

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1969 final

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CEREALS FOOD AID PROGRAMME FOR 1974/75

COMMISSION COMMUNICATION TO THE COUNCIL

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CEREALS FOOD AID PROGRAMME FOR 1974/75

Commission Communication to the Council

I. Scope and object of the Communication

1. This Communication sets out the Commission's proposals for Community action under the 1974/75 cereals food aid programme¹. Since the needs of most of the recipient countries are extremely urgent, the Commission feels that the whole programme should be approved as quickly as possible and in any case before the end of this year.

In the absence of information on the requests which the Member States propose to follow up, this Communication, contrary to normal practice, contains no statistics as to potential beneficiaries of national measures and does not break down by beneficiary the 1 237 000 metric tons of cereals which the Community and the Member States are committed to supplying under the 1971 Food Aid Convention. Thus it has not yet been possible to coordinate national and Community measures as has been done in past years. This will have to be done as quickly as possible when this Communication is discussed by the Council's ad hoc Working Party.

2. The Commission would also like to stress that, to coordinate WFP and Community actions to a greater degree than in the past, talks have been held with WFP on the general principles both of the Community programme and of the WFP programme.

Talks have also been held with FAO to analyse the food situation in the applicant countries (cereals production, import requirements, etc.).

¹Proposals on food aid in the form of milk powder and butteroil will follow shortly.

II. General considerations

1. When the Commission presented the "Fresco of Community action" on development aid to the Council it began by noting that the food shortage had "gone beyond warning point" and recalled the proposals it had already made on food aid (including an increase in the volume of aid and planning over several years) to alleviate the dangers caused thereby, and went on to state its view that conclusions should be drawn "by 1975" and that the Community "must as a matter of absolute priority serve those who are suffering most and who risk being the first to die" - namely the Indian subcontinent, the Sahel and "other areas of despair".

The Community's 1975 food aid programme should be the first practical manifestation of this new policy approach.

The Commission has therefore decided that its proposal should aim primarily at achieving a much greater concentration of food aid on the most seriously affected countries: for instance, 81% of the quantities available are allocated to the Sahel and the Indian sub-continent.¹

2. However, this attempt to concentrate the numbers of recipient countries will not enable the Community to respond to the real needs of these countries nor to take account in any satisfactory measure of the approach adopted to this point at the World Food Conference.

The present proposal is based on the draft budget adopted at a preliminary reading by the Council, which provides that in 1975 the Community as such will dispose of a volume of cereals for food aid purposes of only 643 500 metric tons (i.e. 50% of the Community's current commitment under the Food Aid Convention of 1 287 000 metric tons. This figure is utterly inadequate when compared with the actual food requirements of the developing countries

¹As against 72% under the final 1974 programme.

in 1975 which are not covered by domestic production according to the analysis in the papers of the World Food Conference; these needs can only be satisfied if food aid is given a substantial boost. In this context it is significant that the cereal import requirements of the countries which have made requests to the Community (see under III) total some 25 million metric tons.

For this reason the Commission in this first Communication brings the matter to the attention of the Member States, and urges the Council to review its budgetary decision on the volume of food aid and restore the appropriations in Chapter 92 (Food Aid) to the level proposed by the Commission, or at the least, accept the amendment to the draft budget submitted by the European Parliament, thereby raising the Community's cereals supply capacity to 1 million tons. At that point the Commission would make further proposals.

3. This decision would be all the more appropriate as the need to release additional resources for food aid was particularly emphasized at the World Food Conference.

The final resolution of the Conference recommended, on this point, "that all donor countries . . . make all efforts to provide commodities and/or financial assistance that will ensure in physical terms at least 10 million tons of grains as food aid per year, starting in 1975, and also provide adequate quantities of other food commodities" and requested "the interested cereal exporting and importing countries and current or potential financial contributors meet as soon as possible¹ to take cognizance of the needs and to consider ways and means to increase food availability and financial

¹The first meeting is to be held on 29 November at the invitation of the Director-General of FAO.

facilities for 1975 and 1976 for the affected developing countries, and in particular, those most seriously affected by the current food problem".

The Commission shares the concern expressed at the Conference. It is with this in mind that the following analysis and initial proposals should be appraised in deciding on the 1974/75 cereals food aid programme.

III. Requests to the Community for cereals as food aid

Although it is no secret that the Community's resources for the provision of food aid are limited, 37 requests have been made to it. They are for 2 371 000 metric tons of cereals, which must be regarded as a minimum in that a number of countries have not specified the amounts needed. This figure represents a 27% increase over last year (1 870 000 metric tons). The requests are listed in Table 1.

