

European Communities

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EUROPEAN PARLIAMENT

# Working Documents

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11 April 1983

DOCUMENT 1-114/83

REPORT

drawn up on behalf of the Committee on Development  
and Cooperation

on the proposal from the Commission of the European  
Communities to the Council (Doc. 1-1302/82 - COM(83)  
16 final) for a regulation on the implementation of the  
special programme to combat hunger in the world

Rapporteur: Mrs CASSANMAGNAGO CERRETTI

WPO349E  
OR. FR.

PE 83.433/fin.



By letter of 16 February 1983 the Council of the European Communities consulted the European Parliament on the proposal from the Commission of the European Communities to the Council (Doc. 1-1302/82) for a regulation on the implementation of the special programme to combat hunger in the world.

On 7 March 1983 the President of the European Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions.

On 17 March 1983 the Committee on Development and Cooperation appointed Mrs CASSANMAGNAGO CERRETTI rapporteur.

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At its meeting of 25 March 1983 the committee considered the Commission proposal and the draft report and unanimously decided to recommend that Parliament adopt the Commission proposal together with the following amendments.

The Commission stated before the committee that it was prepared to accept the amendments.

The committee then decided to reserve the right to propose to Parliament the application of Rule 36(2) of the Rules of Procedure.

The committee then unanimously adopted the motion for a resolution.

The following took part in the vote under the chairmanship of Mr PONIATOWSKI, chairman: Mr KUHN, vice-chairman; Mrs CASSANMAGNAGO CERRETTI, rapporteur; Mr COHEN, Mr DESCHAMPS, Mr GONTIKAS (deputizing for Mr BERSANI), Mr IRMER, Mr LIGIOS (deputizing for Mrs RABBETHGE), Mr LOMAS (deputizing for Mr LEZZI), Mr de COURCY LING, Mr GEURTSSEN (deputizing for Mr SABLE), Mr NARDUCCI, Mr J.D. TAYLOR (deputizing for Sir Henry PLUMB), Mr WEDEKIND and Mr ZAGARI (deputizing for Mr FELLERMAIER).

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The opinions of the Committee on Agriculture and the Committee on Budgets are attached.

This report was tabled on 28 March 1983.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following amendments and motion for a resolution together with explanatory statement:

TEXT AMENDED BY PARLIAMENT

TEXT PROPOSED BY THE COMMISSION

Proposal for a Council Regulation on the implementation of the special programme to combat hunger in the world (Doc. 1-1302/82).

AMENDMENT No. 1

Article 8

To read as follows:

1. A Consultative Committee for the special worldwide famine relief programme is hereby established ...  
(rest unchanged)

Article 8

1. A Management Committee for the special worldwide famine relief programme is hereby established, consisting of representatives of the Member States and with a Commission representative as Chairman. The Commission shall provide the Secretariat of the Committee.

AMENDMENT No. 2

Article 9

Replace the existing text of Article 9 with the following:  
Except in emergencies, the Commission shall consult the Committee before taking any decisions under this Regulation.

Article 9

Decisions granting aid shall be taken in accordance with the procedure laid down in Article 8 of Council Regulation (EEC) No. 3331/82 (1) on food aid policy and food aid management.

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(1) OJ L 352 of 14 December 1982, p. 1

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on a proposal from by the Commission to the Council for a regulation on the implementation of the special programme to combat hunger in the world.

The European Parliament,

- A. having regard to the proposal from the Commission of the European Communities to the Council (COM(83) 16 final) (1),
- B. having been consulted by the Council (Doc. 1-1302/82),
- C. having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Agriculture and the Committee on Budgets (Doc. 1-114/83),
- D. having regard to the results of the vote on the Commission proposal,
- E. taking into account the resolution adopted on 17 June on measures following the European Parliament's debate on world hunger, the communication from the Commission to the Council concerning a plan of action to combat world hunger and the motions for resolutions tabled on this subject (2),
- F. having regard to the general budget of the European Communities for 1983 (3),
- G. having regard to the Joint Declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure (4),

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(1) OJ C 37 of 10.2.1983, p. 10

