

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 30th May 1979

COMMISSION COMMUNICATION TO THE COUNCIL

REPORT ON THE OPERATION DURING 1977 OF THE SYSTEM
FOR STABILIZING EXPORT EARNINGS SET UP BY THE
DECISION ON THE ASSOCIATION OF THE OCT WITH THE EEC

1. Article 29 of the Internal Agreement on the financing and administration of Community aid requires the Commission to prepare an annual comprehensive report on the operation of the system for stabilizing export earnings as regards the ACP States and the overseas countries and territories.
2. The Commission presents simultaneously to the Council the third comprehensive report on the operation during 1977 of the system set up by the Lomé Convention for stabilizing export earnings.
3. This comprehensive report is concerned with the application during 1977 of the system for stabilizing export earnings set up by the Council Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community. It deals with :
 - (i) general developments since the first and second reports were drawn up;
 - (ii) the results of the third year of application of the system;
 - (iii) the effect of the transfers on the economic development of the recipient countries and on the development of external trade.

I. GENERAL DEVELOPMENT

4. The major development since the publication of the second report has been the change of political status for Dominica, the Solomon Islands, and Tuvalu. Dominica gained independence in early November 1978, the Solomon Islands on 7 July 1978 and Tuvalu on 1 October 1978. No transfers have been accorded to these countries during the 1977 operation.
5. However, pursuant to Article 1 (5) of the Internal Agreement on the financing and administration of Community aid, those ACP States which are former OCT, that have become independent and have acceded to the Lomé Convention under Article 89 continue in the future to be covered by the fund for stabilizing the export earnings of the OCT, provided for in Article 1 (3) (c) of that Agreement.
6. The machinery for cooperation with the countries and territories as described in the reports for 1975 and for 1976, continued to function satisfactorily on the whole, but it may have to be reexamined, taking into account the change of political status in Dominica, the Solomon Islands and Tuvalu.
7. No statistical information has been received from the authorities of French Polynesia.
8. In accordance with Article 22 of the Decision, information on the utilization of the resources transferred during 1977 will be drawn up in a separate report, to be presented to the Council at a later date.
9. Annexed to this report are the specialized forms showing details concerning the use of resources transferred to the Comoros, Djibouti, the Gilbert Islands and Tuvalu during 1976. The form completed by the authorities of Djibouti also contains information about the use of the 1975 transfer. These forms were received by the Commission after the presentation of the report from the Commission to the Council on the use of the funds transferred for 1975 and for 1976 to the OCT.

10. Reference should also be made to the exchange of views between the Member States and the Commission which, as in 1975 and in 1976, enabled answers to be given to requests for information and proved very useful and fruitful.

II. THIRD YEAR OF APPLICATION OF THE SYSTEM

- 11. The Commission has received six applications for transfers for 1976 from the OCT appropriation. One application was received from an OCT proper, Belize; four were from OCT, which have become ACP States through Accession to the Lomé Convention, under Article 89, namely the Republic of Comoros and the Republic of Djibouti; and one from Tuvalu, an OCT, which has recently gained independence, but at the time of submitting a request was still an OCT proper.
- 12. Five applications were admissible since the dependence and fluctuation thresholds provided for by the Decision on the association of the OCT with the EEC had been exceeded under the conditions set.
- 13. One transfer demand was refused because the fluctuation threshold of 2,5 % was not surpassed.
- 14. Examination of the trend of total exports from the countries and territories concerned did not show any significant change, and consequently there was no need for consultations within the meaning of Article 21 (4) of the Decision.
- 15. The overall results for the latest year of application of the Decision are as follows :

<u>OCT</u>	<u>Product</u>	<u>Amount of transfer in EUA</u>	
Belize	Sawn timber	202,714	
			202,714
<u>ACP</u>	<u>Product</u>		
Comoros	Cloves	552,547	
	Copra	367,784	
	Ylang-Ylang	170,596	
Djibouti	Raw hides, skins and leather	169,629	
			1,260,556
			1,463,270
			=====

16. Two of the three countries concerned received non-repayable transfers, whereas Belize will be required to contribute towards the reconstitution of the resources made available for the system. For 1977, 86 % of transfers were therefore made in the form of grants, and 14 % in the form of a loan.

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17. The transfers concern five products : copra 25.1 %, cloves 37.8 %, raw hides, skins and leather 11.6 %, sawn timber 13.8 % and ylang-ylang 11.7 %. These transfers compensated for falls in earnings resulting from local circumstances and market conditions.
18. With regard to the reconstitution of the resources, the Commission, in accordance with Article 23 (3) of the Decision, and the practical arrangements embodied in the exchange of letters which takes place on the occasion of each transfer, carried out the necessary investigations in connection with the transfers made for 1975 and 1976 to OCT which had undertaken to contribute to the reconstitution of the system's resources. The investigations showed, that in the case of the Gilbert Islands, and the Anglo-French Condominium of the New Hebrides, the conditions laid down in the Decision, as necessitating reconstitution of the resources, had been met. The Commission notified the responsible authorities of the OCT concerned of its findings.
19. The authorities of the Gilbert Islands, and of the New Hebrides, informed the Commission that they agreed with the calculated figures. The Gilbert Islands will be expected to reconstitute 174,972 EUA with respect to the 1976 transfer. The New Hebrides is required to reconstitute 1,103,499 EUA with respect to the 1975 transfer, and 327,364 EUA with respect to the 1976 transfer.
20. Applications have been submitted from the two territories for a change of status under Article 23 § 6 of the Decision. These applications will have to be examined within the official community framework.
21. Four late requests for the year of application 1975 were received from the Gilbert Islands, the Solomon Islands and Tuvalu. Having been initially turned down, they have now been accepted, by analogy with the solution given to a similar problem for the ACP States.
22. In accordance with Article 20 (3) of the Decision, the unexpended balance for 1977, is as follows :

4,000,000	EUA (1977 allocation)
+ 739,689	EUA (remaining from 1976)
+ 1,605,835	EUA (amount to be reconstituted by the Gilbert Islands and the New Hebrides)
- 1,463,270	EUA (transfers for 1977)
<u>4,882,254</u>	EUA

This amount will be carried forward automatically and added, with effect from 1st January 1979, to the amount available for the year of application 1978.

