The Stabex System and export revenus in ACP countries

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BACKGROUND

The Stabex system came into being in the political and economic environment of the early seventies. A number of factors paved the way for its creation.

There was much talk at the time of a new international economic order and the subject was on the agenda of the third UNCTAD (United Nations Conference on Trade and Development) meeting in Santiago, Chile.

The 1973 Yom Kippur war accentuated the demand for commodities supplied by developing countries. Aware that the way to control their development was to establish greater stability and increase their income from the export of commodities, these countries began to demand stable export earnings more insistently.

It was also the period during which the arrangements between a large number of developing countries, who were to become the ACP States, and the EEC were to be renegotiated.

The decisive impetus came with the accession of the United Kingdom to the Community and the arrangements to safeguard the interests of sugar producers hitherto represented by the Commonwealth Sugar Agreement.
It was clear that these arrangements could not be confined to sugar - which was covered by a special Protocol - but would have to be established for other commodities too[1].

In 1975 this combination of factors resulted in the creation of Stabex, a stabilisation system offering the ACP States substantial funds to finance their agricultural sectors when they encountered serious difficulties because of falls in export earnings, whether these were due to falling world prices, natural disasters or a combination of the two.

1. Other products such as beef and veal, rum and bananas were also covered by special protocols.

THE BASIS OF THE STABEX SYSTEM

At the root of this system lies the recognition that the benefits of growth in export earnings for commodities do not suffice to offset the damage done by contraction, even if the rises and falls appear to be similar in scale.

Fluctuations in export earnings have disruptive effects at a number of levels:

• They cause investment planning problems.

The economic structures of developing countries are often too rigid to allow them to take full advantage of an unexpected increase in their export earnings. On the other hand, a sudden fall in these earnings often leads to the suspension, or even abandonment, of projects under way.

• They disturb the internal balance of public finances. While prices are rising, governments are inclined to increase public spending in ways which are difficult to reverse when prices fall.

The loss of tax revenue then has to be offset by increasing levies on producers' earnings or increasing domestic borrowing.

• The erosion of their incomes can make producers less inclined to produce export commodities and so lead to national export earnings falling even further.

• The balance of payments suffers.

However, experience has shown that the stabilisation of prices for basic products does not suffice to guarantee a stabilisation of the export earnings of developing countries.

Often the quantities of products exported fluctuate even more extremely than prices for a number of reasons, including variations in demand from industrialised countries, abnormal weather conditions and wars.

When working out how to stabilise earnings, all these factors had to be taken into account.

THE BASIS OF THE STABEX SYSTEM

Broadly speaking, there are four different ways of adjusting the export earnings of countries producing basic commodities:

- Interventions on the market (international agreements and arrangements) involving the redistribution of the export market, control of supply and, possibly, the establishment of buffer stocks;
- Preferential systems, by definition geographically limited, based on guaranteed price systems, particularly in the form of tariff preferences for producers in countries which are parties to the agreement.
- Institutional solutions operating outside the market, including guaranteed purchase at guaranteed prices. The producer countries are paid at a fixed price for fixed quantities of a product which they are committed to supplying.
- No intervention on the market, but post hoc compensation payments to assist export earnings.

The last of these formulas was the one chosen. One of its original features is not to intervene in advance, but after losses have been recorded, without interfering in the free play of market forces.

The principle is a simple one: a reference level is fixed and the beneficiary countries are guaranteed a transfer of funds equivalent to all or part of the difference between the actual value of their exports and the reference level.

The basis of this system was laid down in Article 16 of Lomé I: ***"With the aim of remedying the harmful effects of the instability of export earnings and of thereby enabling the ACP States to achieve the stability, profitability and sustained growth of their economies, the Community shall implement a system for guaranteeing the stabilisation of earnings from exports by the ACP States to the Community of certain products on which their economies are dependent and which are affected by fluctuations in price and/or quantity."***

This system, in which there was much international interest, has now increased its scope and effectiveness, although the basic purpose of Stabex is not to act as a support system for the balance of payments or to offset budget deficits.

From Lomé IV onwards "where, in the sector for which the transfer is destined, there is already an adjustment operating designed to restructure production and export activities or achieve diversification, the resources shall be used to second these efforts and, where necessary, support any consistent reform policy in the sector concerned." Lomé IV, Article 209(4).

These provisions were strengthened in the revised Convention which provides that where there is an adjustment programme in place, including operations designed to restructure production and export activities, or to achieve diversification, the resources will be used in conformity with these efforts and in order to support any consistent reform policy.

The Community has made increasing efforts to negotiate a series of Conventions, each consolidating and improving of the achievements of the previous ones to take as full account as possible of ACP States' wishes and the lessons learnt from experience.

OBJECTIVES

The Community's aim is thus to contribute significantly to the beneficiary countries' establishment of a sounder economic base, either through safeguarding the production and export sectors directly concerned or through diversification of production.

In addition to the general objective of supporting the profitability and growth of ACP economies, the Community also attaches considerable importance to contributing to the economic and social progress of the populations of those countries by helping to safeguard their purchasing power, which suffers badly from falls in prices or production.

The Stabex system was not designed to stabilise unstable commodity prices. Its purpose is confined to mitigating the ill effects of losses of export earnings by the ACP States when there is a fall in world prices and/or in exports.

The system only intervenes to alleviate the effect of non-structural problems such as fluctuations in world prices or events beyond the control of producers and purchasers (e.g. natural disasters).

The basic principle is that Stabex transfers replace the amounts which would have been paid to producers if market conditions had been normal. But the ultimate objective must focus on the medium and long term: the primary aim of transfers must be to support efforts to improve the underlying conditions of production in the sector affected by the fall in export earnings. Sector is used here in the broad sense, including not only production, but also processing, marketing, distribution and transport.

In appropriate cases the system may also support agricultural diversification.

HOW STABEX OPERATES

Stabex coverage applies as follows:

1 A regional system

As a rule, Stabex covers only ACP exports to the Community. However there are two types of derogation:

The first allows the Stabex system to be applied to exports from ACP States to other ACP States. This derogation was introduced to encourage intra-ACP trade (Article 189(2)).

The second concerns ACP countries which, despite all their efforts, find themselves in a situation which obliges them to sell nearly all their exports to non-Community countries. An "all destinations" guarantee is granted to them if they export 70% (60% in the case of the least-developed ACP States) of the total value of the products covered by the system to countries outside the Community (Article 189(3)).

2 A selective system

Stabex covers a specific list of agricultural and tropical products (excluding those in competition with products from temperate regions), wood in the rough, certain fisheries products and products which have undergone first-stage processing such as squared wood, cocoa paste, cocoa butter, cocoa powder and groundnut oil.

During the period covered by the first two Conventions the list also included iron ore and its derivatives, which were later covered by Sysmin, a system set up under Lomé II.

The list of products covered by Stabex has grown from 26 under Lomé I to 44 under Lomé II and 50 under Lomé IV, which includes all primary cocoa products, all essential oils and the main cephalopods.

Under the fourth Convention it thus covers virtually all the basic agricultural products exported by the ACP countries except those falling within the common agricultural policy, sugar and meat, which are the subjects of separate protocols, and tobacco.

