

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 634 final/A

Brussels, 25 November 1976

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on the negotiations between the Community and:

PAPUA NEW GUINEA

with a view to its accession to the ACP/EEC Convention of Lomé

COM(76) 634 final/A

COMMISSION COMMUNICATION TO THE COUNCIL

on the negotiations between the Community and
Papua New Guinea
with a view to its accession to the ACP/EEC Convention
of Lomé

1. The negotiations between the Community and
Papua New Guinea

with a view to its accession to the ACP/EEC Convention of Lomé were
held in Brussels on 29 October 1976 (see detailed report Annex IV).

At the close of those negotiations, the Community Delegation and the
Delegation of Papua New Guinea gave their full approval to the
text of the draft Agreement in an exchange of letters between the
Heads of Delegation.

The text of the "Agreement" embodies the results of the negotiations
conducted on the basis of the Council Directives of 1 October
(S/1490/76).

2. The Commission considers that it has fulfilled its negotiating task
in accordance with those directives and recommends that the Council
approves the results of the negotiations, namely :

the Agreement on the accession of Papua New Guinea to the
ACP/EEC Convention of Lomé (Annex I) ;

and the draft Final Act (Annex II),
and initiates the procedure for the signing and conclusion of this
Agreement.

To this end, the Commission is forwarding herewith to the Council a
recommendation for regulation concluding the Agreement (Annex III).

3. The Commission considers that when the Accession Agreement is signed there
should be an exchange of letters with the acceding State on the advance
implementation of certain provisions of the Lomé Convention. To this

end, the Commission forwards a draft exchange of letters (Annex V). A proposal for a Council Regulation relating to this question is being transmitted separately to this Council so as to facilitate consultation of the European Parliament.

4. Since Papua New Guinea is an archipelago, its main island being shared with part of Indonesia, it should automatically be included in the list of ACP States in Article 24 of the Convention. On the other hand, the Commission makes no recommendation for its inclusion in the list of countries covered by Article 48 (2) of the Convention.
5. The Commission has already separately communicated to the Council a draft Internal Agreement amending the Internal Agreement on the financing and administration of Community aid signed on 11 July 1975 (COM (76) 448 Final of 8 September 1976) to take account of the accession of Papua New Guinea (and Sao Tomé e Príncipe and Cape Verde).
6. By analogy with the arrangements made in 1975 in respect of the ACP countries, the Commission also transmits a draft Decision of the Council relating to the introduction of certain interim measures in the field of financial and technical cooperation (Annex VI).
7. A communication has been transmitted in respect of the negotiations between the Community and Sao Tomé e Príncipe and Cape Verde (COM (76) 450 Final of 8 September 1976).

A G R E E M E N T

on the accession of Papua New Guinea to the ACP-EEC Convention of Lomé

HIS MAJESTY THE KING OF THE BELGIANS,
HER MAJESTY THE QUEEN OF DENMARK,
THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,
THE PRESIDENT OF THE FRENCH REPUBLIC,
THE PRESIDENT OF IRELAND,
THE PRESIDENT OF THE ITALIAN REPUBLIC,
HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,
HER MAJESTY THE QUEEN OF THE NETHERLANDS,
HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community,
(hereinafter called "the Community") signed at Rome on 25 March 1957,
whose States are hereinafter referred to as "Member States" and

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

on the one hand, and

THE HEAD OF STATE OF PAPUA NEW GUINEA

on the other hand,

HAVING REGARD to the Treaty establishing the European Economic Community
hereinafter called the "Treaty",

HAVING REGARD to the ACP-EEC Convention of Lomé between the African,
Caribbean and Pacific States and the European Economic Community, signed
at Lomé on 28 February 1975 and hereinafter called the "Convention", and
in particular Article 90 thereof,

WHEREAS Papua New Guinea has applied to accede to the Convention;

