

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 6 final

Brussels, 14 January 1980

Measures to be taken in application of Article 20 § 5 of the Council Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community concerning the System for Stabilization of Export Earnings (Stabex)

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(Communication from the Commission to the Council)

DRAFT COUNCIL DECISION

of

on the implementation of Article 20(5) of Decision 76/568/EEC on the association of the overseas countries and territories with the European Economic Community

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(submitted to the Council by the Commission)

COM(80) 6 final

1. In Article 20 § 5, the Council Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community (hereinafter referred to as the "Decision") provides that before the expiry of this Decision, the Council shall decide, on the one hand, upon the allocation of any balances remaining from the total funding available to cover the obligations of the Community under the system for stabilization of export earnings (Stabex), set up by this Decision, as well as, on the other hand, upon the conditions governing the allocation of the amounts remaining due under Article 23 of this Decision, concerning contributions to the reconstitution of the resources made available to the Stabex system.
2. Concerning any balances remaining, it is impossible, at present, to forecast if the operations concerning the year of application 1979, which will take place from 1 April 1980 onwards, will leave such balances, and, if this is the case, what will be their magnitude.

Consequently, the decision taken by the Council can consist only of a decision in principle of which the practical effect will be dependent on the outcome of certain possibilities.

3. Taking account of this difficulty in forecasting, the Commission proposes that any balances are made available for the financing of projects and programme aid, as is the case for other over-funding in the 4th EDF.
4. As for the amounts remaining to be paid by countries and territories under Article 23 of the Decision, the probability of reconstitution and the consequent amounts will remain equally unknown at the time of the expiry of the Decision. Article 23 § 2 of this Decision stipulates that the relevant authority of the countries and territories concerned which have benefitted from a transfer shall contribute, during the five years following the payment of each transfer, to the reconstitution of the resources made available to the system. It will thus only be at the beginning of 1985 that the Commission will be in a position to observe, for the last time, on the basis of the 1984 figures, if a transfer made under the 1979 operation will give rise, completely or partially, to a reconstitution of resources.
6. In order to remain faithful to the idea of "revolving funds", an idea which is one of the essential foundations of the Stabex system, and which reflects the letter and the spirit of Article 23 of the Decision, the Commission proposes that the Council take the decision that the resources to be paid back into the system under Article 23 of the Decision will be added, as and when they are made available, to the resources available to the Stabex system set up by the future Council Decision on the association of the overseas countries and territories with the European Economic Community.

## DRAFT COUNCIL DECISION

on the implementation of Article 20(5) of Decision 76/568/EEC on the association of the overseas countries and territories with the European Economic Community

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community<sup>1</sup>, and in particular Article 20(5) thereof ;

Whereas that Article calls for a decision before the expiry of the said Decision ;

Whereas at the moment this decision must be adopted, the amounts referred to in Article 20(5) of the said Decision cannot be known ;

HAS DECIDED AS FOLLOWS :

Article 1

If, after termination of operations relating to the final year of application of the system of stabilization of export earnings set up by the Decision 76/568/EEC, there is a remaining balance from the total funding mentioned in Article 20(1) of the said Decision, this remaining balance shall be used to finance projects and action programmes.

Article 2

If, during the period mentioned in Article 23(2) of the said Decision 76/568/EEC, payments are made by the competent authorities of the overseas countries and territories concerned under the reconstitution of the resources made available to the system by the Community, the amounts thus repaid shall be added to the amount made available to the system of stabilization of export earnings under the future Council Decision on the association of the overseas countries and territories with the European Economic Community.

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<sup>1</sup> OJ No L 176, 1.7.1976, p. 8.