Coffee and cocoa, which had a negligible role under Lomé I, have gradually grown since Lomé II to account for the greater part of the transfers.

3 The financial conditions of the transfers

Under the first three Lomé Conventions, only transfers to the least-developed ACP States were non-refundable grants.

Transfers to all the other ACP States were loans which, under certain conditions, had to be repaid to the system.

However, the conditions of repayment (the purpose of which was to reconstitute STABEX funds) were very favourable: among other things, no interest was charged and repayment could be deferred if necessary.

Under Lomé I, beneficiaries of transfers had five years to contribute to the reconstitution of the system's resources. If repayments were not made by the deadline, the Council of Ministers, taking into consideration the situation and outlook of the balance of payments, exchange reserves and foreign debts of the ACP States concerned, could decide that the sums outstanding must be reconstituted wholly or partially, in one or more instalments, or could waive the right to repayment.

Under Lomé II and III, the conditions for reconstituting the system's resources were made more flexible: repayments could be made in several annual instalments or in the currency of the ACP State concerned.

Under Lomé IV the principle of beneficiary countries reconstituting Stabex resources was abandoned. This was one of the most important innovations of the new Convention. It eliminated the principle of repayment of transfers, from which hitherto only the least-developed States had been exempt.

Since then, Stabex transfers have been simply grants.

This adjustment proved necessary because the system had not been operating satisfactorily since Lomé II. The growing and worrying indebtedness of the ACP countries made it impossible for them to meet their obligations to help reconstitute resources, which had originally been imposed to give them a greater sense of responsibility and ensure the long-term survival of the system.

One has only to compare the amounts transferred and the resources reconstituted to see that this arrangement fitted the situation very poorly. Of the ECU 2 272 630 690 million of overall resources between 1975 and 1988, only ECU 214 361 373 million (less than 10%) came from "reconstitution".

SOURCES OF FINANCING

Stabex is financed under the European Development Fund.

It is non-programmable aid since the amounts transferred cannot be predicted in advance, unlike in the case of the National Indicative Programmes (NIP).

Funding allocated to the system rose from ECU 325 million for Lomé I, to ECU 550 million for Lomé II, to ECU 925 million for Lomé III and to ECU 1 500 million for the first five years of application of Lomé IV.

The second Protocol to Lomé IV brought the allocation for that Convention up to ECU 1 800 million, a 20% increase on the amount provided for by the first Protocol.

In order to avoid all the funding being used up too early, the total allocation for each Convention was divided into five annual instalments for equal amounts.

Any balance remaining at the end of one year is automatically added on to the instalment for the following year.

This funding has been supplemented by the repayments of earlier transfers (Lomé I and Lomé II) and interest earned by Stabex funds in the financial market (Lomé III and IV).

Where resources have been insufficient, advance use has generally been made of up to 25% of the annual instalment for the following year (the last year being the exception).

If even this has not provided enough to cover the transfers to be made, those transfers are reduced by 10%.[1]

The funding available is thus made up of the following:

- *any balance remaining from the previous year,*
- *the annual instalment, which is 1/5 of the total allocated for a five-year period,*
- *where necessary, the advance use of up to 25% of the following year's instalment,*
- *interest earned by investment in the financial market of the annual instalment.*

If there is an accumulation of unfavourable circumstances likely to exhaust the funds, the Council of Ministers may decide, on the basis of a report by the Commission, to reduce the amount of the transfers and only partially compensate the losses suffered by a particular ACP State.[2]

1. Lomé IV, Article 194(1) and (2).

2. Lomé IV, Article 194(4): "If, after the reduction referred to in paragraph 2, the total amount of the transfers which may give rise to a payment exceeds the amount of available resources, the Council of Ministers shall evaluate the situation on the basis of a Commission report on the probable development of the system and shall examine the steps to be taken to remedy that situation, within the terms of the Convention."

MECHANISMS AND CONDITIONS OF ELIGIBILITY

Transfers may be made only if actual export earnings in a given year are lower than the reference level. This reference level is derived from average export earnings over the four preceding years (Lomé I , II and II), or over four out of the six preceding years, excluding "extreme" years (Lomé IV).

1 The dependence threshold

Stabex covers all the ACP countries, with differentiated conditions of access ("thresholds") to take account of their stage of development (Lomé IV, Article 196).

Since Stabex only applies to products which account for a significant proportion of a country's export earnings, it was necessary to set a dependence threshold to determine the products eligible.

This threshold is defined in terms of the export earnings of a given product to all destinations during the application year as a percentage of total earnings from exports of all goods in the year preceding that. This threshold has gradually been lowered.

Under Lomé I it was set at 7.5% (5% for sisal) of export earnings on all goods (2.5% for the least-developed, landlocked and island (LLI) ACP States), under Lomé II at 6.5% (2% for LLI States), under Lomé III at 6% (1.5% for the LLI States) and under Lomé IV at 5% (1% for the LLI States).

From one Convention to the next the dependence threshold has thus been progressively and significantly reduced to allow the widest possible coverage of ACP exports.

The situation of the least-advantaged countries has been taken into account because the Community wants to give them preferential treatment and greater protection.

2 The "franchise" system

Lomé IV introduced a "franchise" system whereby the ACP States show their support for one another and the Community. The "franchise" is analogous to the amount retained by an insurance company from the total amount for which an insured party is claiming.

The amount retained is 4.5% of the reference level (1% for the LLI States).

However, it is limited to a certain percentage of the loss of earnings: not more than 20% for the least developed or isolated countries and not more than 30% for other ACP countries.

It is not applied at all in cases involving amounts less than ECU 2 million for least-developed ACP States or less than ECU 1 million for the other ACP States.

3 The basis of the transfer and the amount of the transfer

The transfer is based on the difference between the reference level and earnings in the application year, minus the amount of the "franchise".

These figures are calculated for each product or group of products from each ACP State in a given application year.

For a loss of earnings to qualify for a transfer, it must not be the result of a deliberate loss-incurring export policy of an ACP State. (Article 202)

Only real losses of earning, including those arising from the implementation of voluntary restraint agreements on specific products, give the countries concerned the right to receive transfers.

Sometimes losses of earnings on exports to the Community are offset by increased earnings on exports to other destinations. In such cases only the net loss of earnings (all destinations) qualifies for compensatory transfers.

Where trends in production, total exports or exports to the Community change substantially, consultations take place between the ACP State concerned and the Commission to determine whether the changes justify a reduction in the transfer (Article 203).

4 Management of the system

Under the first three Conventions, the statistics used to calculate the reference level and the transfer basis were obtained by cross-checking the export statistics of the ACP States and Community statistics on the same exports.

To make the system function more quickly and reliably, it was agreed under Lomé IV to use only Eurostat (Statistical Office of the European Communities) import statistics as the basis of calculation. The exclusive use of these statistics, expressed in ecus, eliminates any complication of the calculations by exchange rate factors.[1]

Stabex is sometimes criticised, for example for being discriminatory, since it only benefits one group of countries. This is a political decision which can be explained naturally in terms of the special historical and cultural links between Europe and the ACP States.