III. EFFECT OF THE TRANSFERS ON THE ECONOMIC DEVELOPMENT OF THE RECIPIENT COUNTRIES AND ON THE DEVELOPMENT OF EXTERNAL RELATIONS

23. Article 29 of the Internal Agreement on the financing and administration of Community aid stipulates that the Commission's annual report shall indicate in particular the effect of the system on the economic development of the recipient countries and on the development of external trade.
24. The same article also stipulates that the Commission shall forward to the Member States the reports, which it receives. The 1977 transfers in favour of the OCT were carried out in July 1978. At the present time, not one of the recipient countries has forwarded a report to the Commission.

The Commission will transmit to the Member States the reports on the utilization of the funds transferred, as soon as they are in its possession.

ANNEX 1

Breakdown of STABEX transfers for 1975, 1976 and 1977
According to national currency requested by the OCT *)

National currency	Amount transferred in EUA				Proportion of total in %			
	1975 (1)	1976 (2)	1977 (3)	(1)+(2)+(3)	1975 (1)	1976 (2)	1977 (3)	(1)+(2)+(3)
French Franc	1,658,697	879,200	1,260,556	3,798,453	92.2	26.6	86.15	57.9
German Mark	139,650	-	-	139,650	7.8	-	-	2.1
Pound Sterling	-	2,421,155	202,714	2,623,869	-	73.4	13.85	40.0
Belgian Franc	-	-	-	-	-	-	-	-
Dutch guilder	-	-	-	-	-	-	-	-

*) As on 17 April 1979

Aggregate transfers for 1975, 1976 and 1977

ANNEX 2

I. Breakdown by OCT (in EUA)

OCT	Product 1975	Product 1976	Product 1977	Amount 1975	Amount 1976	Amount 1977	Total
BELIZE	Sawn wood	-	Sawn wood	139,650	-	202,714	342,364
COMOROS	Copra	Copra	Copra Cloves Ylang-ylang	298,304	286,508	367,784 552,547 170,596	952,596 552,547 170,596
DJIBOUTI	Raw hides, skins and leather	Raw hides, skins and leather	Raw hides, skins and leather	256,894	265,328	169,629	691,851
GILBERT ISLANDS	Copra	Copra	-	1,200,321	1,083,098	-	2,283,419
NEW HEBRIDES	Copra	Copra	-	1,103,499	327,364	-	1,430,863
SOLOMON ISLANDS	Copra Wood in the rough	Copra -	- -	138,502 761,245	1,273,640 -	- -	1,412,142 761,245
TUVALU	Copra	Copra	-	61,541	64,417	-	125,958
TOTAL				3,959,956	3,300,355	1,463,270	8,723,581

20

II. Breakdown by product

Product	1975		1976		1977		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%
Cloves	-	-	-	-	552,547	37.8	552,547	6.33
Copra	2,802,167	70.76	3,035,027	92.0	367,784	25.1	6,204,978	71.13
Raw hides, skins and leather	256,894	6.49	265,328	8.0	169,629	11.6	691,851	7.93
Sawn wood	139,650	3.53	-	-	202,714	13.8	342,364	3.92
Wood in the rough	761,245	19.22	-	-	-	-	761,245	8.73
Ylang-ylang	-	-	-	-	170,596	11.7	170,596	1.96
T O T A L	3,959,956	100.00	3,300,355	100.00	1,463,270	100.00	8,723,581	100.00

Products	1975	%	1976	%	1977	%	TOTAL	%
Suffering from economic situation	1,316,443	33.24	551,836	16.72	202,714	13.85	2,070,993	23.74
Suffering from local circumstances	2,643,513	66.76	2,748,519	83.28	1,260,556	86.15	6,652,588	76.26
T O T A L	3,959,956	100.00	3,300,355	100.00	1,463,270	100.00	8,723,581	100.00

III. Nature of transfers *)

	1975	%	1976	%	1977	%	Total	%
Grants	1,516,486	38.30	1,889,893	57.26	1,260,556	86.15	4,666,935	53.50
Loans	2,443,470	61.70	1,410,462	42.74	202,714	13.85	4,056,646	46.50
T O T A L	3,959,956	100.00	3,300,355	100.00	1,463,270	100.00	8,723,581	100.00

IV. Utilization of annual instalments

	1975	%	1976	%	1977	%	Total	%
Disbursements	3,959,956	99.00	3,300,355	82.51	1,463,270	36.58	8,723,581	62.44
Balance	40,044	1.00	699,645	17.49	2,536,730	63.42	3,276,419	37.56
Annual instalment	4,000,000	100.00	4,000,000	100.00	4,000,000	100.00	12,000,000	100.00

*) As at 17 April 1979

39

V. Reconstitution *)

OCT	Product	Year of application	Transfer	Amount repaid	Amount to be repaid	As % of transfer
BELIZE	Sawn wood	1975	139,650	61,133		43.77
NEW HEBRIDES	Copra	1975	1,103,499		1,103,499	100.00 (1)
NEW HEBRIDES	Copra	1976	327,364		327,364	100.00 (1)
GILBERT ISLANDS	Copra	1976	1,083,098		174,972	16.16

(1) Reconstitution cannot be higher than the original transfer, which limits the amount to be repaid to the sum of the transfer.

