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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

CONCERNING FOOD AID PROGRAMMES FOR 1981

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1981 FOOD AID PROGRAMME

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SUMMARY

This communication presents the Commission's proposal for the allocation of food aid in 1981.

The quantities proposed for immediate allocation are the following:

- Cereals: 927,663 tonnes (wheat equivalent). This represents an estimated expenditure of 193 Million EUA⁽¹⁾.
- Skimmed milk powder: 150,000 tonnes representing an estimated expenditure of 207.4 Million EUA⁽¹⁾.
- Butteroil: 45,000 tonnes representing an estimated expenditure of 182.6 Million EUA⁽¹⁾.

The quantities of dairy products are the same as those allocated in 1980. The cereals quantities reflect the increase agreed under the new Food Aid Convention.

In preparing these programmes, the Commission has concentrated aid proposals on the poorest and most needy countries. These are defined as those with a per capita GNP of less than \$ 680 and/or a precarious external financial situation.

The proportion of direct aid to such countries contained in the Commission's proposals is:

- cereals programme	:	95%
- skimmed milk powder	:	90%
- butteroil	:	89%

(1) At internal prices.

PART I

G E N E R A L

1981 FOOD AID PROGRAMMES

INTRODUCTION

The Community food aid programmes for 1981 are notable in that they were drawn up in the light of the debate in Parliament on hunger in the world.

In the debate the importance of food aid was emphasized on three counts:

1. The amount involved in money terms: 604 million EUA in the budget, of which 349 million EUA are under Chapter 92 of the 1980 budget⁽¹⁾ ⁽²⁾, and 52 million EUA to cover transport of Food Aid beyond the FOB stage.
2. The objective of food aid:
 - i) to relieve distress in emergencies which affect millions of people throughout the world (victims of natural disasters, refugees and displaced persons);
 - ii) to raise nutritional standards (it is acknowledged that there are at least 500 million people who do not have enough to eat);
 - iii) to contribute to the development of the recipient countries (concentration on the poorest countries, in particular those with an annual per capita GNP below US \$ 680).
3. The support which food aid can give to other development instruments (EDF funds, financing from the Member States' budgets).

The discussions resulted in a resolution laying down a number of guidelines for food aid, notably the following:

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- (1) To this figure should be added the food aid refunds listed under Title 6 of the Budget: 255 million EUA.
 - (2) Out of a total appropriation for Title 9 of 620 million EUA

- i) food aid should go hand in hand with practical agricultural and rural development projects and provision should be made for multiannual food aid commitments ⁽¹⁾, - a possibility now accepted by the Council ⁽²⁾;
- ii) food aid should also be used to establish emergency reserves in the developing countries ⁽³⁾, - also accepted by the Council in principle ⁽⁴⁾;
- iii) Community food aid needs to be adapted more closely to the food requirements of the people concerned for example, through 'three-way transactions' ⁽⁵⁾, - necessity noted by the Council ⁽⁶⁾;
- iv) the regularity of controls should be improved and increased, beginning with quality control ⁽⁷⁾;
- v) Community cereals aid should be increased as from the 1981 financial year beyond the minimum obligation laid down in the new Food Aid Convention ⁽⁸⁾.

The resolution and the report by the Committee on Development and Cooperation referred to food aid as a major weapon in the campaign against hunger, though this should also embrace other strategies, notably rural development and the development of local food production, which are factors to be taken into consideration in determining the need for food aid operations.

(1) Paragraph 32 of the Resolution of the European Parliament-Doc.1-341/80,18.9.80

(2) Resolution of the Council (Development) of 18.11.80

(3) Paragraph 33 of the Resolution of the European Parliament-Doc.1-341/80,18.9.80

(4) Resolution of the Council (Development) of 18.11.80

(5) Paragraph 34 of the Resolution of the European Parliament-Doc.1-341/80,18.9.80

(6) Resolution of the Council (Development) of 18.11.80

(7) Paragraph 35 (third indent) of the Resolution of the European Parliament-Doc.1-341/80, 18.9.80

(8) Paragraph 38 of the Resolution of the European Parliament-Doc. 1-341/80,18.9.80

In this context, the Commission is well aware of the criticism frequently made that food aid may harm a country's interests (for example, by discouraging local production and by increasing the people's dependence on imported products). This type of criticism may be justified in certain cases. For this reason the Commission, conscious of the difficulties sometimes caused by poor use of food aid, urges that measures be adopted to allow better planning of aid (multiannual programming), improved integration of food aid in overall development policy in food strategies of the beneficiaries and the adaptation of food aid to the real needs of the people concerned (by broadening the range of products available)⁽¹⁾, principle noted by the Council but not yet accepted⁽²⁾.

In presenting the food aid programmes for 1981, the Commission would stress that some of the recommendations made in the "hunger in the world" debate have been at least partly implemented and that the 1981 programmes will provide an opportunity for implementing new types of operation made possible by the two Resolutions of the Council on 18 November 1980⁽³⁾ on the use of Community food aid and hunger in the world. (However, the Commission would also point out to the Council that there are proposals still waiting to be adopted with regard to the diversification and management of food aid.)

I. Action already taken

- A. Conscious of the developing countries' very extensive cereal import requirements, the Community increased its participation under the renewed Food Aid Convention for 1980/81 by 29%, i.e. from 1 287 000 t to 1 650 000 t. Consequently, the amount involved under the cereals food aid programme for 1981 will be 927 663 t (instead of 720 500 t, which has been the figure since 1976/77). This increase should provide scope for stepping up operations to help the poorest countries, in so far as the concentration of aid on this group is maintained and even strengthened. At the same time, the increase in

(1) Paragraph 38 of the Resolution of the European Parliament-Doc.1-341/80,18.9.80

(2) Resolution of the Council (Development) of 18.11.80

(3) Document Annex III.

the reserves (both general and specific) should permit the strengthening of resources for meeting the sudden needs of people in countries affected by natural disasters or conflicts by means of emergency food aid operations ⁽¹⁾.

In addition, the reserves should make it possible to dovetail the programming of aid more closely with crop seasons through the allocation of additional quantities, where needed, to countries whose exact situation as regards cereal production was not fully known when the programmes were drawn up.

The Commission is nevertheless aware that by comparison with the developing countries' cereals requirements ⁽²⁾ the quantity available at present does not represent an adequate response to the situation. It wishes to reaffirm in this connection that an increase in quantities of cereals allocated as food aid is an objective that should be pursued as vigorously as possible.

B. As a result of comments made by the European Parliament, the Court of Auditors and recipient countries - and on the basis of its own judgment - the Commission began tightening up control measures in 1980, notably with regard to the quality of products supplied as food aid ⁽³⁾.

(1) In 1980 the number of refugees and displaced persons rose substantially. There is nothing to suggest that the number will decline in 1981.

(2) See page 17

(3) Stricter controls are envisaged under new rules introduced in summer 1980 for mobilizing cereals for food aid purposes. In addition, for implementing the 1980 programme the Commission has at its disposal under the 1980 Budget an appropriation of 100 000 EUA for stricter product quality controls.

It is intolerable that products supplied as aid, which are sometimes eagerly awaited and for the transportation of which the beneficiaries have paid large sums should prove on receipt to be of poor quality or even unusable.

The efforts launched in 1980 will therefore be rigorously maintained throughout implementation of the 1981 programmes, thanks to appropriations under Head 9261 (Exceptional Control Measures) in the 1981 Budget. The Commission by including EUA 1 000 000 under this Head in the proposed draft Budget, and Parliament by its amendment directed to re-instating these appropriations in the draft Budget, have shown the great importance which they attach to those measures.

II. Action planned

The Council Resolution on the use of Food Aid adopted on 18 November 1980 opens up at least two major opportunities:

- the multiannual allocation of food aid;
- the use of food aid to create stocks.

A. As part of the campaign against hunger, certain developing countries are now establishing food strategies which require continuity and consistency in the means employed. If food aid were dovetailed more closely with other development instruments and assured of continuity, it could provide valuable support for this kind of strategy.

Under the food aid programmes for 1981, the Commission will present proposals for supporting development projects or programmes by means of multiannual food aid operations, to be examined case-by-case. It proposes to give priority to recipient countries which have a structural food shortfall and have been among the principal recipients of food aid in the last five years ⁽¹⁾ or countries which have already launched specific operations for raising the nutritional standards of their population ⁽²⁾.

(1) E.g. Bangladesh, Egypt, Pakistan, Somalia.

(2) E.g. Kenya, Nicaragua, the Sahel countries.

- B. Similarly, food security requires the establishment of emergency reserves. On the basis of the Council Resolution of 18 November 1980, the Commission is proposing to allocate food aid under the 1981 programmes for stock building. This type of operation would, moreover, be most effective if the food aid programmes were adopted early in 1981. Of course, such corresponding quantities will remain limited compared to the overall programme.

III. Action still to be taken

In the light of the European Parliament Resolution⁽¹⁾ and its own proposals⁽²⁾, the Commission would again stress to the Council the importance it attaches to the adoption of two draft regulations dealing respectively with:

- A. the supply as food of products other than cereals, skimmed milk powder or butteroil;
 - B. food aid policy and management.
- A. "Diversification" means being able to supply developing countries with products corresponding more closely to the food requirements of the people concerned. In some instances these products are indispensable. They usually constitute an essential element in the diet of the recipients (sugar, vegetable oils) and in any case are particularly needed in cases of emergency food aid; this is proved by experience and requests from recipient countries.

The Commission is therefore keen for operations along these lines to be implemented under the 1981 Budget (by means of "three-way transactions" where appropriate) and accordingly urges the Council to adopt the proposal for a regulation laying down general rules on the supply of products other than cereals, skimmed milk powder or butteroil to certain developing countries and specialized bodies.

(1) Paragraph 34 of Parliament's Resolution ("diversification").
Paragraph 36 of Parliament's Resolution ("framework regulation")

(2) COM (80) 478 final, proposal for a regulation.
COM (79) 1 final, 11 January 1979.

B. The measures taken or being introduced in the sphere of food aid can only be fully implemented or consolidated if the Commission is given a text it can use as a basis for improving food aid policy and the management of food aid.

Although there have been innovations in food aid policy (multiannual programming, stock building, and so on), there has been no change in management procedures since 1975-77.

However, the Commission for its part volunteered to present an annual report on the implementation of food aid, and the first in the series was sent to the Council in the form of an annex to the 1980 programme, (a report on 1980 forms part of this communication). In addition, the Commission has made considerable efforts to make up as much as possible of the delays in delivery commented on by the Council, Parliament and the Court of Auditors.

Accordingly, it will be appreciated that in order to continue its efforts and give full effect to the new food aid measures adopted for 1980, the Commission must urge the Council to adopt the draft regulation on food aid policy and the management of food aid forwarded on 11 January 1979.

Last but not least, the Commission would reemphasize the problem of personnel, which if it is not resolved, could imperil the efforts being made to enhance the management and efficiency of the Community's food aid.

PART II

SUMMARY REPORT ON THE EXECUTION OF COMMUNITY
FOOD AID AND THE PRINCIPAL DEVELOPMENTS IN

1980

1980 Programme

The 1980 Programme was adopted in May 1980 and the first deliveries took place in June.

The late adoption of the programmes made it difficult to complete deliveries in the financial year nevertheless the mobilisation, particularly in cereals, is progressing satisfactorily. A table setting out the state of play at 31 December 1980 will be communicated early in 1981.

Further doubts about the absorption capacity of some recipients of aid in skimmed milk powder from previous programmes were confirmed and the Commission is presenting a proposal to the Council which will eliminate these old difficulties and bring the old programmes into line with the present policy.

No progress was made in the Council's consideration of the Commission's proposal for a framework regulation on food aid.⁽¹⁾ The Commission therefore presented in July 1980 a communication to the Council containing proposals for guidelines for identifying multiannual programmes and for using food aid allocations for the creation and maintenance of stocks. On 18 November the Council adopted the resolution endorsing the Commission's proposal.

The communication also contained a draft Regulation setting out rules for the purchase of products other than those currently in the food aid programmes.