The system is also criticised for directing trade flows towards the European Union. In fact none of the provisions of Stabex prevents ACP States from selling their products to other destinations.

1. Thanks to these simplifications, the ACP States now merely need to tell the Commission within three months of the end of the application year:
- the value of their exports of all categories of goods to all destinations during the preceding application year,
- the volume of each product covered by the system marketed during the application year;
- the volume and value of products covered by the system exported during the application year a) to all destinations and (b) to the Community.

DEVELOPMENT OF STABEX

The review of the fourth Lomé Convention provided the, sometimes fraught, occasion to take stock of Stabex in a particularly straitened economic climate and then, against that backdrop, to adjust the mechanisms of an instrument which has been the epitome of ACP-EEC cooperation since its inception.

While Stabex's merits were underscored afresh during Lomé III, a number of problems also came to light. The system has had to cope with a dearth of funds due to the steep slide in world prices for raw materials like coffee and cocoa and to the fact that needs cannot be forecast since a decline in export earnings cannot by definition be predicted.

The allocation of funds poses a further problem, since the use of Stabex transfers has since 1989 been the sole responsibility of the ACP States. In the discussions on Lomé IV this free hand was called into question by some EC Member States who thought this could encourage an ill-considered use of resources that was difficult to justify when structural adjustment policies required tight management.

Effect of the transfers

The system has often been likened to an insurance policy against lean years. To enable ACP States to carry out their programming on a stable and predictable basis, Stabex seeks to limit the adverse effects of the earnings losses on exports of certain products to the Community, notably farm products.

The compensatory mechanism was originally designed simply to inject funds which would normally have come from the market. The basic idea is that Stabex transfers replace the amounts which would have been paid to producers had the market been normal, with those earnings being used in accordance with the producers' needs and habits.

But the transfer of compensatory payments is not an end in itself. It is the use to which Stabex funds are put that matters.

As conceived, Stabex can have a positive effect only in the way the transfers are used.

Lomé I to Lomé IV: the objectives remain the same Transfers must be used first and foremost to finance programmes and projects aimed at rehabilitating, maintaining or strengthening a struggling sector. Stabex must redound to the benefit of the "victims" of a fall in export earnings, be they involved in the production, the marketing, the distribution or the transport of the product concerned.

Only where appropriate, for example where it can be demonstrated that a sector is no longer viable, may Stabex funds be used for the purposes of diversifying production. Transfers are then considered as assistance towards converting to new activities.

Tighter controls Initially, the decision on how the funds transferred were used was the sole responsibility of the recipient country and no explicit instructions were issued. So long as no conditionality was attached to the transfers, their effectiveness was largely diluted. To remedy this, monitoring of the allocation and actual use of the funds, especially their conformity with the system's objectives, has been gradually strengthened over successive Conventions.

At the beginning, under Lomé I, the recipient state merely had to produce a report for the Commission on the use of funds. Under Lomé II, information was required on the planned use of the funds, plus a report on their actual use, before the transfer agreement could be signed. However, the transfer itself did not hinge on that information.

Things changed with Lomé III. Each recipient ACP State was then required to give detailed information, along with the transfer request, on the earnings lost and on the programmes and options to which it undertook to allocate the funds in keeping with Stabex objectives.

If funds are to be used in sectors other than those suffering earnings losses, the recipient country has to give reasons. The transfer agreement may be signed only once the Commission has received and checked this information.

In practice, until 1989, funds were made available through direct, undifferentiated transfers. They were neither targeted nor negotiated and the recipient country could deploy them as it saw fit.

An important milestone was passed with Lomé IV: the recipients had to learn to see Stabex not just a mechanism for easing difficulties but as an instrument for remedying them. Lomé IV did away with the principle of reconstitution, replacing it with **"frameworks of mutual obligations"**.

Whilst maintaining the principle that Stabex transfers belong exclusively to the ACP States, this mechanism provides for the use of the funds transferred to be negotiated between the recipient state and the Commission in each year of application.[1]

1. These procedures are also used for any counterpart funds in national currency generated and managed in a separate account. This happens when the government sells the products or services imported with the foreign currency transferred, or the foreign currency itself, to domestic economic operators.

FRAMEWORK OF MUTUAL OBLIGATIONS

Funds transferred are now to be allocated according to a framework of mutual obligations (FMO) to be negotiated in each case between the recipient state and the Commission.

They go in the first place to the sector experiencing the drop in export earnings, for the benefit of the economic operators concerned or, where warranted, to other productive sectors, mainly agriculture.

Negotiation on a case-by-case basis is conducted on the ground by the ACP state authorities and the Commission delegate. The latter keeps Member States' representations regularly informed. The FMO is based on the sectoral analysis and policies and on the ACP state's proposals for using the funds.

When an agreement is reached, the ACP State and the Commission sign a protocol setting out the framework of mutual obligations and stating how the transfer is to be used at the various stages of the agreed projects (Article 210).

Timetable

Appraisal of the dossiers, including consultations between the ACP State and the Commission to determine the amount of the transfer, has to be completed on the 30 June following each year of application. The Commission takes the transfer decision by 31 July and the definitive amount is notified to the ACP State.

Subject to the signing of a transfer agreement, the amount may then be paid, in ecus, into an account opened in an EU Member State on behalf of the recipient ACP State and bearing interest for that state.

Two signatures, that of the ACP State and that of the Commission, are required to draw funds from that account.

In principle, therefore, the funds are available to the ACP State at the latest seven months after the year of application.

But in practice a number of factors complicate and slow down utilisation of the funds.

Although the Convention lays down a clear timetable for payment of the funds, in terms of their use and the establishment of an FMO, it merely recommends that procedures be as simple as possible so that the transfers can be put at the ACP States' disposal as swiftly as possible.

Negotiation of an FMO entails considerable effort for both sides and often takes several months.

The FMO is not yet wholly accepted by the recipient states which, whilst being signatories to Lomé IV, still do not see why they should have to negotiate and justify the use of the funds.

It should be noted that a suspension clause is attached to the FMO and payment of the tranches to the ACP State hinges on adherence to that clause. Moreover, some countries have been slow to open accounts in foreign currency.

Although the system can be slower, the new formula has tightened it up and made it more viable.

Stabex has returned to its roots. It is right that ACP producers should benefit from a kind of insurance guaranteeing steady earnings and encouraging them to supply products which will earn their country the foreign exchange it needs for its development. The new system ensures better allocation of the transfers and contributes to a thoroughgoing restructuring of productive sectors.

By dint of the FMOs and the dual-signature accounts, the system makes it easier than before to monitor and follow up the use of the funds transferred.

APPLICATION OF STABEX BETWEEN 1991 AND 1994

Despite the shortage of funds, the amounts transferred have made a major contribution.

Particularly when low market prices are compounded by local difficulties in a sector the drop in earnings can be substantial and give rise to sizeable transfers.

The fall in world coffee and cocoa prices is certainly the chief cause of earnings losses triggering Stabex transfers, and thus of the imbalances in the balance of payments, the national budget and the economy at large, and living standards suffer.

Experience has shown that one of Stabex's strong points is its ability to continue working in periods when prices are in the doldrums and other global regulatory instruments have failed.

