

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION COMMUNICATION TO THE COUNCIL
ON THE ACCESSION OF THE SOLOMON ISLANDS,
TUVALU AND DOMINICA TO THE ACP-EEC CONVENTION
OF LOME AND PROPOSALS FOR CERTAIN LEGAL
ACTS RELATING THERETO

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1. Introduction

The Solomon Islands, Tuvalu and Dominica became, or will become, independent on 7 July, 1 October and 3 November 1978 respectively. The formalities provided for, in the case of former OCTs acceding to independence, involve, in accordance with Art. 89 of the Convention, the approval of their requests for accession by the ACP-EEC Council of Ministers, and the depositing, by the country concerned, of an instrument of accession with the Secretariat of the Council. These procedures have been finalised by the Solomon Islands, and have already been initiated by the other two OCTs (Annex I).

Meanwhile, the Commission referred to the Council, the texts of three decisions concerning the provisional application of the arrangements provided for by Decision of 29 June 1976 concerning the association of the OCTs with the EEC, to:

- the Solomon Islands (adopted by Council on 19 July 1978);
- Tuvalu (adoption procedures in progress during October 1978);
- Dominica (in course of examination).

To avoid unnecessary delays in the application to these States, of the regulations provided for by the Lomé Convention, after the accession of these States to the Convention, it is important to proceed, immediately, to the adoption of the legal acts necessary for this purpose.

As the measures to be taken are similar in nature, it has been considered advisable to introduce together the submission of these three countries, most particularly by carrying out the necessary adjustments to the EDF amounts available, in one single operation.

2. Transfer of Resources

Article 1(4) of the Internal Agreement on the financing and administration of Community aid of 11 July 1975 reads as follows:

"Where a country or territory which has become independent accedes to the Convention, the amounts indicated in paragraph 3(b) above shall be reduced and those indicated in paragraph 3(a) above correspondingly increased by a decision taken by the Council acting unanimously on a proposal from the Commission."

The Commission therefore proposes that the Council adopt a decision to this effect (Annex II).

The Commission's proposal has been worked out on the basis of the amounts allocated to these three former OCTs by the United Kingdom, taking into account the allocation made by the United Kingdom to its overseas countries and territories, in consultation and with the agreement of the Commission, in accordance with the following principles:

- a) The amount of resources to be transferred for each country is made up of:
- the amount corresponding to the indicative programme increased by the share allotted to each country, by the Council, from the resources reserved for the poorest OCTs.
 - increased by delegation costs, taken out of the regional amount reserved for this purpose, for the Caribbean and Pacific Ocean OCTs respectively, and
 - decreased, as appropriate, by an amount equal to commitments already incurred on projects.

The total amount of resources to be transferred for the three OCTs is equal to 10,917,000 EJA.

- b) The assignment of this sum to the ACP States, is allocated on the basis of 5,432,000 EJA as grants and 5,485,000 as special loans; these two amounts were arrived at, by taking into account the allocation made to each of these OCTs with regard to the mode of financing.

For the deduction of these amounts from the appropriations earmarked for the OCTs, due account has been taken of the decisions taken in May 1978 by the Council, in the apportioning amongst the various OCTs, of the portion allocated to them from the "OCT Reserve", as well as the portion earmarked for the "least-favoured OCTs".

- c) Transfer of these three OCTs' appropriations to the ACP funds are made from the latest estimated account in force, that is, the Council Decision concerning the adjustments of the amounts made available to the EDF, following the accession of Djibouti to the Lomé Convention.

After consultation with the European Investment Bank, it was not considered necessary to transfer risk capital at this stage; however, it is proposed that an overall transfer be made before the end of 1979, when the number of OCTs having acceded to the Lomé Convention after Surinam, Comores and Seychelles, would have reached a crucial point.

As regards STABEX, it is suggested that a declaration should be recorded in the Minutes of the Council calling attention to the provision of Article 1(5) of the Internal Agreement (Annex IV).

3. Adjustment of the Texts

- a) Article 56, the Decision of 29 June 1976 provides that:

"If a country or territory becomes independent, the Council, acting unanimously on a proposal from the Commission, shall decide on any necessary adjustments to this Decision, in particular to the amounts specified in Article 30".

The adjustment to Article 30 of the above Decision on the basis of the transfer to be carried out in the Internal Agreement is in line with the allocation made in para 2 above. Moreover, the names of the three former Territories are to be deleted from:

- the list of OCTs in Annex I to the Decision,
- Article 23 (5) of the Decision,
- Article 26 of the Decision.

The Commission therefore proposes that the Council adopt a decision to this effect (Annex III).

b) A list of the OCT also appears in:

- Annex I to Council Regulation (EEC) No 706/76 of 30 March 1976 of 30 March 1976 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories.

The Commission therefore, proposes that the said regulation be amended (Annex V).