It will be seen that six of the beneficiaries of the 1973/74 programme have not presented requests this year: these are Morocco, Uruguay, Tunisia, the Central African Republic, the Philippines and ICRC¹.

¹The absence of a request from ICRC may be explained by the fact that the 15 000 tons of the 1973/74 programme have not yet been utilized.

TABLE 1 - Requests to the Community for cereals under the 1974/75 food aid programme

Applicants	Quantity and type (metric tons)	Quantity as raw cereal equivalent (metric tons)
<u>EUROPE</u>		
Malta	5 000 wheat	5 000
<u>LATIN AMERICA</u>		
Bolivia	10 000 wheat	
Honduras		
Peru	50 000 wheat	50 000
Haiti		
<u>NORTH AFRICA</u>		
Tunisia	30 000 wheat	30 000
<u>CENTRAL AND WEST</u>		
<u>AFRICA</u>		
Dahomey	15 000 cereals	
Burundi		
Sahel		
Gambia		
Ethiopia		
Togo*		
<u>EAST AND NORTH EAST</u>		
<u>AFRICA</u>		
Egypt	200 000 wheat	200 000
Tanzania		
Kenya	50 000	
Mauritius	15 000 preferably rice	15 000
Somalia	9 934 wheat flour + 15 000 husked rice	30 000
Sudan	50 000	50 000
<u>MIDDLE EAST</u>		
Cyprus		
Jordan	30 800 wheat flour + 1 500 rice	48 000
Lebanon	20 000 wheat	20 000
Syria		
Yemen	30 000 wheat + 3 000 rice	33 000
<u>SOUTH ASIA</u>		
Bangladesh	300 000 wheat + 3 000 rice	300 000
India	500 000 wheat ¹	500 000
Indonesia	100 000 wheat ¹	100 000
Pakistan	500 000 wheat ¹	500 000
Sri Lanka	50 000 wheat flour	75 000
Afghanistan		

* Requests expected.

¹ Quantities requested under Community and national programmes.

Applicants	Quantity and type (metric tons)	Quantity as raw cereal equivalent (metric tons)
<u>ORGANIZATIONS</u> UNICEF WFP UNRWA	20 000 flaked oats 300 000 cereals	40 000 300 000
Total		2 371 000

On the other hand seven countries are presenting requests for the first time: India, Tanzania, Kenya, Gambia, Honduras, Afghanistan and Haiti.

IV. Main types of request

A. Requests from countries

As in the past the aim of most of the requests is to offset a shortage of cereals in the applicant countries, the cereals being sold on the local market and the proceeds of sale used to finance development projects (standard requests for aid). In a number of countries (Jordan, ARE, Cyprus, Honduras and Burundi) the aid will be used to meet the needs of certain sections of the population, the cereals being distributed free of charge (emergency aid). In any case the way the aid is to be used will be made clear in the course of discussions with the recipients.

B. Requests from organizations

The requests received from organizations are for the following purposes:

the WFP request is to assist development projects in the countries listed in Table VI in the Annex;

the UNRWA request is to cover the food requirements of Palestine refugees;

the UNICEF request is to cover the food requirements of vulnerable sections of the population (children and pregnant women) under both standard and emergency actions.

V. Analysis of the requests

A. Selection criteria

In order to allocate the quantities as equitably as possible, a distinction has been made between:

1. Standard requests for aid

These have been appraised according to the following criteria:

- (a) a food shortage: this means that there must be major food import requirements which for various reasons (principally balance of payments difficulties) cannot be covered through normal commercial channels;
- (b) annual per capita income of less than \$300;
- (c) balance of payments deficit, particular attention being paid to the commodity price increases, allowing at the same time for aid received by them from other sources.

Generally, to be eligible for Community food aid, a country must satisfy all three tests. However, it has been felt that, in exceptional cases, aid may also be given to countries satisfying the first test and one of the two others (income or balance of payments).

Criterion (a) (food shortage) is a sine qua non, but it is not the only condition for the grant of food aid. In fact a number of countries with food shortages which have already been receiving Community food aid have been removed from the list since they did not meet criteria (b) or (c).

Criterion (c) (balance of payments) is of particular significance at the present time. Balance of payments figures for 1974 will be used, and these are largely conditioned by the food and energy crises of the last two years.

Criteria (b) and (c) do not constitute a sine qua non for the grant of Community food aid. For instance, a country with a food shortage is not necessarily removed from the list of recipients just because its annual per capita income is slightly higher than \$300.