(2) OJ C 182 of 19.7.1982

(3) L 19 of 24.1.1983

(4) OJ C 194 of 28.7.1982

1. Anxious to ensure the implementation of the special programme to combat hunger in the world as soon as possible, approves subject to the amendments submitted the proposal for a Council regulation on the implementation of this programme;
2. Stresses the particular importance and innovatory nature, in the context of European development policy, of the proposed measures whose practical implementation will be initiated by this regulation and criticises once again the inadequacy of the funds earmarked for these measures in the 1983 budget;
3. Reiterates its view that certain aspects of the provisions contained in the proposal for a regulation submitted by the Commission to the Council constitute a sound starting point, particularly as regards food strategies, and at the same time regrets once again that the Commission has not taken advantage of the drafting of this document to incorporate other points of Parliament's resolutions on world hunger;
4. Emphasizes that in view of the long-term nature of some of the measures proposed, the latter should be accompanied by financing methods suited thereto; recalls in this connection the Council's decision in principle in favour of long-term financing and calls for specific action to be taken on this decision immediately;
5. Reasserts its firm belief that responsibility for management operations must rest solely with the Commission and stresses that it is vital for such a regulation to encourage the necessary flexibility to respond, in particular, to emergency situations;
6. Instructs its President to forward this resolution to the Commission and Council as Parliament's opinion.

EXPLANATORY STATEMENT

As pointed out in the explanatory memorandum the proposal for a Council regulation on the implementation of the special programme to combat hunger in the world constitutes a direct translation into law of the new Article 958, which was inserted in the 1983 budget of the European Communities with the firm support of the Committee on Development and Cooperation (1). An appropriation of 50 m ECU was entered against this article, entitled 'Special programme to combat hunger in the world'.

This proposal for a Council regulation is to be welcomed as the first practical application of the provisions and particularly point 3(c), of the Joint Declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure which was adopted on 30 June 1982 (2).

It is thus the first step in giving practical effect to the European Parliament's newly-acquired power to use the budget to promote Community legislation.

It is particularly gratifying that the first practical application of this power, at last conferred upon Parliament, to use the Community budget as an instrument for the promotion of new policies should be in a sector as important as the fight against hunger in the world.

In substance the proposal for a Council regulation reiterates the lines of action and themes set out in the two communications from the Commission to the Council, viz. 'Towards a plan of action to combat world hunger' and 'Special programme to combat hunger in the world' (3).

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(1) Opinion drawn up by Mr ENRIGHT for the Committee on Budgets on those parts of the draft general budget of the European Communities for the financial year 1983 falling within the competence of the Committee on Development and Cooperation (PE 80.091/fin.)

(2) Bulletin EC 6-1982, point 1.1.4

(3) Doc. COM(81) 560 final of 2.10.1981 and COM(82) 320 final of 3.6.1982



It should also be pointed out that some of the measures referred to in these communications either have already been implemented or are in the process of being implemented.

The special food aid measures referred to in the first of the above documents, for instance, has already been carried out (1).

Similarly, specific measures for emergency aid (2) and the special action in favour of the economic and social development of Central America (3) are currently being prepared or implemented.

This proposal for a Council regulation thus continues and complements measures already undertaken or being undertaken in application of the two above-mentioned communications from the Commission to the Council.

The particular importance and the innovatory nature of the proposals for action towards the practical implementation of which this proposal for a regulation is intended to be a first step, should nevertheless be stressed.

Indeed, the purpose of the proposal for a regulation - as stated in its Article 3(1) - is to provide aid in the form of measures to support the implementation of food policies or strategies which the beneficiary countries have decided to undertake in order to increase their level of self-sufficiency in food supply and to promote structural measures designed to protect the natural resources of developing countries and improve the way in which these resources are utilized.

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(1) OJ C 11 of 18.1.1982 and COHEN report, Doc. 1-817/81

(2) See communications from the Commission to the Council COM(82) 354 final and COM(82) 450 final

(3) See communication from the Commission to the Council on a special programme for Central America, (COM(82) 257 final), Commission proposal for a Council decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries (COM(82) 481 final, OJ C334 of 20.12.1982) and MICHEL report, Doc. 1-784/82.

In this respect the proposal for a regulation takes up the themes developed in the two communications from the Commission to the Council: the measures in support of food strategies - production, marketing, storage and transportation - and structural measures which consist, during the first stage, of financing operations to pave the way for action in four main pre-selected areas - efficient use of food fuel, reforestation and prevention of desertification, village water supply and the efficient management of domestic and wild livestock. Provision is also made for training operations in these two fields.