WHEREAS the ACP-EEC Council of Ministers has approved the application

HAVE DECIDED to conclude an Agreement on the accession of Papua New Guinea to
the Convention, and to this end have designated as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS,
HER MAJESTY THE QUEEN OF DENMARK,
THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,
THE PRESIDENT OF THE FRENCH REPUBLIC,
THE PRESIDENT OF IRELAND,
THE PRESIDENT OF THE ITALIAN REPUBLIC,
HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,
HER MAJESTY THE QUEEN OF THE NETHERLANDS,
HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND,
THE COUNCIL OF THE EUROPEAN COMMUNITIES,
THE HEAD OF STATE OF PAPUA NEW GUINEA

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1

1. By this Agreement Papua New Guinea accedes to the Convention.
2. Save as otherwise provided in this Agreement, the provisions of the Convention and also the decisions and other implementing measures taken by the institutions of the Convention shall apply to Papua New Guinea.

Article 2

The time limits laid down by the Convention and calculated from the entry into force of the Convention shall for the purpose of application to Papua New Guinea be calculated from the entry into force of this Agreement.

Article 3

As regards the Community, this Agreement shall be validly concluded by a decision of the Council of the European Communities taken in conformity with the provisions of the Treaty and notified to the Parties. It shall be ratified by the Signatory States in conformity with their respective constitutional requirements.

The instruments of ratification and the act of notification of the conclusion of the Agreement shall be deposited, as regards Papua New Guinea, with the Secretariat of the Council of the European Communities and, as regards the Community and the Member States, with the Secretariat of the ACP States. The Secretariats shall forthwith give notice thereof to the signatory States and the Community.

Article 4

This Agreement shall enter into force on the first day of the second month following the date of deposit of the instruments of ratification of the Member States and of Papua New Guinea, and of the act of notification of the conclusion of the Agreement by the Community.

Article 5

The Protocol annexed to this Agreement shall form an integral part thereof.

Article 6

This Agreement, drawn up in two copies in the Danish, Dutch, English, French, German and Italian languages, all texts being equally authentic, shall be deposited in the archives of the Secretariat of the Council of the European Communities and the Secretariat of the ACP States, which shall both transmit a certified copy to the Government of each of the Signatory States.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

In witness whereof, the undersigned Plenipotentiaries have

affixed their signature below this Agreement.

Til bekraeftelse heraf har undertegnede befuldmaegtigede underskrevet denne aftale.

En foi de quoi, les plénipotentiaires soussignés ont apposés leurs signatures en bas du présent accord.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente Accordo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder dit Akkoord hebben gesteld.

Geschehen zu	an
Done at	on the
Udfaerdiget i	den
Fait à	le
Fatto a	il
Gedaan te	de

(signatures)

PROTOCOL No 1

concerning the transitional arrangements for the issue of certificates of origin

THE HIGH CONTRACTING PARTIES

Have agreed upon the following provisions, which are annexed to the Agreement:

Goods which conform to the provisions of Protocol No 1 to the ACP-EEC Convention of Lomé on the concept of "originating" products and which, on the date of entry into force of the Agreement, are being transported, or are held in the Community or in an ACP State under temporary warehouse procedure, in bonded warehouses or in free zones (including free ports and free entrepôts) may be allowed to benefit from the provisions of the Agreement, subject to the submission to the Customs authorities of the importing country, within four months of the said date, of:

- (a) a certificate EUR.1 issued retrospectively by the Customs authorities of the exporting State, or
- (b) a certificate of origin issued by the competent authorities of that State,

and, in either case, any documents that provide supporting evidence of direct transport.

FINAL ACT

The Plenipotentiaries of

HIS MAJESTY THE KING OF THE BELGIANS,
HER MAJESTY THE QUEEN OF DENMARK,
THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,
THE PRESIDENT OF THE FRENCH REPUBLIC,
THE PRESIDENT OF IRELAND,
THE PRESIDENT OF THE ITALIAN REPUBLIC,
HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,
HER MAJESTY THE QUEEN OF THE NETHERLANDS,
HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND,
and
THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part, and

of the other part,
meeting at _____ on _____ for
the purpose of signing an Agreement on the accession of
to the ACP-EEC Convention of Lomé between the African, Caribbean and
Pacific States and the European Economic Community, have adopted the
following texts:

the Agreement _____ on the accession of
to the ACP-EEC Convention of Lomé,

and the following Protocols:

Protocol No _____ on the transitional arrangements for the issue of
certificates of origin.