*) As at 17 April 1979

26

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION
OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM

(Art. 23 of the Council Decision on the Association of the overseas
countries and territories with the European Economic Community)

OCT : GILBERT ISLANDS

Product : Copra Transfer Agreement N° 11/76/GI of 28/7/77

Reference period : 1972 - 1975 Period of application : 1977

Basis of crosschecking : OCT statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

Quantities exported, tonnes (crosschecked)	Values exported 1.000 Aust. \$ (crosschecked)	Unit value, Aust. \$ /tonne	Exchange rate, 1 EUA = 1 Aust. \$	Values exported 1.000 EUA (crosschecked)	Unit value, EUA/tonne
3,479.0	328.9	94.541	0.94067	349.6	100.504
6,442.0	1,329.8	206.434	0.86361	1,539.8	239.036
11,267.0	4,669.4	414.436	0.82662	5,648.8	501.362
5,558.0	933.6	167.983	0.94698	985.9	177.388

These figures lead to the following averages :

6,686.500	1,815.4	220.849		2,131.0	254.573
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2. EEC statistics concerning the period of application

Quantities, tonnes	Values, 1.000 Aust. \$ fob	Unit value, Aust. \$ /tonne, fob	Exchange rate, 1 EUA = 1 Aust. \$	Values, 1.000 EUA fob	Unit value, EUA/tonne, fob
8,385.000	2,422.1	288.865	1.02893	2,354.0	280.741

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that
- the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each recipient OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : 6,686.500 tonnes X 26.168 EUA/tonne = 174,972 EUA

III. For information

Amount of transfer : 1,083,098 EUA
Reconstitution as % of transfer : 16.15 %
Currencies received on payment of transfer :

% in
% in
100 % in £ Sterling

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION
OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM

(Art. 23 of the Council Decision on the Association of the overseas
countries and territories with the European Economic Community)

OCT : New Hebrides

Product : Copra Transfer Agreement N° 11/75/NH of 16/2/77

Reference period : 1971 - 1974 Period of application : 1977

Basis of crosschecking : EEC statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

Quantities exported, tonnes (crosschecked)	Values exported 1,000 NHF (crosschecked)	Unit value, NHF /tonne	Exchange rate, 1 EUA = 1 NHF	Values exported 1,000 EUA (crosschecked)	Unit value, EUA/tonne
27,671	325,367	11,758.411	93.80112	3,468.7	125.354
29,580	258,925	8,753.380	91.43491	2,831.8	95.733
14,948	257,428	17,221.568	88.44510	2,910.6	194.714
26,693	1,045,916	39,183.156	92.58639	11,296.6	423.206

These figures lead to the following averages :

24,723	471,909	19,229.128	91.56688	5,126.9	209.753
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2. EEC statistics concerning the period of application

Quantities, tonnes	Values, 1,000 NHF fob	Unit value, NHF /tonne, fob	Exchange rate, 1 EUA = 1 NHF	Values, 1,000 EUA fob	Unit value, EUA/tonne, fob
33,189	798,453.8	24,057.764	90.61460	8,811.5	265.495

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that
- the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : 24,723 tonnes X 55.742 EUA/tonne = 1,378,120 EUA

Reconstitution cannot be higher than the original transfer

III. For information which limits the amount to be repaid to 1,103,499 EUA.

Amount of transfer : 1,103,499 EUA

Reconstitution as % of transfer : 100 %

Currencies received on payment of transfer : 100 % in French Francs
% in
% in

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION
OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM

(Art. 23 of the Council Decision on the Association of the overseas countries
and territories with the European Economic Community)

OCT : New Hebrides
 Product : Copra Transfer Agreement N° III/76/NH of 28/7/77
 Reference period : 1972 - 1975 Period of application : 1977
 Basis of crosschecking : EEC statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

Quantities exported, tonnes (crosschecked)	Values exported 1.000 NHF (crosschecked)	Unit value, NHF /tonne	Exchange rate, 1 EUA = 1 NHF	Values exported 1.000 EUA (crosschecked)	Unit value, EUA/tonne
29,580	258,925	8,753.380	91.43491	2,831.8	95.733
14,948	257,428	17,221.568	88.44510	2,910.6	194.714
26,693	1,045,916	39,183.156	92.58639	11,296.6	423.206
23,946	345,824	14,441.827	85.95245	4,023.4	168.021

These figures lead to the following averages :

23,792	477,023	19,899.983	89.60471	5,265.6	220.420
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2. EEC statistics concerning the period of application

Quantities, tonnes	Values, 1.000 NHF fob	Unit value, NHF /tonne, fob	Exchange rate, 1 EUA = 1 NHF	Values, 1.000 EUA fob	Unit value, EUA/tonne, fob
33,189	798,453	24,057.764	90.61460	8,811.5	265.495

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that
- the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each recipient OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : 23,792 tonnes X 45.075 EUA/tonne = 1,072,424 EUA

III. For information Reconstitution cannot be higher than the original transfer which limits the amount to be repaid to 327,364 EUA.