The Council has not yet adopted this proposal.

(1) Document COM (79) 1 Final of 11 January 1979
Document COM (80) 478 Final of 28 July 1980.

Parliament

Reference has been made to the Hunger in the World Debate and its importance for the development of food aid policy and programmes. Clearly, giving assistance to Members of Parliament in preparing reports and gathering information was an important task in 1980. Members have also tabled several questions relating to the Commission's actions in the field of food aid, as well as undertaking related enquiries (e.g. use of dairy products in developing countries).

Court of Auditors

The Court of Auditors have undertaken a special enquiry into food aid. The Commission services have cooperated fully with the Court and have accompanied the Court on missions connected with the enquiry to Egypt and India.

Economic and Social Committee

The Economic and Social Committee has set up a working group to examine food aid and the Commission services are participating in its work.

The increased work load associated with assisting these different investigations has not prevented the Commission from continuing to make modest progress in some of the initiatives it took last year.

In particular triangular operations continued with purchases for people in Kampuchea, Nicaragua, Pakistan (Afghan refugees), East Africa and Algeria.

Emergency Actions

From January until end November 1980 the Commission had committed almost 100,000 t cereals, 14,000 t of skimmed milk powder and 3,120 t of butteroil in emergency actions resulting from natural disasters or civil and military disturbance.⁽¹⁾

(1) See Appendix II

The most important actions concerned aid for refugees in South-East Asia and the people of the Horn of Africa.⁽¹⁾

In addition to products traditionally delivered the Commission, at the request of the beneficiaries delivered certain quantities of sugar, pulses, and vegetable oil as well as baby-foods.

There is always a problem in delivering certain foods rapidly in emergencies. It is particularly difficult to deliver dairy products in reasonable time because they are not readily available (the milk powder has to be vitaminised and the butteroil produced).

The Commission intends to examine the advisability of holding an emergency supply. This supply would contain sufficient quantities to cover the estimated needs which are likely to arise in the normal period required to manufacture and make available these products.

Food Aid Convention

The new Food Aid Convention came into operation on July 1, 1980.

UNRWA

A new Convention with the United Nations Relief and Works Agency (UNRWA) was the subject of negotiations. The Commission will be making a proposal to the Council to agree a new Convention.

International Emergency Food Reserve

New proposals for the International Emergency Food Reserve to be governed by a Convention under which contributions would be obligatory were discussed in various international meetings but most particularly in the Committee for Policies and Programmes of the World Food Programme.

(1) The situation over all of East Africa is very serious. The Community responded to immediate needs in July 1980 through an emergency action covering 8.000 t skimmed milk powder, 1.250 t butteroil, 1.000 t sugar. Further cereals allocations will be proposed from the 1980 reserve.

The Community has given the proposal a luke-warm reception in its present form.

In view of the increasing demand for substantial food aid in emergencies and the need for flexible procedures both for bilateral and multilateral aid the whole question of emergency food aid will be studied both inside the Community and in the framework of the International Emergency Food Reserve during 1981.⁽¹⁾

Transport

In presenting the 1980 programme the Commission said that it would submit a framework regulation on the transport of food aid. Unfortunately this has not been possible but work will continue with a view to presenting such a regulation during 1981.

Control

Mention has been made of new control measures already introduced.⁽²⁾ These will be reinforced in 1981. Missions to the following countries took place: Egypt⁽³⁾, India⁽³⁾, Nicaragua, Haiti, Caribbean, Peoples Republic of China, Thailand, Laos, Zaire, Sri Lanka, Somalia⁽⁴⁾, and Djibouti⁽⁴⁾, Cap Verde, Bolivia, Ecuador.

Community representatives overseas including AEC Delegates, continue to give support and assistance both to recipient authorities and staff in Brussels. The embassies and missions of Member States have also shown considerable interest in discussing food aid with visiting Commission staff and their advice, particularly in non-associated states, has been valuable.

(1) See above under Emergency Actions

(2) see Part I, para.I.B.

(3) accompanying Court of Auditors

(4) accompanying UNHCR

P A R T I I I

P R O G R A M M E S

1981 FOOD AID PROGRAMME IN CEREALS

Cereals quantities available

1. The total quantity of cereals food aid proposed for allocation for 1981 is 927 663 t, in line with the draft budget for the year. This represents approximately 56% of the increased food aid commitment of 1 650 000 t undertaken by the Community and its member states under the new 1980 Food Aid Convention. The remaining 722 337 t are allocated by the member states by way of national actions.
2. The new quantity of 927 663 t available for Community actions represents a useful increase from the previous total of 720 500 t, which had remained frozen during the four years since 1977. However, the Commission considers that this amount is still inadequate in view of the annually increasing cereals imports of the developing countries as a whole, and of recent highly satisfactory grain harvests enjoyed by the principal exporting developed countries, including the EEC. Such a modest increase hardly constitutes an appropriate response to recent public and parliamentary concern at the crisis of hunger in the world.⁽¹⁾

Requests received

3. As in all previous years the quantities requested greatly exceed those available. The total requests received from some fifty countries are over two million tonnes, whilst the cereals import requirements of these countries are estimated for 1980/81 at twenty-two million tonnes. In addition, substantial requests have been received from various UN and other agencies.

(1) It should be noted that the European Parliament, in its examination of the 1981 budget, proposed a Community cereals programme of 1 155 663 t.

Food outlook for 1981

4. The food outlook in the developing countries has in general deteriorated further during the past year. World cereals production according to FAO is expected to fall for the second year in succession. Total import requirements will therefore rise, especially in developing countries where an increase of 6 million tonnes to a record 94 million tonnes is expected; of this, 84 million tonnes will have to be purchased commercially, and less than ten million tonnes will arrive as food aid. World cereals stocks are expected to fall to 207 million tonnes, the lowest level since the last food crisis in 1973 and representing only seven weeks' consumption. As regards export prices, wheat reached its highest level ever during October 1980, coarse grains registered an almost similar increase, and rice shows no sign of decline from the record price reached the previous May.

5. Within the set of low-income developing countries on which the Community's food aid is concentrated, the pattern is diverse. The trend noted by the Commission a year ago has continued: some improvement in Asia (except Indochina), but a sharp deterioration in Africa. In several countries of Eastern and Southern Africa there have been famine or near-famine conditions, arising from the second year of drought and exacerbated, particularly in the Horn of Africa, by the massive movements of displaced persons. It also appears that the hoped-for improvement in the Sahel region will not materialise this year.

Criteria for country allocations

6. The principal criteria used by the Commission in preparing its proposals for 1981 have been the same three as in previous years: basic food needs, economic development, external finances. These criteria were approved by the Council in March 1977. They are however interpreted with a certain flexibility. The Commission considers that the choice of recipients and the amount of aid to be granted should also be based upon other

elements of appreciation: for example, the level of aid expected from other donors and of contracted commercial imports, and the planned and past use of food aid by the country concerned. Attention has been paid in particular to whether a country plans to use the Community's aid as part of a defined food strategy.

7. Food needs have been assessed on the basis of cereals import requirements, as estimated by FAO when available, and supplemented by information from requesting countries themselves or by Commission delegations on the spot. Rice requirements have been adjusted upwards in view of the rice/cereals ratio applied by the EEC for food aid deliveries. As in previous years, the Commission has used gross requirements before deduction of anticipated commercial or non-commercial imports, in order to ensure equity of treatment for all potential recipients.
8. The second major criterion - level of economic development - has been applied by reference to the latest estimates of GNP/capita, using where available the 1979 figures produced by IBRD in July 1980. It should be noted that when originally proposed by the Commission the criterion was US \$ 300 (1970), which is roughly equivalent to \$ 680 today. This latter figure represents the FY 1981 guideline for IDA eligibility, and is proposed by the Commission as the basic criterion for the present programme.
9. The external finances of the applicant countries have been taken into account by examining the latest available IMF figures for balance of payments as an absolute figure, and the balance of payments ratio (exports of goods and services as a percentage of balance of payments on current account). Consideration has also been given, where data are available, to the level of external debt and to the debt service ratio (debt service payments as a percentage of exports of goods and services). The results of these analyses are given in Appendix I. Whilst the above statistics represent a useful guide to the external finances of the countries in a relative way, they have been used with some caution since they are generally two or three years out of date, in several cases special factors apply, and there are a number of potential recipients for whom no figures are available.

Application of criteria

10. Of the requests received, some forty have been retained for inclusion in the proposed programme. Certain countries have had to be excluded on the grounds that their economic or financial position did not place them among the category of the poorest developing countries towards whom the Community's cereals food aid programme is directed. Others have not received a precise allocation because certain basic data is lacking (e.g. revised crop forecasts) or because it has not yet been possible to overcome some practical difficulties experienced in previous years. It should finally be noted that several traditional or potential recipients have not made requests this year.⁽¹⁾
11. About forty countries remain, with import requirements of some 21 million tonnes, and some 620 000 tonnes available after taking into account planned allocations to agencies, and the reserve for emergencies. The allocations have been proposed in general on the basis of granting a percentage of import requirements, taking into account the country's economic situation and any other special factors. The results of this exercise are set out in detail in the Table attached.
12. It will be noted that an allocation of 2 000 t is proposed for 1981 under the entry "other countries". This covers the case of countries whose cereals allocations would be too small to mobilize separately in Europe except at unacceptably high cost; for example, Dominica, Grenada, Maldives. However, the Commission considers that countries should not be excluded from the food aid programmes on the grounds of their size alone. It is therefore proposed that special arrangements should be made in such cases, for example by entrusting delivery to World Food Programme or some other agency, and/or by purchasing in nearby (developing) countries, and/or combining with other purchases. Precise details would be worked out and implemented by the Commission.

(1) The following countries have made requests but have not been included in the proposed programme:
Indonesia, Malta, Mauritius, Montserrat, Morocco,
St. Kitts-Nevis, Syria.

13. The proposed country allocations show the following features:

- . 95% is for countries with GNP/capita not exceeding \$ 680 (IBRD 1979 estimation). The remaining 5% is proposed for Peru, Jamaica, Lebanon and Jordan where exceptional circumstances arise.
- . 60% is for the poorest countries in this set (GNP less than \$ 350).
- . 68% is for non-ACP countries, slightly less than in 1980.
- . Regionally, a marked increase is proposed for African countries in view of the current food crisis. The proportion rises from 32% to 37%, and the absolute amount from 168 000 t to 234 000 t (nearly 40% increase).

Allocations to agencies

14. Requests have been received from the following agencies:

World Food Programme (WFP) (both for development projects and for emergencies under the International Emergency Food Reserve), from the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), from the United Nations High Commission for Refugees (UNHCR), from the Red Cross (International Committee (CICR) and League of Red Cross Societies (LICROSS)), and from certain non-governmental voluntary agencies.

15. The following allocations are proposed, totalling 167 000 t:

- World Food Programme: 85 000 t. This is considered to be a reasonable proportion of the total programme. Of the total, 30 000 t would be for the IEFER, the balance for development projects in countries to be chosen from a list to be submitted to the Council in due course. Emergency actions under IEFER would be decided as in previous years by the usual procedures.
- UNRWA: 40 000 t as requested. Approximately 37 000 t would be in the form of flour for the agency's basic rations programme, the remainder as flour or rice for the supplementary feeding programme for vulnerable groups among the Palestine refugees.

- UNHCR: 15 000 t for Afghanistan refugees in Pakistan (1980: 12 000 t). The agency has indicated that further requirements may arise during the year for its refugee feeding programmes in East Africa, Chad and neighbouring countries, and South East Asia. Requests for such assistance would be dealt with case by case as they arise.
- Red Cross: 15 000 t to CICR, 2 000 t to LICROSS (1980: 15 000 t, 1 500 t). These quantities would be used in feeding projects according to the annexed list, which could be modified during the year if circumstances changed. A limited quantity has been left in each case as a reserve for emergencies.
- Non-governmental Organisations: 10 000 t for use in a social welfare programme in Chile. This would be channelled through CARITAS.

