

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 586 final.

Brussels, 20 October 1975.

COMMISSION COMMUNICATION TO THE COUNCIL

concerning the 1976 butteroil food aid programme.

PROPOSAL FOR REGULATION (EEC) OF THE COUNCIL

laying down general rules for the supply of milk fats as food aid to certain developing countries and international organizations under the 1976 programme.

PROPOSAL FOR REGULATION (EEC) OF THE COUNCIL

on the supply of milk fats as food aid to certain developing countries and international organizations under the 1976 programme.

PROPOSAL FOR REGULATION (EEC) OF THE COUNCIL

on the supply of butteroil to Pakistan as food aid pursuant to Regulation (EEC) No 1542/75.

(Submitted by the Commission to the Council.)

COM(75) 586 final.

S U M M A R Y

1. The subject of this Communication is the establishment of the butteroil food aid programme for 1976.

The total quantity of butteroil earmarked for 1976 is identical to that under the 1975 programme, namely 45 000 t.

2. The Commission proposes that this quantity be allocated as follows:

19 960 t of butteroil to be used as direct aid to developing countries, more particularly the countries of the Indian subcontinent, and to the poorest countries in Africa and Latin America;

21 500 t to be allocated to international organizations: WFP, UNICEF, UNRWA, League of Red Cross Societies;

3 540 t to be set aside as a reserve for dealing with emergency situations.

The Commission also proposes that the quantity of butteroil still available from the reserve under the 1975 programme be allocated to Pakistan.

3. The estimated cost of the programme is 68 790 000 u.a. (world prices); this amount is to be charged against Item 9212 of the 1976 Budget.

The preliminary draft budget, which has passed its first reading, makes provision under this item for a sum of 68 950 u.a.

4. The Council is asked to decide on this proposal before the end of the year.

PART ONE: BASIC DATA

1. GENERAL CONSIDERATIONS

The subject of this Communication is the establishment of the butteroil food aid programme for 1976. The programme concerns a quantity of 45 000 t - the same amount as in 1975 - in accordance with the proposal made by the Commission in the context of the 1976 preliminary draft budget, the Commission's proposal having been adopted by the Council when the draft budget passed its first reading. The proposal comprises: a basic Regulation, which requires the Opinion of the European Parliament; an implementing Regulation based on that Regulation¹.

The Commission draws the attention of the Council and the European Parliament to the need to consider these texts as soon as possible so that the butteroil food aid programme may be adopted before the end of the year.

In the past, the belated adoption of programmes has often involved irretrievable administrative delays so that the Community has not always been able to respond in good time to the urgent requirements of certain developing countries.

Fundamental progress has, it is true, been made recently on the more general problem of the time taken to implement aid since the procedure of supply agreements concluded by the Council has now been replaced by a simplified procedure consisting of an exchange of letters between the recipient country and the Commission. The fact remains that considerable further progress could be made if the programmes were adopted before the end of the year.

¹Since this Communication also provides for the allocation of a small quantity remaining from the reserve under the 1975 programme, the following is also annexed: a Regulation on the supply of butteroil to Pakistan under the 1975 food aid programme.

In preparing this programme, the Commission has followed the guidelines set out in the document "Fresco of Community Action Tomorrow", catering as a matter of priority for those countries which are in greatest need, in view of the small quantity of butteroil available for distribution and the deterioration in the situation of the countries hardest hit by the current crisis.

Consequently in the proposals for 1976, 73% of Community direct aid allotted will be for the countries of the Indian subcontinent and the most needy countries in Africa (Ethiopia, Somalia, Tanzania, the Sahel) and Latin America (Haiti, Honduras).

II. REQUESTS RECEIVED

The Community has received (or received notice of) 23 requests for food aid in the form of butteroil. The total amount involved is 91 800 t, broken down as shown in Table 1 below.

This amount is a distinct underestimate since some countries have not quantified their request (Egypt, Pakistan, Upper Volta, Ethiopia, Guinea-Bissau).

Some of last year's recipients of aid have not made any request this year:

Office of the United Nations High Commissioner for Refugees (for Cyprus) and Malta¹.

One new request has been made, by the League of Red Cross Societies.

¹Malta submitted a request for emergency food aid because of an epidemic of foot-and-mouth disease and in response the Community accelerated the deliveries planned under the 1975 programme.