In general terms, however, most of the recipient countries do meet all three tests, and this means that the Community is applying its rules more strictly than ever.

2. Requests for emergency aid

These requests, which are not intended to make good a country's cereal shortage but to feed certain sections of the population, have been accepted simply because there exists a risk of famine as a result of natural calamity or of conflict. The existence of such a situation was considered to be both an essential and a sufficient requirement, so the criteria based on income per head and the balance of payments were not applied in cases of this kind. It should be noted, however, that it is sometimes difficult to distinguish between this type of request and standard requests for aid, as the latter may also be for the purpose of saving large numbers of people from famine arising from natural calamities such as droughts and floods, which aggravate an already precarious food situation.

B. Are the selection criteria satisfied?

The criteria applied to applicant countries are shown in tabular form in the Annex (Tables I to IV).

In Table I the countries are listed in descending order according to their cereal import requirements (wheat, coarse grain and rice) for 1974/75. These estimates were drawn up following a joint analysis carried out by the Commission and the FAO on the basis of:

- (a) information made available by intergovernmental commodity groups;
- (b) information obtained under the early warning system;
- (c) analysis of data from commercial and other unofficial sources.

Table II gives the per capita income in 1971 of the requesting countries, classified by order of increasing income, as published for the United Nations. Tables III and IV concern the balance of payments criterion. The balance of payments positions (deficits or surpluses) projected for 1974 are given in Table III. In Table IV these are given as percentages of the total imports projected for 1974. This shows, for example, that even though India has the largest balance of payments deficit (Table II) its situation, although very serious, is not as bad as that of Bangladesh, which, to redress its balance of payments, would have to reduce its imports by more than 20%, whereas a

reduction of 16.8% would be sufficient in the case of India.

Table V contains information on emergency requests.

VI. Results

Table 2 below lists the twenty-seven applicant countries which, following the analysis set out above, were recognized as eligible for EEC aid this year. All the countries which submitted standard requests for aid, with the exception of Peru, satisfy the three criteria for eligibility; some of these (Sahel, Gambia, Ethiopia, Somalia, Bangladesh, India) could also be considered to be in emergency situations in view of the risk of famine which is threatening large sections of their population. All countries requesting emergency aid (Jordan, Cyprus, ARE, Honduras, Burundi) have a nationwide food shortage.

TABLE 2

Countries eligible for food aid under the 1974/75 programme

	Food shortage	Income lower than \$300 per head	Balance of payments deficit	Emergency situations
<u>CENTRAL AND WEST AFRICA</u>				
Sahel Ethiopia Gambia	x	x	x	x
Burundi	x	x	x	x
Dahomcy	x	x	x	x
<u>EAST AFRICA</u>				
Mauritius	x	x	x	
Somalia	x	x	x	x
Sudan	x	x	x	
Tanzania	x	x	x	
Kenya	x	x	x	
<u>MIDDLE EAST</u>				
Cyprus	x			
Egypt	x	x	x	x (1)
Jordan	x	x		x
Yemen Arab Rep.	x	x	x	
<u>SOUTH ASIA</u>				
Bangladesh	x	x	x	x
India	x	x	x	x
Pakistan	x	x	x	
Sri Lanka	x	x	x	
<u>LATIN AMERICA</u>				
Peru	x		x	
Honduras	x		x	x
Haiti	x	x	x	

(1) Displaced persons in the Suez Canal zone (1 000 000 to 1 500 000).

The following countries have not been considered eligible mainly because of a favourable balance of payments situation and/or a high income per head - Malta, Tunisia, Lebanon, Indonesia and Syria - although most of them have a substantial food shortage (see Annex, Table I) and could therefore qualify for food aid other than direct aid from the Community (national measures, WFP).

VII. The Commission proposals

In view of the foregoing, the Commission makes the following proposal (Table 3) for the distribution of the 643 500 metric tons of Community food aid; the table also shows terms of delivery, determined by reference to budget availabilities (see Financial Annex).