Amount of transfer : 327,364 EUA
 Reconstitution as % of transfer : 100 %
 Currencies received on payment of transfer : 100 % in French Francs
 % in
 % in

FEDERAL AND ISLAMIC REPUBLIC
OF THE COMOROS

MINISTRY OF PRODUCTION
AND INDUSTRY

DIRECTORATE FOR PRODUCTION
AND INDUSTRY

MEMORANDUM

In the wake of Comorian independence, the country's authorities have decided to make production of food export crops a priority of economic and social development. The aim is to :

- reduce the Comoros' dependence on food imports;
- help the inhabitants of rural areas (over 90 % of the total population) to diversify local produce and boost quantity and quality. To this end, efforts are to be concentrated on :
 - . introducing high-yield maize (of the "Révolution" type developed by the Réunion IRAT (Institut de Recherches agronomiques tropicales et des cultures vivrières). This cereal is suited to Comorian eating habits, apart from the form in which it is consumed, and can gradually replace rice since local production of the latter is very limited and is continuing to drop;
 - . renewing and boosting export crops, including the vanilla plant and clove tree.

Land use maps have been helpful in guiding and directing activities in the field.

It has been planned to develop cash crops by graving a combination of vanilla plants, clove trees, banana trees and pigeon peas on the same plot of land.

The purpose of this operation is to provide the vanilla plants and clove trees (sciaphilous species) with the shade they need for the first few years and to harvest intermediate crops (pigeon peas, bananas) until the vanilla plants and subsequently the clove trees become productive in their turn.

As the combined cropping system is normal practice in rural areas, the proposed scheme can quickly be adopted by the Comorian peasants.

A similar plan was introduced for maize, with leguminous food crops - pigeon peas or groundnuts - being grown between the rows.

All these schemes have involved the mobilization of a fairly substantial volume of funds (details given below, with shares of costs covered by the Stabex transfer for 1976).

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Cost of operations during the previous
crop years

	<u>Maize</u>	<u>Vanilla/cloves</u>
Tools	7,084,000	4,944,000
Plant material (creepers, stakes, banana shoots, maize seeds)	1,500,000	3,592,500
Staff (farm managers and hands)	65,550,000	78,000,000
Total	<u>74,134,000</u>	<u>86,536,500</u>

Costs covered by Stabex transfer for 1976

	<u>Maize</u>	<u>Vanilla/cloves</u>
Tools	7,084,000	4,944,000
Plant material	1,500,000	3,592,500
Staff	16,416,000	46,463,500
Total	<u>25,000,000</u>	<u>55,000,000</u>

MORONI, 16 October 1978

M. RACHIDE

STABILIZATION OF EXPORT EARNINGS
STABILISATION DES RECETTES D'EXPORTATION

INFORMATION OF THE COMMISSION CONCERNING THE USE OF THE RESOURCES TRANSFERRED
INFORMATION DE LA COMMISSION SUR L'UTILISATION DES RESSOURCES TRANSFEREES
(Article 20 of the Lomé Convention)
(Article 20 de la Convention de Lomé)

1. Under Article of the Transfer Agreement n° signed on
....., the present report has to be sent, by the at the latest, to the following address :

The Director General
Directorate-General for Development
200, rue de la Loi
B-1049 Bruxelles
Belgium

2. Reminder of the data relating to the transfer

21. Country :

22. Authority entitled to inform the Commission :

23. Year :

24. Date of receipt of the transfer :

25. Amount of the transfer :

- in ECU :

- in Belgian francs :

- in Danish crowns :

- in German marks :

- in French francs :

- in Italian liras :

- in Dutch guilders :

- in Pounds sterling :

1. Aux termes de l'article⁴ de la Convention de transfert n°
signée le 19/10/77, le présent rapport est à envoyer pour le 19/10/78 au plus tard, à l'adresse suivante :

Monsieur le Directeur Général
Direction Générale du Développement
200, rue de la Loi
B-1049 Bruxelles
Belgique

2. Rappel des données relatives au transfert

21. Pays : COMORES

22. Autorité habilitée à informer la Commission :
MINISTRE DES AFFAIRES ETRANGERES
DEPARTEMENT DU COMMERCE EXTERIEUR

23. Année : 1976

24. Date de réception du transfert :

29/9/77

25. Montant du transfert :

- en UCE : 286.508

- en francs belges :

- en couronnes danoises :

- en deutsche marks :

- en francs français : 1.606.765,5

(soit 80.338.275 Frs CFA).

- en liras italiennes :

- en florins :

- en livres sterling :

UTILIZATION OF FOREIGN CURRENCIES

3. UTILISATION DES DEVICES

Date Date	Amount Montant	Spending authority Autorité dépenrière	Utilization of goods or services acquired Utilisation du bien ou service acquis
NOV/DEC 1977	55 Millions CFA	CENTRE NATIONAL PLAN METHODES FINANCES (SECTION PRODUCTION)	A/ OPERATION VANILLE GIROFLES Paiement des dépenses en outillages petit matériel et main d'oeuvre pour la dite opération inscrite au programme de développement des comores
JANV/FEV 1978	X 25.338.275 CFA	CENTRE NATIONAL PLAN METHODES FINANCES (SECTION PRODUCTION)	B/ OPERATION MAIS Fourniture du petit outillage matériel et main d'oeuvre. Demerage d'un projet Mais actuellement financé par le FED.
TOTAL	X 80.338.275 CFA		

Balance not yet utilized :

Expected utilization of the balance (1) :

Reliquat non encore utilisé : NEANT

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject
of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complé-
mentaire.

4. DESTINATION OF PURCHASES MADE WITH FOREIGN CURRENCIES

4. DESTINATION DES ACHATS SUR DEVICES

Date Date	User authority Autorité utilisatrice	Goods or service Bien ou service	Subject (1) Objet (1)
NOV/DEC 1977	CENTRE NATIONAL PLAN METHODES FINANCES (SECTION PRODUCTION)	Petit outillage 4.944.000 Achat matériel végétal (lianes - tuteurs rejets de bananes semences) 3.502.500 Main d'oeuvre 570 personnes pendant 8 à 10 mois 45.463.500	Plan vanille girofle
JANV/FEV 1978	CENTRE NATIONAL PLAN METHODES FINANCES (SECTION PRODUCTION)	Petit outillage 7.084.000 Matériel végétal 1.500.000 Main d'oeuvre 16.416.000 (196 personnes pendant 8 à 10 mois)/ * Divers imprévus 338.275 CFA	Plan Maïs

(1) In case of projects : in case of national projects or projects financed by aid donors, please join a summary note indicating all useful data relating to the project and, in particular, its state of progress.