Table 1

REQUESTS FOR BUTTEROIL UNDER THE 1976 PROGRAMME

Requesting countries and organizations	Quantities requested
<u>Countries</u>	
<u>Latin America</u>	
Haiti	4 500 t
Honduras	2 000 t
Peru	5 000 t
<u>Eastern Africa</u>	
Kenya	500 t
Mauritius	730 t
Tanzania	12 000 t
Somalia	5 000 t
Ethiopia [*]	not specified
<u>West Africa</u>	
Cape Verde Islands	not specified
Upper Volta	not specified
Mauritania	2 000 t
Guinea-Bissau [*]	not specified
<u>Middle East</u>	
Egypt	not specified
Jordan	1 250 t
Yemen	4 000 t
<u>Asia</u>	
Afghanistan	2 000 t
Bangladesh	20 000 t
Pakistan	not specified
Sri Lanka	320 t
<u>Organizations</u>	
WFP	18 000 t
UNICEF	10 000 t
UNRWA	4 000 t
League of RCS	500 t
TOTAL	91 800 t

* Notice given of request.

III. TYPES OF REQUESTS

A. Requests from countries

The purpose of the requests for aid is:

either the free distribution of the products to certain particularly vulnerable sections of the population (Haiti, Mauritius, Tanzania, Jordan, Honduras, Kenya, Yemen, Upper Volta, Mauritania, Somalia, Ethiopia, Cape Verde Islands, Egypt in part, Guinea-Bissau);

or sales on the local market - the proceeds of these sales are used to finance development projects selected by the recipient country and agreed by the Community (Peru, Afghanistan, Bangladesh, Pakistan, Egypt in part, Sri Lanka¹). The use to which the aid will be put will in any case be specified when the implementing arrangements are being drawn up with each recipient.

B. Requests from organizations

The request by the League of Red Cross Societies is for aid to help the victims of natural disasters;

the UNICEF request is aimed at meeting the food aid requirements of vulnerable sections of the population (children, expectant mothers);

the WFP request is for carrying out development projects (see Annex 7) and for emergency schemes;

the UNRWA request is aimed at meeting the food requirements of groups

¹The purpose of the request has not been specified yet but it is likely that, like last year, the butteroil requested is intended for reconstituting whole milk.

of Palestine refugees in the Middle East; the aid would be used under UNRWA's basic food programme.

IV. ANALYSIS OF REQUESTS

In order to divide up the total quantity as equitably as possible according to the needs of the requesting countries, the following three criteria were employed:

- great need for edible oils and fats;
- annual per capita income below \$ 300;
- a precarious external finance situation in 1975.

The first of these is an essential condition for the grant of aid. In order to qualify, a country should also satisfy the other two criteria employed; however, even if a country's per capita income is over \$ 300, it can be a recipient if its edible oils and fats needs are very great and if its external finance situation is very difficult. Similarly, a country whose external finances are satisfactory will be considered eligible if its per capita income is relatively low and if its edible oils and fats needs are very great.

1. First criterion: great need for edible oils and fats (see Table 2 below)

As regards aid for free distribution, such need is assessed on the basis of the number of people to be fed, for a period of a year, on a ration of 20 g per person per day (see Table 2).

As regards aid for the purpose of sales on the local market, need is calculated in terms of the country's shortfall in edible oils and fats (the difference between consumption requirements and supplies available locally) or, failing this, the country's imports in the last year for which statistics are available (1973).

Table 2

ANALYSIS OF NEEDS OF COUNTRIES
ON THE BASIS OF REQUESTS FOR AID

<u>Free distribution</u> Country	Number of persons to feed	Annual requirements on the basis of 20 g per person per day (t)
Haiti	600 000	4 320
Egypt	-	-
Mauritius	100 000	720
Tanzania	150 000	1 080
Jordan	260 000	1 250 ¹
Yemen	-	-
Honduras	300 000	2 160
Kenya	70 000	504
Upper Volta	210 000	1 512
Mauritania	100 000	720
Somalia	250 000	1 800
Ethiopia*	500 000	3 600
Cape Verde Islands	-	255 ²
Guinea-Bissau*	-	-

<u>Sales</u> Country	Total population ('000 inhabitants)	Shortfall or annual imports of oils and fats (t)
Peru	14 122	93 200 (imports)
Egypt	34 840	107 700 (imports)
Pakistan	66 720	250/260 000 (shortfall) of which 40/50 000 ghee/butter
Afghanistan	14 878	12 000 (shortfall)
Bangladesh	72 500	160 000 ² (shortfall)
Sri Lanka	13 198	2 430 ³ (imports)

* Notice given of request.