1 1991 (1990 year of application)

1990 is the first year of application in which Stabex was governed by the provisions of the fourth Lomé Convention.

The Commission established 67 cases of eligible earnings losses.

The overall amount of the transfer bases was ECU 1 497 731 184 after application of the "franchise" (amount retained).

After consultations between the Commission and each ACP State concerned, the reductions provided for in Article 203 brought this amount down to ECU 1 378 564 223.

Available ordinary resources amounted to only ECU 383 678 080 comprising:

- the annual allocation for financial year 1990: ECU 300 million,
- the 25% drawn on year of application 1991: ECU 75 million,
- amount of interest accumulated at 30 August 1991: ECU 8 678 080.

The ACP-EEC Committee of Ambassadors, mandated by the Council of Ministers, then decided to top up those funds with an additional ECU 100 million, notably from the unexpended balances of the fifth and sixth EDFs.

Coverage of the amounts eligible in the 1990 year of application was thus just under 40%, although in absolute terms the amount committed (ECU 483.67 million) was a record high in the history of the Stabex.

In the 1990 year of application the concentration of available funds on a very small number of countries was less marked than in 1988 and 1989 but earnings losses due to the fall in the price of coffee, and to a lesser degree the price of cocoa, are still responsible for the bulk of transfers (67.5% and 15.9% of the total respectively).

2 1992 (1991 year of application)

In 1992 the ACP States requested the balance of earnings losses eligible under the 1980, 1981, 1987, 1988 and 1989 years of application during which transfers had had to be reduced owing to a lack of funds.

But Stabex was still short of money so the ACP States opted to withdraw their request and the ACP-EEC Council of Ministers agreed to consider the dossiers relating to earnings losses in the years cited above definitively closed.

The ACP States had also asked the Community to make an exceptional gesture to cover in whole or in part the ECU 757 million shortfall for 1990. There, too, the Kingston Council of Ministers took note of the Community's position that the exercise relating to the 1990 year of application was closed.

For the 1991 year of application, the Commission established that 35 ACP states were eligible for 67 transfers. The overall amount of the transfer bases after application of the "franchise" amounted to ECU 1.366 million.

After the reductions under Article 203 (consultations), this amount was reduced to ECU 1.062 million.

The system's ordinary financial resources amounted to only ECU 316.5 million comprising:

- the annual tranche for 1991 reduced by 25% by the automatic drawing on this tranche during the previous year (ECU 225 million),

- the amount of the 25% automatic drawing on the 1992 tranche pursuant to Article 194 (ECU 75 million),

- the amount of interest accumulated at 31 July 1992 pursuant to Article 192 (ECU 16.5 million).

As these funds were not sufficient to cover the overall amount of the transfer bases, the latter were reduced by a further 10% (Article 194) but still exceeded the sums available.

The ACP-EEC Committee of Ambassadors therefore decided to add an extra ECU 75 million by an exceptional drawing and reducing the annual tranche of the 1993 and 1994 years of application by ECU 37.5 million.

This brought overall Stabex resources for 1991 to ECU 391.5 million, which covered around 40% of the eligible amounts.

As in the previous year, the concentration of funds on a very small number of countries is falling off. Three countries received 10% to 19% of the aggregate transfers for all recipient countries, 12 countries got 1% to 9% and 20 countries less than 1%.

Earnings losses due to very low world coffee and cocoa prices account for 81.7% of the total transferred, of which 64.09% for coffee and 17.61% for cocoa.

3 1993 (1992 year of application)

The Community decided to extend by one year the special "all destinations" derogation granted under Lomé III to a number of ACP countries for an interim period of three years corresponding to the 1990, 1991 and 1992 years of application. In principle, this derogation expired on 31 December 1993.

The decision is justified by those countries' special circumstances, although the derogation is already an exception to the principle of covering only exports to the EU. The Community refused to extend this to the 1994 year of application as the ACP countries wanted.

For the 1992 year of application the Commission ascertained that 32 ACP States were eligible for 60 transfers.

The overall amount of the transfer bases after application of the "franchise" was ECU 1 033 million, reduced to ECU 848 029 662 under Article 203.

The ordinary resources available amounted to ECU 330 million, comprising:

- the annual tranche for 1992 reduced by 25% by the automatic drawing on this tranche the previous year (ECU 225 million),
- the amount of the 25% automatic drawing on the 1993 year of application (ECU 75 million),
- the amount of accumulated interest at 31 July 1993 pursuant to Article 192 (ECU 30 million).

Following a further reduction of 10% (Article 194), the overall amount of the transfer bases (ECU 763.2 million) still exceeded resources and it was not possible to reach a Community consensus on mobilising additional funds.

The ACP countries found the EU offer unacceptable. Negotiations continued until January 1994 without any outcome. Failing an agreement on additional funds, the ACP States finally accepted in February 1994 that the 1993 transfers be made on the basis of the ordinary funds available (ECU 330 million).

As a result, coverage of the eligible amounts was 43.2%. Concentration of resources was not much different from the previous year.

Three ACP countries received between 10% and 16% of the total transfers; 12 countries between 1% and 9% and 17 countries less than 1%.

A number of changes were observed in the situation of individual products, however. Whereas the fall in earnings due to a very low world price for coffee and cocoa still accounted for the bulk of the transfers (76.28%), this portion was down on the previous year (81.7%).

By contrast, the share of cotton climbed from 7.08% in the 1991 year of application to 14.25% the following year owing to the fall in world cotton prices.

4 1994 (1993 year of application)

After three particularly difficult years, demands on Stabex eased significantly in 1994 with soaring commodity prices, an improvement which was to have an even greater impact on the system the following year.

For the 1993 year of application the Commission established that 36 ACP States were eligible for 57 transfers.

The overall amount of transfer bases after application of the "franchise" amounted to ECU 663 million.

Available resources stood at ECU 285 million comprising:

- the annual tranche for 1993 reduced by 25% by the automatic drawing on that tranche the previous year and reduced by 12.5% by the exceptional drawing on the 1991 year of application (ECU 187.5 million),
- the amount of resources (25 %) automatically made available in the instalment of the 1994 application year (ECU 75 million),
- the amount of interest accumulated at 30 June 1994 pursuant to Article 192 (ECU 22.5 million).

After the reductions following consultations (Article 203) and the 10% reduction under Article 194, the total amount of transfer bases was reduced to ECU 473 million.

Available resources, namely ECU 285 million, covered 60.24% of the transfers, i.e. 17% more than in 1992.

For four countries the amount of transfers decided ranged from 10% to 16% of the total. For 15 countries it ranged from 1% to 7% and for 17 others it was below 1%.

Coffee accounted for 61.4% of the amounts to be transferred, followed by cocoa (18.7%). Groundnut products (5.3%) and bananas (4.6%) assumed greater importance, while coffee dipped from 14.2% in 1992 to 4.5% in 1993.

Execution of certain Stabex transfers approved since 1991 was suspended for several ACP countries owing to the political situation there.

5 1995 (1994 year of application)

In 1995 Stabex resumed normal business. For the 1994 year of application, 26 ACP States received 30 transfers, the largest going to two banana-exporting countries in the Caribbean, where plantations had been ruined by a drought or a cyclone. The system benefited from firmer commodity prices.

