

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

514th meeting of the Council

- Development Co-operation -

Luxembourg, 25 April 1978

President: Mrs Lise ØSTERGAARD,  
Minister without Portfolio  
of the Kingdom of Denmark

522/78 (Presse 52)





25.IV.78

Luxembourg:

Mr Jean HAMILIUS

Minister of State,  
Ministry of Foreign Affairs

Netherlands:

Mr J. de KONING

Minister for Development  
Co-operation

United Kingdom:

Mrs Judith HART

Minister for Overseas  
Development

Commission:

Mr Claude CHEYSSON

Member

o

o

o

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

- Draft basic framework regulation

At its last meeting, held in November 1977, the Development Co-operation Council agreed on the principle of the preparation of a basic framework regulation for the implementation of financial and technical aid to non-associated developing countries.

At this meeting the Council finalized the content of this Regulation, the purpose of which is to define the measures to be taken, the objectives to be achieved and the detailed arrangements for the administration of the aid. It will be recalled that the amount of the aid is fixed every year when the Community budget is adopted.

It will be seen, in particular, that this aid will as a general rule be made available to the poorest developing countries; in applying this principle, the Community will seek a reasonable geographical balance amongst the world's major developing regions.

The aid will be intended essentially to contribute to an improvement in the living conditions of the most needy sections of the population. Rural development and the improvement of food production assume special importance; participation in regional projects may be considered; there is provision for a reserve to cover exceptional situations (disasters).

The Council's conclusions took the form of joint positions which will be communicated to the European Parliament in the framework of the conciliation procedure between that Institution and the Council which applies to this Regulation and which may be opened when the Council diverges from the Parliament's Opinion. This is the case specifically as regards the detailed rules for administering the aid in respect of which the Council did not support the European Parliament's Opinion and the original proposal of the Commission, which upheld its proposal.

- General guidelines for the 1978 programme

On the basis of suggestions from the Commission, the Council evolved the general guidelines for the implementation of the 1978 financial and technical aid programme for non-associated developing countries. An amount of 70 million UA is entered in the budget for this programme. On the basis of these guidelines the Commission may begin to examine the projects to be financed.

CO-ORDINATION AND HARMONIZATION OF DEVELOPMENT CO-OPERATION  
POLICIES

As part of the co-ordination and harmonization of the co-operation policies of the Community and the Member States, the Council held a broad exchange of views focussing on the volume and geographical pattern of official development aid.





FOOD AID

The FLOOD II operation to help India

In the field of food aid the Council agreed in principle to the Community's contributing to the implementation of the FLOOD II operation in India.

This is an enormous multi-annual rural development project intended to improve the living conditions of 10 million milk-producing families by creating an efficient dairy industry together with the necessary infrastructure. The distribution network to be set up involves more than 100 large towns with a total population of 150 million people.

FLOOD II will be carried out not only with the assistance of the Indian government but also on the basis of a financial contribution from the World Bank - whose formal decision is expected in June - and a large Community food aid contribution consisting of 31,000 tonnes of skimmed-milk powder and 12,700 tonnes of butteroil. The effect of the Community's contribution in kind will be accentuated by the creation of counterpart funds in local currency obtained from the sale of the products in question for use as an additional source of finance.

As regards 1978, the Community has already agreed on the supply of 6,000 tonnes of skimmed-milk powder and 3,500 tonnes of butteroil as a first instalment. The formal adoption of the Regulations necessary for the supply of the additional quantities for this year

(25,000 tonnes of skimmed-milk powder and 9,200 tonnes of butteroil) will take place once the World Bank has itself taken a positive decision on the operation.

As regards future years, the Council stressed the desirability of ensuring that the whole operation had the continuity necessary for the attainment of the relevant objectives. With this in mind, it agreed to give favourable consideration to the annual renewal of the Community's contribution to the operation throughout its duration, on the basis of food aid possibilities existing at the time. However, the continuation of participation by the Community beyond three years might depend on continued participation by the World Bank in the second phase of the operation.

The importance of the Community's food aid contribution to the execution of this project lies not only in the substantial amounts made available to India, but also, and perhaps above all, in its novelty. In the context of Operation FLOOD II, food aid no longer represents solely a way of helping the developing countries to cope with their immediate food requirements, but also of directly promoting rural development in the longer term. It is as such a complete development co-operation instrument.

1978 implementation plan - milk powder and butteroil

The Council agreed on the skimmed milk powder and butteroil food aid programmes for 1978.

The total volume of milk powder to be granted as aid will be 125,000 tonnes plus a quantity of 25,000 tonnes allocated to India as part of the FLOOD II operation, in addition to the 6,000 tonnes already allocated. This total volume accords with the guideline adopted by the Council on 7 February 1978. The implementation plan for the milk powder aid programme is set out in the Annex.

The total volume of butteroil to be granted as aid will be 35,800 tonnes plus a quantity of 9,200 tonnes allocated to India as part of the FLOOD II operation, in addition to the 3,500 tonnes already allocated; the implementation plan for this is also set out in the Annex.