¹ Requirements on the basis of an average ration of 13.3 g per day, as indicated by the Jordanian Government.

² Shortfall in edible oils and fats still to be covered in 1976.

³ Figure given for the record: since the butteroil is normally for the reconstitution of whole milk, it is the nutritional requirements as regards the latter product that have to be considered (see Communication concerning the skimmed-milk powder food aid programme).

This Table shows that:

in the countries where aid is to be distributed free, needs vary considerably according to the number of persons to be fed, ranging from 500 t in the case of Kenya to over 4 000 t in the case of Haiti;

with the exception of Sri Lanka¹, the countries submitting requests for sales purposes have very high requirements, ranging from 12 000 t in the case of Afghanistan to 260 000 t in the case of Pakistan.

¹As regards Sri Lanka, see footnote 3 to the Table.

2. Second criterion: per capita income below \$ 300 per annum (on the basis of 1972 statistics)

Annual income is equal to or below \$ 300 in all the countries except Honduras and Peru which, however, have a serious shortfall in oils and fats and precarious external finances (see table below).

Table 3

PER CAPITA INCOME IN 1972

in US \$

<u>Latin America</u>		<u>Sahel</u>	
Haiti	130	Mauritania	180
Honduras	320	Upper Volta	70
Peru	520		
<u>Eastern Africa</u>		<u>Middle East</u>	
Ethiopia	80	Egypt	240
Kenya	170	Jordan	270
Mauritius	300	Yemen Arab Rep.	90
Somalia	80		
Tanzania	120	<u>Asia</u>	
<u>West and Central Africa</u>		Afghanistan	80
Cape Verde Islands	240	Bangladesh	70
Guinea-Bissau	230	Pakistan	130
		Sri Lanka	110

3. Third criterion: precarious external finances in 1975

In the absence of information on the projected 1975 balances of payments, each country's foreign exchange reserves¹, in the last month of 1975 for which figures were available, were taken as a basic indicator for comparison with the situation at the end of December 1974.

¹Net official reserves (assets less short-term commitments).

Table 4

FOREIGN CURRENCY RESERVES

C o u n t r y	Currency unit	Situation at end 1974	Situation in 1975	Change + improvement - deterioration
<u>Latin America</u>				
Haiti	G million (gourdes)	53.2	40.2 (Feb.)	-
Honduras	L million (Lempiras)	46.8	33.4 (June)	-
Peru	S/'000 million (soles)	27.2	27.6 (March)	=
<u>Eastern Africa</u>				
Ethiopia	Eth \$ million	555.9	590.3 (June)	+
Kenya ¹	US \$ million	191.8	175.3 (July)	-
Mauritius ¹	US \$ million	131.1	92.5 (July)	-
Somalia ¹	So. Sh. million	90.9	282.9 (June)	+
Tanzania ¹	US \$ million	50.2	46.0 (July)	-
<u>West and Central Africa</u>				
Guinea-Bissau				
Cape Verde Islands				
<u>Sahel</u>				
Mauritania ¹	US \$ million	101.3	72.0 (July)	-
Upper Volta	CFAF '000 million	18.12	16.14 (April)	-
<u>Middle East</u>				
Egypt	LE million	- 249.6	- 162 (Feb.)	+
Jordan	US \$ million	349.7	474.3 (July)	+
Yemen Arab Rep.				
<u>Asia</u>				
Afghanistan	Af million	3 121	3 917 (May)	+
Bangladesh	US \$ million	64 (June) ¹	185 (June)	+
Pakistan	PRs million	2 260	1 257 (May)	-
Sri Lanka	Rs million	- 704	- 885 (April)	-

¹Gross reserves.

There are eleven countries whose external finances are precarious. In 1975 foreign currency reserves fell in nine of these countries and in many cases the decline has been continuous since 1963 (Pakistan, Sri Lanka, Haiti, etc.). Peru's financial situation has stabilized in relation to late 1974, but in 1974 there was a balance of payments deficit on current account of \$ 809 million, equivalent to 40% of the value of imports of goods. Lastly, Egypt is still in overall debt in the short term, although the amount is lower than at the end of 1974.