4. ECSC Agreement

The Agreement (with the ACP States) on products within the province of the European Coal and Steel Community of 28 February 1975 does not provide for any accession procedure. It therefore follows that accession can take place only by means of an agreement between all the contracting parties to the 1975 Agreement. It would furthermore be possible to envisage agreements with the same content between the Member States of the ECSC and each of the three new ACP States. Once these States are deleted from the list in Annex I to the Council Decision of 29 June 1976 (see point 3(a) above) they can no longer benefit under the Decision of the representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council of 20 January 1976, on the opening of tariff preferences for products within the province of that Community originating in the overseas countries and territories associated with the Community ¹.

¹ See the first paragraph of Article 1:

The duties applicable in the Community to imports of products within the province of the European Coal and Steel Community originating in the countries and territories listed in Annex I to Decision 76/568/EEC, the charges having an effect equivalent to such duties and the collection of such duties and charges shall be suspended; however, the treatment applied to these products shall not be more favourable than that applied by the Member States among themselves."

Since this Agreement has no real economic significance for the three new States in question, which have no coal or steel industry, and given that the Agreement is only in force for five years, that is until 1980, and in view of the time that would be needed for the Member States to ratify any supplementary Agreement, it does not seem necessary to propose any action on this point.

5. Decision to be taken by the ACP-EEC Council of Ministers

a) Article 48(3) of the Convention provides that:

"The list of ACP States in paragraph 2 may be amended by decision of the Council of Ministers:

where a third State in a comparable economic situation accedes to this Convention;

....."

This list is also applicable in connection with the stabilization of export earnings system provided for in the Convention (Article 21(5)).

The Solomon Islands, Tuvalu and Dominica are referred to by the corresponding provision of the Council Decision of 29 June 1976 (Article 23(5)), which clearly indicates that the EEC counts these countries as being among the least developed OCTs.

This classification is equally valid within the ACPs, in view of their low level of per capita income and their dependence on a small range of exports. These factors are compounded by the problems caused by their geographical isolation and their insularity.

The Commission recommends to the Council that the Community adopt a favourable position in the ACP-EEC Council of Ministers on the inclusion of these three new ACP States to the list in Article 48 (draft decision, Annex IV).

- b) The list in Article 24 of the Convention contains not only the least developed but also the landlocked or island ACP States. The Solomon Islands, Tuvalu and Dominica, being island States, must automatically be included in this list.

The Council will find enclosed the following proposals and recommendations.

- Notice to be published, in the Official Journal, on the accession of the Solomon Islands, Tuvalu and Dominica to the ACP-EEC Convention of Lomé (Annex I);
- proposal for a Council Decision adjusting the amounts made available to the European Development Fund (1975) for the ACP States on the one hand and the countries and territories and the French overseas departments on the other hand (Annex II);
- proposal for a Council Decision adapting the Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community (Annex III);
- proposal for a Council Decision relating to STABEX (Annex IV).
- proposal for a Council Regulation amending Regulation No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories as regards the list of the countries and territories in question (Annex V);
- proposal for an ACP-EEC Council of Ministers decision amending the list of the least developed ACP States (Annex VI).

ACCESSION OF THE SOLOMON ISLANDS, TUVALU AND DOMINICA
ACP-EEC CONVENTION OF LOME

(For publication in the "L" series of the Official Journal of the
European Communities)

The Solomon Islands, Tuvalu and Dominica, in accordance with
Article 89 of the ACP-EEC Convention of Lomé ⁽¹⁾, by depositing their
instruments of accession acceded to the Convention on 27 September
, and 1978 respectively.

Consequently, with effect from such dates, any reference to
the "ACP States" in the acts of the Community institutions also
applies to the Solomon Islands, Tuvalu and Dominica.

(1) OJ No L 25, 30.1.1976, p. 2

PROPOSAL FOR A COUNCIL DECISION

adjusting the amounts made available
to the European Development Fund (1975) for the
ACP States and for the overseas countries and territories and
the French overseas departments
(Solomon Islands, Tuvalu and Dominica)

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 adminis-
tration of Community aid ⁽¹⁾, signed on 11 July 1975, hereinafter
referred to as the "Internal Agreement", and in particular Article 1 (4)
thereof,

Having regard to the proposal from the Commission,

Whereas the Solomon Islands, Tuvalu and Dominica, which were three of
the overseas territories associated with the Community under Decision
76/568/EEC ⁽²⁾, have become independent and have applied to accede to
the Lomé Convention pursuant to Article 89 thereof; whereas the ACP-EEC
Council of Ministers has approved these applications, whereas these
States deposited their instruments of accession with the Secretariat
of the Council of the European Communities on 27 September, and 1978
respectively, and thus acceded to the ACP-EEC Convention of Lomé on
such dates;