The Plenipotentiaries have approved the Declarations listed below, which
constitute Annexes I to XIII to the Final Act of the ACP-EEC Convention
signed in Lomé on 28 February 1975:

1. Joint Declaration on the presentation of the Convention to GATT (Annex I)
2. Joint Declaration on Article 11(4) of the Convention (Annex II)
3. Joint Declaration on Article 59(6) of the Convention (Annex III)

4. Joint Declaration on Article 60 of the Convention (Annex IV)
5. Joint Declaration on representation of regional economic groupings (Annex V)
6. Joint Declaration on Article 89 of the Convention (Annex VI)
7. Joint Declaration on Article 4(1) of Protocol No 2 (Annex VII)
8. Joint Declaration on Article 20(c) of Protocol No 2 (Annex VIII)
9. Joint Declaration on Article 22 of Protocol No 2 (Annex IX)
10. Joint Declaration on Article 23 of Protocol No 2 (Annex X)
11. Joint Declaration on Article 26 of Protocol No 2 (Annex XI)
12. Joint Declaration on trade between the European Economic Community and Botswana, Lesotho and Swaziland (Annex XII).
13. Joint Declaration concerning possible requests for participation in Protocol No 3 (Annex XIII)

The Plenipotentiary of _____ has also taken note of the Declarations listed below, which constitute Annexes XIV to XXIV to the Final Act of the ACP-EEC Convention signed in Lomé on 28 February 1975:

1. Declaration by the Community on Article 2 of the Convention (Annex XIV)
2. Declaration by the Community on Article 3 of the Convention (Annex XV)
3. Declaration by the Community on Article 10(2) of the Convention (Annex XVI)
4. Declaration by the Community on the unit of account referred to in Article 42 of the Convention (Annex XVII)
5. Declaration by the Community on Article 3 of Protocol No 2 (Annex XVIII)
6. Declaration by the Community on Article 4(3) of Protocol No 2 (Annex XIX)
7. Declaration by the Community on any additional financing by the European Investment Bank during the implementation of the Convention (Annex XX)
8. Declaration by the Community concerning sugar originating in Belize, St. Kitts-Nevis-Anguilla and Surinam (Annex XXI)
9. Declaration by the Community on Article 10 of Protocol No 3 (Annex XXII)
10. Declaration by the representative of the Government of the Federal Republic of Germany concerning the definition of German nationals (Annex XXIII).
11. Declaration by the representative of the Government of the Federal Republic of Germany concerning the application to Berlin of the ACP-EEC Convention of Lomé (Annex XXIV)

[The Plenipotentiaries have also adopted the text of the following Declaration annexed to this Final Act:

Furthermore, the Plenipotentiary of _____ has taken note of the following Declaration annexed to this Final Act:]

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below this Final Act.

Done at _____

Recommendation for
COUNCIL REGULATION (EEC)
concluding the Agreement

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the Opinion of the European Parliament¹,

Whereas an Agreement on the accession of to the ACP-EEC Convention of Lomé² between the African, Caribbean and Pacific States and the European Economic Community, hereinafter called the "Convention", and a Final Act were signed in ;

Whereas it should be ensured that acts of the Institutions of the Community - both those currently in force and those adopted subsequently - which use the expression "the ACP States" apply to ,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement on the accession of to the Convention, and the Final Act and the Declarations annexed thereto, are hereby concluded, approved and confirmed on behalf of the European Economic Community.

The texts of the Agreement and the Final Act are annexed to this Regulation.

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²OJ No L 25, 30.1.1976, p. 2.

Article 2

The President of the Council is hereby authorized, as regards the Community, to deposit the act of notification of the conclusion of the Agreement, in accordance with Article of the Agreement.

Article 3

Save where otherwise provided, any mention of the "ACP States" in the acts of the Institutions of the Community shall also apply to This shall apply from the entry into force of the Agreement.