Five countries have improved their external finances: Ethiopia, Somalia, Jordan, Afghanistan and Bangladesh, but their per capita income is relatively low (except in the case of Jordan¹) and their needs are relatively high.

To sum up, an analysis of the situation of the requesting countries on the basis of the three criteria referred to above leads to the conclusion that all the countries are eligible for Community food aid.

¹ Although its income is relatively higher, Jordan should be eligible for Community food aid for feeding refugees, whose presence lays a heavy financial burden on the State.

PART TWO: THE COMMISSION'S PROPOSALS

In the light of the preceding considerations, the Commission proposes that the 45 000 t of butteroil be distributed as set out below (Table 5). The proposals also cover the financing arrangements¹ determined by reference to the available funds (Table 6).

A. Direct aid

It will be noted that this aid is concentrated on the hardest hit countries, over 73% of the total going to the poorest countries, in particular those in the Indian subcontinent, Africa and Latin America.

B. Indirect aid

This represents a total amount of 21 500 t divided among four international organizations. The following points should be noted in connection with this indirect aid:

(a) Aid for the WFP

The Commission requests the Council to decide, as it did last year, on both the Community programme and - at the same time - the allocation of the quantity allotted: 16 000 t (see Annex 7). There will thus be a greater degree of coherence² between the Community and WFP action (in this connection it will be seen that the main effort has been concentrated on the Asian countries, as in the case of direct Community action); this means that such action will be undertaken more effectively (shorter decision times).

¹Fob, cif ship's hold or cif wharf/lighter, free at destination.

²Thus four countries (Algeria, Tunisia, Brazil, Mexico) proposed as potential recipients by the WFP were not selected as they have a per capita income of over \$ 300 and a satisfactory external finance situation.

Table 5

COMMISSION PROPOSAL

1976 FOOD AID PROGRAMME FOR BUTTEROIL

Country or organization	1976 Programme		1975 Programme	1974 Programme
	t	Financing arrangements		
<u>Countries</u>	<u>19 960</u>			
<u>LATIN AMERICA</u>	<u>3 500</u>			
Haiti	1 500	cif	500	-
Honduras	1 000	cif	-	-
Peru	1 000	fob	1 000	700
<u>EASTERN AFRICA</u>	<u>3 300</u>			
Kenya	100	fob	100	-
Mauritius	200	fob	200	-
Tanzania	500	fob	1 000	-
Somalia	1 000	free at destination	850	650
Ethiopia	(1 500)	free at destination	-	2 300
<u>WEST AFRICA</u>	<u>1 550</u>			
Cape Verde Islands	100	cif	100	-
Upper Volta	750	free at destination	-	2 600
Mauritania	350	free at destination	-	2 000
Guinea-Bissau	(350)	cif	350	-
<u>MIDDLE EAST</u>	<u>3 700</u>			
Egypt	2 000	fob	1 500	1 000
Jordan	1 000	fob	1 000	1 000
Yemen	700	fob	700	-
<u>ASIA</u>	<u>7 910</u>			
Afghanistan	250	fob	1 000	600
Bangladesh	4 000	cif	7 000	6 500
Pakistan	3 500 ¹	fob	3 500	3 000
Sri Lanka	160	fob	250	-
<u>Organizations</u>	<u>21 500</u>			
WFP	16 000	free at destination ²	16 000	15 000
UNICEF	2 000	free at destination	2 000	-
UNRWA	3 000	free at destination ³	3 000	2 000
League of Red Cross Societies	500	free at destination	-	-
<u>I. Reserve</u>	<u>3 540</u>		<u>3 459</u>	<u>-</u>
<u>Other</u>	<u>-</u>		<u>1 491</u>	<u>7 650</u>
<u>Grand total</u>	<u>45 000</u>		<u>45 000</u>	<u>45 000</u>

The Commission further proposes that this country be allocated the quantities which, at the time of the Council Decision on the 1976 programme, will still be available from the reserve under the 1975 programme (3 000 t to 3 500 t, barring unforeseen developments), the quantities to be delivered fob (see Regulation annexed hereto).

¹ fob + fixed contribution.

² cif + fixed contribution.