The other points set out in the proposal for a regulation cover the main proposals set out in the two communications from the Commission to the Council. They are: geographical distribution (i.e. aid should be made available to all the developing countries with priority being given to the least developed countries), the nature of the operations (i.e. Community aid can either be supplied autonomously or jointly with other external sources of finance); and the nature of the aid (i.e. non-refundable grants).

The financing decisions will be taken by the Commission, taking into account the opinion of an advisory committee; the procedure for consulting this committee must be the same as the procedure laid down for the Food Aid Committee set up by the recent regulation on food aid policy and food aid management (1). Under the terms of Article 8, third paragraph of that regulation, a Commission decision can be modified only by a qualified majority within the Council.

In the limited scope of this report it is not possible to analyse the adequacy of the measures proposed to deal with the problems arising from the fight against world hunger. It should be pointed out in this connection that the Committee on Development and Cooperation and the European Parliament have already expressed their views on the effectiveness of the measures advocated in the Commission's first communication to the Council entitled 'Towards a

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(1) Council Regulation (EEC) No. 3331/82, OJ L 352 of 14.12.1982

plan of action to combat hunger in the world' and on the extent to which these measures meet the wishes of the European Parliament (1). Naturally, the comments contained in that report will apply when the present proposal for a regulation is considered.

Lastly, - although this is not a matter for a regulation but rather for the budgetary authority which is responsible for entering the appropriations in the general budget for 1983 - it should be noted that the nature of the appropriations set aside for the implementation of long-term measures in specific fields vital for the future and the survival of many rural communities seems unsuited to the purpose of these measures. The fact is that these appropriations are non-differentiated appropriations which theoretically should be committed within the year.

Given these circumstances, it is important to stress the need - recognized by the Commission in its explanatory memorandum - for the Commission to make a genuine attempt to reconcile the demands imposed by the management of these appropriations with the implementation of the planned measures.

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(1) OJ C 182 of 19.7.1982 on measures following the European Parliament's debate on world hunger, the communication from the Commission to the Council concerning a plan of action to combat world hunger and the motions for resolutions tabled on this subject, as well as the MICHEL report, Doc. 1-281/82/Corr.

## OPINION

(Rules 101 of the Rules of Procedure)  
of the Committee on Agriculture  
Draftsman: Mr E.P. WOLTJER

On 15 March 1983 the Committee on Agriculture appointed Mr Woltjer draftsman of the opinion.

The committee considered the draft opinion at its meeting of 21 and 22 March 1983 and unanimously approved its conclusions on 22 March 1983.

The following took part in the vote: Mr Curry, chairman; Mr Delatte, vice-chairman; Mr Woltjer, draftsman; Mr Abens (deputizing for Mr Vernimmen), Mr Battersby, Mr Blaney, Mr Davern, Mr Gautier, Mr Helms, Mrs Herklotz, Mr Jürgens, Mr Maffre-Baugé, Mr B. Nielsen, Mr d'Ormesson, Mrs Pery and Mr Provan.

## I. INTRODUCTION

The Commission of the European Communities submitted this proposal concerning the implementation of the special programme to combat hunger in the world to the Council following the insertion in the 1983 budget of a new article entitled: 'Special programme to combat hunger in the world', with an appropriation of 50 million ECU.

It is universally accepted that hunger is undoubtedly one of the principal causes of the disruption of the present international order. Indeed, some 50 million people may already be regarded as undernourished.

In the proposal, on which the Committee on Agriculture is asked for its opinion, the commission indicates that the campaign must be carried out on two levels:

- support for the food supply policy of the beneficiary countries;
- operations with a specific 'theme' designed to protect natural resources in the developing countries and improve the way they are utilized.

## II. THE COMMON AGRICULTURAL POLICY AND FOOD AID

In 1982, the Commission of the European Communities published a study on the common agricultural policy and the EEC's trade relations in the agricultural sector (SEC (82) 1223). This study was carried out in response to the request made by the European Parliament in paragraph 44 of the resolution it adopted on 18 September 1980 (see Doc. 1-341/80) on the European Community's contribution to the campaign against hunger in the world.

This study described the influence of the common agricultural policy on international trade in foodstuffs and the impact on world markets and on developing countries of the Community's agricultural exports.

As regards the agricultural trade balance, the study comes to the conclusion that the cover rate is developing as follows: 1.9 in 1970, 1.3 in 1979, 0.85 in 1990 and 0.56 in the year 2000.