S'il s'agit de projets : s'il s'agit de projets nationaux ou financés par des donateurs d'aide, prière de joindre en annexe un résumé de toutes les données utiles relatives au projet, et notamment son état d'avancement.

5. IF THE GOODS PURCHASED ARE SOLD :
 SI LES BIENS ACHETES SONT VENDUS

ASSIGNMENT OF COUNTERPART FUNDS (Funds originating in the sale of goods which have been acquired by means of the transfers)
 AFFECTATION DES FONDS DE CONTREPARTIE (Fonds provenant de la vente des biens acquis au moyen des transferts)

Date Date	Amount Montant	Authority responsible for the decision Autorité responsable de la décision	User authority Autorité utilisatrice	Subject (1) Objet (1)
TOTAL				

Balance not yet utilized :

Expected utilization of the balance (1) :

Reliquat non encore utilisé :

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

61. On the sector which gave rise to the transfer :

Sur le secteur qui a provoqué le transfert :

- 1/ Vanille Girofle: Augmentation de plantations dont la production commencera dans 4 à 5 ans entretiens embrevades et bananes en intercalaires qui ont été consommées par paysans.
- 2/ Maïs: Plan pour favoriser la consommation locale du maïs afin de remplacer le riz. 1ère Année 200 Tonnes récoltées sur 150 hectares ont été commercialisées (reste autoconsommé + réserve pour semance prochaine saison).

62. On the other sectors of the national economy :

Sur les autres secteurs de l'économie nationale :

Voir note ci-jointe

63. On foreign exchanges :

Sur les échanges extérieurs :

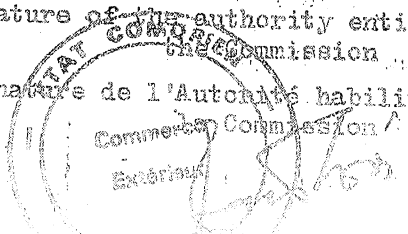
Effets à court terme: diminution des importations de riz prévus

Effets à plus long terme: augmentation des exportations girofle et vanille - Amélioration de la qualité de la vanille exportée.

Done at on 19 78
Fait à MORONI le 16 OCTOBRE 19

Signature of the authority entitled to inform the Commission

Signature de l'Autorité habilitée à informer la Commission



LETTER OF 29 OCTOBER 1978 FROM Mr. IBRAHIM MOHAMED SULTAN,
MINISTRY OF FINANCE AND THE NATIONAL ECONOMY, REPUBLIC OF DJIBOUTI,
TO THE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES
(For the attention of Mr. Muller, DG VIII)

Use of funds received under Stabex receipts for 1976

Enclosures : Form

Sir,

I have the honour to enclose the form giving details of the use
made of the funds received under Stabex for 1976.

As indicated in the third paragraph of this form, a balance of
DF 96 627 479 still remains to be used.

A project for the construction of a new slaughterhouse, to include
cold rooms for the storage of hides and skins, is currently being
studied.

These new facilities will improve storage conditions.

The Government of Djibouti also intends to continue experimenting
with red algae plantations which are potentially a profitable operation
capable of additional resources.

Yours faithfully,

Ibrahim Mohamed Sultan

UTILIZATION OF FOREIGN CURRENCIES

3. UTILISATION DES DEVICES

Date Date	Amount Montant	Spending authority Autorité dépensière	Utilization of goods or services acquired Utilisation du bien ou service acquis
26/7/1977	3.550.000 FD	Centre d'Etudes Géologique et de Développement	Acquisition d'un bouter destiné au champ d'Algues expérimental
7/10/1977	4.500.000 FD	"	Exploitation du champ d'Algues expérimental
TOTAL	8.050.000 FD		

Balance not yet utilized :

Expected utilization of the balance (1) :

(1) The utilization of the balance will form the subject of a complementary report.

Reliquat non encore utilisé : 96.627.479 FD

Utilisation envisagée du reliquat (1) :
Construction d'un abattoir et des chambres froides à DJIBOUTI en vue d'améliorer la commercialisation et la conservation des viandes, cuirs et peaux.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

STABILIZATION OF EXPORT EARNINGS
 STABILISATION DES REVENUS D'EXPORTATION
 INFORMATION OF THE COMMISSION CONCERNING THE USE OF THE RESOURCES TRANSFERRED
 INFORMATION DE LA COMMISSION SUR L'UTILISATION DES RESSOURCES TRANSFEREES
 (Article 20 of the Lomé Convention)
 (Article 20 de la Convention de Lomé)