(aa) It will be noted that there is a reserve of 4 000 t for emergency measures. Under the new cooperation arrangements between the WFP and the EEC, advocated in the Memorandum of March 1974, the Commission and the WFP have studied the possibility of extending cooperation to emergency measures - such cooperation was hitherto practically non-existent because of the difficulties involved in decision procedures.

The Commission therefore proposes that the Council make provision for the above reserve to be set up as part of the appropriation for the WFP. The emergency measures taken on the strength of the reserve would be implemented in accordance with the procedures recently adopted by the Council for deciding on emergency measures (see Doc. S/1158/75 COMER 337). This means that the Commission would be authorized to decide such measures after consulting the Member States, which would have two working days in which to reply, the only difference being that such quantities would not be set off against the general reserve included in the programme but against the reserve forming part of the WFP appropriation.

(ab) For normal WFP projects the Council adopted the following approval procedure last year: quantities to be fixed definitively by region and on an indicative basis by country, with the Commission having the power in the event of necessity to modify the distribution by country within the limits of the regional amounts already established; any decision on the inclusion of new recipients must, however, be taken by the Council. On the basis of the first year's experience, the WFP drew the Commission's attention to the following two points:

- (i) Because of the time elapsing between the Council's decision on the distribution and the implementation of the aid, such indicative distribution by country obliges the WFP to ask for frequent changes in the implementing details when these are being negotiated, and again when the aid is implemented, in accordance with the transport facilities available at the time, deliveries made by other donors, etc.

The WFP requests accordingly that, instead of the quantities being fixed by country, a list of the potential recipients be given within the overall quantities for each region.

- (ii) The definitive fixing of the regional amounts entails excessive rigidity, since unforeseen situations can oblige the WFP to request the adjustment of such amounts. Accordingly it would like to be able to use the emergency measures reserve too where necessary to alter the regional distribution, it being understood, moreover, that if at the end of the year concerned the reserve quantities had not been allocated for emergency measures, they would be used to increase the regional amounts.

The Commission acknowledges that the requests submitted by the WFP are well founded and therefore proposes that the Council make some changes in the procedure adopted last year.

The new procedure could be summarized as follows:

the Council would fix the regional quantities and the list of potential recipients when establishing the programmes, and the inclusion of any new recipients would have to be decided by the Council;

the Commission would have the authority to fix the quantities by country within the pre-established regional amounts, and to increase the regional amounts by drawing on the reserve.

- (b) Aid for UNICEF: The Commission requests that the Council decide on the allocation of the 2 000 t allotted (see Table 8) in accordance with the same procedure as that established last year for the purpose of the WFP and UNICEF (see beginning of point (ab) above).
- (c) As regards the management of the quantity allotted to the League of Red Cross Societies, the Commission proposes that the same arrangements be adopted as in the case of previous aid decided in favour of the International Committee of the Red Cross (ICRC) under the 1974 programme; in other words the Council would decide on emergency measures involving more than 100 t of butteroil and the Commission would decide on measures involving quantities of 100 t or less.

C. Establishment of a reserve limited to 3 540 t (4 550 t in 1975), given the necessity - emphasized above - of meeting the requirements of the most needy countries and the desirability of allocating 21 500 t to indirect aid. This reserve will be earmarked as a matter of priority for any emergency situations arising in 1976 as a result, in particular, of natural disasters or conflicts. A reserve of this kind would help to meet the food security objective advocated by the World Food Conference.

¹The decision would also cover the delivery arrangements.

Table 6FINANCIAL ANNEX1976 BUTTEROIL PROGRAMMECost at world prices and budget appropriation

<u>1. COST</u>		<u>million u.a.</u>
1.1 <u>Raw material:</u>	45 000 t	
	45 000 x 1394.49 u.a./t =	62.75
1.2 <u>Transport and distribution</u>		
Haiti, Honduras	2 500 t x 150 u.a./t =	0.37
Ethiopia, Somalia	2 500 t x 200 u.a./t =	0.50
Guinea-Bissau, Cape Verde Islands	450 t x 140 u.a./t =	0.06
Sahel	1 100 t x 200 u.a./t =	0.22
Bangladesh	4 000 t x 170 u.a./t =	0.68
UNICEF, League of Red Cross Societies	2 500 t x 200 u.a./t =	0.50
UNRWA	3 000 t x 145 u.a./t =	0.44
WFP	16 000 t x 160 u.a./t =	2.56
Reserve	3 540 t x 200 u.a./t =	<u>0.71</u>
		6.04
	TOTAL =	<u>68.79</u>