TABLE 3

COMMISSION PROPOSAL
CEREALS FOOD AID PROGRAMME FOR 1974/75
(Community measures)

	1974/75 Programme		1973/74 Programme approved by the Council in March 1974 (metric tons)
	Metric tons	Terms of delivery	
I. COUNTRIES			
A. CENTRAL AND WEST AFRICA			
Sahel Gambia Ethiopia	70 000	Free destination	130 000
Burundi	2 500	" "	-
Dahomey	pm (5)	Fob	4 000
B. EAST AFRICA			
Mauritius	7 500	" "	10 000
Somalia	10 000	" "	5 000
Sudan	5 000	" "	5 000
Tanzania	20 000	" "	-
Kenya	5 000	" "	-
C. MIDDLE EAST			
Cyprus	5 000	" "	5 000
Egypt	15 000	" "	20 000
Jordan (1)	10 000	" "	12 000
Yemen	7 500	" "	10 000
D. SOUTH ASIA			
Bangladesh	150 000	" "	115 000
India	150 000 (2)	" "	-
Pakistan	25 000	" "	28 000
Sri Lanka	25 000	" "	16 000
Afghanistan	pm (5)		
E. LATIN AMERICA			
Peru	7 500	" "	5 000
Honduras	3 500	Cif	-
Total Countries	513 500 pm (5)		365 000
2. ORGANIZATIONS			
WFP	40 000	Fob+ flat-rate	30 000
UNICEF	10 000	contribution	10 000
UNRWA	20 000	Free destination	20 000
3. RESERVE	65 000	Cif	54 500 (4)
4. OTHERS	-	-	100 500
5. GRAND TOTAL	643 500	-	580 000

- (1) For refugees not covered by UNRWA.
- (2) This aid would be given free for displaced persons of the Suez Canal Zone.
- (3) Proposal already sent to the Council.
- (4) Of which: 30 000 metric tons allocated to India.
 3 000 metric tons " " Cyprus.
 17 000 metric tons " " Sahel.
 4 500 metric tons " " Rwanda.
- (5) As a result of the delay with which these countries have entered their requests and of the need to obtain additional information from their Governments for the purpose of fixing amounts to be allocated, it has not, at this stage, been possible to specify the amount of aid to be given to these countries.

This programme calls for the following general comments by the Commission.

1. The desire to concentrate Community aid on the neediest countries has meant that - by comparison with the 1973/74 programme - the number of recipient countries has had to be reduced from 31 to 26 and the number of recipient organizations from 4 to 3.

2. The need to take immediate action to help meet some of at least of the requirements of these particularly needy countries means that the reserve is roughly the same size as last year's, i.e., 60 000 metric tons only. This reserve, the main purpose of which is to deal with emergency situations which may arise in 1975, particularly as a result of natural calamities or conflicts, ought to make it possible to satisfy the most urgent requirements resulting from these situations, and to make adjustments, if necessary, to the quantities allocated.

These proposals must be analysed in the light of the following observations:

- (i) As regards Cyprus, the aid should be approved in principle right away, but it should be agreed that before the scheme is actually launched the necessary arrangements are to be made with the Cypriot authorities to ensure that the aid goes to the Cypriot community as a whole;
- (ii) As regards the Sahel countries, the 70 000 tonnes proposed include 43 tonnes which were already allocated beforehand at the time when the interim 1975 Aid Programme for the Sahel countries and Ethiopia was adopted.

It was also decided, as part of the interim programme, to allocate to these countries the 17 000 metric tons of cereals which had not been used up from the reserve under the 1974 programme, so the Community will be supplying a total of 87 000 metric tons to this region in 1975. This is less than last year because harvests were, relatively speaking, better in most of these countries following a much more satisfactory rainfall than in previous years. Should the results of the multi-donor mission at present under way show that these quantities need to be adjusted, the Commission would not fail to make the appropriate proposals.

It should also be recalled that the worsening of the food situation in Somalia led the Commission to propose to the Council that the aid for 1972/73 (7 000 metric tons), currently being delivered, should be converted into emergency aid. In the light of this decision the Commission proposes to allocate 10 000 metric tons to Somalia - double last year's aid (5 000 tons), which is due to be delivered in December. If this proposal is adopted, a total of 22 000 metric tons of cereals can be supplied to Somalia early in 1975.