<p>1. Under Article of the Transfer Agreement n° signed on, the present report has to be sent, by the at the latest, to the following address :</p> <p style="margin-left: 20px;">The Director General Directorate-General for Development 200, rue de la Loi B-1049 Bruxelles Belgium</p> <p>2. Reminder of the data relating to the transfer</p> <p>21. Country :</p> <p>22. Authority entitled to inform the Commission :</p> <p>23. Year :</p> <p>24. Date of receipt of the transfer :</p> <p>25. Amount of the transfer :</p> <ul style="list-style-type: none"> - in EUA : - in Belgian francs : - in Danish crowns : - in German marks : - in French francs : - in Italian liras : - in Dutch guilders : - in Pounds sterling : 	<p>1. Aux termes de l'article de la Convention de transfert n° .3/75.... signée le ..16.2.1977, le présent rapport est à envoyer pour le au plus tard, à l'adresse suivante :</p> <p style="margin-left: 20px;">Monsieur le Directeur Général Direction Générale du Développement 200, rue de la Loi B-1049 Bruxelles Belgique</p> <p>2. Rappel des données relatives au transfert</p> <p>21. Pays : République de DJIBOUTI</p> <p>22. Autorité habilitée à informer la Commission :</p> <p style="margin-left: 40px;">Ministère des FINANCES</p> <p>23. Année : 1977</p> <p>24. Date de réception du transfert :</p> <ul style="list-style-type: none"> 1) le 1/4/1977 2) le 7/9/1977 <p>25. Montant du transfert :</p> <ul style="list-style-type: none"> - en UCE : 1- 51.361.023 - en Francs Djibouti } 2- 53.316.456 - en francs belges : <u>TOTAL</u> 104.677.479 - en couronnes danoises : - en deutsche marks : - en francs français : - en liras italiennes : - en florins : - en livres sterling :
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6. DATA CONCERNING THE ANTICIPATED EFFECTS

6. INDICATIONS SUR LES EFFETS ESCOMPTEES

61. On the sector which gave rise to the transfer :

Sur le secteur qui a provoqué le transfert :

COMMERCE EXTERIEUR

- Développement d'une production destinée aux marchés extérieurs.
- Préconditionnement et conditionnement des produits et dérivés destinés à l'exportation.

62. On the other sectors of the national economy :

Sur les autres secteurs de l'économie nationale :

- Incitation au développement des secteurs d'activité liés au Milieu marin
- Création d'emplois.

63. On foreign exchanges :

Sur les échanges extérieurs :

Done at on 19

Fait à **DJIBOUTI** le 19

Signature of the authority entitled to inform
the Commission

Signature de l'Autorité habilitée à informer
la Commission

23. XI. 1978
32207

GILBERT ISLANDS

USE OF STABEX FUNDS

In August 1977 the Government received a transfer in respect of the 1976 copra exports amounting to £715,768.56. In October 1977 it provided a short term loan to Atoll Plantations of £95,657.16. To date this is the only use to which the transfer has been put. The reason is that the transfer is a loan and Government is liable to reconstitute funds in good copra export years. It has already been requested to repay 174,972 E.U.A. in respect of 1977.

The Government has however submitted an application for change of status under Article 23.6 to enable us to receive STABEX transfers in the form of grants. The case is based on the country's poor economic prospects when phosphates expire in 1979. To date no reply has been received from the Commission and until a firm decision is forthcoming, the Government is unlikely to commit a large amount of the transfer.

It has however been decided that approximately £50,000 will be used in 1979 to subsidise the inter-island copra freight rates, leaving a larger balance of the f.o.b. price available for distribution to the copra cutter.

Ministry of Finance
Bairiki

7 November 1978

DELEGATION OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

Development Bank Building, (2nd floor), Waigani
P.O. Box 1264, Boroko, PAPUA NEW GUINEA
Telephone: 25 9222 - Telex: NE22307 DELEUR

PAPUA NEW GUINEA
SOLOMON ISLANDS
GILBERT ISLANDS

Our reference: G/Rg- 355

The Delegate

PORT MORESBY, 15th November, 1978

Note to the Directorate-General for Development

Div. conc. : VIII/D/3

Subject : Use of STABEX - Gilbert Islands

Reference : Your note VIII/D/3 - 014693 of August 3rd, 1978.

RETOUR ARCHIVES
NO 032207, 23-11-78
DG DEVELOPEMENT ET COOPERATION

022181 29. XI. 1978

D3 B

1. Please find enclosed herewith the form "Information of the Commission Concerning the Use of the Resources Transferred", duly completed by the Secretary for Finance, Gilbert Islands. We received this form as well as an explanatory note (also attached) during our recent mission to the Gilbert Islands.
2. As you may see from the low level of utilisation and the explanatory note, the uncertainty as to the Gilbert Islands obligation to refund to the system is regarded by them as a major hindrance for channeling the funds to productive use.

DG	Dir. Econ. Coord.
VIII	1 2 3 4
A	B C D E

J.J. ZUIDBERG
Delegate

Encl : 2 (as set out above).

C.C. : Mr. J.-C. MULLER (Div. VIII/D/3 - Off. Berl. 9/112).

STABILIZATION OF EXPORT EARNINGS
STABILISATION DES RECETTES D'EXPORTATION

INFORMATION OF THE COMMISSION CONCERNING THE USE OF THE RESOURCES TRANSFERRED
INFORMATION DE LA COMMISSION SUR L'UTILISATION DES RESSOURCES TRANSFEREES
(Article 20 of the Lomé Convention)
(Article 20 de la Convention de Lomé)