2. BUDGET APPROPRIATION

Item 9212 of the 1976 Budget

The preliminary draft budget, which has passed its first reading in the Council, makes provision under this item for a sum of

68.95

Table 7

BREAKDOWN OF AID PROPOSED BY THE WFP

<u>LATIN AMERICA</u>	90 t
Bolivia, Cuba, Dominican Republic, Dominica, Haiti, Honduras, Paraguay, Peru, St. Vincent	
<u>MIDDLE EAST</u>	2 600 t
Egypt, Jordan, Sudan, Syria, Yemen Arab Republic, People's Democratic Republic of Yemen	
<u>WEST AFRICA</u>	100 t
Angola, Burundi, Cameroon, Cape Verde Islands, Central African Republic, Chad, Congo, Dahomey, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Mali, Mauritania, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Togo, Upper Volta, Zaire, São Tomé and Príncipe	
<u>EASTERN AFRICA AND EUROPE</u>	260 t
Cyprus, Ethiopia, Lesotho, Botswana, Malawi, Madagascar, Mauritius, Mozambique, Uganda, Somalia, Swaziland, Tanzania, Turkey, Zambia	
<u>FAR EAST</u>	8 950 t
Afghanistan, Bangladesh, Bhutan, British Solomon Islands, Burma, Fiji, India, Indonesia, Khmer Republic, South Korea, Laos, Maldives, Nepal, Pakistan, Philippines, Sri Lanka, North Vietnam, South Vietnam, Western Samoa	
<u>RESERVE FOR EMERGENCY MEASURES AND CONTINGENCIES</u>	4 000 t
	<hr style="width: 100%; border: 0.5px solid black;"/>
	16 000 t
	=====

Table 8

BREAKDOWN BY REGION OF THE AID PROPOSED
FOR UNICEF AND INDICATIVE BREAKDOWN BY
COUNTRY WITHIN EACH REGION

<u>AFRICA AND MIDDLE EAST</u>	<u>700 t</u>
Angola	100 t
Mozambique	100 t
Tanzania	400 t
Burundi	-
Cape Verde Islands	-
Central African Republic	-
Dahomey	-
Ethiopia	-
Guinea-Bissau	-
Yemen, People's Democratic Republic of	60 t
Yemen Arab Republic	40 t
 <u>ASIA</u>	 <u>1300 t</u>
Burma	60 t
India	1240 t
Bangladesh	-
Bhutan	-
Khmer Republic	-
Laos	-
Nepal	-
South Vietnam	-
Sri Lanka	-

PROPOSAL FOR REGULATION (EEC) No OF THE COUNCIL

of

laying down general rules for the supply of milk fats
as food aid to certain developing countries and
international organizations under the 1976 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 804/68¹ of 27 June 1968 on
the common organization of the market in milk and milk products, as
last amended by Regulation (EEC) No 740/75², and in particular Article 6(6) thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas certain developing countries and international organizations 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 in the Community enable a quantity
corresponding to 45 000 metric tons of butteroil to be supplied as food
aid in butter and butteroil; whereas the apportionment of supplies between
public and private stocks will vary according to market trends and seasonal
requirements;

¹OJ No L 148, 28 June 1968, p. 13.

²OJ No L 74, 22 March 1975, p. 1.

Whereas, in view of the situation on the Community market in butter and other butter fats 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 providing the supplies of butter or butteroil as food aid either by taking butter or other butter fats 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 of the costs of transporting and distributing the goods;

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 a private contract;

Whereas it is desirable that the detailed rules for the implementation of 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 metric tons of butteroil shall be made available to certain developing countries and international organizations as food aid under the 1976 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 means of 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 fob 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 adopted in accordance with the procedure referred to in Article 8:
 - shipment to the frontier of the country and, possibly, to the places of destination, and
 - distribution, where the goods are distributed by an international organization.

Article 4

The costs referred to in Article 3(b) shall, where the arrangements agreed with the recipient country or organization so provide, be paid wholly or partially in the form of a lump-sum contribution to the country or organization of destination by the intervention agency responsible for the operation.

Article 5

For the delivery of the butter or butteroil, including packing, labelling and shipment to the fob or a corresponding stage, and, where relevant, for its shipment beyond that stage, invitations to tender shall be issued, without prejudice to Article 4, save in exceptional cases, where private contracts are 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 product are found on inspection to comply with the relevant Community provisions.

