

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 355 final.

Brussels, July 22, 1977

## COMMISSION COMMUNICATION TO THE COUNCIL

pursuant to Article 29 of the Internal Agreement on the financing  
and administration of Community aid

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### ADDENDUM

to the Report on the operation during 1975 of the system set up by  
the Lomé Convention for stabilizing export earnings

COM(77) 355 final.



1. On 9 December 1976 the Commission presented to the Council a comprehensive report on the operation during 1975 of the system set up by the Lomé Convention for stabilizing export earnings (COM (76) 656 final). This document is intended to supplement the report following the signature of a further transfer agreement for 1975 with the Republic of Mali.
2. The decision on transfers for 1975 was made on 6 July 1976. The Commission subsequently received a belated request from the Mali authorities, dated 1 September 1976, for the stabilization of earnings from cotton exports in 1975.

The delay in presenting this request was due to statistical problems which also held up completion of the dossier.

3. Since there is no explicit provision on this matter in the Lomé Convention, the ACP States are not at present required to make their requests for transfers by a given date despite the obvious administrative difficulties to which this omission could give rise in the light of Article 18 of the Convention which deals with the annual instalments and the powers which the Council of Ministers has to reduce the amount of the transfers .
4. Since the request in question fulfilled the conditions relating to dependence and fluctuation thresholds, it was accordingly considered admissible.

Examination of the total exports did not give rise to consultations under Article 19 (4) (b) and after appraisal of the dossier a transfer of 648.503 EUA was made.

5. This new transfer brings the total amount of the transfers made for 1975 to 72.786.065 EUA.

6. Mali is not, one of the countries required to contribute towards the reconstitution of resources. The total amount of non-repayable transfers, which virtually coincides with the amount of transfers to the least developed ACP States, is thus increased to 56.4 % of the total amount transferred.
7. Exports of cotton, like those of wood, raw hides, skins and leather, suffered in 1975 as a result of the unfavourable economic climate in the Community. Therefore, with this transfer to the Republic of Mali, 67.7 % of the transferable amount has been used in 1975 for protection against economic risks; the remaining 32.3 % have been used to offset losses in earnings resulting from falls in production for which ACP States could not be held responsible.
8. The total amount transferred for 1975 is less than the annual instalment of 75 million ECU allocated to the stabilization system. The balance of 2.213.935 ECU is accordingly carried forward automatically to 1976, as provided for in Article 18 (3) of the Convention.