The following conclusions were reached for individual products:

- the cereals deficit would increase in the poorer countries, as would the deficit in dairy products and certain types of meat;
- the surplus of oilseeds and vegetable oils, cotton and rubber was continuing to increase;
- the surpluses of other fibres and tropical products would not change.

The Commission's conclusions were more or less confirmed by an FAO study, entitled 'Agriculture: Horizon 2000' (AT 2000) which indicates that the wealthy countries must substantially curb the rate of increase in their production of cereals, meat, sugar and oilseeds in order to prevent the international market from becoming saturated, which would hamper the growth of agriculture in the poorer countries.

The situation is totally different in the case of dairy farming and the dairy industry, since the study concludes that the deficit in dairy products in the poorer countries will increase and considerably exceed the estimated export surplus of the wealthy countries.

The above conclusions cannot be regarded as absolute since they are based on the assumption that prices will remain constant and recent trends be maintained in the future.

Another major factor is the development of purchasing power in the developing countries. The creation of demand implies the existence of consumers with sufficient purchasing power. The question of purchasing power, however, cuts right across the problem of world food supply.

It is therefore logical to conclude that the wealthy nations must do their utmost to ensure that food supplies reach those people who are too poor to obtain the minimum requirements.

This does not mean, however, that the wealthy nations should primarily attempt to dispose of their surpluses in the developing countries as food aid.

It would of course, be ideal if the programme proposed by the Commission led to a substantially greater degree of self-sufficiency in the countries concerned.

As an intermediate measure, the proposal by the Commission that other developing countries should be given the opportunity of participating in invitations to tender contracts and other agreements so that the farmers in poorer countries were given preference over their counterparts in the wealthy countries in covering the growing need for foodstuffs should, of course, be given very favourable consideration. Agriculture in the developing countries needs such preferential treatment to increase production and provide employment and income for the growing populations, thereby bolstering general economic development.

The task of agriculture in the wealthier nations would be to satisfy demand which could not be met by the developing countries themselves. The wealthy nations would, however, have to review their export policy and take greater account of the potential of the developing countries when formulating their policy.

The governments of the developing countries, which are primarily responsible for ensuring that the domestic demand for food is met as far as possible by their own agriculture, must exercise strict control on the import of foodstuffs and initiate a number of measures to adjust these imports to real needs.

The wealthy nations will have to accept these measures and exercise strict self-discipline in their internal agricultural policy and their trade policy.

### **III. CONCLUSIONS**

1. The Committee on Agriculture has noted with interest the study drawn up by the Commission on the common agricultural policy and trade relations in the agricultural sector;
2. It reiterates the following fundamental principles:
  - in the longer term, efforts must be made to ensure that Third World countries themselves increase their production in order to meet their own food requirements;
  - food aid must not be regarded as an attempt by the Community to dispose of its surpluses;
  - attempts should be made to open up markets for the developing countries both in the industrialized nations and in other developing countries;
3. It stresses the importance for the developing countries of international agreements on raw materials and consequently urges that the European Community actively promote and subscribe to such agreements.
4. It urgently requests the Council to approve the programme proposed by the Commission to combat hunger in the world and urges the Commission to implement the programme;
5. It requests the Commission to indicate what adjustments for the common agricultural policy are necessary for the implementation of the above proposals and requests the Commission to keep it informed of all the measures which it takes in this area.



OPINION

(Rule 101 of the Rules of Procedure)  
of the Committee on Budgets  
Draftsman: Mr R.V. JACKSON

On 17 March 1983, the Committee on Budgets appointed Mr R. JACKSON draftsman of the opinion.

The committee considered the draft opinion at its meeting of 17 March 1983. It unanimously adopted the draft opinion on the same day.

The following took part in the vote : Mr Lange, chairman;  
Mr Notenboom, vice-chairman; Mrs Barbarella, vice-chairman;  
Mr Jackson, draftsman; Mr Adonnino, Mrs Hoff, Mr Kellett-Bowman,  
Mr Louwes, Mr Price and Mr Simonnet.

1. At its first reading of the 1983 Draft Budget, in October 1982, the European Parliament created a new budget line 958, for a special programme to combat hunger in the world. And we accorded it some 50 mECU - about one third of our remaining margin - in non-differentiated credits at our second reading in December 1982. Parliament thus attaches the highest importance to the rapid and effective implementation of these funds. The present proposal from the Commission is for a Council Regulation which would establish the legal basis for the implementation of those funds.