The total transferred was ECU 138 million, i.e. less than the ECU 201.215 million in available resources for the 1994 year of application.

This meant that earnings losses were covered in their entirety, something that had never happened since the entry into force of the Fourth Lomé Convention.

Coverage rates were 40% for years of application 1990, 1991 and 1992, and around 60% for 1993.

The situation for individual products has also changed radically: the two products giving rise to the bulk of the transfers are bananas (42.6%) and cotton (21.4%) with cocoa and coffee slipping to third and fourth positions at 16.4% and 8.8% respectively.

EFFECTIVE USE OF FUNDS UNDER LOME IV

This chapter gives some practical examples of how Stabex resources are used by implementing the frameworks of mutual obligations.

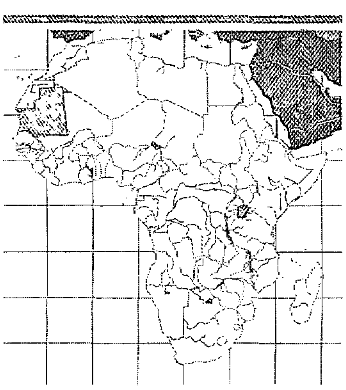
Mauritania : *restructuring the fisheries sector*

For the first time the fourth Lomé Convention included fishery products, such as cephalopods (squid, cuttlefish and octopus) and shrimps, in the list of products covered by Stabex. These two categories alone account for a large share of Mauritania's exports.

Since 1990 the performance of Mauritania's fisheries sector, especially cephalopod, has plummeted. This can be put down to non-rational exploitation of fish resources, a decline in fishing effort because of the sector's financial difficulties and the parlous state of its equipment. In addition, structural problems call for the sector's reorganisation. The Government has accordingly adopted a set of far-reaching adjustment reforms.

Following the drop in the quantity and value of its octopus exports, Mauritania received a transfer of ECU 9.58 million for Stabex 1990. The corresponding FMO was signed in June 1992 and the first payment made in the course of the same year. It provides for:

1. A sectoral import programme (SIP), mainly covering inputs, spare parts, cowlings and insurance for vessels.



2. Eight studies on the Mauritanian fisheries sector, the results of which largely determined the utilisation of counterpart funds generated by the SIP. These studies mainly concerned ways of ensuring the monitoring of shipowners by the Central Bank of Mauritania, stepping up customs and sea surveillance and support for the National Centre for Oceanographic Research and Fisheries (CNROP).

3. An innovative financing system designed to encourage the development of the Mauritanian private sector, whereby the Central Bank grants credit to banks which then lend to private shipowners. The loans are guaranteed by equivalent amounts deposited in Treasury bonds.

For 1991 Mauritania received a Stabex transfer of ECU 4.9 million for cephalopods. The corresponding FMO was signed in September 1993. The first tranche of new resources was mobilised after a final positive evaluation of implementation of the 1990 FMO.

The counterpart funds generated by the 1991 Stabex SIP were used to step up measures already taken using CPFs from the previous SIP.

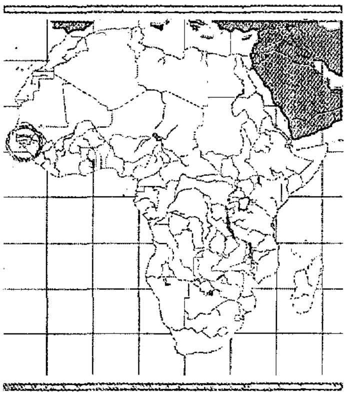
The 1991 Stabex FMO also provides the Central Bank's markets and exports department with technical assistance to improve the system for monitoring and analysing commercial transactions.

The 1990 and 1991 Stabex FMO constituted the first steps towards a programme to restructure the fisheries sector in Mauritania. This process is continuing and is being stepped up with state withdrawal from the sector's productive activities, the liberalisation of different export sectors and the gradual introduction of a licensing system for demersal and pelagic fishing.

In 1992 Mauritania received a Stabex transfer of ECU 0.825 million which could be used to finance a project to strengthen the industrial fisheries department of the Ministry of Fisheries and Maritime Economy, which would to some extent determine the use made of the ECU 1.01 million transfer decided for 1994.

Guinea-Bissau:

revitalising the mango and palm sectors



A project to promote mango exports is designed to revitalise national production. It includes the introduction of varieties of higher commercial value, a longer production period, support for internal and external trade circuits, a boost to the fruit processing sectors and the establishment of a legal framework conducive to exports.

The budget for this operation, which was completely used up at the end of 1994, was FF 176 321.70 financed by Stabex in 1986 and ECU 123 265 from 1991 Stabex resources. An extension is planned for 1992 Stabex. Another project totalling ECU 990 000 involves replacing old palm trees nationwide.

The aim is to improve production gradually by introducing new varieties, improving the associated crop system and the performance of processing chains. The project is entirely implemented by national technicians who provide both small farmers and the owners of medium-sized plantations with plants and technical advice. An extension of the project is planned using 1992 Stabex resources.

Côte d'Ivoire :

producer support

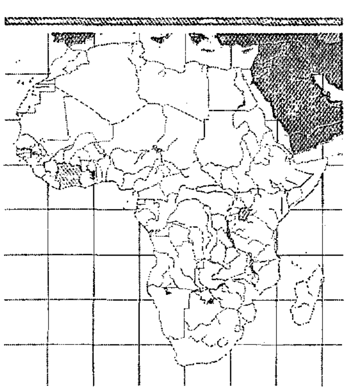
The Côte d'Ivoire accounted for over a quarter of total Lomé III Stabex transfers and about 18% of total Stabex transfers in the first three application years of Lomé IV (1990-92), essentially for coffee and cocoa.

The FMO procedure was introduced in Lomé IV at the beginning of 1990 and the Côte d'Ivoire 1990 FMO was one of the first signed in all the ACP States.

Coffee and cocoa, the mainstays of the Ivorian economy, generated the major development surge of the 1970s and 1980s. These sectors have always been tightly controlled by the authorities via the powerful Caisse de Soutien des Prix des Produits Agricoles (CSSPPA) the main purpose of which was to stabilise prices to producers but which rapidly assumed control of the whole sector.

As long as world prices held up, the policies applied had a positive effect on production and economic development.

However, after a period of sustained growth, the system was no longer able to cope with the drop in world prices from 1986. The result was a general economic recession and a sharp rise in budget deficits. The guaranteed prices to producers were at first maintained, which ruined public finances, then were slashed by half in 1989.



The period from July 1989, when a government stabilisation plan came into effect, to January 1994, when the CFA franc was devalued, was a financial catastrophe. This was when the first large Lomé IV Stabex transfer was made.

It is essential to reactivate the Ivorian financial system, in which the state plays a prominent role, and to do this donors must first tackle the Treasury's lack of liquidity. Apart from French aid, Stabex transfers are the main intervention instrument.

Part of the problem is that production is in the hands of a whole host of small planters who need to be paid cash when they deliver their harvest. Someone has to put forward the money. Normally it is the exporters who do this but the crisis is deep-seated. The banks no longer want to lend and exporters are heavily indebted. Without cash, small farmers tend to stop growing crops and turn to other activities.