At the same time the Council decided to allocate 9,600 tonnes of skimmed **milk powder to the Socialist Republic of** Vietnam and 3,000 tonnes to the Republic of Sri Lanka from the 1977 reserve of 12,600 tonnes, and to allocate the 1977 reserve of 1,960 tonnes of butteroil to the Arab Republic of Egypt.



SKIMMED-MILK POWDER FOOD AID PROGRAMME FOR 1978

Recipients	Quantity (tonnes)	Delivery arrangements
Afghanistan	330	EMB
Antigua	600	EMB
Bangladesh	9,000	DEB
Burundi	90	RD
C.A.E.	170	RD
Cape Verde	325	DEB
Chad	475	RD
Comoros	1,000	DEB
Congo	50	EMB
Egypt	5,000	EMB
El Salvador	700	EMB
Ethiopia	3,000	DEB
Ghana	3,500	EMB
Guinea-Bissau	610	DEB
Guinea-Conakry	250	DEB
Guyana	500	EMB
Honduras	3,075	DEB
India	6,000 <sup>(1)</sup>	DEB
Indonesia	2,000	EMB
Jamaica	1,000	EMB
Jordan	1,500	EMB
Laos	450	RD
Lebanon	350	DEB
Mauritania	800	DEB
Mauritius	1,275	EMB
Pakistan	500	EMB

<sup>(1)</sup> As regards India, allocation of 6,000 tonnes constitutes an initial delivery under the FLOOD II operation.

Peru	1,500	EMB
Rwanda	500	RD
Sao Tome and Principe	150	DEB
Senegal	1,860	DEB
Seychelles	335	EMB
Sierra Leone	1,100	DEB
Sudan	2,325	EMB
Sri Lanka	1,375	DEB
Tanzania	2,000	EMB
Upper Volta	2,000	RD
Uruguay	250	EMB
Vietnam	416	DEB
Yemen PDR	3,000	EMB
Zambia	1,500	EMB

Agencies

Caritas	500	RD
CRS	3,800	
ICRC	2,500	RD
League of Red Cross Societies	1,000	RD
UNICEF	10,600	RD
UNRWA	700	RD
WFP	20,000	RD (1)
NGO Reserve	20,000	RD (1)
Reserve	5,039 (2)	

---

Total 125,000  
+ 25,000 tonnes allocated to India within the framework of FLOOD II in addition to 6,000 tonnes already allocated.

---

- (1) Delivery to port of shipment plus flat-rate contribution towards transport and distribution costs.  
(2) Emergency schemes may include financing to cover the cost of transport between the port of shipment and the place of destination and the cost of distribution where aid is channelled via a specialized agency. Such financing may be wholly or partly in the form of a flat-rate contribution.

BUTTEROIL FOOD AID PROGRAMME FOR 1978

<u>Beneficiaries</u>	<u>Quantity</u> (in tonnes)	<u>Delivery</u> <u>arrangements</u>
<b>I. COUNTRIES</b>		
Bangladesh	3,000	DEB
Burundi	50	RD
Cape Verde	200	DEB
Chad	100	RD
Congo	50	EMB
Egypt	800	EMB
Ethiopia	1,500	DEB
Ghana	200	EMB
Guinea-Bissau	175	DEB
Guinea-Conakry	185	DEB
Guyana	100	EMB
Honduras	200	EMB
Honduras	315	DEB
India	3,500 <sup>(1)</sup>	DEB
Jamaica	250	EMB
Jordan	1,125	EMB
Lebanon	650	DEB
Lesotho	60	RD
Mali	50	RD
Mauritius	100	EMB
Mauritania	900	DEB
Mozambique	100	DEB
Pakistan	2,000	EMB

<sup>(1)</sup> India would be allocated up to 3,500 tonnes as a first delivery under the FLOOD II Operation.

Sao Tomé and Príncipe	200	DEB
Sierra Leone	200	DEB
Sri Lanka	200	DEB
Upper Volta	750	RD
Vietnam	4,000	DEB
Yemen (PDR)	550	EMB
Zaire	150	DEB

## II. ORGANIZATIONS

ICRC	200	RD
UNICEF	2,000	RD
UNRWA	3,200	RD
CRS	2,000	RD
CARITAS	100	RD
WFP	5,000	RD
LRCS	200	RD

III. Reserve (1) 1,440 (1)

IV. Total 35,800  
+ 9,200 tonnes allocated to  
India within the frame-  
work of FLOOD II in  
addition to 3,500 tonnes  
already allocated.

---

(1) 1,000 tonnes from unused 1977 special reserves should be added to this, bringing the total reserve available in 1978 to 2,440 tonnes.