<p>1. Under Article ⁴... of the Transfer Agreement n° UCC/... Signed on, the present report has to be sent, by the at the latest, to the following address :</p> <p>The Director General Directorate-General for Development 200, rue de la Loi B-1049 Bruxelles Belgium</p>	<p>1. Aux termes de l'article ⁴... de la Convention de transfert n° UCC/... /ST. EX signée le ^{28.07.77}..., le présent rapport est à envoyer pour le ^{28.07.78}... au plus tard, à l'adresse suivante :</p> <p>Monsieur le Directeur Général Direction Générale du Développement 200, rue de la Loi B-1049 Bruxelles Belgique</p>
<p>2. Reminder of the data relating to the transfer</p>	<p>2. Rappel des données relatives au transfert</p>
<p>21. Country : GILBERT ISLANDS</p>	<p>21. Pays : GILBERT ISLANDS</p>
<p>22. Authority entitled to inform the Commission : UK Mission to EEC Ministry of Finance, Gilbert Islands Government</p>	<p>22. Autorité habilitée à informer la Commission : UK-Mission to the EEC + Finance Ministry Gilbert Islands</p>
<p>23. Year : 1976</p>	<p>23. Année : 1976</p>
<p>24. Date of receipt of the transfer : 12 AUGUST 1977</p>	<p>24. Date de réception du transfert :</p>
<p>25. Amount of the transfer : - in ECU : 1,083,098.00</p>	<p>25. Montant du transfert : - en UCE : 1 083.098,00</p>
<p>- in Belgian francs : - in Danish crowns : - in German marks : - in French francs : - in Italian liras : - in Dutch guilders : - in Pounds sterling : 715,768.56</p> <p style="text-align: right;">N: 2</p>	<p>- en francs belges : - en couronnes danoises : - en deutsche marks : - en francs français : - en lires italiennes : - en florins : - en livres sterling : 715,768.56</p> <p style="text-align: right;">N: 2</p>

. UTILIZATION OF FOREIGN CURRENCIES

3. UTILISATION DES DEVICES

Date Date	Amount Montant	Spending authority Autorité dépensière	Utilization of goods or services acquired Utilisation du bien ou service acquis
04 Oct 1977	£ 95,657.16	Ministry of Finance Government of the Gilbert Islands	loan to Atoll Plantations Ltd which operates the copra plantations on Christmas Island.
TOTAL	95,657.16		

Balance not yet utilized : £ 667,867.17 (inc interest as at 21/10/78)
 Expected utilization of the balance (1) : See attached note.

Reliquat non encore utilisé :
 Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

4. DESTINATION OF PURCHASES MADE WITH FOREIGN CURRENCIES

4. DESTINATION DES ACHATS SUR DEVICES

Date Date	User authority Autorité utilisatrice	Goods or service Bien ou service	Subject (1) Objet (1)
		NIL.	

(1) In case of projects : in case of national projects or projects financed by aid donors, please join a summary note indicating all useful data relating to the project and, in particular, its state of progress.

S'il s'agit de projets : s'il s'agit de projets nationaux ou financés par des donateurs d'aide, prière de joindre en annexe un résumé de toutes les données utiles relatives au projet, et notamment son état d'avancement.

3. IF THE GOODS PURCHASED ARE SOLD :

5. SI LES BIENS ACHETES SONT VENDUS :

ASSIGNMENT OF COUNTERPART FUNDS (Funds originating in the sale of goods which have been acquired by means of the transfers)

AFFECTATION DES FONDS DE CONTREPARTIE (Fonds provenant de la vente des biens acquis au moyen des transferts)

Date Date	Amount Montant	Authority responsible for the decision Autorité responsable de la décision	User authority Autorité utilisatrice	Subject (1) Objet (1)
				NIL.
TOTAL				

Balance not yet utilized :

Expected utilization of the balance (1) :

Reliquat non encore utilisé :

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report.

(1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

6. DATA CONCERNING THE ANTICIPATED EFFECTS

6. INDICATIONS SUR LES EFFETS ESCOMPTEES

61. On the sector which gave rise to the transfer :

Sur le secteur qui a provoqué le transfert :

The loan to Atoll Plantations will be repaid to the Fund early in 1979. It has alleviated cash flow problems for this company caused by irregular copra exports and enabled it to operate effectively and maintain employment of copra cutters.

62. On the other sectors of the national economy :

Sur les autres secteurs de l'économie nationale :

Copra is still the main economic activity in the Line Islands, which represents a key area in Government's development strategy. Government is hopeful of promoting tourism to the area, small scale industry and some resettlement.

63. On foreign exchanges :

Sur les échanges extérieurs :

The short term loan has enabled the company to finance its operations pending the receipt of earnings from its twice yearly copra exports.

Done at Tarawa on 7/11 1978
Fait à Tarawa le 7/11 1978

Signature of the authority entitled to inform
the Commission

Signature de l'Autorité habilitée à informer
la Commission

Adrian, Secretary for Finance
8/11/78

TUVALU GOVERNMENT

MINISTRY OF FINANCE

Cable Address: FINSEC FUNAFUTI

Vaiaku
Funafuti Island
Tuvalu

(In reply please quote) F... DF:140/1(ii)

26 September 1978

Mr A M Horsthuis
Technical Adviser
Delegation of the Commission for the Pacific
Dominion House
Private Mail Bag
GPO
TUVA
FIJI

RECEIVED 29 SEP 1978	
NO.	001007
FILE NO:	FILED BY: PBT

Dear Sir,

Subject: Utilisation of STABEX transfers 1976

Thank you very much for your letter (Reference 000882) of 15 August 1978 on the captioned subject.

I return herewith the standard form for the utilisation of 1976 STABEX transfers for onward transmission to the Commission.

We have not sold any goods which we have purchased under the transfer. It is our policy on the use of these funds to use them in financing the Island Councils' Development Programmes. We estimate the Programmes to be \$A250,000 during our current Development Plan 1978 to 1980.

The balance of the transfers which is shown on the standard form will be utilised immediately after Independence. The total cost of capital projects for Island Councils which have been approved for implementation during this year is \$A105,000. So far I have been able to obtain \$A68,112.27 aid moneys to meet this amount. I hope the 1975 STABEX claim would be resolved soon so that I may have some money to give to the Island Councils.

When will our Electricity Power Supply project be approved? I am intending to submit an indicative Programme for microprojects on the strength of Mr Glass letter (Reference 001466 of 23 December 1977). I may have to do this soon after our independence.