Reserve

16. A reserve of approximately 130 000 t is proposed; this is some 15% of the programme. It would be used for:
- a) late requests and additional allocations to be decided by the Council; at the time of drafting this proposal the cereals requirements were still unclear in certain regions, in particular the Sahel and Kampuchea, for whom the reserve would be used in priority;
 - b) emergency actions to be decided during the year by the Commission in consultation with the member-states in accordance with existing procedures (amounts over 5 000 t to be decided by the Council).

The Commission would point out that it is undesirable that, during Council examination of this proposed programme, the reserve should be excessively diminished in order to increase allocations to particular countries. This has happened in each of the last three years. It seriously affects the Community's ability to react appropriately where crises arise during the year or where provisional assessments prove too optimistic.

Utilisation of aid

17. All aid to agencies is for free distribution, either as food-for-work in development projects, or in feeding programmes for specific groups (in particular: rations or meals for refugees or displaced persons, school feeding, mother-and-child health). Cereals aid to countries is mainly sold on the local market, with the counterpart funds to be accounted for and spent on development of food production, storage or distribution capacity; this represents 85% of the proposed allocations, and includes all the largest allocations. The remaining 15% would be distributed free in feeding schemes under the responsibility of the recipient government.
18. On 18 November 1980 the Council adopted a resolution concerning the use of food aid with the aim of achieving food security in developing countries. This resolution envisaged among other things the inclusion of multi-annual food aid commitments in the Community's programmes, provided certain conditions existed. As regards cereals the Commission sees two types of situation where such commitments would be valuable:
- a) where the country has a structural or medium-term cereals deficiency, and has at the same time adopted a defined food strategy or other similar commitment to achieving food security. Countries which may meet these ^{conditions} include Bangladesh, Cap Verde, Ghana, Madagascar, Mauritania, Peru, Philippines, Senegal, Somalia, Tanzania;
 - b) where a country undertakes to use the cereals and/or the counterpart funds inside a development project being financed at the same time by other aid from EEC or member-state sources; the most immediate possible candidates would be Sri Lanka, Nicaragua and Kenya.
- The Commission hopes to present concrete proposals to implement the resolution on multi-annual programming (case by case) during the coming months.

19. In addition the Commission proposes that contributions to World Food Programme should be made in future on a multi-annual basis. This means that the Community would now be in a position to announce its pledge for two years at a time, in line with the practice of other contributors (including most of the Member States) for the last sixteen years. The first such pledge would be for the ninth contribution period (the biennium 1981 and 1982).

It will be recalled that the Community has been contributing to UNRWA on a two or three year basis since 1972. This would continue.

Transport

20. The following guidelines have been used to determine the extent of the Community's financing of transport costs:

- Delivered to destination: Landlocked countries, and all (D.D.) institutions, and the reserve.
- C.I.F.: Countries with 1979 GNP/capita below \$ 230 (except African countries: \$ 280).
- F.O.B.: All other countries.

The distinction between African and other countries has been drawn, as in previous years, because experience has shown that greater difficulties in arranging transport do arise in the case of African destinations.

On this basis 320 663 t are proposed for delivery to destination (including the reserve, 124 663 t), 264 000 t for CIF, and 343 000 t for FOB.

Proposals

21. In summary, the following allocations are proposed:

Directly to governments:	636 000 t
Specialised agencies:	167 000 t
Reserve:	<u>124 663 t</u>
TOTAL:	927 663 t =====

Details are set out in the attached tables and the annex to the proposed decision, which the Council is requested to approve as a matter of urgency.

PROPOSED 1981 CEREALS FOOD AID PROGRAMME

Beneficiary	Quantity requested t x 1000	Cereals import requirem.	GNP \$ 1979	1980 Quantity t x 1000	1981 Proposal t x 1000	FOB/CIF D.D.	Sale/Free distr.	Remarks
Angola	37	(250)	(300)	pm	8	FOB	S	-
Bangladesh	200	3310	100	105	135	CIF	S	Food strategy
Benin	10	74	250	5	3	CIF	S	-
Cap Verde	16	65	(170)	7 ⁺³	7	CIF	S	Food strategy
Centr. Afr. Rep.	5	20	290	e	pm	-	-	
Comoros	12	64	210	4	3	CIF	S	-
Djibouti	9	71	(250)	2	4	CIF	S + FD	refugee problems
Egypt	250	5720	460	100	135	FOB	S	-
Ethiopia	50	400	130	15	15	CIF	FD	refugee problems
Gambia	18	80	260	2 ^{5+2.6}	3	CIF	FD	-
Ghana	30	440	400	5	10	FOB	S	Food strategy
Guinea Con.	(90)	350	270	7	10	CIF	S	-
Guinea Bis.	61	73	(220)	7	6	CIF	S	-
Guinea Equ.	1	(5)	(150)	2	1	CIF	S+FD	-
Guyana	1	80	570	1	1	FOB	S	-
Haiti	(5)	180	260	0	pm	-	-	-
Jamaica	8	400	1240	0 ⁺¹	1	FOB	FD	
Honduras	8	200	530	3 ⁵	4	FOB	S	-
Jordan	45	(470)	1180	14	14	FOB	FD	for displaced persons
Kampuchea	(35)	(600)	(100)	35	pm	-	-	Aid through WFP
Kenya	80	470	380	7	15	FOB	S + FD	-
Lesotho	4	180	340	3	4	D:D	S	-
Lebanon	23	(590)	(1300)	10	10	FOB	FD	for displaced persons

PROPOSED 1981 CEREALS FOOD AID PROGRAMME

Beneficiary	Quantity requested t x 1000	Cereals import requirem.	GNP \$1979	1980 Quantity t x 1000	1981 Proposal t x 1000	FOB/CIF D.D.	Sale/Free distr.	Remarks
Madagascar	(90)	840	290	12	15	FOB	S	Food strategy
Mali	80	(200)	140	8	8	D.D.	S	-
Mauritania	88	200	320	7 ⁺⁴	7	FOB	S + FD	Food strategy
Mozambique	50	700	140	10	25	CIF	S	-
Nicaragua	52	220	660	8 ⁶	10	FOB	S	Literacy Programme
Pakistan	(50)	1010	270	50	35	FOB	S	-
Peru	10	1100	730	4 ⁵	5	FOB	S	Food strategy
Philippines	75	1020	600	3	5	FOB	S	Food strategy
Rwanda	2	18	210	2	2	D D	S + FD	-
St. Tome Prin.	10	6	(250)	1	1	C I F	S + FD	-
Senegal	25	660	430	7 ⁺⁶	15	FOB	S + FD	Food strategy
Sierra Leone	20	120	250	5 ⁵	4	C I F	S	-
Somalia	44	460	(140)	15 ⁺¹⁰	15	C I F	FD + S	refugee problems
Sri Lanka	(35)	1460	230	20	35	FOB	S	-
Sudan	15	300	370	5	8	FOB	S	refugee problems
Tanzania	60	580	270	15	20	C I F	S	Food strategy

PROPOSED 1981 CEREALS FOOD AID PROGRAMME

Beneficiary	Quantity requested t x 100	Cereals import requirem.	GNP \$ 1979	1980 Quantity t x 1000	1981 Proposal t x 1000	FOB/CIF D.D.	Sale/ Free distr.	Remarks
H.Volta	70	(150)	180	p.m.	5	D.D.	S	-
Yemen RA	(10)	480	(560)	p.m.	10	FOB	S	-
Zaire	24	(300)	260	p.m.	10	CIF	S	-
Zambia	200	550	510	10	10	DD	S	-
Other Countries				15 ⁵ (1)	2 (2)	CIF	S +FD	
TOTAL COUNTRIES				534	636			-
WFP(Projects)-	-	-	-	45	55	D.D.	F.D.	
WFP (IEFR)	-	-	-	20	30	D.D.	"	
UNRWA	-	-	-	40	40	D.D.	"	-
UNHCR	-	-	-	12	15	D.D.	"	Afghan refugees
CICR	-	-	-	15	15	D.D.	"	-
LICROSS	-	-	-	1 ⁵	2	D.D.	"	-
NGOs	-	-	-	6 ⁵	10	D.D.	"	Chile programme
TOTAL INSTITUTIONS				140	167			-
RESERVE	-	-	-	46 ⁴	124 ⁶⁶³	CIF	-	Priority to Sahel and Kampuchea
TOTAL	-	-	-	720 ⁵	927 ⁶⁶³	-	-	-

Note: Figures in brackets represent estimates by Commission staff.

- (1) 1980 allocations to countries not proposed for 1981.
 (2) 1981 allocation of 2000 t proposed for certain small countries
 (see text).

Abbreviations

- S: Sale at market price
 FD: Free distribution
 DD: Delivered destination
 IEFR: International Emergency Food Reserve

INDIRECT ACTIONS - Planned allocations

1. RED CROSS

CICR

Angola	2 000 t
Cisjordan	3 000 t
Ethiopia	3 000 t
Philippines	3 000 t
El Salvador	1 000 t
Reserve	3 000 t
	<hr/>
	15 000 t
	=====

LICROSS

Ethiopia	200 t
Indonesia	500 t
Mauritania	300 t
Peru	100 t
Senegal	300 t
Tunisia	100 t
Reserve	500 t
	<hr/>
	2 000 t
	=====

2. World Food Program

Development projects:	55 000 t	-	list to follow
Emergency reserve:	30 000 t	-	case by case

3. UNRWA

Palestine refugees: basic rations program:	36 700 t
supplementary feeding program:	3 300 t
	<hr/>
	40 000 t
	=====

4. UNHCR

Afghan refugees:	15 000 t
Possible further allocations:	case by case.

COUNCIL DECISION

on the 1981 food aid programme (cereals)

THE COUNCIL OF THE EUROPEAN COMMUNITIES

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

Having regard to the proposal from the Commission,

Whereas the European Economic Community has deposited a declaration of provisional application of the Food Aid Convention 1980;

Whereas that Convention entered into force on 1 July 1980;

Whereas the Council approved on 27 June 1980 an ad hoc allocation of the Community's commitment of 1 650 000 t of cereals under the Food Aid Convention 1980, whereby 927 663 t would be delivered as a Community action and the remainder allocated among the Member States as national actions;

Whereas certain developing countries and specialised agencies have requested food aid in the form of cereals from the Community;

Whereas the Council approved on 22 March 1977 certain basic criteria for selecting food aid recipients and determining quantities, other relevant considerations also being taken into account;

Whereas, in order for the aid to be used effectively, arrangements should be made in certain cases to finance certain transport and distribution costs;

HAS DECIDED AS FOLLOWS:

Article 1

An amount of 927 663 t of cereals shall be made available to developing countries and specialised agencies under the 1981 Food Aid Programme, by way of Community action as part of the Community's commitment under the Food Aid Convention.

Article 2

The countries and agencies to receive this aid, together with the quantities allocated and the delivery terms, shall be as set out in the Annex.

Article 3

In the case of aid allocated to agencies, where so provided in the conditions agreed with the recipient, the Community may also finance distribution costs.

