

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 64 final

Brussels, 21 February 1975

PROPOSAL FOR A
COUNCIL DECISION

concerning the financing by the Community of certain expenditure on food aid supplied to Bissau Guinea and the Cape Verde Islands under the 1974/75 programme

PROPOSAL FOR A
REGULATION (EEC) OF THE COUNCIL

laying down rules for the supply of skimmed milk powder as food aid to Bissau Guinea and the Cape Verde Islands

PROPOSAL FOR A
REGULATION (EEC) OF THE COUNCIL

laying down general rules for the supply of butteroil as food aid to Bissau Guinea and the Cape Verde Islands

PROPOSAL FOR A
COUNCIL DECISION

on the opening of negotiations with Bissau Guinea and the Cape Verde Islands for the supply of skimmed milk powder and butteroil as food aid, and on the advanced implementation of the agreement negotiated with the country

(submitted to the Council by the Commission)

COM(75) 64 final

COMMISSION COMMUNICATION TO
THE COUNCIL CONCERNING A FOOD AID
ACTION FOR GUINEA BISSAU AND CAPE
VERDE ISLANDS

I - Food aid to Guinea Bissau

1. In these first months of its independence (obtained in September 1974) Guinea Bissau is faced with difficult economic problems, among the most serious of them the inadequacy of its food supplies. The circumstances preceding its independence resulted in the total disorganization of the food crop production of certain regions; efforts to reorganize the production and marketing of agricultural products (sectors occupying more than 90% of the labour force) have as yet not produced adequate results.

Lacking the means of payment enabling it to buy food products on foreign markets, the Guinea Bissau Government has approached the Community with a request for aid to face its difficulties by procuring it food aid in the form of cereals, milk products and sugar.

The Commission considers that the Community should respond favourably (with the exception of sugar, for which the necessary appropriations were not provided in the 1975 budget) to the request made by this country, which incidentally indicated its desire to develop close relations with the EEC, since it decided as early as December 1974 to join the group of ACP countries and will be a signatory to the future Lomé Convention.

2. Statistics concerning the country's supplies are difficult to collect. Its administration is still weak and its fact-finding machinery is particularly limited. The information supplied by the Ministry of Finance shows, however, that for cereals and in particular rice, which constitutes the population's staple diet¹, consumption is estimated to exceed production by 30 000 metric tons (production 70 000 t, consumption 100 000 t).

¹Annual imports of rice amounted to approximately 25 000 metric tons before independence.

To help offset this deficit, the Commission considers it reasonable to propose a grant of 3 000 metric tons of cereals, which would correspond to three months' consumption (on a basis of 10 kg/month) for about 100 000 persons².

For milk products no overall figure is as yet available. The Guinea Bissau authorities have, however, indicated not only that there were normal supply needs not covered by production, but also that they wished to make free distributions of food to school-children.

The Commission considers that the Community should grant 250 metric tons of skimmed-milk powder to this country, an amount which would correspond to its annual imports in normal years and would, on the basis of the criteria taken into consideration under the 1974 milk programme, cover the minimum requirements of 100 000 persons for three months.

As regards butteroil, the authorities stated that there was considerable demand for oils and fats as the production of groundnuts was waning. The Commission considers that this request should be met by granting 360 metric tons of butteroil; on the basis of the criteria taken into account when the 1975 butteroil programme was drawn up this would correspond to the daily consumption of approximately 100 000 persons for six months.

The quantities proposed should be charged against:

- i. the reserve of 29,500 metric tons provided for under the 1974/75 cereals programme;
- ii. the milk products programmes planned for 1975 (as an advance) .

The estimated cost of these operations and the budget item against which it would be charged are given in the attached financial annex.

²Out of a total population estimated at approximately 600 000.

3. The Guinea Bissau authorities, who have set up a distribution system based on a network of stores serving the population and permitting some control of the level of consumer prices, wish to be authorized to sell 75% of the products supplied by the Community through this network¹, the rest to be distributed free of charge to sections of the population which have no purchasing power or are particularly vulnerable (for instance milk to school-children).
4. In view of Guinea Bissau's particularly difficult financial situation the Commission proposes that the Community bear the cost of transporting the proposed aid cif.

II - Food aid to the Cape Verde Islands

The Cape Verde Islands, which are at present under the joint administration of the African Party for the Independence of Guinea Bissau and the Cape Verde Islands and the Portuguese authorities, are in a situation which is perhaps still more serious than that of Guinea Bissau.

¹Under the arrangements normally required by the Community (counterpart fund).

According to information communicated by UNDR0, annual consumption of cereals amounts to approximately 50 000 metric tons³⁶; estimates of milk product requirements are not available at present.

As food requirements will have to be covered entirely by imports and as it is possible that the aid granted by Portugal in the past (€ 30 million in 1974, mainly for the purchase of food products) may be reduced sharply, the transitional Government has appealed, through the UN, to the international community for aid of approximately € 20 million, mainly to cover the population's food requirements.

According to present information, the WFP has made provision for € 2.1 million of aid for the supply of cereals as part of development projects; Senegal has made an emergency delivery of 1 000 metric tons of maize.