Article 4

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

REPORT ON THE NEGOTIATIONS WITH PAPUA NEW GUINEA (PNG)

with a view to their accession to the ACP/EEC Convention of Lomé

I. INTRODUCTION

PNG officially applied for membership of the Lomé Convention on 3 December 1975. In its communication to the Council of 25 February 1976 (COM (76) 66 Final) the Commission suggested that the Community should react by adopting a favourable position of principle and that the Commission should exchange information with the PNG authorities.

Following the formal approval of the PNG request by the ACP/EEC Council at its first meeting in Brussels on 14 - 15 July 1976, and in the light of exploratory talks with PNG officials, the Commission made recommendation to the Council for a Decision to open negotiations (COM (76) 448 Final). This Communication also included a draft Internal Agreement amending the Internal Agreement on the financing and administration of Community aid signed on 11 July 1975 (without figures).

At its meeting of 4-5 October 1976 the Council authorised the Commission to open negotiations with PNG (Council Document S/1490/76)

II PROGRESS OF THE NEGOTIATIONS

The negotiations took place on 29 October and were conducted by the Commission on behalf of the Community with representatives of the Member States present as observers. The negotiations were preceded by a coordination meeting between the Commission and the Member States with the Council occupying the Chair.

In accordance with the directives laid down by the Council, the negotiations covered all the Titles of the Convention and Title II in particular, with the exception, however, of Article 48(2) (Title IV) and the amount of financial aid to be earmarked. At the close of

these negotiations, the Community Delegation and the Delegation of Papua New Guinea respectively recorded their agreement on a draft Agreement in an exchange of letters between the Heads of Delegation.

III SPECIAL POINTS RAISED

The PNG representative acknowledged the obligations of the Lomé Convention and gave his Government's assurance of their intention to observe them. He additionally raised four other questions.

- The PNG Government sought the anticipated application of certain trade measures (Title I, Chapter I of the Lomé Convention, The Protocol No.1 of the Lomé Convention on origin, and the Joint Declaration on Fishing activities annexed to the Convention).

A proposal for an exchange of letters on the advance implementation of certain provisions of the Convention covering these questions is attached at Annex V. At the same time, a separate proposal for a Council Regulation on this advance implementation is being submitted to the Council.

- The PNG representative also sought that the Commission should report his Government's desire for inclusion in the list of countries in Article 48(2) of the Lomé Convention (Least developed). The representative of PNG stated that the UN statistics for GNP per capita (\$ US 477) were falsified because of the large sector of the economy subsidised by Australian aid, particularly in respect of salaries, (The true figure was nearer US \$ 277). The level of industrialisation in PNG was extremely low. 96% of the land economy was subsistence farming. The environment was rugged, the topography hindered communications and the population unevenly distributed.

The Community representative took note of these desiderata and, without making any commitment, undertook to transmit these to the Council of the European Communities in his report.

The considerations set out by the PNG Delegation serve to confirm the preliminary views of the Commission that the development level of PNG is not accurately reflected by the official figures of PNG per capita. Nevertheless, although much of what the PNG representative outlined will be examined in depth on the basis of documentary evidence, the Commission does not believe that it can go so far as to support the case for inclusion of PNG in Article 48(2). Even on the basis of the figures put forward by the PNG Delegation, this would not be justified.

- The PNG Government was likely to negotiate a free trade agreement in the near future with Australia. This agreement would be entirely compatible with the provisions of the Lomé Convention and no preferences would be extended to Australia.

When pressed for assurances on this point, the PNG Delegation emphasised that the agreement with Australia would be non-preferential and would be negotiated with the Lomé Convention fully in mind. Copies of the agreement would be made available for scrutiny at the earliest possible occasion.

- Finally, PNG which was in the process of finalising its development plan would keep the Community fully informed of its objectives and priorities in the field of EDF programming.