Done at Brussels1981

For the Council
The President

1981 CEREALS FOOD AID PROGRAMME

<u>Recipient</u>	<u>Quantity (t)</u>	<u>Delivery Terms</u>
Angola	8 000	FOB
Bangladesh	135 000	CIF
Benin	3 000	CIF
Cap Verde	7 000	CIF
Centrafriean Rep.	pm	pm
Comoros	3 000	CIF
Djibouti	4 000	CIF
Egypt	135 000	FOB
Ethiopia	15 000	CIF
Gambia	3 000	CIF
Ghana	10 000	FOB
Guinea (Conakry)	10 000	CIF
Guinea-Bissau	6 000	CIF
Guinea (Equatorial)	1 000	CIF
Guyana	1 000	FOB
Haiti	pm	pm
Honduras	4 000	FOB
Jamaica	1 000	FOB
Jordan	14 000	FOB
Kenya	15 000	FOB
Lesotho	4 000	DD
Lebanon	10 000	FOB
Madagascar	15 000	FOB
Mali	8 000	DD
Mauritania	7 000	FOB
Mozambique	25 000	CIF
Nicaragua	10 000	FOB
Pakistan	35 000	FOB
Peru	5 000	FOB
Philippines	5 000	FOB
Rwanda	2 000	DD
Sao Tome-Principe	1 000	CIF
Senegal	15 000	FOB
Sierra Leone	4 000	CIF
Somalia	15 000	CIF
Sri Lanka	35 000	FOB
Sudan	8 000	FOB
Tanzania	20 000	CIF
U. Volta	5 000	DD
Yemen A.R.	10 000	FOB
Zaire	10 000	CIF
Zambia	10 000	DD
Other countries	2 000	CIF
WFP (Projects)	55 000	DD
WFP (IEFR)	30 000	DD
UNRWA	40 000	DD
UNHCR	15 000	DD
CICR	15 000	DD
LICROSS	2 000	DD
NGO	10 000	DD
Reserve	124 663	DD

927 663

DAIRY PRODUCTS

The dairy products programmes, like the cereals programme, were drawn up in the light of the debate in Parliament on hunger in the world, notably with regard to the establishment of stricter control over use and a direct link between food aid and specific projects, e.g. in the case of Honduras and Kenya.

The criteria laid down by the Community for allocating food aid, i.e. import requirements, per capita GNP and external financial situation, cannot be applied automatically in the preparation of food aid programmes involving dairy products. This is because dairy products supplement the basic diet, which consists of cereals, but are not a substitute for it. In the case of dietary supplement, therefore, import requirements are of only relative importance, as priority must be given to providing the cereals needed to combat under-nourishment, before malnutrition can be tackled through the proteins contained in milk. Consequently, the proposals for allocating food aid in the form of dairy products have to take into account not theoretical import requirements but the capacity to use and absorb this type of product.

The experience gained in recent years shows that it is imperative to prevent, wherever possible, incorrect use of skimmed milk, which in certain circumstances can be dangerous for under-nourished people. For this reason it is proposed to channel the greatest possible proportion of the aid through international organization, which have programmes and staff to cope with the special factors involved in consumption of dairy products, and to ship direct to applicant countries only those quantities which they can guarantee will be put to proper use, either via carefully structured social programmes or by the dairy industry.

It should be emphasized that in the annexed tables, "net requirements" does not mean the milk requirements of a country but the quantities needed by the dairy industry or required for a free distribution programme.

1. Requests

Requests have been received so far from 41 countries for a total of 146 814 t of skimmed milk powder. In addition to this, there are the requests from organizations, amounting to 140 228 t. The total quantity requested is therefore 287 042 t.

With regard to butteroil, 36 countries have requested a total quantity of 90 117 t, while organizations have requested 27 150 t, making 117 267 t in all. The total quantity requested is less than for 1980 (143 217 t); the reasons for this may be that many countries are now requesting only the quantities which they usually receive from the Community, taking as a basis the quantities allotted to them in preceding years.

2. Proposed allocations

a) Skimmed milk powder

The proposed allocation in the light of the foregoing is as follows:

International organizations:	60 632 tonnes
Applicant countries:	81 550 tonnes
Reserve:	7 818 tonnes

Remarks: It is to be expected that the reserve of 7 818 t will be reduced, as a token entry has been made for some countries pending receipt of additional information.

It should be pointed out, however, that the reserves under previous programmes still stand at the following levels:

1980 programme:	6 365 tonnes
1979 programme:	7 714 tonnes
1978 programme:	<u>400 tonnes</u>

TOTAL: 14 479 tonnes
=====

b) Butteroil

The proposed allocation is as follows:

International organizations:	13 400 tonnes
Applicant countries:	30 730 tonnes
Reserve:	870 tonnes

Remarks: This reserve represents an absolute minimum, as quantities will have to be allotted to countries for which a token entry has been made for the time being.

However, the following quantities are still available in the reserves under earlier programmes:

1980 programme:	1 524 t
1979 programme:	110 t

This quantity - 1 634 t - is the minimum needed to cover any emergency operations approved between now and the end of 1981.

It should also be pointed out that the Commission has requested at various times an increase in the quantities of butteroil to be supplied as food aid. If its request is not granted another solution will have to be found in order to meet the developing countries' substantial oils and fats requirements; this could take the form of supplying vegetable oils and fats, which are also much cheaper (450 EUA/t for colza oil as compared with 4 000 EUA/t for butteroil).

As in previous years, an indicative programme has been drawn up for dairy product allocations to the NGOs, LICROSS and the ICRC. This programme could be amended at the request of the organization concerned, by agreement with the Commission.

FD : free distribution
 SDI : sale dairy industry
 SFC : sale final consumer
 SRP : sale at reduced price
 FAD : free at destination
 P : persons

1981 MILK PROGRAMME

Recipient country	Quantity requested	Use	GNP/head	Protein index	Net requirement	Direct Aid 1980 T	Proposal 1981 T	Method of delivery	Observations
Angola	4.200	FD: 2.000.000 p.	(320)	73	4.200	token entry	500	cif	
Bangladesh	10.000		100	75	-	-	5.000	cif	
Burundi	Awaited	SDI	180	108		100	100	fad	
Cape Verde	1.000	SRP: 400 p. FD: 55.000 p	(170)	96	3.500	400	400	cif	
Central Africa Rep.	700		210	104	-	200	Token entry		(24)
Comoros	1.000	FD: 70.000 p	210	69	1.000	800	400	cif	
Djibouti	400	FD: 60.000 p	(500)		200	-	200		
Dominica	300					-	-		(1)
Ecuador	500	FD:	1.050	83		500	500	fob	
Ethiopia	9.000	FD: 1.070.550 p.	130	111	9.000	2.700	2.000	cif	(2)
Ghana	5.000	SDI	400	93	5.000	2.500	Token entry	fob	(3)
Guiné-Bissau	600	SDI	(220)	85	600	Token entry	600	cif	(4)
Guinée	1.000	SFC	210	76		Token entry	450	cif	(5)
Grenada	400	FD: 43.500 p.	630		400	200	400	fob	

1981 MILK PROGRAMME

Recipient country	Quantity Requested	Use	GNP/head	Protein index	Net requirements	Direct Aid 1980 T.	Proposal 1981 T.	Method of Delivery	Observations
Equatorial Guinea	1.300	SFC	(150)	.	.	300	token entry	cif	(6)
Guyana	500	SDI: 230 t. SFC: 270 t.	570	96	500	500	500	fob	(7)
Haiti	.	.	260	.	.	-	token entry		(8)
Upper Volta	2.472	FD: 656.148 p.	180	98	5.312	2.000	token entry	fad	(9)
Honduras	3.000	FD: 330.000 p.	530	91	993	2.000	2.000	fob	
India	31.000	SDI	190	85	31.000	31.000	31.000	caf	Flood II
Indonesia	3.000	SDI: 1.350 t. FD: 1.650 t.	380	74	.	1.625	1.350	fob	
Jamaica	3.174	FD: 354.350	1.240	121	3.174	1.000	1.500	fob -	(11)
Jordan	1.500	FD. Palest. ref. 250.000 p.	1.180	92	1.500	1.500	1.500	fob	(12)
Kenya	6.200	FD: 3.875.000	380	.	6.200	-	2.000	fob	
Lesotho	930	FD: 396.000 p.	370	119	930	300	300	fad	
Lebanon	1.575	FD: 525.000 p.	(1.300)	119	5.750	1.100	1.100	fob	
Madagascar	awaited	SFC	290	99	1.500	token entry	token entry	fob	(13)
Mali	1.229	FD: 229 t. SDI: 1.000 t.	140	92	1.800	300	600	fad	(14)
Malta	400	FD: 55.000 p. SDR in the form of cheese	2.000	156	2.160	400	400	fob	

1981 MILK PROGRAMME

Recipient country	Quantity requested ^t	Use	GNP/head	Protein index	Net requirements ^t	Direct Aid 1980 ^t	Proposal 1981 ^t	Method of delivery	Observations
Mauritania	6.000	Sale at reduced price : 389.700 p. + IFD: 169.686	320	111	5.700	1.000	1.000	cif	
Morocco	6.000	FD: 485.000 p.	740		7.000	-	1.500	fob	(15)
Mozambique	780	FD: 7.800 p. S 640 t.	(200)	65	780	token entry	750	cif	
Montserrat	54	-	.	.	.	-	-		(1)
Nicaragua	3.000	SDI	660	120	3.000	1.500	2.000	fob	
Niger	3.000	IFD	277	95	.	-	250	fad	
Pakistan	awaited		270	95	2.850	750	750	fob	
Péru	2.000	SDI	730	107	6.400	1.000	1.000	fob	
Philippines	5.000	FD: 625.504 p. SFE: 1000 t.	600	82	2.800	1.000	1.000	fob	
Egypt	awaited	SDI	460	125	22.100	7.000	10.000	fob	(16)
Rwanda	720	FD: 89.780 p.	210	95	2.319	600	token entry	fad	(17)
Sao Tome	50	FD: 28.250 p.	(350)	81	70	50	50	cif	
Sénégal	7.500	FD: 3.000.000 P SDI: 2.500 t.	430	108	3.000	1.860	2.000	fob	

1981 MILK PROGRAMME

Recipient country	Quantity requested	Use	GNP/head	Protein Index	Net requirements	Direct Aid 1980	Proposal 1981	Method of delivery	Observations
Sierra Leone	1.700	FD: 187.612 p.	250	89	1.700	1.000	token entry	cif	(18)
Somalia	6.240	FD: 900.000 p.	(104)	104	6.238	2.700	3.500	cif	(19)
Sudan	5.000	SDI: 1.500 t FD: 254.630 p.	370	106	5.000	-	-		(20)
Sri Lanka	awaited	FD: 36.500 p.	230	73	1.000	500	token entry	fob	
Syrie	1.500	SDI	1.070	111	1.500	600	1.200	fob	(21)
St.Kitts	100	FD	.	.	.	-	-		(1)
Tanzania	3.490	SDI	270	81	3.490	2.000	2.000	cif	
Chad	no request	FD:	110	105	.	token entry	token entry	fad	
Thailand	awaited		590	88	4.672	-	token entry	fob	
Togo	1.000	SDI	340	.	.	400	250	fob	(22)
Yemen A.R.	awaited	FD: 2.000 t SRP: 3.000 t	(560)	104	285	-	token entry	fob	
Zaire	10.000	SFC	210	55	6.000	token entry	token entry	cif	
Zambia	2.000	SDI	510	102	2.000	1.500	1.500	fad	
TOTAL:	146.814				233.578	75.385	81.550		

1981 MILK PROGRAMME

Recipient agency	Quantity requested	Use	GNP/head	Protein index	Net requirements	Direct aid 1980	Proposal 1981	Method of delivery	Observations
ORGANISMES CARITAS Germ.	3.800	FD			3.800	3.000	-	fad	(23)
ICRC	2.200	FD				3.000	2.200	fad	
LICROSS	1.800	FD				2.000	1.800	fad	
UNHCR	7.000	FD				3.500	token entry	fad	
NGO	41.794	FD				25.000	25.000	fad	
UNRWA	1.632	FD Palest.ref.			1.632	1.550	1.632	fad	
WFP	82.000	FD				30.000	30.000	fad	
Total agencies RESERVE	140.228					68.050	60.632		
TOTAL	287.042					6.565	7.813		
						150.000	150.000		

Footnotes :

Milk

- (1) Given the limited quantities which could be allocated, it is proposed to channel a certain quantity to this country via the NGOs.
- (2) Ethiopia
An additional quantity is being allocated by the WFP.
- (3) Ghana
Token entry due to difficulties with absorbing(storing) the quantities allocated for 1980.
- (4) Guinea-Bissau
Replaces a quantity of 600 t for 1979 which was cancelled for budgetary reasons.
- (5) Guinea
Replaces a quantity of 450 t for 1977 which was cancelled for budgetary reasons.
- (6) Equatorial Guinea
Delivery of the aid allocated for 1980 is certain to be delayed, owing to the weakness of the country's administrative structure.
- (7) Guyana
For sale direct to the consumer via pharmacies.
- (8) Haiti
Request not quantified, no information on use.
- (9) Upper Volta
Delivery of earlier aid delayed.
- (10)

- (11) Jamaica
Increased needs due to the ravages of hurricane Allen.
- (12) Jordan
Multiannual programme for Palestinian refugees
- (13) Madagascar
Token entry pending receipt of information on use of earlier aid.
- (14) Mali
The aid is intended solely for the dairy industry. A free distribution programme is being organized by NGOs.
- (15) Morocco
Replaces the aid previously supplied via the NGOs.
- (16) Egypt
Processing of milk into cheese for sale at reduced price.
- (17) Rwanda
Token entry pending receipt of additional information on use of aid.
- (18) Sierra Leone
Deliveries of aid for 1980 delayed.
- (19) Somalia
Substantial increase in the number of refugees.
- (20) Sudan
The Commission proposes to cancel the 2 325 t as yet un-delivered under the 1978 programme.
- (21) Syria
Previous experience is encouraging and there is a project to develop the dairy industry using counterpart funds.