The President of the Republic of Senegal has approached the Commission on the subject of the difficulties facing the population of the Cape Verde Islands and has urged the Community to grant it food aid.

The Commission considers that this request should be met by the grant, as an initial measure and pending additional information, on a cif basis of:

1 500 metric tons of cereal
150 metric tons of milk powder
100 metric tons of butteroil.

These quantities would enable the authorities of the Cape Verde Islands to deal with the most pressing needs.

³⁶For a population of 260 000.

In conclusion, the Commission proposes that the Council:

i. Decide to grant:

food aid in the form of 3 000 t of cereals, 250 t of skimmed-milk powder and 350 t of butteroil to Guinea Bissau;

food aid in the form of 2 500 t of cereals, 150 t of milk and 100 t of butteroil to the Cape Verde Islands.

ii. Bear the transport costs to the cif stage for these products.

iii. Authorize the advance implementation of these operations.

iv. Adopt in consequence:

The proposal for a Council Decision on the financing by the Community of expenditure concerning food aid for Guinea Bissau and the Cape Verde Islands supplied under the 1974/1975 programme.

The proposal for a Council Regulation (EEC) No laying down general rules for the supply of skimmed-milk powder as food aid to Guinea Bissau and the Cape Verde Islands.

The proposal for a Council Regulation (EEC) No laying down general rules for the supply of milk fats as food aid to Guinea Bissau and the Cape Verde Islands.

The proposal for a Council Decision on the opening of negotiations with Guinea Bissau and the Cape Verde Islands for the supply of skimmed-milk powder and butteroil as food aid, and the advance implementation of the agreements negotiated with those countries.

These proposals are annexed to this document.

FINANCIAL ANNEX

Cost at interior community prices and budgetary attribution

	Quantity metric tons	Unit price ua/T	Total value ua	Budgetary attribution
<u>BISSAU GUINEA</u>				
<u>Cereals</u>				
Raw materials	3.000	140 ³⁾	420.000	} budget 75 } items 9201, 6001 and 6101
Transport	3 000	40	120.000	
<u>Skimmed milk powder</u>				
Raw materials	250	835,5 ¹⁾	208.875	} budget 75 } items 9211 and 6201
Transport	250	120	30.000	
<u>Butteroil</u>				
Raw material	350	2 351 ²⁾	822 850	} budget 75 } items 9212 and 6201
Transport	350	130	45 500	
Total			1 647 225	
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<u>CAPE VERDE</u>				
<u>Cereals</u>				
Raw material	2 500	140 ³⁾	350 000	} budget 75 } items 9201, 6001 } and 6101
Transport	2 500	40	100 000	
<u>Skimmed milk powder</u>				
Raw material	150	835,5 ¹⁾	125 325	} budget 75 } items 9211 and 6201
Transport	150	120	18 000	
<u>Butteroil</u>				
Raw material	100	2 351 ²⁾	235 100	} budget 75 } items 9212 and 6201
Transport	100	130	13 000	
Total			841.425	
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GRAND TOTAL			2 488 650	

1) Intervention price 74/75 829,5 ua/T + delivery fob (6 ua/T)

2) Derived intervention price, including cost of transformation : 2 435 ua/T + delivery FOB (6 ua/T)

3) Market price (136 ua/T) calculated at the average target price from January to July 74 + delivery FOB (4 ua/T).

Proposal for a
COUNCIL DECISION

concerning the financing by the Community of
certain expenditure on food aid supplied to
Bissau Guinea and the Cape Verde Islands
under the 1974/75 programme.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) no. 1703/72⁽¹⁾ of 3 August 1972
amending Regulation (EEC) no. 2052/69 concerning the financing by the
Community of expenditure resulting from the implementation of the Food Aid
Convention of 1967 and fixing the Regulations for the Financing by the
Community of expenditure arising from the implementation of the 1971 Food
Aid Convention, and in particular Article 8⁽¹⁾ and Article 10⁽¹⁾ thereof;

Having regard to the proposal from the Commission;

Whereas, in view of the economic difficulties which exist in Bissau Guinea
and the Cape Verde Islands, the Community should bear the costs of delivering
cif food aid in the form of cereals,

HAS DECIDED AS FOLLOWS :

Sole Article

For the purpose of the Community's food-aid activities in respect of Bissau
Guinea and the Cape Verde Islands under the 1974/75 Food Aid Programme
Community financing shall extend to the cost of delivering the products cif.