Whereas, therefore, in accordance with Article 1(4) of the Internal
Agreement, the amounts provided for the overseas countries and territories
in Article 1(3)(b) of the said Internal Agreement should be reduced and
those provided for the ACP States in under (a) of that paragraph
correspondingly increased;

(1) OJ No L 25, 30.1.1976, p. 168

(2) OJ No L 176, 1.7.1976, p. 8

Whereas this adjustment must be made on the basis of the amounts specified in Council Decision 78/465/EEC⁽¹⁾ which last adjusted the amounts made available to the European Development Fund following the accession of former associated overseas countries and territories to the Lomé Convention,

HAS DECIDED AS FOLLOWS:

Article 1

Article 1(3)(a) and (b) of the Internal Agreement is hereby amended to read as follows:

"(a) 3,045.267 million European units of account for the ACP States, comprising:

2,132.182 million European units of account in the form of grants,

442.085 million European units of account in the form of special loans,

96.000 million European units of account in the form of risk capital,

375.000 million European units of account in the form of transfers pursuant to Title II of the Convention;

(b) 84.733 million European units of account for the countries and territories and the French overseas departments, comprising:

40.222 million European units of account in the form of grants,

28.915 million European units of account in the form of special loans,

4.000 million European units of account in the form of risk capital,

12.126 million European units of account in the form of a reserve."

(1) OJ No L 147, 3.6.1978, p.39

Article 2

This Decision shall apply with effect from

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,
For the Council
The President

PROPOSAL FOR A COUNCIL DECISION

adjusting Decision 76/568/EEC on the association of the overseas countries and territories with the European Economic Community, on the accession of The Solomon Islands, Tuvalu and Dominica to the Convention of Lomé.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community ⁽¹⁾, as last amended by Decision 78/465/EEC ⁽²⁾, and in particular Article 56 thereof,

Having regard to the proposal from the Commission,

Whereas Decision 76/568/EEC provides for its adjustment where an overseas country or territory which has become independent accedes to the ACP-EEC Convention of Lomé ⁽³⁾, hereinafter referred to as the "Convention";

Whereas the Solomon Islands, Tuvalu and Dominica, which appear in the list set out in Annex I to Decision 76/568/EEC, having become independent have applied to accede to the Convention; whereas the ACP-EEC Council of Ministers has approved these applications; whereas these States, having deposited their instruments of accession, thus acceded to the Convention on 27 September, and 1978;

Whereas the various lists contained in Decision 76/568/EEC and the amounts specified in Article 30 thereof should therefore be adjusted,

(1) OJ No L 176, 1.7.1976, p. 8

(2) OJ No 147, 3.6.1978, p.39

(3) OJ No L 25, 30.1.1976, p. 1

HAS DECIDED AS FOLLOWS:

Article 1

1. Decision 76/568/EEC is hereby amended as follows:

The following shall be deleted from Articles 23(5) and 26 and from the list in Annex I:

"The Solomon Islands, Tuvalu and Dominica"

2. Article 30 shall read:

"Article 30

The following provisions shall apply with effect from 1978:

1. The aggregate amount of Community aid shall be reduced to 115 million European units of account.

2. This amount shall comprise:

(a) 104.733 million European units of account from the European Development Fund (1975), hereinafter referred to as the "Fund", allocated as follows:

(1) for the purposes set out in Article 28, 84.733 million European units of account, consisting of:

- 39.692 million European units of account in the form of grants;
- 28.915 million European units of account in the form of special loans;
- 4 million European units of account in the form of risk capital;
- 12.126 million European units of account in the form of a reserve;

.../...

- 3 -

- (ii) 20 million European units of account, likewise from the Fund, in the form of transfers to the countries and territories for the stabilization of export earnings;
- (b) For the purposes set out in Article 28, up to 10 million European units of account in the form of loans from the Bank, made from its own resources on the terms and conditions provided for in its Statute and supplemented, as a general rule, by a 3% interest rate subsidy, under the conditions laid down in Article 4 of Annex V.

The total cost of the interest rate subsidies shall be charged against the amount of the grants provided for in 2(a)(i).

3. Following the accession of the Solomon Islands, Tuvalu and Dominica to the Convention, the amounts provided for in the form of grants, special loans and a reserve, initially allocated in three equal parts among the French overseas territories and departments and the Netherlands and United Kingdom overseas countries and territories, shall be reduced in accordance with Decision 78/ /EEC.
4. (a) Of the portion allocated to the French overseas territories and departments:
- 13 million European units of account shall remain frozen until the entry into force of the Agreement amending the Internal Agreement on the financing and administration of Community aid signed on 11 July 1975;
 - 7.70 million European units of account shall be allocated to the French overseas departments;
 - 620.000 European units of account shall remain allocated as financial aid to the least favoured overseas countries and territories, irrespective of the zones within which they fall.