- (ii) By proposing to set aside 20 000 metric tons for UNRWA - so that UNRWA can ensure that Middle East refugees receive the supplies of cereals provided for under its normal programme of distribution and those effected under its emergency programme - the Commission hopes to show that it is in favour of continuing the efforts which the Community has made so far to enable the agency to maintain its activities. But at the same time it is anxious to make clear that a final decision on this point should only be taken if the Middle East countries concerned clearly show that it is important to them that UNRWA should carry on and that they wish the Community to help.
- (iii) The quantities proposed for WFP are greater than those granted under the previous programme. This is consistent with the considerations outlined by the Commission in its Memorandum, especially the fact that WFP's approach "by project" complements the Community's approach. The Commission requests the Council to decide on the allocation of these amounts as well as to approve the Community programme. This should help to produce greater coherence between Community measures and WFP measures (the same effort to concentrate on the most needy countries which was made with direct Community measures is apparent here) and greater efficiency in carrying the measures through (less time lost in decision-making). It would take the following form: the Council would

approve the quantities scheduled for the regions and countries concerned (Annex, Table VI), these being final at regional level, but only indicative at country level. At the request of WFP the Commission would decide, as in the past, to alter, if circumstances required, the amounts distributed to each country within the regional totals, on the understanding that the inclusion of new recipients would be subject to the approval of the Council.

Moreover, as it had announced in its Memorandum, the Commission considers it necessary to provide for the possibility of joint WFP/EEC projects. These could be implemented, with the agreement of the recipient countries, by a contribution in cereals as direct Community aid to WFP projects or by a contribution in cash using the income from sale of Community aid, which would be used to finance certain expenditure in local currency required for the performance of the project. This possibility of joint projects, eagerly welcomed by WFP, would enable a new form of cooperation with this agency to be developed and an additional important contribution to its activities could thus be made.

Finally, for the procedures which will be applied to implement this programme, the Commission would emphasize yet again that it hopes that the work now being done in the Council on the most effective arrangements for carrying out the programme it adopts can be completed as quickly as possible.

FINANCIAL ANNEX

	<u>Million u.a.</u>
I. <u>Cost of Sahel programme at internal</u>	
<u>Community prices</u>	
(see Sahel memorandum) 70 000 t	14.36
 II. <u>Cost of general programme</u>	
1. <u>Commodity value at internal prices</u>	
Wheat 553 500 t x 140 ¹ u.a./t	77.49
Rice 20 000 t x 240 ² u.a./t	4.80
2. <u>Transport costs beyond fob stage</u>	
Burundi 2 500 t x 90 u.a./t	0.23
Honduras 3 500 t x 40 u.a./t	0.14
WFP 40 000 t x 36 u.a./t	1.44
Other agencies	
30 000 t x 30 u.a./t	0.90
Emergency programmes charged to reserve	
30 000 t x 40 u.a./t	1.20
 III. <u>Total cost</u>	 <u>100.55</u>

IV. Budget item

The 1975 budget contains³ a total appropriation of 100 730 000 u.a. for food aid in cereals

- of which Item 9201 91 300 000 u.a.
- Item 6001 6 230 000 u.a.
- Item 6101 3 200 000 u.a.

¹Market price (136 u.a./t) calculated on the average target price from January to July 1974, plus cost of delivery fob (4 u.a./t).

²Market price calculated at 234 u.a./t plus cost of delivery fob (6 u.a./t).

³In the draft budget and the explanatory letter.

TABLE I: Estimated import requirements in cereals in 1974/75¹

	<u>'000 metric tons</u>
India	7 000 - 12 000
Egypt	3 600
Bangladesh	2 900
Indonesia	1 800 - 2 150
Pakistan	1 200
Peru	1 060
Sri Lanka	855
Lebanon	615
Syria	550
Tanzania	485
Tunisia	390
Cyprus	370
Bolivia	325 - 335
Sudan	240
Jordan	195
Yemen Arab Republic	180
Honduras	170
Mauritius	135
Somalia	100
Malta	83
Haiti	70 ²
Kenya	65 ³
Dahomey	25
Togo	19
Afghanistan	10
Burundi	-

¹FAO unofficial estimates. As a general rule the figures cover the period July to June for wheat and coarse grain and the calendar year for rice.

²1972 imports figure.

³Wheat.

ANNEX

TABLE II: Per capita income in 1971¹

	<u>US\$</u>	<u>Estimated population</u> <u>in 1974</u> (<u>'000</u>)
Burundi	60	3 932
Bangladesh	70	78 620
Somalia	70	3 063
Indonesia	80	137 120
Afghanistan	80	18 709
Yemen Arab Republic	90	6 406
Sri Lanka	100	13 816
Dahomey	100	2 978
India	110	588 038
Tanzania	110	14 352
Sudan	120	17 774
Haiti	120	5 700
Pakistan	130	66 600
Togo	150	2 062
Kenya	160	11 694 (1971)
Bolivia	190	5 148
Egypt	220	37 547
Jordan	260	2 646
Mauritius	280	941
Syria	290	7 056
Honduras	300	3 071
Tunisia	320	5 638
Peru	480	15 36
Lebanon	660	3 137
Malta	860	328
Cyprus	1 100	645

¹Source: United Nations.