Targeted measures

The European Union targeted funds where operators had debts and set up procedures to ensure that these funds were disbursed swiftly. The priority was to pay arrears and thus rebuild confidence. The chain began to work again, helped along by a guarantee fund.

The 1990 and 1991 Stabex FMO measures were essentially used:

a) to support the restructuring of the coffee/cocoa sectors by:

- paying the CSSPPA's arrears to banks, factories and marine insurance;
- financing a redundancy and retraining programme for 400 CSSPPA officials designed to reduce running costs;
- financing a guarantee fund to facilitate access to the banking system for cooperative groups (GVC). By 23 June 1994 CFAF 3 700 million had been used to finance 100 producer organisations as a result of this guarantee fund. The operation, which was sorely need by the GVC, has therefore been a success;
- contributing to the financial equilibrium of the 1992-93 coffee/cocoa marketing year by means of a transfer to the CSSPPA;

b) to improve the living conditions of producers hit by the fall in export earnings;

c) to support agricultural diversification;

d) to contribute to reforestation measures and better forestry management.

In return the Government undertook:

- to continue the restructuring policies for the coffee/cocoa sectors by settling the last of the CSSPPA debts and consolidating the liberalisation of domestic marketing;
- to pursue restructuring policies for the wood, cotton and rubber sectors;
- to implement an environmentally sound forestry policy.

For a long time Stabex payments were blocked because the conditions for reforms had not been met. Initially, therefore, macroeconomic rather than direct producer support was provided. When the situation improved, Stabex transfers resumed their original role of providing producers with targeted aid.

The process of bringing the coffee/cocoa sectors under control continues. At this stage, the European Union's measures appear to be successful. The situation has been straightened out and the state is no longer in control of domestic marketing. A World Bank programme which pursued the same objective proved of little effect.

Cameroon :

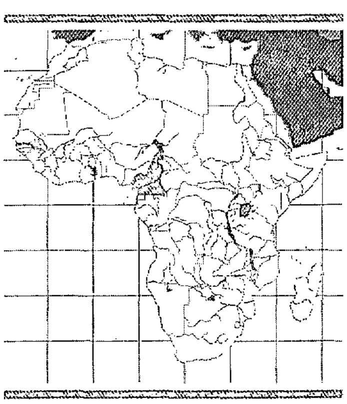
"cheques for planters"

As in the previous three years, coffee and cocoa export earnings dropped because of lower world prices.

In 1990, as a result of past management, the Office National de Commercialisation des Produits de Base (ONCPB) ceased payment of tens of thousands of planters.

Since then the coffee and cocoa sectors have suffered a serious crisis with a sharp drop in output and quality. As the principle of an economy based on state-managed, regulated sectors had demonstrated its limitations, the Government, with the help of the Community, began a far-reaching restructuring of the coffee and cocoa sectors aimed at liberalisation and a greater role for private operators.

The state proceeded to wind up the ONCPB and replaced it temporarily with a more flexible structure, the ONCC. Stabex, in conjunction with the other donors, undertook to support the government's policy and funds were directed at a more structural utilisation than in the past. Initially Stabex contributed to the partial settlement of the ONCPB's enormous debts, a vital precondition for the sector's recovery. To that end, a special unit was set up to implement Stabex.



Stabex helped to cover the redundancy payments of ONCPB staff and several other parastatals involved in the coffee and cocoa sectors. The most spectacular and easily the most successful measure was its contribution to paying off the ONCPB's and the sector's debts to small planters, an operation known as "cheques for planters".

The first payments were made through bodies which in the past had been responsible for collecting production before delivery to the state body (ONCPB). As the system had run into difficulties, the Delegation, with the aid of the Stabex unit, set up the "cheques for planters" operation whereby small planters were paid direct by a cheque made out to them personally.

The operation was complex and risky but it proved to be highly successful. Mobile payment counters were used throughout the operation to make out and distribute over 50 000 cheques to small planters.

The money was mainly spent on a few specific areas: collection of loans, education, health, farming, investment in trade and stockfarming and to a much lesser extent, savings.

In 1992-93, once Stabex had finished contributing to settling past debts, it began to play an active part in reviving the competitiveness of the coffee and cocoa sectors by: rehabilitating farm tracks, providing information on market prices, encouraging farms to diversify, supporting macroeconomic reform and reactivating financing for the sector.

The results of the 1995-96 marketing year reflect the positive effects of this policy: a significant increase in the share paid to farmers, a record cocoa harvest and very large increases in the output of arabica and robusta coffee.

Future Stabex operations in the context of 1992/93 and 1994 FMO will be targeted at improving the competitiveness of Cameroon's products and raising the average quality of products by means of accompanying measures to consolidate liberalisation in these sectors. Operations which are starting up or due to get under way in the short term include: continued rehabilitation of rural infrastructure, help with renewing plantations, strengthening producer associations, improving the market prices information system and simplifying export procedures.

Central African Republic :

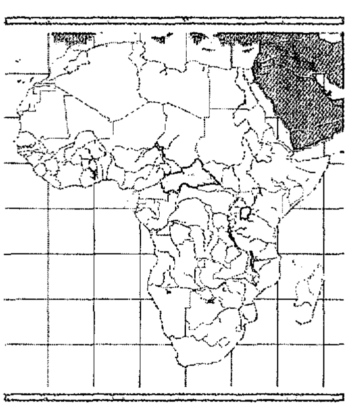
reimbursing farmers

Since independence the production and marketing of robusta coffee has borne the brunt of mismanagement and state interventionist policies. At the end of the 1980s and the beginning of the 1990s a deep recession set in.

The sector is structurally weak, and as in other African producer countries, it was also hit by the drop in world prices. The result was a constant fall in coffee exports, the third biggest sector after diamonds and cotton.

Following the collapse of earnings from 1988 to 1993, the government, urged by donors, gradually began restructuring the coffee sector as part of structural adjustment programmes.

The FMOs negotiated between the Commission and the Central African Republic since 1990 have helped a bankrupt sector to recover. The state, after much hesitation, confirmed its withdrawal from the operational and marketing aspects of production.



The combined effects of the devaluation of the CFA franc in January 1994, the pick-up in world coffee prices and liberalisation of the sector have resulted in a rise in production in three years from 8 000 tonnes to 16 000 tonnes of marketable coffee and a considerable improvement in quality.

Rebuilding trust.

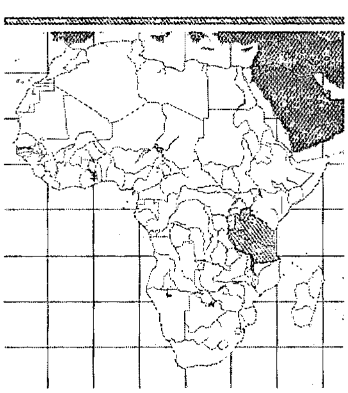
For the farmers the most important impact of the Stabex FMO was that they were paid the arrears owed them by the parastatal price stabilisation board (CAISTAB) after it was wound up.

This operation was part of well-publicised, far-reaching programme to settle outstanding arrears to private operators (producers, purchasers, exporters).

