

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 546 final

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## COMMISSION COMMUNICATION TO THE COUNCIL

Concerning exceptional food aid for the least developed  
Countries (LDCs)

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This Commission proposal must be considered one of the essential planks of the overall policy and decision-making guidelines which the Community, on the basis of Commission proposals, will have to adopt in response to the worrying trend of the world food situation (in the spirit of the discussions which took place at the Council of Foreign Affairs Ministers meeting on 14 September, following the initiative taken by the Italian Foreign Minister).

1. GENERAL SITUATION OF THE L D Cs

The Paris Conference (which took place from 1 to 14 September 1981) endorsed the concept of "least developed countries" and the international community has recognized that the gravity of their economic and food situation is such that it requires particular attention and treatment. The 31 poorest countries (1), with a total population in excess of 260 million, share a number of common characteristics which distinguish them from other developing countries, such as an excessively low average per capita income, a more precarious financial situation than other developing countries (in 1977 the ratio between the external debt and the volume of exports was 1.8 as against 0.5 for the average developing country), and negative agricultural growth (2), since agricultural production decreased by 0.7 % per capita per annum from 1970 to 1980. All these factors have stifled any chance of development.

The fact that they have few resources hinders any coordinated and effective development effort, and international aid is still too low since the L D Cs receive approximately 7 % of all aid to developing countries, whereas they have 12 % of the total population of those countries.

The unstable international economic climate (with high energy costs, fluctuations in the prices of raw materials and cereals, etc..) has made this situation worse and the disastrous effects of malnutrition are largely concentrated in the L D Cs.

The Paris Conference highlighted a number of paths along which domestic development policies and aid (guidelines and quantities) should be resolutely guided. The development of food crops must be given top priority and plans for food security drawn up, but meanwhile these countries urgently need public assistance to give them the basic essentials to ensure survival, convalescence and a modicum of health and strength - without being required to reciprocate -.

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(1) See list in annex.

(2) Even though agriculture is the predominant sector.

## 2. MEETING THE L D Cs' FOOD REQUIREMENTS : A PRIORITY

The L D Cs' food imports rose from 1 million in 1961/65 to approximately 6 million in 1980, which represents a cost to those countries estimated at more than \$ 1,200 million. These increasingly large imports are far in excess of their low export earnings, derived essentially from agricultural products, and they are progressively reducing the L D Cs' capacity to import the capital goods they need to be able to develop.

The European Community is giving increasing exposure in its development policy to aid for the poorest, whether in the form of aid from the various E D Fs, aid to non-associated developing countries or food aid. For example, the food aid in cereals supplied in 1980 to the L D Cs represents almost 40 % of all availabilities, but this is still not enough and an exceptional programme will have to be set up very soon. In the face of the L D Cs' short-term problems, food aid should be the Community's prime instrument, since it will help to meet part of the essential food requirements and will also serve to maintain the balance of payments, which is in deficit everywhere. Requests for emergency aid are far in excess of available resources and increased food aid is essential (1) to improve as far as possible the food situation in those regions of L D Cs which are currently experiencing excessive and dramatic food shortages, often further aggravated by political events resulting in an influx of totally destitute refugees.

The Commission obviously recognises that the worsening world food situation does not affect the L D Cs alone. Overall, it considers that the Community cereals aid programme is not big enough to cope with requirements. Accordingly, it has proposed that the quantity earmarked in the budget be increased by 25 % (from 927,663 t to 1,160,000 t). It has also proposed that aid should be diversified (into vegetable oil, sugar and other products). The Commission can only repeat its call for its proposals to be adopted by the budget authority when the 1982 budget is finally adopted.

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(1) In its special report of 7 August 1981, F A O pointed out that 11 of the 23 countries quoted as having abnormal food shortages were L D Cs.

### 3. POSSIBLE ACTION : ALLOCATION OF EXCEPTIONAL FOOD AID

Exceptional food aid for these countries must act as catalyst. The Commission therefore proposes a special allocation of food aid for the L D Cs, to be carried out using all the resources and instruments of Community food aid - in particular procurement on the Community or world market where necessary, with priority being given to other developing countries, and the provision of cereal products, but also oleaginous or leguminous products if appropriate : all this is aimed at achieving an optimum match between the products available and actual requirements and at integrating aid as much as possible in the development process.

### 4. PROPOSALS

Bearing in mind the Community's budget availabilities, the Commission proposes that the Council and the Parliament should consider the possibility of allocating exceptional food aid worth a minimum of 40 million ECU to the LDC's.

If all the food aid were to be supplied in the form of cereals, this figure would correspond to approximately 230,000 t of cereals (1) or 4.4 % of the L D Cs' import requirements (see annex).

### 5. CONCLUSION

To conclude, in view of the particularly serious food and balance of payments situation in the L D Cs, the agreement of the principle of an exceptional food aid allocation is proposed.

This allocation of 40 million ECU will cover the supply of various food products (essentially cereals, but also oils, legumes or sugar) to the population of the L D Cs, after consultation with the countries or organisations concerned. This food aid will be delivered CIF or free at destination.

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(1) On the basis of the 1982 budget assumption.

The financing of this exceptional food aid allocation, which the Commission estimates will cost 40 million ECU, is to be included in the draft budget amendment no. 2/1981.

ANNEX

List of L D Cs	Estimated cereal import requirements (average 78/79/80) T	Balance of payments situation (1979)(US \$ million)	
		Balance of payments deficit	Deficit on balance of exports of goods and services
1. Afghanistan	300,000	-	-
2. Bangladesh	1,874,000	- 440	- 51
3. Benin	68,000	-	-
4. Bhutan	5,000	-	-
5. Botswana	-	+ 165	+ 29
6. Burundi	20,000	-	-
7. Cape Verde	52,000	-	-
8. Central Afr. Republic	20,000	- 17	- 10
9. Chad	40,000	-	-
10. Comoros	26,000	-	-
11. Democratic Yemen	155,000	- 33	- 28
12. Ethiopia	390,000	- 224	- 39
13. Gambia	50,000	- 41	- 51
14. Guinea	167,000	-	-
15. Guinea Bissau	53,000	-	-
16. Haiti	174,000	- 59	- 26
17. Laos PDR	63,000	-	-
18. Lesotho	157,000	-	-
19. Malawi	120,000	- 189	- 66
20. Maldives	5,000	-	-
21. Mali	160,000	- 28	- 21
22. Nepal	-	- 9	- 4
23. Niger	41,000	-	-
24. Rwanda	17,000	+ 46	+ 19
25. Samoa	-	-	-
26. Somalia	310,000	- 206	- 134
27. Sudan	325,000	- 239	- 28
28. Tanzania	237,000	- 478	- 76
29. Uganda	117,000	+ 27	+ 6
30. Upper Volta	79,000	-	-
31. Yemen	185,000	- 242	- 84
TOTAL	5,210,000		