TABLE III: Balance of payments position in 1974¹

- = deficit
+ = surplus

	<u>Million US\$</u>
India	- 820
Bangladesh	- 375
Pakistan	- 155
Tanzania	- 120
Kenya	- 84
Peru	- 73
Sri Lanka	- 69
Egypt	- 53
Sudan	- 46
Honduras	- 33
Somalia	- 27
Mauritius	- 13
Yemen	- 11
Dahomey	- 9
Afghanistan	- 8
Haiti	- 8
Burundi	+ 2
Jordan	+ 35
Togo	+ 44
Cyprus	+ 95 ²
Syria	+ 154
Tunisia	+ 222
Lebanon	+ 278
Indonesia	+ 853
Bolivia	
Malta	

¹Unofficial IMF projections.

²Estimate made before July 1974.

ANNEX

TABLE IV: 1974 Balance of payments: deficits or surpluses as percentage of projected imports¹

	%
Bangladesh	- 28.3
Somalia	- 18.6
India	- 16.8
Tanzania	- 16.4
Sri Lanka	- 9.7
Honduras	- 8.9
Kenya	- 8.9
Pakistan	- 8.6
Sudan	- 8.5
Haiti	- 7.6
Mauritius	- 7.2
Dahomey	- 5.5
Yemen	- 5.0
Peru	- 4.5
Afghanistan	- 4.0
Egypt	- 1.9
Burundi	+ 4.6
Jordan	+ 8.0
Lebanon	+ 15.0
Indonesia	+ 15.5
Cyprus	+ 18.2 ²
Syria	+ 18.7
Tunisia	+ 21.3
Togo	+ 34.6
Bolivia	
Malta	

¹ Unofficial IMF projections.

² Estimate made before July 1974.

TABLE V: Requirements of recipient population expressed requests for emergency aid

<u>Country</u>	<u>Number of recipients</u>	<u>Requirements in raw cereal equivalent</u>	
		<u>Annual totals (metric tons)</u>	<u>Grammes per head per day</u>
Cyprus	200 000	40 000	548
Jordan	250 000	48 000	526
Honduras	130 000 to 175 000	24 000 to 32 000 ¹	500 ¹
Burundi	(100 000) ²		

¹Commission estimate.

²Provisional figure

ANNEX

TABLE VI: Regional distribution of the aid proposed for WFP and target distribution by country within each region

SOUTH ASIA: 27 265 t wheat equivalent

of which: Bangladesh	2 500 t (grain)
India	20 000 t (")
Afghanistan	1 500 t (")
Sri Lanka	2 265 t (1 500 t of flour)

EAST AFRICA: 11 520 t wheat equivalent

of which: Sudan	5 000 t (grain)
	3 020 t (2 000 t of flour)
Ethiopia	3 000 t (grain)
Yemen Arab Rep.	500 t (grain)

SAHEL: 2 215 t of grain sorghum.

PROPOSAL FOR A
COUNCIL DECISION

relating to the Community financing of certain expenditure in respect of food aid supplied under the 1974/75 programme.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 1703/72¹ of 3 August 1972 amending Regulation (EEC) No 2052/59 as regards the Community financing of expenditure incurred in the operation of the 1967 Food Aid Convention and laying down rules for the Community financing of expenditure incurred in the operation of the 1971 Food Aid Convention, and in particular Article 8(1) and Article 10(1) thereof;

Having regard to the proposal from the Commission;

Whereas it would appear necessary for the Community to assume financial responsibility for transporting the cereals allocated under the 1974/75 programme to Burundi, Honduras, the United Nations Relief and Works Agency for Palestine Refugees, the United Nations Children's Fund,

HAS DECIDED:

Sole Article

Within the framework of the Community food aid measures under the 1974/75 programme, Community financing shall cover the transport and distribution costs beyond delivery to the port of shipment in respect of the following consignees and in accordance with the arrangements set out below:

- the World Food Programme: delivery shall be made to the port of shipment and a lump-sum contribution shall be paid to the Programme towards the cost of transport to the places of destination, and towards distribution costs;

¹OJ No L 180, 8 August 1972, p. 1.

- Burundi and the United Nations Children's Fund: the cereals shall be delivered free to a place of destination agreed upon with the Community;
- Honduras and the United Nations Relief and Works Agency for Palestine Refugees: the deliveries shall be made cif.

Done at

For the Council

The President