The Central African Minister for Agriculture and the head of the Commission Delegation made extensive trips into the producer regions in Basse-Koto and Lobaye to reimburse every farmer direct. The farmers were paid in cash on presentation of certified accounts showing their claim with CAISTAB. As a result of this operation the sector's financial capacity was increased in 1993 and 1994 and, above all, it helped small farmers to regain confidence and invest in improving their plantations.

Tanzania :

direct aid to coffee producers



Until 1994 Stabex transfers to Tanzania were essentially linked to the decline in the coffee sector as a result of the drop in world prices, mismanagement of the sector, deterioration of infrastructure and the age and disease of plants.

In 1993 the support programme for the agricultural sector revealed that the crucial problem was that payments to coffee planters were both incomplete and unpredictable. In recent years planters had received only about 50% of the export value of their coffee. The result was a vicious circle which jeopardised both the quality and quantity of output.

The 1990 Stabex FMO, signed in October 1992, coincided with renewed discussion about the state-controlled marketing system and its ineffectiveness. The FMO provided backing for reforms aimed at liberalisation.

Transfers for application year 1990 were intended for:

• the purchase of spare parts and other equipment urgently needed by the coffee sector,

• financing a GIP, with the resulting counterpart funds allocated to the coffee sector,

• technical assistance for the sector.

The 1991 Stabex FMO continues to provide support for government reforms. It contributes to macroeconomic stabilisation by providing foreign exchange for imports and to the coffee sector by providing technical assistance, spare parts, transport, encouraging the use of inputs, supporting producer prices and promoting research.

A wide-ranging operation.

Direct compensatory transfers were an essential component of 1990 and 1991 Stabex interventions. These payments were swift, sizeable and organised in an efficient and transparent manner.

They were a resounding success: under 1990 and 1991 Stabex, some 410 000 and 430 000 farmers respectively - most of Tanzania's coffee producers - received compensatory payments under Stabex. Farmers used the payments to purchase food, inputs for the coffee sector and to pay for school expenses.

Madagascar :

focus on the quality of products

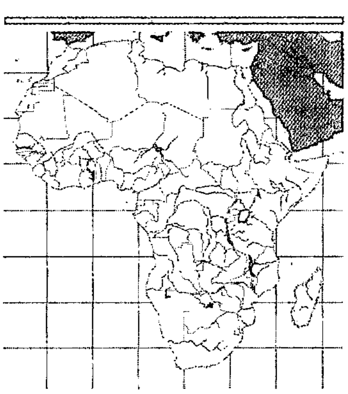
Here again the fall in export earnings is due to the drop in world coffee prices.

The problems of other products such as vanilla (Madagascar is the biggest producer), cloves and essential oils are mainly the result of increased world competition and in the case of vanilla, a deterioration in quality and an increase in Indonesian output.

The 1991-93 FMOs amount to ECU 35 million. This is being used in conjunction with IMF and World Bank operations to contribute to the Malagasy government's efforts to restructure public finances as part of a structural adjustment programme. More specifically, the European Commission is helping the government to ensure budget investment in health, education, road maintenance and implementation of sectoral policies in these three areas.

The "SAVA" programme.

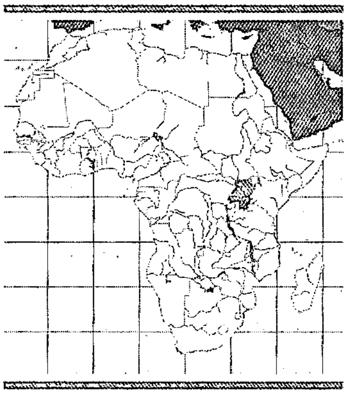
An ECU 12 million FMO, i.e. one third of 1991-93 available transfers, was mobilised outside the structural adjustment context. It is being used for essentially traditional agricultural sectors and for making areas where these crops are produced more accessible. The programme follows the overall economic reform strategy and focuses particularly on developing the full range of export products.



The area targeted, in the north-east of the country, is the Sambava-Andapa-Vohémar-Antalaha (SAVA) region which alone accounts for 80% of national vanilla production and 20% of coffee production. It also produces pepper and raffia. The FMO is innovative because it has set up an association bringing together all the region's operators (planters, preparers, collectors, packers, exporters). This association, the "Groupement des Entreprises de la Région de SAVA", is in charge of a programme to reactivate

Uganda :

a "first" in the coffee sector



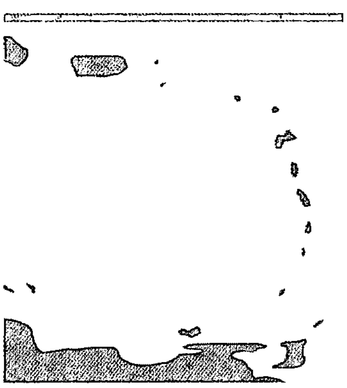
In 1991 coffee accounted for over 75% of Uganda's export revenue. The constant fall in prices has substantially reduced government resources.

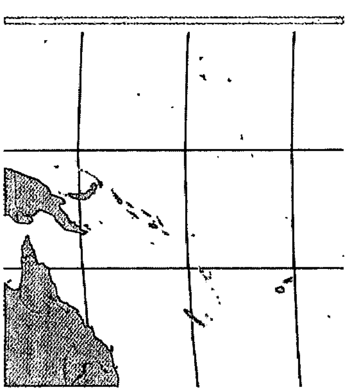
Donors backing Uganda hold it up as a model in terms of its economic performance. It was considered more effective to allocate a large part of foreign exchange resources in the form of a GIP to reviving the national economy than direct aid to loss-making sectors.

Agreements have, however, been concluded with the government whereby the counterpart funds generated by these import programmes are used for budgetary purposes and primarily allocated to the agricultural sector for diversifying output and restructuring the coffee and cotton sectors.

The emphasis has been on improving quality and developing research activities in these sectors. The Stabex funds made available to Uganda in 1991 were used to by a department of CIRAD to set up an in vitro culture laboratory there. It initially benefited from a coffee plant micropropagation technology transfer. Six clones of *coffea canephora* were transferred to the laboratory and the multiplication phase has begun. The experiment has been hailed as a world first.

Caribbean and Pacific





Stabex transfers are very useful throughout the Caribbean which is economically dependent on a small number of export products (bananas, cocoa, coffee, coconut, nutmeg and mace, coffee, essential oils) and at the mercy of extreme climatic conditions.

Under Lomé IV transfers have mainly been used to help four banana-producing countries in the Windward Islands: Saint Lucia, Saint Vincent and the Grenadines, Dominica and Grenada.

At the beginning of the 1990s, banana export revenue in these countries fell dramatically. The sector lost one third of its European market share to other ACP competitors and the dollar zone.

The main characteristic of the banana industry in the Windward Islands is the large number of small farmers (82% of farms are smaller than 5 acres, 13% from 5 to 10 acres and only 4% of farms are over 10 acres).

Lomé IV Stabex FMOs have two main objectives:

1. Support for reform of the banana sector. This involves:

A. - improving farmers' competitiveness by increasing yields on smaller areas,

- reducing production costs, which are very high in the Caribbean,

- improving the marketing and financial management systems of producer associations and marketing and transport organisations.