(22) Togo

There is a new dairy starting up. Absorption capacity still low.

(23) The request by Caritas Germanica will have to be dealt with in the context of the NGOs.

(24) Comores

Some of the aid allocated in previous years still to be delivered.

COUNCIL REGULATION (EEC) No

of

laying down general rules for the supply of skimmed-milk powder as food aid to certain developing countries and specialized bodies under the 1981 programme

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽¹⁾, as last amended by Regulation (EEC) No 1761/78⁽²⁾, and in particular Article 7 (4) thereof,

Having regard to the proposal from the Commission,

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

Whereas certain developing countries and specialized bodies have indicated their requirements in high-protein milk products; whereas these high-protein products may be supplied in the form of skimmed-milk powder produced within the Community and meeting certain quality standards;

Whereas the supply of skimmed-milk powder must take into account the amounts of skimmed-milk powder available in the Community and the necessity of not disrupting market conditions;

Whereas the amounts available at present enable 150 000 tonnes of skimmed-milk powder to be supplied under the 1981 programme;

Whereas, if the quantities of skimmed-milk powder in public stocks are insufficient for the delivery of the abovementioned amount, or if they do not have the characteristics necessary for their particular destination where this requires in particular other forms of packing or the addition of vitamins or other additives, supplies must be ensured by the buying-in of skimmed-milk powder on the Community market;

Whereas, in order to enable the aid to be used effectively, arrangements should be made to finance certain transport and distribution costs;

Whereas the supplies must be delivered at the cheapest possible price; whereas in order to achieve that aim, a tendering procedure must be provided for; whereas, however, it may be desirable in the interests of speed, in exceptional cases, to have recourse to private contracts;

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 204, 28. 7. 1978, p. 6.

⁽³⁾ OJ No C

Whereas it is desirable that the rules for the application of the measures laid down for buying-in skimmed-milk powder on the market should be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68, as in the case of the rules to be applied where public stocks are used,

HAS ADOPTED THIS REGULATION:

Article 1

150 000 tonnes of skimmed-milk powder shall be made available to certain developing countries and specialized bodies as food aid under the 1981 programme.

Article 2

1. The skimmed-milk powder referred to in Article 1 shall be purchased in accordance with Article 7 (1) of Regulation (EEC) No 804/68.

2. If the amounts of skimmed-milk powder in public stocks are insufficient to supply the quantities provided for in Article 1 or if they do not have the characteristics necessary for their particular destination where this requires, in particular, other forms of packing or the addition of vitamins or other additives, supplies shall be ensured by the buying-in of skimmed-milk powder on the Community market. Buying-in shall be done in such a way as not to disturb the normal development of prices on the market.

Article 3

For the purposes of Article 1:

(a) the cost of the skimmed-milk powder, delivered to the port of shipment or a corresponding stage, shall be financed by the Community;

(b) in exceptional cases, the Community may also wholly or partially finance on the basis of a decision of the Council, in accordance with the procedure referred to in Article 7:

— shipment to the frontier of the country and, possibly, to the place(s) of destination, and

— distribution, where the goods are distributed by a specialized body.

Article 4

Amounts corresponding to the costs referred to in Article 3 (b) shall, where the arrangements agreed with the recipient country or body as provide, be paid as a whole or partial lump-sum contribution to the country or body of destination by the Commission.

Article 5

For delivery of skimmed-milk powder to the port of shipment or a corresponding stage, and, where relevant, for its shipment from that stage and its purchase on the Community market, invitations to tender shall be issued, without prejudice to Article 4 save in exceptional cases, where private contracts are negotiated.

Article 6

The decision to apply Article 2 (2) shall be taken and the procedure for implementing this paragraph and

Article 5 shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 7

The countries and bodies for which this aid is destined, together with the quantity to be allocated to each, shall be determined by the Council acting by a qualified majority on a proposal from the Commission.

Article 8

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

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

Done at Brussels,

For the Council

The President

COUNCIL REGULATION (EEC) No
of
on the supply of skimmed-milk powder to certain developing countries and
specialized bodies under the 1981 food-aid programme

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
laying down general rules for
the supply of skimmed-milk powder as food aid to
certain developing countries and specialized bodies
under the 1981 programme (1), and in particular Arti-
cles 3 and 7 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No
provides for the supply of 150 000 tonnes of
skimmed-milk powder; whereas this quantity should
be allocated among the various countries and bodies
from which applications have been accepted and
arrangements for financing should be specified;

whereas 7.818 tonnes should be kept in reserve for
future allocation should the need arise,

HAS ADOPTED THIS REGULATION:

Article 1

The allocation and financing arrangements in respect
of 150 000 tonnes of skimmed-milk powder to be
supplied to certain developing countries and special-
ized bodies as food aid under the 1981 programme in
accordance with Regulation (EEC) No are set
out in the Annex.

Article 2

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

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

Done at Brussels,

For the Council
The President

(1) See page of this Official Journal.

ANNEX

SKIMMED MILK POWDER FOOD AID PROGRAMME 1981

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing
Angola	500	FOB
Bangladesh	5 000	CIF
Burundi	100	FAD
Cape Verde	400	CIF
Central African Republic	token entry	-
Comores	400	CIF
Djibouti	200	CIF
Ecuador	500	FOB
Ethiopia	2 000	CIF
Ghana	token entry	-
Guinea-Bissau	600	CIF
Guinea-Conakry	450	CIF
Grenada	400	FOB
Equatorial Guinea	token entry	-
Guyana	500	FOB
Haiti	token entry	-
Upper Volta	token entry	-
Honduras	2 000	FOB
India	31 000	CIF
Indonesia	1 350	FOB
Jamaica	1 500	FOB
Jordan	1 500	FOB
Kenya	2 000	FOB
Lesotho	300	FAD
Lebanon	1 100	FOB
Madagascar	token entry	-
Mali	600	FAD
Malta	400	FOB
Mauritania	1 000	CAF
Morocco	1 500	FOB
Mozambique	750	CIF
Nicaragua	2 000	FOB
Niger	250	FAD
Pakistan	750	FOB
Peru	1 000	FOB
Philippines	1 000	FOB
Egypt	10 000	FOB
Rwanda	token entry	-
Sao Tome	50	CIF
Senegal	2 000	FOB
Sierra Leone	token entry	-
Somalia	3 500	CIF
Sri Lanka	token entry	-
Syria	1 200	FOB
Tanzania	2 000	CIF
Chad	token entry	-
Thailand	token entry	-

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing
Togo	250	FOB
Yemen A.R.	token entry	-
Zaire	token entry	-
Zambia	1 500	FAD
 <u>BODIES</u>		
CARITAS Germany	-	FAD
ICRC	2 200	FAD
LICROSS	1 800	FAD
UNHCR	token entry	-
NGO	25 000	FAD
UNRWA	1 632	FAD
WFP	30 000	FAD
Reserve	7 818	-
	<hr/>	
TOTAL	<u>150 000</u>	

1981 BUTTEROIL PROGRAMME

Recipient country	Quantity requested	Use	GNP/head	Protein Index	Net requirement	Direct aid 1980 T.	Proposal 1981 T.	Method of delivery	Observations
Sierra Leone	620	FD: 206,380 p.	250	98	300	200	200	CIF	
Somalia	5,003	FD: 900,000 p.	(140)	83	5,003	850	1,500	CIF	(20)
Sudan	2,000	SDI SFC	370	88	1,000	200	-		(21)
Sri Lanka	awaited	FD	230	94	-	200	p.m.	FOB	(22)
Syria	1,200	SRP	1,070	102	1,200	200	400	FOB	(23)
Tanzania	870	SDI	270	84	870	400	400	FOB	
Chad	-	-	110	74	-	p.m.	p.m.	FAD	
Thailand	awaited	SDI	590	104	286	286	p.m.	FOB	(24)
Togo	300	SDI	340		300	150	100		(25)
Yemen(A.R.)	awaited	SFC + FD	520	82	580	500(79)	p.m.	(26)	(26)
Zambia	500	SDI	510	87	1,200	500	500	FAD	
Zaire	3,000	SDI	260	83	-	-	-		(27)
TOTAL	90,117				96,960	28,826	30,730		

1981 BUTTEROIL PROGRAMME

Recipient agency	Quantity requested	Use	GNP/head	Protein index	Net requirement	Direct aid 1980	Proposal 1981	Method of delivery	Observations
<u>ORGANISMES</u>	T.				T.				
CARITAS (Germ.)	2,200	FD				2,000	-	FAD	(28)
ICRC	1,000	FD				1,000	1,000	FAD	
LICROSS	500	FD				500	500	FAD	
UNHCR	6,000	FD				1,500	p.m.	FAD	
UNRWA	3,900	FD				3,900	3,900	FAD	
WFP	10,000	FD				5,000	6,000	FAD	(29)
NGO	3,550	FD				1,000	2,000	FAD	(30)
TOTAL Org.	27,150					13,400	13,400		
RESERVE						2,774	870		
TOTAL	117,267					45,000	45,000		

Footnotes : BUTTEROIL

- 1) Central African Republic
Producer of vegetable oils
- 2) Djibouti
First direct action, but experienced in use of allocations from international organisations
- 3) Guinea-Bissau
No allocation in 1980 as previous allotments not taken up.
- 4) Guinea Equatorial
Delivery of the aid for 1980 is certain to be delayed, owing to the weakness of the country's administrative structure.
- 5) Haiti
Request not quantified, no information on use.
- 6) Upper Volta
Aid allocated in previous years not delivered.
- 7) India
Operation Flood II.
- 8) Jordan
Same distribution programme to the Palestine Refugees as for previous years.
- 9) Kenya
Quantity limited in view of first allocation.
- 10) Lesotho
School distribution programme well organised.
- 11) Lebanon
Distribution infrastructure has now improved, it is proposed to give a slightly greater quantity equal to half the need.
- 12) Malta
The request for 1200 t. of butter is equivalent to the total commercial import of this country.
- 13) Morocco
Replaces aid previously supplied via the NGOs.
- 14) Mauritius
No allocation in 1980 as previous allotments not delivered.

- 15) Mozambique
No allocation in 1980 owing to delayed request.
- 16) Niger
No allocation as this country had a bad experience with butteroil in the past and additionally it produces vegetable oil more acceptable to the population.
- 17) Philippines
Quantity limited as first experience with butteroil.
- 18) Rwanda
Difficulties with absorbing earlier aid.
- 19) Sao Tome
1980 allocation still to be delivered.
- 20) Somalia
Tangible increase in the number of refugees.
- 21) Sudan
Absorption difficulties; 1980 allocation still to be delivered.
- 22) Sri Lanka
Token entry pending expected request.
- 23) Syria
Previous experience is encouraging and there is a project to develop the dairy industry using counterpart funds.
- 24) Thailand
Token entry pending request.
- 25) Togo
There is a new dairy starting up. Absorption capacity still low.
- 26) Yemen (A.R.)
Deliveries of earlier aid delayed; request awaited.
- 27) Zaire
Indirect aid proposed via NGOs.
- 28) The request by Caritas Germanica will have to be dealt with in the context of the NGOs.
- 29) WFP
Increase justified due to important needs not covered by other donors.
- 30) NGO
The proposed quantity will cover not only the requirements for Chili but also the requests of certain Caribbean countries.