POINTS NOT RAISED IN NEGOTIATION BUT OF RELEVANCE

- In preliminary discussion among the Member States particular reference was made by one Delegation to problems arising from possible special arrangements regarding the movement of capital and rights of establishment subsisting between PNG and Australia. Following an exploratory exchange on these questions

the following information has been made available:

Prior to January 1976 Papua New Guinea was part of the Australian Monetary System, hence no exchange control existed between PNG and Australia, whereas there were exchange control regulations governing movement of foreign exchange between PNG and other foreign countries.

In January 1976 PNG amended its exchange regulations, and exchange arrangements with Australia were brought into line with those applying to other countries. All foreign payments require the approval of the Bank of Papua New Guinea. No restrictions are placed on current payments or capital repayments due to overseas residents. Restrictions are placed on investment overseas by PNG residents and by PNG Incorporated Companies. These restrictions, however, are imposed on a non-discriminatory basis. Temporary residents in PNG, including EEC nationals, are free to remit their earnings to any overseas destination.

The only discriminatory aspect of PNG's exchange regulations related to the ban on trade with Rhodesia, pursuant to the UN Resolution on this matter.

With respect to the establishment of individuals, Papua New Guinea does not maintain any practices which discriminate between Foreign nationals. The Employment (training and regulation) Act 1971 provides for the gazettal of prohibited and restricted categories of employment. Only PNG nationals may be employed in prohibited categories of employment. Non-nationals may be employed in restricted categories of work, provided that the training of nationals is undertaken, either in the form of on-the-job training or apprenticeship training. Work permits are required by all non-nationals. In issuing work permits, favoured treatment is not given to nationals of any country, including Australia.

In respect of the establishment of companies, no preferences are given to Australian firms. Certain activities are restricted to

national firms only. Decisions on the establishment of foreign companies in Papua New Guinea are taken on the basis of commercial considerations, not on the basis of nationality of the investor.

There are no aspects of PNG's legislation that discriminate against nationals or firms of the Member States of the EEC. Furthermore, there are no informal arrangements operated in favour of Australia or any other foreign country.

Against this background the Government of PNG has informed the Commission that it sees no difficulty in accepting Title V of the Lomé Convention fully and without qualification.

The 27th Annual report of the IMF on Exchange Restrictions of May 1976 supports the above evidence and, subject to detailed analysis of the relevant PNG legislation, the Commission considers that the position is entirely satisfactory and requires no additional specific undertakings by PNG.

- Finally, there is a technical question regarding the description of goods crossing PNG frontiers. PNG does not employ the Brussels nomenclature, but a simplified structure based on **the C.T.C.I.** This could give rise to some minor problems in the implementation of the trade provisions of the Lomé Convention and, at a later stage, in respect of Stabex. These would not be insurmountable but could give rise to aggravating administrative questions. The PNG Government has no objection of principle to adopting the Brussels nomenclature and it has been suggested that the Community's relevant authorities and the Government of PNG should examine together the possibility of effecting this conversion (which would constitute a relatively brief, simple exercise) in the near future. The Commission is of the view that this would be the most expeditious way of dealing with this question, which in any case does not constitute an obstacle to the accession of PNG to the Lomé Convention.

EXCHANGE OF LETTERS ON THE ADVANCE
IMPLEMENTATION OF CERTAIN PROVISIONS OF THE ACP-EEC
CONVENTION OF LOME IN RESPECT OF

On the occasion of the signing of the Agreement on the accession of..... to the ACP-EEC Convention of Lomé, the signatories to the Accession Agreement agreed as follows in respect of the advance implementation of certain provisions of the ACP-EEC Convention of Lomé, excluding those involving financial commitments.

1. The European Economic Community and shall apply autonomously from the first day of the second month following the date of signature of this Exchange of Letters certain provisions of the ACP-EEC Convention in accordance with the arrangements laid down in the Accession Agreement. These provisions are:

Chapter 1 of Title I of the Convention, with the exception of those matters which are reserved for the Council of Ministers;

The Protocol on the concept of "originating products";

The Protocols and Declaration on fishing activities, rum and bananas.

To this end, each Contracting Parties will take the necessary measures with respect to implementation of these provisions. These provisions will be applied until the entry into force of the Accession Agreement and in any case not later than 31 December 1977.