In order to regain their lost share of the European market, particularly in the UK, the Windward Islands must focus on quality and closing the price gap with their competitors. Major restructuring is called for, especially since the preferential arrangements expire in 2002.

B. - offsetting the social implications of reform. Restructuring is essential but it will inevitably lead to a reduction in the number of farmers. Only the most capable farmers who are able to apply reforms and compete at international level will survive.

In this period of transition from a traditional banana economy to a more competitive economy, poorer farmers must be given help. Stabex makes a significant contribution to conversion aid and greater social protection.

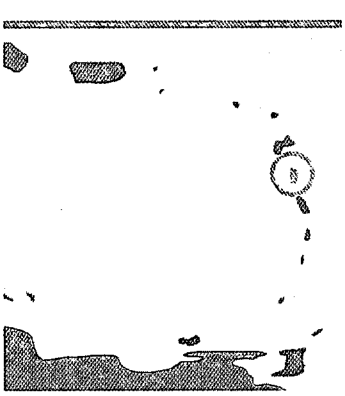
2. Support for economic diversification.

This implies diversification in the broad sense, which is not confined to the agricultural sector but covers tourism, agro-industry, services and all areas where these countries enjoy major advantages.

Since US aid and aid from certain EU Member States is gradually being withdrawn the European Commission is becoming an increasingly important partner in the region.

Dominica :

training 1 500 banana planters in modern techniques



Agriculture is the mainstay of Dominica's economy and the bulk of its export revenue comes from bananas. Production costs are not competitive however.

As part of a general programme to development the banana industry, the 1990 and 1991 Stabex FMO (ECU 673 209 and ECU 158 647 respectively) provide support for a government project to improve the sector's productivity and quality.

The challenge of competitiveness

One of the priorities is to provide support for 1 500 small banana planters selected by the Dominica Banana Marketing Corporation (DBMC) for their good performance and high motivation. In normal circumstances they produce 80% of banana output.

The project enables them to build farm sheds to package bunches of the fruit using the latest techniques. This type of packaging is highly appreciated by European importers.

The farmers receive equipment and technical assistance. The aim is to enable them to supply better quality fruit with a smaller percentage of rejects and hence obtain higher earnings.

There should be a major impact on export earnings with favourable repercussions on the island's economy as it will be able to consolidate its market share in Europe.

1990 and 1991 Stabex transfers (ECU 831 856) should generate counterpart funds in the local currency (Eastern Caribbean dollars) which will be used to cover project expenses.

Keeping up efforts

Dominica, however, still faces serious problems as a result of the combined effects of the drop in prices and natural disasters.

The financial situation of the industry is deteriorating despite drastic cost-cutting measures taken by the DBMC, with a 48% reduction in employees in the sector. Loss of earnings has forced many farmers to leave the sector. It is vital to prevent a drop in banana export revenue as this could give rise to major macroeconomic imbalances.

The aim of 1992 and 1993 Stabex transfers (ECU 1 225 825 and ECU 3 368 793 respectively) is:

- to help repair the damage caused to the banana industry by cyclone Debbie;

- to complete the plan to improve the productivity and quality of the banana industry by continuing assistance to 1 500 selected farmers to build fruit packaging sheds. The aim is to raise the yield of bananas on 7 500 acres from 5 to 6 tonnes in 1993 to 10 to 12 tonnes in 1995 and to obtain a marked improvement in quality.

The operation should also help other sectors such as oranges, mangoes and avocados.

The project includes improving road access to 1 500 farms, a better system of production credit for farmers, improving water drainage infrastructure and soil protection methods.

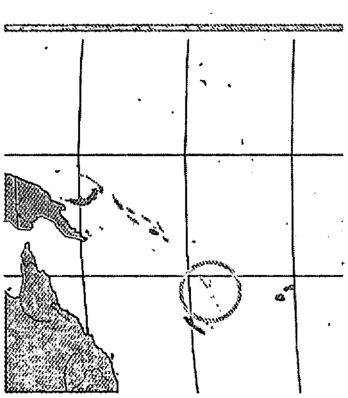
The transfers will also be used:

- to limit the adverse social impact of restructuring;
- to take steps to restore farmers' incomes;
- to help farmers convert to other agricultural activities and carry out projects/activities as part of the diversification programme.

These objectives are in keeping with Dominica's medium and long-term strategy for a more competitive banana industry and agricultural diversification.

Vanuatu :

improving the road network



The 1988-91 FMO totalling ECU 4 907 727 signed in 1993 is designed to offset fluctuations in copra prices - and also to a lesser extent cocoa prices - on the world market. Over half this budget will be put towards improving rural road infrastructure on several islands. The aim is to facilitate the transport of export products and improve the quality of rural life to encourage people not to leave their villages.

The programme includes four sub-projects:

- reconstruction of Sarasota bridge on Santo Island, of vital importance in the island's road network;
- construction of a 19 km rural road on Pentecost Island;
- construction of two roads on Ambae Island. They were opened in 1995.
- improvement of Tanna's road network. Works began in mid-November 1995.

1 List of products covered by the Stabex (Lomé IV)

- groundnuts
- groundnut oil
- cocoa beans
- cocoa husks, shells and skins and other waste
- cocoa paste
- cocoa butter
- cocoa powder
- raw or roasted coffee
- extracts, essences and concentrates of coffee
- cotton not carded or combed
- cotton linters
- coconuts
- copra
- coconut oil
- palm oil
- palm kernel oil
- palm nuts and kernels
- raw hides and skins
- leather of bovine animals
- sheep and lamb skin leather
- goat and kid skin leather
- wood in the rough and squared wood
- sawn wood
- fresh bananas
- dried bananas
- tea
- raw sisal
- vanilla
- cloves
- wool not carded or combed
- fine animal hair of angora goat - mohair
- gum arabic
- pyrethrum; saps and extracts of pyrethrum
- essential oils
- sesame seed
- pepper
- shrimps and prawns
- squid, octopus and cuttlefish
- cotton seed
- oil cake
- rubber
- peas
- beans
- lentils
- nutmeg and mace
- shea nuts
- shea nut oil
- mangoes
- karakul skins

2 Acronyms used in the brochure on Stabex

UNCTAD : United Nations Conference on trade and Development

DC : Developing countries

LDC's : Leased developed countries, landlocked or island countries

EDF : European Development Fund

ECSO : European Communities Statistics Office

MOF : Mutual obligations framework

NOFRC : National Oceanographic and Fisheries Research Centre (Mauritania)

CSSPPA : Caisse de Stabilisation et de Soutien des Prix des Produits Agricoles (Agricultural Price Stabilisation Board) (Côte d'Ivoire)

ONCPB : Office National de Commercialisation des Produits de Base (Agricultural Products Marketing Board) (Cameroon)

ONCC : Office National du Café et du Cacao (Cocoa and Coffee Board) (Cameroon)

CAISTAB : Caisse para-étatique de Stabilisation des Prix (Parastatal body for agricultural price stabilisation) (Central African Republic)

DBMC : Dominica Banana Marketing Corporation (Dominica)

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