Provision may be made for partial advance payment of such sums.

Article 7

The decision to apply Article 2(2) and, in that event, the 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 Council, acting by a qualified majority on a proposal from the Commission, shall determine which developing countries and organizations are to receive this aid, together with the quantity to be allocated to each.

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

PROPOSAL FOR REGULATION (EEC) No OF THE COUNCIL

of

on the supply of milk fats as food aid to certain
developing countries and international organizations
under the 1976 programme

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No of laying
down general rules for the supply of milk fats as food aid to certain
developing countries and international organizations under the 1976
programme, and in particular Articles 3 and 8 thereof;

Having regard to the proposal from the Commission;

Whereas Regulation (EEC) No provides for the supply as food aid of
a quantity of butter or butteroil corresponding to 45 000 metric tons of
butteroil to certain developing countries and international organizations;

Whereas this quantity should be allocated among the various countries and
organizations from which applications have been accepted and arrangements
for financing should be specified; whereas, however, 4 000 metric tons
should be kept as a contingency reserve for future allocation,

HAS ADOPTED THIS REGULATION:

Article 1

The allocation and financing arrangements in respect of food aid in the
form of milk fats corresponding to 45 000 metric tons of butteroil under
the 1976 programme, as provided for in Regulation (EEC) No ¹ are
stipulated in the Annex.

¹OJ No

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

PROPOSAL FOR REGULATION (EEC) No _____ OF THE COUNCIL

of

on the supply of butteroil to Pakistan as food aid
pursuant to Regulation (EEC) No 1542/75

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 1541/75¹ of 16 June 1975 laying down general rules for the supply of milk fats as food aid to certain developing countries and international organizations under the 1975 programme, and in particular Article 8 thereof;

Having regard to the proposal from the Commission;

¹OJ No L 157, 19 June 1975, p. 4.

Whereas Regulation (EEC) No 1541/75 provides for the supply of 43 000 metric tons of butteroil as food aid to certain developing countries and international organizations;

Whereas Council Regulation (EEC) No 1542/75¹ of 16 June 1975 on the supply of milk fats as food aid to certain developing countries and international organizations under the 1975 programme provides for a reserve of 4 550 metric tons of butteroil;

Whereas Pakistan has requested food aid, and whereas that country's needs warrant food aid from the Community,

HAS ADOPTED THIS REGULATION:

Article 1

Of the 4 550 metric tons of butteroil provided for as a reserve by Regulation (EEC) No 1542/75, metric tons shall be allocated to Pakistan.

¹OJ No L 157, 19 June 1975, p. C.

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

1976 BUTTEROIL FOOD AID PROGRAMME

Country or organization	Tonnes	Financing arrangements
<u>I. Countries</u>	<u>19 960</u>	
<u>LATIN AMERICA</u>	<u>3 500</u>	
Haiti	1 500	cif
Honduras	1 000	cif
Peru	1 000	fob
<u>EASTERN AFRICA</u>	<u>3 300</u>	
Kenya	100	fob
Mauritius	200	fob
Tanzania	500	fob
Somalia	1 000	free at destination
Ethiopia	(1 500)	free at destination
<u>WEST AFRICA</u>	<u>1 550</u>	
Cape Verde Islands	100	cif
Upper Volta	750	free at destination
Mauritania	350	free at destination
Guinea-Bissau	(350)	cif
<u>MIDDLE EAST</u>	<u>3 700</u>	
Egypt	2 000	fob
Jordan	1 000	fob
Yemen	700	fob
<u>ASIA</u>	<u>7 910</u>	
Bangladesh	4 000	cif
Pakistan	3 500	fob
Sri Lanka	160	fob
Afghanistan	250	fob
<u>II. Organizations</u>	<u>21 500</u>	
WFP	16 000	free at destination
UNICEF	2 000	free at destination
UNRWA	3 000	free at destination
LEAGUE R.C.S.	500	free at destination
<u>II. Reserve</u>	<u>3 540</u>	1
<u>V. Other</u>		
<u>Grand total</u>	<u>45 000</u>	

In the case of emergency measures, the financing may cover expenditure incurred between the fob stage and the destination, and distribution costs where the aid is forwarded by an international organization.

The financing may be wholly or partially in the form of a lump-sum payment.