.../...

(b) The sums allocated to the French overseas territories shall amount to 12.10 million European units of account, consisting of:

- 10.10 million European units of account taken from the share allocated to the French overseas territories and departments;
- 2 million European units of account pursuant to Decision 76/569/EEC."

Article 2

This Decision shall enter into force on 1978.

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,
For the Council,
The President

COUNCIL DECLARATION IN RESPECT OF THE
SOLOMON ISLANDS, TUVALU AND DOMINICA
AND STABEX

The Council recalls that, in accordance with the procedure laid down in Article 1(5) of the Internal Agreement on the financing and administration of Community aid, the above-mentioned ACP States will continue to be eligible for the funds provided for in Article 1(3) of that Agreement, subject to the management rules laid down in Title II of the ACP-EEC Convention of Lomé.

COUNCIL REGULATION (EEC)

amending the list of the countries and territories in Regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to Council Regulation (EEC) No 1059/69 of 28 May 1969 laying down trade arrangements applicable to certain goods resulting from the processing of agricultural products ⁽¹⁾, as last amended by Regulation (EEC) No 3058/75 ⁽²⁾, and in particular Article 12 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament ⁽³⁾,

Whereas Council Regulation (EEC) No 706/76 ⁽⁴⁾ laid down the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories;

Whereas the Solomon Islands, Tuvalu and Dominica, which appear in the list of countries and territories set out in Annex I to that Regulation, have become independent;

- ⁽¹⁾ OJ No L 141, 12. 6.1969, p. 1
⁽²⁾ OJ No L 306, 26.11.1975, p. 3
⁽³⁾ OJ No
⁽⁴⁾ OJ No L 85, 31. 3.1976, p. 2

.../...

Whereas these States acceded to the ACP-EEC Convention of Lomé on 27 September, and 1978 and should consequently be counted among the ACP States referred to in Article 1 of the Regulation (EEC) No 706/76; whereas the list in Annex I to that Regulation should therefore be amended,

HAS ADOPTED THIS REGULATION:

Article 1

In Annex I to Regulation (EEC) No 706/76, the words "Solomon Islands", "Tuvalu" and "Dominica" are deleted.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,
For the Council
The President



Proposal for a Decision of the
ACP-EEC Council of Ministers
amending the list in Article 48 (2) of the Convention

The ACP-EEC Council of Ministers has decided as follows:

Article 1

The Solomon Islands, Tuvalu and Dominica are hereby added to the list of States in Article 48 of the Convention of Lomé.

Article 2

This Decision shall enter into force on

Article 3

The ACP States, the Member States and the Community shall within their respective areas of competence, take the necessary steps to implement this Decision.

Done at

For the ACP-EEC Council of Ministers

The President

FINANCIAL RECORD

for the budget.

PART ONE: INTERVENTION APPROPRIATIONS

(for existing and new projects)

1. RELEVANT BUDGET HEADING CODE

- a) Revenue Part - Title I
- b) Expenditure Part - None

2. TITLE OF BUDGET HEADING

- a) Own resources
- b) -

3. LEGAL BASIS

- a) Legal basis quoted in the accompanying texts

4. DESCRIPTION, OBJECTIVE(S) AND JUSTIFICATION OF PROJECT

a) Revenue

The accession of the Solomon Islands, Tuvalu and Dominica to the Convention merely involves a change from OCT status to ACP status. Consequently, it will not result in any change in the levies, duties and taxes charged on the products exported by these States to the EEC.

b) Expenditure

The accession of these States will have no effect on Community expenditure.

5. APPROPRIATIONS (in u.a.)

a) Multi-annual timetable

Measure applicable throughout the period of validity of the Lomé Convention.

b) Pattern of utilisation during the financial year now being prepared

None

c) Calculation Model

None

.../...

6. TYPE OF CONTROL TO BE APPLIED

System of control provided for in the Financial Regulation of 25 April 1973 (own resources) and in the Lomé Convention.

PART TWO : ADDITIONAL DATA TO BE PROVIDED FOR A NEW PROJECT (1)7. TOTAL COST OF THE PROJECT FOR THE WHOLE OF ITS EXPECTED DURATION
None8. INFORMATION REGARDING STAFFING AND THE APPROPRIATIONS FOR ADMINISTRATIVE EXPENDITURE NECESSARY FOR THE IMPLEMENTATION OF THE PROJECT
The project will be carried out with the Commission's existing staff.

9. FINANCING OF THE PROJECT

The project affects only the allocation of the amounts earmarked for the OCT and ACP respectively in the Lomé Convention, which are borne by the Member States. There is therefore no effect on the Community Budget.

(1) The Commission Decision of 28 November 1973 on new budget procedures mentions the need to draw up for each new project a "financial memorandum" consisting of the two parts of this financial record.