

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(87) 707 final

Brussels, 23 December 1987

## PROPOSAL FOR A COUNCIL DECISION

*on the amounts of the transfers to be paid to the Falkland Islands and French Polynesia under the system for the stabilization of export earnings for the year of application 1986 pursuant to Decision 86/283/EEC.*

(presented by the Commission)

COM(87) 707 final



1. *The clauses of the Council Decision of 30.6.1986 provide for a general fund totalling 5 million ECU for the joint operation of the STABEX and SYSMIN instruments during the period of its application.*
2. *A pragmatic solution must thus be found, allowing for individual management of each of the two instruments, which do not have the same ends.*
3. *Consequently, the Commission in administering STABEX and SYSMIN divides the available funds as follows :*
  - 1 Million ECU for SYSMIN
  - 4 Million ECU for STABEX.
4. *The representatives of the Member States, who met on 6.11.1987 at the ACP Group of the Council have noted the Commission's intention.*
5. *Finally, the Commission declares that in order to respect the annual framework of Stabex, the 1.800.000 ECU needed for the Stabex operations for the year of application 1986 in favour of the OCT have been reserved to this end on 18 November 1987.*
6. *An amount of 384,789 ECU to be reconstituted by the UK-Authorities for Kiribati in application of the provisions of Art. 109/2 from the Decision of 30/6/1986 is deducted from the Falkland Islands' transfer rights (see attached table).*



## I. PURPOSE

1. The purpose of this communication is to propose, that the Council in application of article 91 paragraph 3 of the Council Decision of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community reduces the amount of the transfers to be made to certain overseas countries and territories for the year of application 1986, because the total sum of the transfers to be paid exceeds the amount of the available resources.
2. It has been decided by the Commission, that an amount of 4 million ECU should be allocated to the scheme for the stabilization of export earnings to cover all commitments made under the system during the life of the above mentioned Council Decision. Thus, the available resources for the year of application 1986 total 1,600,000 ECU, which comprises of the 800,000 ECU, the unused instalment for the year of application 1985, and another 800,000 ECU, the instalment to be used for the year of application 1986.
3. Details of the transfer requests received from the overseas countries and territories for the year of application 1986 are as follows :

<u>OCT</u>	<u>Product</u>	<u>Transfer Basis</u> <u>(Article 94's 2) (1)</u>
Falkland Islands	Sheep's or lamb's wool not carded or combed	503,034
French Polynesia	copra oil	3.459,224
Total		3,962,258

(1) Article 94 paragraph 2 reads :  
The difference between the reference level and actual earnings, plus 2 % for statistical errors and omissions shall constitute the basis of the transfer.

4. As the total of the transfer bases, 3,962,258 ECU, is higher than 1,600,000 ECU at hand, it is necessary, as a final step, to adopt the measure referred to at Article 91 paragraph 1 of the Council Decision of 30 June 1986, which provides for advance use to be made automatically for each year, except the last, of a maximum of 25 % of the following year's instalment. Consequently, the financing available is increased by 200,000 ECU, 25 % of the instalment for the year of application 1987, to 1,800,000 ECU. Nonetheless, this amount will still be insufficient to meet the commitments to be made upon the system for the year of application 1986.

5. Therefore, a reduction of the two transfer bases will be required, in accordance with the provisions of Article 91 paragraph 2, which reads as follows :

"If after the measure referred to in paragraph 1, the amount of resources available is still less than the total amount of the transfer bases for the same year of application, the amount of each transfer basis shall be reduced by an amount calculated by applying to the reference level in question a percentage equal to that referred to in Article 98 applicable to the country or territory concerned".

6. Taking into consideration the calculations explained above, the reduced transfer bases are as follows :

<u>OCT</u>	<u>Product</u>	<u>Reduced Transfer</u> <u>Basis</u> ECU
Falkland Islands	Sheep's or Lamb's wool not carded or combed	118,707
French Polynesia	Copra oil	<u>3,084,213</u>
<b>TOTAL</b>		<b>3,202,920</b>

7. The total amount payable of 3,202,920 ECU remains higher than the available resources. Article 91 paragraph 3 of the same Council Decision of 30 June 1986 allows the Council on a proposal from the Commission to further reduce the amounts to be transferred.