2. The European Economic Community informs that in the field of financial and technical cooperation it is studying measures, particularly as regards the programming of aid, to enable the corresponding provisions of the Convention to be effectively applied as soon as the Accession Agreement enters into force.

I should be grateful if you would acknowledge receipt of this letter and confirm your agreement with its content.

Council Decision on the interim measures on financial
and technical cooperation in respect of certain States
that have signed Agreements of Accession to the
Convention of Lomé

The following provisions shall be adopted in order to enable the provisions of the Convention of Lomé governing financial and technical cooperation to be applied to the acceding States as soon as possible after the Accession Agreements enter into force, without prejudice to the decisions which can only be taken after parliamentary ratification of the Agreements and in order to ensure the uninterrupted application of the procedures for programming and administering financial aid.

1. The Commission shall be authorized to carry out the necessary preparations for implementing the provisions of the Convention of Lomé governing financial and technical aid for the benefit of the acceding States as soon as possible after the Accession Agreements enter into force.
2. The Commission and the Bank may, subject to the conditions laid down in Article 17 of the Internal Financial Agreement of 1975, initiate programming missions in the States signing Accession Agreements although no binding decisions or conclusions may be reached.
3. Upon signature of its accession agreement, each of the acceding States and other recipients may submit to the Community their requests for the financing of projects or programmes. The bodies responsible administering the aid may examine the projects or programmes submitted during the interim period. These projects and programmes may not, however, be finally adopted until after the entry into force of the Accession Agreements.

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FINANCIAL RECORD

for the 1976 Budget

A. PART 1: INTERVENTION APPROPRIATIONS

(for existing and new projects)

1. RELEVANT BUDGET HEADING CODE(S)

(a) Revenue part: Title 1, Chapters 10, 11 and 12

(b) Expenditure part: nil

2. TITLE OF BUDGET HEADING

(a) "Own resources"

(b) -

3. LEGAL BASIS

Article 238 of the EEC Treaty

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

(a) Revenue: Reduction in the levies, duties and charges imposed on imports into the territory of the EEC of products exported by Papua New Guinea following the accession of this country to the Lomé Convention and in accordance with the provisions of the Convention, in particular those of Titles I, II and III, and the provisions of the Protocols and Agreements annexed thereto.

(b) Expenditure: The accession to the Lomé Convention of the above States has no effect on the Community budget, since the increase in the EDF's resources necessitated by the accession of these countries will have to be covered by an additional financial contribution from the Member States.

5. APPROPRIATIONS (in u.a.)

5.0 MULTIANNUAL TIMETABLE

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

5.1 PATTERN OF UTILIZATION OF APPROPRIATIONS DURING THE FINANCIAL YEAR NOW BEING PREPARED

Nil

5.2 METHOD OF CALCULATION

Revenue: The reductions in revenue occasioned by the accession of Papua New Guinea are difficult to estimate in advance since their scale will depend on the resulting fluctuations in the volume and value of the EEC's imports. Given the present volume of the EEC's imports from this country and the nature of the goods concerned, the reductions will in any event be very small. In addition, the special arrangements which apply under Article 116 of the Accession Treaty limit the existing revenue from customs duty to EEC Member States other than UK. Nevertheless, on the basis of imports to the Community from Papua New Guinea in 1975, the loss of revenue can be estimated at 2.400.000 E.U.A. annually.

6. TYPE OF CONTROL TO BE APPLIED

Control arrangements provided for in the Financial Regulation of 25 April 1973.

B. PART 2: ADDITIONAL DATA TO BE PROVIDED FOR A NEW PROJECT¹

7. TOTAL COST OF THE PROJECT FOR THE WHOLE OF ITS EXPECTED DURATION

The loss of revenue cannot be quantified from the accounting viewpoint at the present stage.

8. 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

As regards the "reduction of revenue" part, the cost of the project will be borne by the Community budget.

As regards the "expenditure" part, the project will have no effect on the Community budget, but will be financed from the new EDF appropriation.

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

