| Malawi         | thé              | 15.452.535                    |                           | 15.452.535                       | 14.763.926                          |
| Mali           | coton            | 3.049.149                     |                           | 3.049.149                        | 2.134.404                           |
| Mozambique     | thé              | 2.071.961                     |                           | 2.071.961                        | 2.000.000                           |
| Papouasie-N.G. | prod. coprah     | 17.528.364                    | 8.352.610                 | 9.175.754                        | 8.793.278                           |
| Papouasie-N.G. | prod. palmier    | 24.036.061                    | 24.036.061                |                                  |                                     |
| Rwanda         | café             | 26.137.772                    |                           | 26.137.772                       | 24.424.449                          |
| Rwanda         | cuirs et peaux   | 604.392                       |                           | 604.392                          | 604.392                             |
| Rwanda         | thé              | 9.193.959                     |                           | 9.193.959                        | 8.867.060                           |
| Iles Salomon   | coprah           | 8.631.960                     |                           | 8.631.960                        | 8.390.146                           |
| Iles Salomon   | prod. palmier    | 5.230.334                     |                           | 5.230.334                        | 5.067.981                           |
| Samoa Occ.     | cacao            | 607.222                       |                           | 607.222                          | 607.222                             |
| Samoa Occ.     | huile de coprah  | 4.321.090                     |                           | 4.321.090                        | 4.186.417                           |
| Samoa Occ.     | bois bruts       | 113.864                       |                           | 113.864                          | 113.864                             |
| Sénégal        | prod. arachide   | 25.517.517                    | 22.748.332                | 2.769.185                        | 1.661.511                           |
| Soudan         | arachides        | 6.135.729                     |                           | 6.135.729                        | 5.961.621                           |
| Tchad          | coton            | 32.699.257                    |                           | 32.699.257                       | 31.789.742                          |
| Togo           | cacao            | 5.958.451                     |                           | 5.958.451                        | 5.489.624                           |
| Tonga          | noix de coco     | 122.862                       |                           | 122.862                          | 122.862                             |
| Tonga          | huile de coprah  | 1.292.314                     |                           | 1.292.314                        | 1.292.314                           |
| Tuvalu         | coprah           | 20.739                        |                           | 20.739                           | 20.739                              |
| Vanuatu        | coprah           | 7.937.958                     |                           | 7.937.958                        | 7.721.473                           |
| <b>TOTAL</b>   |                  | <b>803.445.878</b>            | <b>116.245.998</b>        | <b>687.199.880</b>               | <b>579.444.745</b>                  |

(1) après consultations art.164.

(2) avec la totalité des obligations de reconstitution, actualisées au taux d'intérêt de 9,35 % à la date du 15/07/1988.