## II. GROUND FOR THE PROPOSAL

8. The Decision, which the Council is asked to take in application of Article 91 paragraph 3 of the Council Decision of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community should take into account the resources available for the year of application 1986, and the equal treatment of the two beneficiary overseas countries and territories concerned.
9. It is therefore proposed, that the two transfer bases be further reduced by the percentage difference between the total of the sums to be paid, following the application of Article 91 paragraph 2 of the above mentioned Council Decision, and the amount of the fund, which stands at 1,800,000 ECU. This percentage difference has been calculated to 43.8013 %.
10. Following this final reduction, the definitive transfer rights to be paid will be as follows :

<u>OCT</u>	<u>Product</u>	<u>Amount of transfer</u> ECU
Falkland Islands	Sheep's or lamb's wool not carded or combed	66,712
French Polynesia	Copra oil	1,733,288
<b>TOTAL</b>		<u>1,800,000</u>

## III. PROPOSAL

11. In the light of the foregoing, the Commission requests the Council to take the decision, the proposal for which is contained in the Annex.

**PROPOSAL FOR A COUNCIL DECISION OF**

*on the amounts of the transfers to be paid to the Falkland Islands and French Polynesia under the system for the stabilization of export earnings for the year of application 1986 pursuant to Decision 86/283/EEC.*

**THE COUNCIL OF THE EUROPEAN COMMUNITIES,**

*Having regard to the Treaty establishing the European Economic Community,*

*Having regard to the Internal Agreement on the financing and administration of Community aid signed in Brussels on 19 February 1985 (hereinafter referred to as the "Internal Agreement"),*

*Having regard to the Council Decision 86/283/EEC of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community, and in particular Article 91 paragraph 3 thereof,*

*Having regard to the proposal from the Commission,*

*Whereas, in accordance with Articles 88, 90, and 91 of the above mentioned Decision, an amount of 1,800,000 ECU has been allocated to cover all the commitments made under the system for the stabilization of export earnings for the year of application 1986 in favour of the overseas countries and territories ;*

*Whereas the Falkland Islands have presented a transfer request under the system for the year of application 1986 in respect of sheep's or lamb's wool not carded or combed, the transfer basis for which, calculated by virtue of Article 94 paragraph 2 of the above mentioned Decision, and reduced in accordance with Article 91 paragraph 2 of the same Decision, amounts to 118,707 ECU ;*

*Whereas French Polynesia has likewise presented a transfer request under the system for the year of application 1986 in respect of copra oil, the transfer basis for which, calculated by virtue of Article 94 paragraph 2 of the above mentioned Decision, and reduced in accordance with Article 91 paragraph 2 of the same Decision amounts to 3,084,213 ECU ;*



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Whereas the total sum of the two above mentioned transfers is 3,202,920 ECU, which exceeds the 1,800,000 ECU available for the year of application 1986 ;

Whereas it will thus be necessary to reduce further the transfer bases by an amount representing 43.8013 %.

**HAS DECIDED AS FOLLOWS :**

**Article 1**

*The transfer rights due to the Falkland Islands to compensate for the loss of export earnings from sheep's or lamb's wool not carded or combed during the year of application 1986, which amount to 118,707 ECU, should be reduced by 43.8013 %, resulting thus in a definitive payment of 66,712 ECU.*

**Article 2**

*The transfer rights due to French Polynesia to compensate for the loss of export earnings from copra oil during the year of application 1986, which amount to 3,084,213 ECU should be reduced by 43.8013 %, resulting thus in a definitive payment of 1,733,288 ECU.*

**Article 3**

*The Decision shall take effect on the day of its adoption.*

**Done at Brussels**

**For the Council  
The President**

Table Showing Proposed Reductions To Transfers Received From The Overseas Countries And Territories For The Year Of  
Application year 1986.

(Art. 91 of the Council Decision of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community)

Amts in ECU

	Reference Level 1982 - 1985 (A) EEC Destinations	Transfer Basis (B)	Reduced Transfer Basis (Art.91 §2) (B-6% of A=C)	Further Reduction (43.8013% of C) (D)	Final Transfer Basis (C-D)
Falkland Islands - Sheep's or Lamb's wool	6,405,456	503,034 (1)	118,707	51,995	66,712
French Polynesia - Copra Oil	6,250,189	3,459,224	3,084,213	1,350,925	1,733,288
Totals		3,962,258	3,202,920	1,402,920	1,800,000

(1) Amount of 384,789 ECU to be reconstituted by UK Authorities in application of the provisions from Art. 109/2 of the Decision for Kiribati is deducted from Falkland Islands Transfer Basis of initially 887,823 ECU.

(2)  $3,202,920 - 1,800,000 = 1,402,920$

$\frac{1,402,920}{3,202,920} \times 100 = 43.8013 \%$

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