Done at Brussels,

For the Council

The President

(1) O.J. no. L 180, 8.8.1972, p. 1

PROPOSAL FOR A
REGULATION (EEC) No. OF THE COUNCIL

laying down rules for the supply of skimmed-milk powder
as food aid to Bissau Guinea and the Cape Verde Islands.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No. 804/68 (1) of 27 June 1968 on the common organization of the market in milk and milk products, as last amended by Regulation (EEC) No. 662/74 (2), and in particular Article 7 (4) thereof;

Having regard to the proposal from the Commission;

Whereas Bissau Guinea and the Cape Verde Islands indicated their requirements as regards high-protein milk products; whereas these high-protein products may be supplied in the form of skimmed-milk powder stocked by the intervention organisations;

Whereas the supply of skimmed-milk powder must take into account the amounts of skimmed-milk powder available in the Community and the need to avoid disturbing the market; that the amounts at present available enable 400 metric tons of skimmed milk powder to be supplied;

Whereas, to enable the aid to be used effectively, arrangements should be made to finance delivery to the cif stage;

Whereas the supplies must be delivered at the lowest possible price; whereas in order to achieve that aim, a tendering procedure should be provided for; whereas, however, it may be desirable, in the interests of flexibility and speed, to have recourse to contracts by mutual agreement;

(1) O.J. No. L 148, 28.6.1968, p. 13

(2) O.J. No. L 85, 29.3.1974, p. 5

HAS ADOPTED THIS REGULATION :

Article 1

There shall be made available as food aid to Bissau Guinea and the Cape Verde Islands 350 metric tons of skimmed-milk powder :

	(metric tons)
Bissau Guinea	250
Cape Verde Islands	150

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.

Article 3

For the purposes referred to in Article 1, the cost of the labelling and delivery of the skimmed-milk powder to the cif-stage shall be borne by the Community.

Article 4

The expenditure referred to in Article 3, shall in principle be determined by tendering procedure, or, if the circumstances warrant it, by contracts by mutual agreement.

Article 5

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

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

Done at Brussels,

For the Council

The President

PROPOSAL FOR A
REGULATION (EEC) OF THE COUNCIL

laying down general rules for the supply of butteroil as food
aid to Bissau Guinea and the Cape Verde Islands.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No. 804/68 (1) of 27 June 1968 on the common organization of the market in milk and milk products, as last amended by the Regulation (EEC) No. 662/74⁽²⁾ and in particular Article 6 (6) thereof;

Having regard to the proposal from the Commission;

Whereas Bissau Guinea and the Cape Verde Islands have indicated their requirements as regards milk fats;

Whereas it will not be possible to dispose of the quantities of butter held by intervention agencies on normal terms during the current milk year; whereas it is possible to supply food aid in the form of butteroil, made from butter in public stocks;

Whereas to enable effective use to be made of the aid, provision should be made for the financing of transportation to the cif-stage;

Whereas the amount to be paid to undertakings manufacturing the butteroil and certain transport costs for the butter and butteroil should be determined by competition among interested undertakings established in the Community; whereas the inviting of tenders is a suitable means of achieving this aim, but for the sake of speed it may be desirable to deal with exceptional cases by contracts by mutual agreement.

(1) O.J. No. L 148, 28.6.1968, p. 13.

(2) O.J. No. L 85, 29.3.1974, p. 5.

HAS ADOPTED THIS REGULATION :

Article 1

450 metric tons of butteroil shall be made available to Bissau Guinea and the Cape Verde Islands, made from butter held by the intervention organisations as follows :

Bissau Guinea	350 metric tons
Cape Verde Islands	100 metric tons

Article 2

The Community will finance the cost of transforming the butter into butteroil, its packaging, labelling and transportation costs from the factory to the cif stage.

Article 3

Tenders shall be invited for the expenditure incurred under article 2, or, if the circumstances warrant it, by contracts by mutual agreement.

Article 4

The sums to be paid to the undertaking chosen 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 5

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 a
Council decision on the opening of
negotiations with Bissau Guinea and the Cape
Verde Islands for the supply of skimmed-milk
powder and butteroil as food aid, and on the
advanced implementation of the agreement
negociated with the country.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and
in particular Articles 113, 114 and 228 thereof;

Having regard to the proposal from the Commission;

Whereas supplies of skimmed-milk powder and butteroil are necessary for Bissau
Guinea and the Cape Verde Islands because of the food crisis in these countries;
that it is advisable to reply positively to this crisis with a total of 400
metric tons of skimmed-milk powder and 450 metric tons of butteroil and to
authorize the Commission to open negotiations with these countries.

Whereas, in the interests of speed, the Commission should be authorized to begin
the supply of skimmed-milk powder and butteroil upon conclusion of the negotiations;

HAD DECIDED AS FOLLOWS :

Article 1

The Commission is authorized to negotiate in the name of the European Economic
Community with Bissau Guinea and the Cape Verde Islands agreements for the supply
of skimmed-milk powder and butteroil as food aid.

The negotiations shall be conducted in accordance with the following Regulations :

(a) skimmed-milk powder :

Council Regulation (EEC) No. of establishing the general regulations
for supplying skimmed-milk powder, as food aid, to Bissau Guinea and
the Cape Verde Islands (1)

(b) butteroil :

Council Regulation (EEC) No. of establishing the general regulations
for supplying milk fat products to Bissau Guinea and the Cape Verde Islands (2)

Article 2

The Commission is authorized to begin the supply of skimmed-milk powder and butteroil upon conclusion of the negotiations.

Done at Brussels,

For the Council

The President___

(1) O.J.

(2) O.J.