COUNCIL REGULATION (EEC) No

of

laying down general rules for the supply of milk fats to certain developing countries and specialized bodies under the 1981 food-aid programme

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽¹⁾, as last amended by Regulation (EEC) No 1761/78⁽²⁾, and in particular Article 6 (6) thereof,

Having regard to the proposal from the Commission,

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

Whereas certain developing countries and specialized bodies have indicated their requirements in milk fats; whereas these fats may be supplied in the form of butter or butteroil produced within the Community and meeting certain quality standards;

Whereas the amounts available at present in the Community enable a quantity corresponding to 45 000 tonnes of butteroil to be supplied as food aid in butter and butteroil; whereas the apportionment of supplies between public and private stocks will vary depending on market trends and seasonal requirements;

Whereas in view of the situation on the Community market in butter and other butterfats, as well as the need to make certain emergency deliveries and ensure regular supplies under the most favourable economic conditions, provision should be made for these supplies to be made either by taking butter or other butterfats from stocks held by intervention agencies or by buying-in butter or butteroil on the Community market;

Whereas, in order to enable the aid to be used effectively, arrangements should be made to finance certain transport and distribution costs;

Whereas the supplies must be delivered at the cheapest possible price; whereas in order to achieve that aim, provision should be made for a tendering procedure; whereas, however, in the interests of speed it may be desirable in exceptional cases to use private contracts;

Whereas it is desirable that the rules for implementing the measures laid down for buying-in butter

or butteroil on the market should be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68, as in the case of the rules to be applied where public stocks are used,

HAS ADOPTED THIS REGULATION:

Article 1

A quantity of butter or butteroil corresponding to 45 000 tonnes of butteroil shall be made available to certain developing countries and specialized bodies under the 1981 food-aid programme.

Article 2

1. The butter referred to in Article 1 shall be purchased in accordance with Article 6 (1) of Regulation (EEC) No 804/68. The butteroil referred to in Article 1 shall be processed from this butter.

2. If the market situation is such that delivery as provided in Article 1 cannot be carried out in accordance with paragraph 1, then the supply shall be ensured by using butter or butter fats available on the Community market. Buying-in shall be done in such a way as not to disturb the normal development of prices on the market.

Article 3

For the purposes of Article 1:

(a) the cost of the butter or butteroil, delivered to the port of shipment or a corresponding stage, shall be financed by the Community;

(b) in exceptional cases, the Community may also wholly or partially finance on a decision of the Council adopted in accordance with the procedure referred to in Article 8:

- forwarding to the frontier of the country and, possibly, to the places of destination, and
- distribution where the goods are distributed by a specialized body.

Article 4

The costs referred to in Article 3 (b) shall, where the arrangements agreed with the recipient country or

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 204, 28. 7. 1978, p. 6.

⁽³⁾ OJ No C

body so provide, be paid wholly or in part as a lump-sum contribution to the recipient country or body by the Commission.

Article 5

Without prejudice to Article 4, invitations to tender shall be issued for delivery of the product, including packing, labelling and forwarding to the port of shipment or a corresponding stage, and, where relevant, for its forwarding beyond that stage, save in exceptional cases where private contracts may be negotiated.

Article 6

The sums to be paid to the undertaking selected shall be due only if:

- (a) the undertaking satisfies the conditions laid down in the invitation to tender or the private contract; and
- (b) the quality and packing of the delivered products are found on inspection to comply with the relevant Community provisions.

Provision may be made for part of such sums to be paid in advance.

Article 7

The decision to apply Article 2 (2) shall be taken and the resulting procedure for implementing that paragraph and Article 5 shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 8

The countries and bodies for which this aid is destined, together with the quantity to be allocated to each, shall be determined by the Council acting by a qualified majority on a proposal from the Commission.

Article 9

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

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

Done at Brussels,

For the Council

The President

COUNCIL REGULATION (EEC) No

of

**on the supply of milk fats to certain developing countries and specialized bodies
under the 1981 food-aid programme**

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
laying down general rules for the supply of
milk fats as food aid to certain developing countries
and specialized bodies under the 1981 food-aid
programme⁽¹⁾, and in particular Articles 3 and 8
thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No provides for
the supply of a quantity of butter or butteroil cor-
responding to 45 000 tonnes of butteroil to certain de-
veloping countries and specialized bodies; whereas this
quantity should be allocated among the various coun-
tries and organizations from which applications have

been accepted and arrangements for financing should
be specified; whereas 870 tonnes should be kept as
a contingency reserve for future allocation,

HAS ADOPTED THIS REGULATION:

Article 1

The allocation and financing arrangements in respect
of a quantity of milk fats corresponding to 45 000
tonnes of butteroil under the 1981 food-aid
programme, as provided for in Regulation (EEC) No
are set out in the Annex.

Article 2

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

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

Done at Brussels,

For the Council

The President

⁽¹⁾ See page 14 of this Official Journal.

ANNEXE

PROGRAMME D'AIDE ALIMENTAIRE EN BUTTEROIL POUR 1981

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing
BANGLADESH	3.000	CIF
BURUNDI	50	FAD
CAFE VERDE	250	CIF
COMOROS	100	CIF
DJIBOUTI	100	CIF
ETHIOPIA	1.000	CIF
GHANA	200	FOB
GUINEA BISSAU	175	CIF
GUINEA	200	CIF
GUINEA EQUATORIAL	p.m.	
GUYANA	100	FOB
GRENADA	30	FOB
HAITI	p.m.	
UPPER-VOLTA	p.m.	
HONDURAS	600	FOB
INDIA	12.700	CAF
JAMAICA	200	FOB
JORDAN	1.125	FOB
KENYA	500	FOB
LESOTHO	100	FAD
LEBANON	1.000	FOB
MALI	200	FAD
MOROCCO	200	FOB
MAURITIUS	100	FOB
MAURITANIA	500	CAF
MOZAMBIQUE	200	CAF
PAKISTAN	1.500	FOB
PERU	500	FOB
PHILIPPINES	100	FOB
EGYPT	2.800	FOB
RWANDA	p.m.	
SAO TOME	100	CAF
SIERRA LEONE	200	CAF
SOMALIA	1.500	CAF
SRI LANKA	p.m.	
SYRIA	400	FOB
TANZANIA	400	CAF
CHAD	p.m.	
THAILAND	p.m.	
TOGO	100	FOB
YEMEN A.R.	p.m.	
ZAMBIA	500	FAD
<u>BODIES</u>		
ICRC	1.000	FAD
LICROSS	500	FAD
UNHCR	p.m.	
UNRWA	3.900	FAD
WFP	6.000	FAD
NGO	2.000	FAD
Reserve	870	
TOTAL	45.000	
	=====	

INDICATIVE BREAKDOWN (1) BY COUNTRY AND RESERVE PROPOSED
FOR THE LEAGUE OF RED CROSS SOCIETIES (LICROSS)

	<u>MILK</u> <u>Tonnes</u>	<u>BUTTEROIL</u> <u>Tonnes</u>
<u>LICROSS</u>		
Bangladesh	100	-
Bolivia	300	-
Chile	100	-
Djibouti	50	-
Egypt	50	-
Ethiopia	100	50
Haiti	100	50
Honduras	50	20
India	100	-
Mauritius	50	-
Mauritania	50	50
Péru	100	50
Senegal	50	50
Sri Lanka	100	-
Tunisia	-	50
Uganda	100	-
Réserve	<u>400 (2)</u>	<u>180 (2)</u>
TOTAL	1800	500

- 1) As in previous years, the Commission is empowered to modify this breakdown
- 2) This quantity is earmarked for emergency schemes and contingencies to be decided by the Commission by normal procedure.

INDICATIVE BREAKDOWN (1) BY COUNTRY AND RESERVE PROPOSED
FOR THE INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC)

<u>ICRC</u>	<u>MILK</u> <u>Tonnes</u>	<u>BUTTEROIL</u> <u>Tonnes</u>
Afghanistan	-	-
Angola	200 T.	100 T.
Argentina	-	50 T.
Bolivia	-	-
Cisjordanie	200 T.	200 T.
Colombia	50 T.	-
Ethiopia (Eritrea)	400 T.	200 T.
Ethiopia	-	50 T.
Jordan	50 T.	50 T.
Honduras	-	-
Guatemala	-	-
Kampuchea	-	-
Lebanon	-	-
Nicaragua	100 T.	-
Indonésia (Timor)	100 T.	-
Pakistan	-	-
Philippines	400 T.	200 T.
El Salvador	100 T.	-
Uganda	-	-
Uruguay	100 T.	50 T.
Thaïlande	-	-
Viet-Nam	300 T.	-
Réserve	200 T. (2)	100 T. (2)
Total	<u>2.200 T.</u>	<u>1.000 T.</u>

(1) As in previous years, the Commission is empowered to modify this breakdown.

(2) This quantity is earmarked for emergency schemes and contingencies to be decided by the Commission by normal procedure.

INDICATIVE BREAKDOWN BY COUNTRY OF THE QUANTITIES
PROPOSED FOR NON-GOVERNMENTAL ORGANIZATIONS (NGOs)

	Milk powder (Tonnes)			Butteroil (Tonnes)		
	Direct Aid	NGOs		Direct Aid	NGOs	
		Quantity requested	Proposal		Quantity requested	Proposal
Algeria	-	1050	850	-	220	180
Angola	500	150	150	-	-	-
Benin	-	50	50	-	-	-
Bangladesh	5000	-	-	3000	-	-
Bolivia	-	200	-	-	-	-
Burundi	100	350	350	50	-	-
Brazil	-	150	-	-	-	-
Cameroon	-	-	-	-	-	-
Cape Verde	400	300	300	250	-	-
Central African Rep.	token entry	-	-	-	-	-
West bank	-	45	45	-	-	-
Comorôs	400	100	100	100	-	-
Congo	-	100	100	-	-	-
Djibouti	200	250	200	100	10	10
Dominica	-	75	75	-	55	55
Ecuador	300	1096	500	-	40	40
Ethiopia	2000	1 500	1500	1000	250	250
Chile	-	4 000	3000	-	2 220	400
Colombia	-	500	400	-	-	-
Gabon	-	-	-	-	-	-
Ghana	token entry	550	550	200	-	-
Gambia	-	425	425	-	-	-
Guinea Bissau	600	-	-	175	-	-
Guinea	450	-	-	200	-	-
Grenada	400	-	-	30	-	-
Guatemala	-	-	-	-	-	-
Equatorial Guinea	token entry	-	-	token entry	-	-
Guyana	500	-	-	100	-	-
Haiti	token entry	550	550	token entry	150	150
Upper Volta	token entry	820	420	token entry	180	180
Honduras	2000	-	-	600	-	-
India	31.000	5458	4239	12.700	-	-
Indonesia	1.350	1760	1000	-	-	-

	M I L K (Tonnes)			B U T T E R O I L (Tonnes)		
	Direct aid	NGCs		Direct aid	NGCs	
		Quantity requested	Proposal		Quantity requested	Proposal
Jamaica	1.500	160	160	200	25	25
Jordan	1.500	220	220	1.125	18	18
Kampuchea	-	-	-	-	-	-
Kenya	2.000	880	880	500	60	60
Lesotho	300	-	-	100	-	-
Lebanon	1.100	445	445	1.000	12	12
Liberia	-	-	-	-	-	-
Madagascar	token entry	100	100	-	-	-
Malawi	-	17	17	-	-	-
Mali	600	150	150	200	-	-
Malta	400	-	-	-	-	-
Mauritius	-	-	-	100	-	-
Mauritani	1.000	632	400	500	216	116
Morocco	1.500	2.700	-	200	-	-
Mozambique	750	-	-	200	-	-
Montserrat	-	-	-	-	-	-
Nepal	-	-	-	-	-	-
Nicaragua	2.000	200	200	-	-	-
Niger	250	100	100	-	-	-
Pakistan	750	200	200	1.500	-	-
Paraguay	-	100	100	-	65	65
Péru	1.000	800	800	500	-	-
Philippines	1.000	300	300	100	-	-
Egypt	10.000	6100	1500	2.800	-	-
Rwanda	token entry	250	250	token entry	-	-
Sao Tome	50	-	-	100	-	-
Senegal	2.000	1.375	500	-	944	-
Sierra Leone	token entry	-	-	200	-	-
Somalia	3.500	-	-	1.500	-	-
Sudan	-	150	150	-	10	10
Sri Lanka	token entry	-	-	token entry	-	-
Swaziland	-	-	-	-	-	-
Syria	1.000	-	-	400	-	-
St Kitts	-	-	-	-	-	-
Tanzania	2.000	400	400	400	-	-
Chad	token entry	100	100	token entry	-	-
Thailand	token entry	-	-	token entry	-	-
Togo	250	-	-	100	-	-
Tunisia	-	24	24	-	4	4

	M I L K (Tonnes)			B U T T E R O I L (Tonnes)		
	Direct aid	Quantity requested	NGOs Proposal	Direct aid	Quantity requested	NGOs Proposal
Uganda	-	450	450	-	270	200
Viet Nam	-	15.550	1.500	-	4.000	-
Yemen A.R.	token entry	-	-	token entry	-	-
Uruguay	-	450	350	-	25	25
Zaire	token entry	900	500	-	330	200
Zambia	1.500	50	50	500	-	-
Reserve			350 ⁽²⁾			
Total	81.150	35.915	25.000	30.730	1.246	2.000

(1) As in previous years, the Commission is empowered to modify this breakdown.