Yours sincerely

K TALAKE
Secretary for Finance

KT/sis

STABILIZATION OF EXPORT EARNINGS
STABILISATION DES RECETTES D'EXPORTATION

INFORMATION OF THE COMMISSION CONCERNING THE USE OF THE RESOURCES TRANSFERRED
INFORMATION DE LA COMMISSION SUR L'UTILISATION DES RESSOURCES TRANSFEREES
(Article 20 of the Lomé Convention)
(Article 20 de la Convention de Lomé)

<p>1. Under Article <u>20</u> of the Transfer Agreement n° signed on <u>Feb 1976</u>....., the present report has to be sent, by the <u>TUVALU</u>..... at the latest, to the following address :</p> <p>The Director General Directorate-General for Development 200, rue de la Loi B-1049 Bruxelles Belgium</p>	<p>1. Aux termes de l'article de la Convention de transfert n° signée le, le présent rapport est à envoyer pour le au plus tard, à l'adresse suivante :</p> <p>Monsieur le Directeur Général Direction Générale du Développement 200, rue de la Loi B-1049 Bruxelles Belgique</p>
<p>2. Reminder of the data relating to the transfer</p>	<p>2. Rappel des données relatives au transfert</p>
<p>21. Country : <u>TUVALU</u></p>	<p>21. Pays :</p>
<p>22. Authority entitled to inform the Commission : <u>FINANCIAL SECRETARY now then is SECRETARY FOR FINANCE.</u></p>	<p>22. Autorité habilitée à informer la Commission :</p>
<p>23. Year : <u>1976</u></p>	<p>23. Année :</p>
<p>24. Date of receipt of the transfer : <u>AUGUST 1977</u></p>	<p>24. Date de réception du transfert :</p>
<p>25. Amount of the transfer : - in EUA : <u>NOT KNOWN</u></p>	<p>25. Montant du transfert : - en UCE :</p>
<p>- in Belgian francs : —</p> <p>- in Danish crowns : —</p> <p>- in German marks : —</p>	<p>- en francs belges :</p> <p>- en couronnes danoises :</p> <p>- en deutsche marks :</p>
<p>- in French francs : —</p> <p>- in Italian liras : —</p> <p>- in Dutch guilders : —</p> <p>- in Pounds sterling : <u>£42,570.17</u></p>	<p>- en francs français :</p> <p>- en liras italiennes :</p> <p>- en florins :</p> <p>- en livres sterling :</p>

3. UTILIZATION OF FOREIGN CURRENCIES

3. UTILISATION DES DEVISES

Date Date	Amount Montant	Spending authority Autorité dépensière	Utilization of goods or services acquired Utilisation du bien ou service acquis
AUGUST 1977	£42,570.17 OR A\$68,112.27	TUVALU GOVERNMENT	The whole amount of money will be utilized on Island Councils' projects
TOTAL	A\$68,112.27		

Balance not yet utilized : A\$13,112.27

Reliquat non encore utilisé :

Expected utilization of the balance (1) :

Utilisation envisagée du reliquat (1) :

(1) The utilization of the balance will form the subject of a complementary report. (1) L'utilisation du reliquat fera l'objet d'un rapport complémentaire.

4. DESTINATION OF PURCHASES MADE WITH FOREIGN CURRENCIES

4. DESTINATION DES ACHATS SUR DEVISES

Date Date	User authority Autorité utilisatrice	Goods or service Bien ou service	Subject (1) Objet (1)
March 1978	Ministry of Works and Local Government	Building Materials	

(1) In case of projects: in case of national projects or projects financed by aid donors, please join a summary note indicating all useful data relating to the project and, in particular, its state of progress.

S'il s'agit de projets: s'il s'agit de projets nationaux ou financés par des donateurs d'aide, prière de joindre en annexe un résumé de toutes les données utiles relatives au projet, et notamment son état d'avancement.

1

5. IF THE GOODS PURCHASED ARE SOLD :

5. SI LES BIENS ACHETES SONT VENDUS :

ASSIGNMENT OF COUNTERPART FUNDS (Funds originating in the sale of goods which have been acquired by means of the transfers)

AFFECTATION DES FONDS DE CONTREPARTIE (Fonds provenant de la vente des biens acquis au moyen des transferts)

Date Date	Amount Montant	Authority responsible for the decision Autorité responsable de la décision	User authority Autorité utilisatrice	Subject (1) Objet (1)
	<p>Bank of Montreal 1111 Avenue de la Monnaie Montreal, Quebec H2Z 1S1 1111 Avenue de la Monnaie Montreal, Quebec H2Z 1S1</p>	<p>1111 Avenue de la Monnaie Montreal, Quebec H2Z 1S1</p>	<p>1111 Avenue de la Monnaie Montreal, Quebec H2Z 1S1</p>	<p>1111 Avenue de la Monnaie Montreal, Quebec H2Z 1S1</p>
TOTAL				

Balance not yet utilized :

Expected utilization of the balance (1) :

Reliquat non encore utilisé :

Utilisation envisagée du reliquat (1) :

6. DATA CONCERNING THE ANTICIPATED EFFECTS

6. INDICATIONS SUR LES EFFETS ESCOMPTES

61. On the sector which gave rise to the transfer : COLRA
Sur le secteur qui a provoqué le transfert :

62. On the other sectors of the national economy : NIL
Sur les autres secteurs de l'économie nationale :

63. On foreign exchanges : NIL
Sur les échanges extérieurs :

Done at TUVALU ON 25 SEPT 1978

Fait à le 19

R. Jalaka
Signature of the authority entitled to inform
the Commission

Signature de l'Autorité habilitée à informer
la Commission