2. The programme is important not only substantively but also formally, in that it is one of the two budget lines - the other being integrated programmes for the Mediterranean (Article 551) - where Parliament considers that the provisions of the Joint Declaration of 30 June 1982 should be invoked. These require that, where funds are entered for a significant new Community action, the Commission should bring forward proposals for a legal basis before the end of January, and both Parliament and Council should endeavour to establish the necessary legislation before the end of May.

3. It has been accepted by the three institutions that a supplementary legal basis is required because (i) the proposed development is new, (ii) it is significant in its political and financial dimensions, and (iii) it requires a regulation to specify the scope of the aid and the procedures by which the funds will be disbursed.

4. The Commission has made its proposal within the timescale laid down, and it is therefore proper that Parliament should give an opinion on this proposal at its April session. This will oblige Council to consider the matter during May with a view to adopting the necessary regulation within the timescale laid down in the Joint Declaration.

#### Content of the proposal

5. The proposals regarding the type of aid to be granted are primarily a matter to be dealt with by the Committee on Development and Cooperation. It should be noted that to some extent the proposed arrangements reflect

the fact that the appropriations entered in the budget are not differentiated. This means that they must be committed before the end of 1983. There is however, exceptional provision in the Financial Regulation for the non-automatic carry-over of appropriations which have not been committed in the year in question. The payment appropriations to cover the commitments made during 1983 remain available until the end of 1984. These factors make it especially important that the procedures proposed in the Draft Regulation should not impede the rapid and complete utilization of the funds provided in the 1983 Budget.

6. For the most part, the Commission's proposal for a Regulation does not appear to raise any particular difficulties. The regulation does not attempt to lay down detailed guidelines or implementing rules, but it establishes a framework within which more detailed provisions can be worked out by the Commission. It repeats principles which have been set out several times by the Commission and approved by Parliament concentrating aid on the least-developed countries, supporting food strategies agreed by the beneficiary countries, and placing emphasis on intervention in the rural sector.

7. However, it should be observed that Articles 8 and 9 provide for a management committee based on the model of the management committee for food aid <sup>(1)</sup>. Parliament has consistently held the view that such committees should have a purely consultative role <sup>(2)</sup>. This is an occasion on which Parliament must once again reaffirm its position in this regard. The period of two months by which the action could be delayed if there were disagreement between the Commission and the management committee seems quite out of line with the urgent need speedily to implement the programme in question if the funds are to be fully utilized.

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(1) Council Regulation No. 33/82 of 3.12.82 (O.J. L 352 of 14.12.82, p.1)

(2) See, for example, the Opinion on the proposals for Regulations concerning food aid in 1982 (OJ C 125 of 17.5.82, p.25, para 10) and the Resolution on problems in the implementation of Community food aid in the light of the report of the Court of Auditors (OJ C 125 of 17.5.82, p.40, para 30).

8. In addition, the articles dealing with the Community character of the proposed expenditure are extremely laconic, stating that "the Community nature of the aid shall be maintained"; and the only provision relating to the control of the Community funds states simply that "The Commission shall report to the Council and the European Parliament on the implementation of this regulation". No timetable is laid down for the presentation of these reports.

9. While commending in general the brevity of the Commission's proposals and the decision to provide only a framework regulation, the draftsman considers that more detailed arrangements should have been laid down on these two important matters.

10. The rapporteur therefore proposes the following conclusions:-

#### The Committee on Budgets

- notes with approval that the Commission has forwarded its proposal for a regulation within the timetable laid down in the Joint Declaration of 30 June 1982;
- regrets that the provisions regarding the Community nature of the expenditure are so vague, and that no procedure is laid down for ensuring the supervision of the Community funds after they have been disbursed;
- deeply deplores that, yet again, despite the repeated criticisms made by the European Parliament of such committees, the Commission proposes to create a management committee with a power of suspensive veto - which could lead to delay of up to several months in the disbursement of urgently needed aid, which could place the funds in jeopardy, and which would enable the Council, acting by a qualified majority, to take a different decision from that proposed by the Commission;
- insists that the management committee should only have advisory powers;

- expects the proposal to be amended to reflect the view of the Parliament; and expects Council to honour its commitments made in the Joint Declaration of 30 June 1982 and establish the necessary legal base by the end of May 1983;
  
- stresses the urgency of reaching such a decision and the importance which Parliament attaches to the rapid and complete utilization of the funds accorded to this programme.