(2) Priority to be given to Equatorial Guinea and Mozambique.

FINANCIAL RECORD

FINANCIAL RECORD

On the basis of the price estimates adopted by the Council at

its first reading of the 1981 Budget, the cost of the 1981

programme is as follows:

million EUA

	Cereals	Milk Powder	Butteroil	Total
World price	134.5	104.4	67.8	306.7
Refunds	58.5	103	114.8	276.3
Internal price	193	207.4	182.6	583
Transport	30	19.1	6.2	55.3
Quantities for delivery	927 663 t	150 000 t	45 000 t	

I. 1981 CEREALS PROGRAMME

1. BUDGET HEADINGS CONCERNED

Title 9, Chapter 92, item 9201
(cereals) For "world price"
item 9203
(rice)

Title 6, Chapter 60, item 6001
(cereals) For "export refunds"
Chapter 61, item 6101
(rice)

2. TITLES OF BUDGET HEADINGS

Title 9: "Food aid in cereals: 1981 programme"
Title 6: "Refunds in connection with Community food aid for the current financial year".

3. LEGAL BASIS

Food Aid Convention for 1980-81

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1981, 927 663t of cereals to certain developing countries and international agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement, packaging and carriage of cereals to the port of loading (any transport costs beyond the fob stage are covered by Article 924 of the general budget of the Communities).

This expenditure is charged partly to Budget Title 9 ("world price of the goods + packaging") and partly to Title 6 ("export refunds").

METHOD OF CALCULATION¹

Title 9

Items 9201 and 9203

27 663 t of cereals: cost calculated at world prices as follows:

wheat (cost charged to item 9201)

Quantity for delivery x world price

$$27\,663\text{ t} \times 142.6\text{ EUA/t}^2 = 103\,700\,000\text{ EUA}$$

- husked rice (cost charged to item 9203)

$$100\,000\text{ t}^3 \times 308.8\text{ EUA/t}^4 = 30\,800\,000\text{ EUA}$$

Total 134 500 000 EUA

Title 6: "Export refunds"

(a) item 6001 : wheat

$$27\,663\text{ t} \times 55 \times 1.018 = 40\,700\,000\text{ EUA}$$

(b) item 6101 : rice

$$100\,000\text{ t} \times 178 = 17\,800\,000\text{ EUA}$$

58 500 000 EUA

The estimated total cost of the operation at internal Community prices (excluding transport costs) is therefore:

134 500 000 EUA (for "world price")

58 500 000 EUA (for "refunds")

193 000 000 EUA (the amount required for the delivery of 27 663 t of cereals to European ports)

¹ Based on the (internal and world) price estimates adopted by the Council at its first reading of the 1981 Budget (October 1980).

² This price corresponds to the reference price for common wheat of bread-making quality fixed for the 1980/81 farm year (184.6 ECU/t) less the refund (55 ECU/t) plus the cost of delivery to fob (10.5 ECU/t):
 $184.6 - 55 + 10.5 = 140,1\text{ ECU/}\pounds\text{. or, calculated in EUA } 140,1 \times 1,018 = 142,6\text{ UCE/t.}$

³ 1 t of husked rice = 2 t of unprocessed cereals.

⁴ This price corresponds to the difference between the price of husked rice on the internal market for 1980/81 (470 ECU/t) less the refund (178 ECU/t), plus the cost of delivery to fob (16.8 ECU/t): $470 - 178 + 16,8 = 308,8\text{ ECU/t}$ or, in EUA, $308.8 \times 1 = 308.8\text{ EUA/t.}$

II. 1981 MILK POWDER PROGRAMME

1. BUDGET HEADINGS CONCERNED

Title 9, Chapter 92, item 9211 for "world price",

Title 6, Chapter 62, item 6201 for "refunds".

2. TITLES OF BUDGET HEADINGS:

Title 9: "Food aid in milk products: 1981 programme"

Title 6: "Refunds on skimmed-milk powder supplied under the Community food-aid programme for the current financial year".

3. LEGAL BASIS

Article 43 of the EEC Treaty and Regulation (EEC) No 804/68 of 27 June 1968 setting up a common organization of the market in the milk and milk products sector.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1981, 150 000 t of skimmed-milk powder to certain developing countries and international agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement of skimmed-milk powder, the addition of vitamins (A and D), packaging and carriage to the port of loading (fob stage).

This expenditure is charged partly to Budget Title 9 ("world price" of the goods + vitaminization + packaging + delivery to fob) and partly to Title 6 ("export refunds").

6. METHOD OF CALCULATION¹

1. Title 9

Item 9211

150 000 t of skimmed-milk powder: cost calculated at world price²
as follows:

120 000 t (vitaminized) x 717 . 6 EUA/t³ = 86 100 000

30 000 t (not vitaminized) x 610 . 6 EUA/t = 18 300 000

Total 104 400 000 EUA

2. Title 6

Item 6201

150 000 t x 650 t EUA/t x 1.057 = 103 000 000 EUA

The total cost of the operation at internal Community prices (excluding transport costs) is therefore:

104 400 000 EUA (for "world price")

103 000 000 EUA (for "refunds")

207 400 000 EUA

¹ Based on the (internal and world) price estimates adopted by the Council at its first reading of the 1981 Budget (October 1980).

² This price corresponds to the intervention price for milk powder fixed for the 1980/81 farm year, (1215.1 ECU/t), plus the cost of delivery to fob (12.6 ECU/t), less the refund (650 ECU/t):
1215.1 + 12.6 - 650 = 577.7 ECU/t or, in EUA,
577.7 ECU/t x 1.057 = 610.6 EUA/t.

³ Price as defined under 2, plus the cost of vitaminization (107 EUA/t) = 610.6 + 107 =
= 717.6 EUA/t

III. 1981 BUTTEROIL PROGRAMME

1. BUDGET HEADINGS CONCERNED

Title 9, Chapter 92, item 9213 for "world price"

Title 6, Chapter 62, item 6202 for "refunds"

2. TITLES OF BUDGET HEADINGS

Title 9: "Food aid in milk products: 1981 butteroil programme",

Title 6: "Refunds on butteroil supplied under the
for the current financial year".

3. LEGAL BASIS

Article 43 of the EEC Treaty and Regulation (EEC) No. 804/68 of 27 June 1968 setting up a common organization of the market in the milk and milk products sector.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1981, 45 000 t of butteroil to certain developing countries and international agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement, packaging and carriage of butteroil to the port of loading (fob stage).

This expenditure is charged partly to Budget Title 9 ("world price" of the goods + packaging + delivery to fob and partly to Title 6 ("export refunds"). Any transport costs beyond the fob stage are not included in this financial record.

6. METHOD OF CALCULATION ¹

1. Title 9

Item 9213

45 000 t of butteroil: cost calculated at world price as follows:

- Quantity for delivery x world price²
45 000 t x 1 507.4 EUA/t = 67 800 000 EUA

2. Title 6

Item 6202

45 000 t x 2 400 x 1.063 = 114 800 000 EUA
Total 182 600 000 EUA

The total cost of the operation at internal Community prices (excluding transport costs) is therefore:

67 800 000 EUA (for "world price")
114 800 000 EUA (for "refunds")

182 600 000 EUA

¹ Based on the (internal and world) price estimates adopted by the Council at its first reading of the 1981 Budget (October 1980)

² This price corresponds to the difference between the intervention price for butter fixed for the 1980/81 farm year (2 915.9 ECU/t), multiplied by the butter/butteroil conversion rate (1.22), plus the costs of processing butter into butteroil (248 ECU/t) and of delivery to fob (12.6 ECU/t), less the refund (2 400 ECU/t):

$2915.9 \times 1.22 = 3557.5 + 248 + 12.6 = 3818.1 - 2400 = 1418.1$ ECU/t
or, in EUA, $1418.1 \times 1.063 = 1507.4$ EUA/t.

IV. TRANSPORT OF GOODS SUPPLIED AS FOOD AID

1. BUDGET HEADING CONCERNED

Title 9, Chapter 92, item 9241.

2. TITLE OF BUDGET HEADING

"Food aid transport costs, programmes and operations for the current year."

3. LEGAL BASIS

Same legal basis as for each of the products transported.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to transport, during 1981

584.663t of cereals

118.550t of milk powder

35.545t of butteroil

beyond the fob stage.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of sea transport of certain quantities of food aid to the port of unloading and, where appropriate, the cost of transport, delivery and distribution beyond the cif stage (free at destination); it is also intended to cover insurance and other costs incurred in connection with the carriage of the goods.

6. METHOD OF CALCULATION

1. Quantities transported to port of unloading

Cereals: 388 663 t x 40 EUA = 15 600 000 EUA

Milk powders: 55 168 t x 94 EUA = 5 200 000 EUA

Butteroils: 21 295 t x 120 EUA = 2 600 000 EUA

23 400 000 EUA

2. Quantities delivered free at destination

Cereals:	196 000 t x 70 EUA =	13 700 000 EUA
Milk powder:	63 382 t x 220 EUA =	13 900 000 EUA
Butteroil:	14 250 t x 255 EUA =	3 600 000 EUA
		<hr/>
		31 200 000 EUA

Transport costs total 54 600 000 EUA¹, i.e. 9.4 % of the value of the goods calculated at internal Community prices (583 000 000 EUA).

¹ In comparing this amount (54 600 000 EUA) with the appropriation entered in the draft 1981 Budget (56 300 000 EUA), it is necessary to take into account the fact that although the reserves entered in the accounts under this heading are mainly for delivery to the cif stage, they would actually be delivered "free at destination", if delivered through international organizations.

PART IV

A P P E N D I C E S

- APPENDIX I - BALANCE OF PAYMENTS DATA
- APPENDIX II - EMERGENCY FOOD AID
- APPENDIX III - COUNCIL RESOLUTION OF 18 NOVEMBER 1980

BALANCE OF PAYMENT DATA

APPENDIX I

(Source: -IMF Financial Statistics Sept., 1980)
-EUROSTATS Data Banks on Developing Countries)

US\$ millions

COUNTRY	1979				1978	
	A	B	C	D	DEBT	
	Goods and services exports	Balance of current payments	Overall balance of payments	% B/A	Total	Debt servicing as a % of exports of goods & services
<u>1. EUROPE</u>						
1978 Malta	705.5	+ 80.5	-	+ 11.4	97.1	0.3%
<u>2. AFRICA</u>						
<u>A. North of Sahara</u>						
1978 Egypt	5430.0	-1219.0	- 14.0	- 22.4	14126.8	22.2%
1978 Morocco	2161.0	-1340.0	+ 30.0	- 62.0	6503.4	23.1%
Tunisia	2575.0	- 300.0	+135.0	- 11.7	4015.6	12.0%
<u>B. South of Sahara</u>						
Angola	NA	NA	NA	NA	NA	NA
1978 Benin	180.8	- 46.5	+ 1.1	- 25.7	259.6	6.4%
Botswana	550.6	- 15.9	+116.7	- 0.3	234.4	6.2%
1978 Burundi	NA	NA	NA	NA	136.5	NA
1978 Cameroon	1318.8	- 187.5	+ 8.4	- 14.2	1978.4	7.9%
Cape Verde	NA	NA	NA	NA	NA	NA
Central African Rep.	148.7	- 8.8	+ 26.2	- 5.9	195.7	2.7%
1977 Chad	132.4	- 28.5	- 4.1	- 21.5	282.7	11.7%
Comoros	NA	NA	NA	NA	61.6	NA
1978 Congo	380.3	-155.8	- 8.2	- 41.0	865.5	7.3%
Djibouti	NA	NA	NA	NA	NA	NA
Equatorial Guinea	NA	NA	NA	NA	NA	NA
Ethiopia	535.7	- 91.0	- 3.5	- 17.0	809.8	7.4%
1978 Gabon	1482.9	+ 73.8	+ 2.8	+ 5.0	1261.0	20.8%
Gambia	78.3	- 41.3	- 12.64	- 52.7	109.4	1.0%
1978 Ghana	997.2	- 46.0	+ 82.2	- 4.6	1075.2	4.7%
Guinea	NA	NA	NA	NA	1200.00	NA
Guinea Bissau	NA	NA	NA	NA	NA	NA
1978 Kenya	1534.4	-538.8	-171.9	- 35.1	2018.4	0.1%
Lesotho	NA	NA	NA	NA	79.4	NA

PART V
APPENDIX I

US\$ millions

COUNTRY	1979				1978	
	A	B	C	D	DEBT	
	Goods and services exports	Balance of current payments	Overall balance of payments	% B/A	Total	Debt servicing as a % of exports of goods & services
Madagascar	466	-433	- 50.0	- 92.9	571.1	3.2%
Malawi	286.7	-201.6	- 33.5	- 70.3	577.8	8.7%
1978 Mali	123.0	- 75	+ 3.2	- 61.0	785.1	7.1%
1978 Mauritania	160.9	+ 23.7	+ 28.0	+ 14.7	805.2	17.0%
Mauritius	509.8	-126.6	- 53.0	- 24.8	270.3	2.4%
Mozambique	NA	NA	NA	NA	NA	NA
1976 Niger	203.0	- 21.3	+ 11.3	- 10.5	394.5	4.4%
Rwanda	236.5	+ 48.6	+ 80.0	+ 20.5	197.6	1.0%
1978 Sao Tome & Principe	4.7	NA	NA	NA	NA	NA
1977 Senegal	865.1	-158.8	+ 7.0	- 18.4	1119.2	6.7%
1978 Sierra Leone	213.4	-102.8	+ 4.2	- 48.2	330.3	16.7%
1978 Somalia	151.7	- 65.0	+ 26.5	- 42.8	912.7	8.4%
1978 Sudan	807.8	- 93.5	- 31.3	- 11.6	3436.5	9.4%
1978 Swaziland	246.0	- 31.1	+ 22.2	- 12.6	202.3	1.6%
1978 Tanzania	669.2	-463.6	-160.1	- 69.3	1679.7	5.7%
1977 Togo	228.0	- 82.9	- 26.5	- 36.4	749.2	11.1%
Uganda	414.7	+ 26.7	- 8.7	+ 6.4	362.3	1.3%
1977 Upper Volta	118.5	- 97.3	- 15.2	- 82.1	337.3	4.6%
1975 Zaire	1008.5	-599.5	-135.4	- 59.4	3649.8	15.3%
1978 Zambia	919.0	-237.0	-218.0	- 25.8	2063.0	25.0%
<u>3. AMERICA</u>						
<u>North & Central</u>						
Belize	NA	NA	NA	NA	NA	NA
1978 El Salvador	1004.7	-247.3	+ 61.2	- 24.6	667.4	3.1%
Haiti	196.6	- 59.9	+ 18.8	- 30.5	248.0	NA
Honduras	849.8	-199.3	+ 25.1	- 23.5	917.9	8.4%
1978 Jamaica	1028.9	-137.9	- 55.2	- 13.4	1362.6	20.6%
Nicaragua	683.1	+160.5	+ 13.2	+ 23.5	1144.5	18.1%
1978 Grenada	-0.80	NA	NA	NA	NA	NA
St.Kitts Nevis	NA	NA	NA	NA	NA	NA
St.Lucia	NA	NA	NA	NA	NA	NA

US\$ millions

COUNTRY	1979				1978		
	A	B	C	D	DEBT		
	Goods and services exports	Balance of current payments	Overall balance of payments	% B/A	Total	Debt servicing as a % of exports of goods & services	
<u>South</u>							
	Bolivia	872.9	-466.1	+ 27.3	- 53.4	2377.3	48.5%
	Chile	4806.0	-877.0	+1130.0	- 18.2	5755.5	33.5%
1978	Ecuador	1740.5	-701.4	+ 5.4	- 40.3	2268.6	11.7%
1978	Guyana	311.4	- 28.7	- 16.8	- 9.2	634.7	18.2%
	Peru	4126.0	+618.0	+1065.0	+ 15.0	7177.1	35.8%
<u>4. ASIA</u>							
<u>Middle East</u>							
1978	Jordan	1421.6	-281.6	+369.3	- 19.8	1559.7	4.8%
	Lebanon	NA	NA	NA	NA	324.4	NA
1978	Syria	1419.0	-1328	-132.0	- 31.8	4059.7	16.0%
	Yemen R.A.	263.6	-122.5	- 32.1	- 46.5	698.0	9.5%
1978	Yemen, Dem.	104.7	- 21.2	+ 91.7	- 20.2	533.3	19.4%
<u>South</u>							
	Afghanistan	NA	NA	NA	NA	2003.7	NA
1978	Bangladesh	684.7	-383.9	+ 97.5	- 56.1	4274.4	13.7%
1978	Burma	304.0	-154.1	- 22.3	- 50.7	1323.0	0.3%
1977	India	7841.0	-2106.0	+2551.0	+ 26.9	20567.6	10.4%
	Maldives	NA	NA	NA	NA	NA	NA
	Nepal	236.3	- 8.2	+ 18.0	- 3.5	381.6	1.4%
	Pakistan	2533.0	-1214.0	-101.0	- 47.9	9858.6	20.8%
	Sri Lanka	1174.0	-230.8	+ 75.9	- 19.7	1527.4	9.2%
<u>Far East</u>							
	Indonesia	15755.0	+942.0	+1436.0	+ 6.0	18.554.0	12.2%
	Kampuchea	NA	NA	NA	NA	NA	NA
	Laos	NA	NA	NA	NA	NA	NA
	Philippines	6176.0	-1567.0	+440.0	- 25.4	7376.6	13.4%
	Thailand	6694.0	-2078.0	-228.0	- 31.0	3680.3	3.6%
	Timor	NA	NA	NA	NA	NA	NA
	Vietnam Soc.Rep.	NA	NA	NA	NA	NA	NA

EMERGENCY FOOD AID

January 1980	Guinée Bissau (WFP)	3,500 t cereals
	Uganda (UNHCR)	200 t skimmed milk powder
	Pakistan (UNHCR)	500 t skimmed milk powder
		100 t butteroil
	Somalia (UNHCR)	150 t butteroil
	Somalia	500 t skimmed milk powder
		250 t butteroil
		500 t skimmed milk powder
February 1980	Afghanistan (UNHCR)	12,000 t cereals
		300 t skimmed milk powder
		1,000 t sugar
April 1980	Somalia	10,000 t cereals
	Cap Verde	3,000 t "
	Gambia	2,600 t "
	Mauritania	4,000 t "
	Senegal	6,000 t "
	Chad	2,000 t "
May 1980	Zimbabwe	250 t skimmed milk powder
June 1980	UFP (Cambodia refugees)	35,000 t rice
	UNHCR (Afghanistan refugees)	500 t butteroil
	Nicaragua	8,600 t cereals
		4,100 t red beans
		2,835 t colza oil
		1,000 t skimmed milk powder
July 1980	Horn of Africa (Ethiopia, Somalia, Djibouti, Sudan, Kenya, Uganda)	6,000 t skimmed milk powder
		1,250 t butteroil
		1,000 t sugar
September 1980	Vietnam (UNICEF)	1,000 t skimmed milk powder
		150 t butteroil
	Haiti (Caritas)	1,400 t cereals
		500 t skimmed milk powder
	Jamaica	1,500 t cereals
		200 t butteroil
		200 t skimmed milk powder
	St. Lucia	20 t butteroil
		500 t cereals
		30 t skimmed milk powder
October 1980	Algeria	500 t skimmed milk powder
		5,000 t cereals
	Peru	500 t skimmed milk powder
		300 t butteroil
November 1980	Algeria	200 t butteroil
		450 t vegetables -
		baby foods

**COUNCIL RESOLUTION ON THE USE OF COMMUNITY
FOOD AID TO ATTAIN FOOD SECURITY OBJECTIVES IN
THE DEVELOPING COUNTRIES**

(adopted 18 November 1980)

The Council,

Whereas Community food aid must contribute to the economic and social development of recipient countries, while at the same time raising their nutritional standards;

Whereas development operations financed through food aid must be properly planned, which requires guaranteed financial continuity;

Whereas such operations must be able to form a significant contribution to projects financed by the Community, its Member States or international organizations, as the case may be, with the aim of furthering world food security;

Whereas in the fight against hunger in the world certain developing countries are now establishing food strategies with the aid of bilateral donors, including Community Member States, or international organizations;

Whereas the Community should, where appropriate, support the developing countries' endeavours, in particular when they have proposed suitable food strategy plans;

Whereas certain developing countries have asked for food aid so that food security stocks may be constituted; whereas the creation of such stocks in the developing countries, where appropriate also on a regional basis, could be an effective instrument of food security; whereas the Community could help establish such an instrument by providing that food aid may be used for this purpose;

Whereas the multi-annual aid programming and the constitution of security stocks in the recipient countries are only two aspects of the work in progress to improve food aid policy and management; whereas it is therefore essential that efforts be continued with a view to the adoption without delay of the framework Regulation intended to govern this entire matter,

Has agreed as follows:

1. Food aid programmes may include, as well as annual allocations, amounts that are covered by multi-annual commitments to recipient countries, on the understanding that such quantities are in no way additional and must not represent more than a reasonable proportion of the aid;

Where budgetary resources permit, these multi-annual commitments may be approved for countries which:

- have a suitable food strategy which receives aid from bilateral donors, including Community Member States or international organizations and has, for example, the combating of post-harvest losses as one of its objectives;

- and/or undertake to use food aid and the counterpart funds obtained through food aid as a parallel contribution to those from Community funds (under the EDF or Article 930 of the general budget of the European Communities: aid to non-associated developing countries) or funds allocated under the budget of a Member State for the implementation of specific development projects or operations;
- and/or undertake a food security programme in conjunction with international organizations.

Although food aid is predominantly intended to meet the urgent food requirements of the developing countries, a small proportion of Community food aid in the form of cereals may be supplied on a case-by-case basis to one or more developing countries, where appropriate also on a regional basis, to build up security stocks for emergency situations. Use of food aid for this purpose will be subject to the following conditions:

- (a) the creation of stocks must be part of a well-defined socially useful and economically sound food security programme;
 - (b) while other approaches will not be ruled out, particular attention will be given to supplies intended to form the basis of a stockbuilding system set up with Community funds.
-