003280

\*\*\*

NOTE BIO (78) 153 AUX BUREAUX NATIONAUX  
C.C. AUX MEMBRES DU GROUPE, A M. LE DIRECTEUR GENERAL DG I ET  
A M. OPITZ DG VIII

\*\*\*

CONSEIL DEVELOPPEMENT DU MARDI, 25 AVRIL 1978 (H. FERRATON)

-----

1. AIDE ALIMENTAIRE

-----

LE CONSEIL ADOPTERA EN POINT A :

- LE PROGRAMME D'AIDE ALIMENTAIRE 1978 EN PRODUITS LAITIERS
- (150.000 TONNES DE POUDRE DE LAIT, 45.000 TONNES DE BUTTEROIL)
- LA DECISION DE LA COMMUNAUTE DE CONTRIBUER A L'OPERATION
- FLOOD II EN FAVEUR DE L'INDE (IP(77)242) DU 7 NOVEMBRE 1977.
- JE RAPPELLE L'IMPORTANCE QU'ACCORDE LA COMMISSION A CE
- SUJET QUI ILLUSTRE LA POSSIBILITE D'INTEGRER UNE ACTION D'AIDE
- ALIMENTAIRE A UNE OPERATION DE DEVELOPPEMENT RURAL, ET LA
- NECESSITE POUR CE FAIRE D'ENGAGEMENTS PLURIANNUELS.

2. AIDE AUX PAYS EN VOIE DE DEVELOPPEMENT NON ASSOCIES

-----

LE CONSEIL DEVRAIT EN PREMIER LIEU SE PRONONER SUR LE PROJET DE  
REGLEMENT QUI DOIT A L'AVENIR DONNER UN CADRE JURIDIQUE PLUS PRE-  
CIS A LA POLITIQUE COMMUNAUTAIRE DE COOPERATION AVEC LES PVD NON  
ASSOCIES. LA COMMISSION SOUHAITE QUE LE CONSEIL PUISSE ENFIN DE-  
GAGER UNE VUE COMMUNE SUR CE POINT AFIN QUE APRES CONCERTATION  
AVEC LE PARLEMENT LE REGLEMENT PUISSE ETRE DEFINITIVEMENT ADOPTE

LES MINISTRES SE PRONONCERONT ENSUITE SUR LES ORIENTATIONS PRO-  
POSEES PAR LA COMMISSION EN CE QUI CONCERNE LE PRO-  
GRAMME D'AIDE 1978, PROGRAMME POUR LEQUEL LA COMMUNAUTE DISPOSE  
DE 70 MILLIONS D'UC (CONTRE 45 EN 1977). LA COMMISSION NE  
S'ATTEND PAS A DES DIFFICULTES MAJEURES SUR CE SUJET. L'ESSENTIEL  
DE LA DISCUSSION PORTERA COMME A L'ACCOUTUMEE SUR LES REPARTITIONS  
GEOGRAPHIQUES DE CETTE AIDE ET CECI PLUS PARTICULIEREMENT QUANT  
A L'IMPORTANCE RESPECTIVE DES AIDES AFFECTEES A L'ASIE ET A  
L'AMERIQUE LATINE. PAR AILLEURS ON NOTERA QUE POUR LA PREMIERE  
FOIS DES ACTIONS POURRAIENT ETRE ENVISAGEES AU BENEFICE DE PAYS  
D'AFRIQUE NON ASSOCIES (MOZAMBIQUE).

////

NNNN

H.FERRATON GPP

B 1/14 2306 21/4/78

X

X

M. SANTARELLI



ANN  
COMEUR BRU  
20.48 / OBR  
WASHINGTON / 18  
NEW YORK / 8

- RETRANSMISSION / OBR -

20.10  
21877A COMEU B  
3446 COMEUR LU

1	TR.	I.S.	FIN.	AGR.	ENE.	R.D.	ADM.	S.A.												
			CPB	HPL																

TELEX NO. 2732

PRIERE DE FAIRE DIFFUSION HABITUELLE A PARTIR DE BRUXELLES

M. PERLOT  
-----

COPIE : MM. COLLOWALD, PRYCE, HUGHUES, DENMAN, OPITZ  
-----

NOTE BIO (78) 153 (SUITE 1 ET FIN) AUX BUREAUX NATIONAUX  
C.C.AUX MEMBRES DU GROUPE, M.LE DIRECTEUR GENERAL DG I ET A  
M.OPITZ DG VIII  
-----

CONSEIL DEVELOPPEMENT  
-----

1. OPERATION " F L O O D "   
-----

LE CONSEIL A APPROUVE COMME PREVU LE PROGRAMME D'AIDE ALIMENTAIRE EN PRODUITS LAITIERS POUR 1978 AINSI QUE LA PARTICIPATION DE LA COMMUNAUTE AU PROJET INDIEN "FLOOD II". PRIERE DONNER PUBLICITE A CE PROJET, CONSIDERE PAR COMMISSION COMME UN PROJET PILOTE SUSCEPTIBLE SERVIR D'EXEMPLE A AUTRES PAYS (VOIR IP (77) 242).

2. AIDE AUX PVD NON ASSOCIES   
-----

DEPUIS LE SOMMET D'OCTOBRE 1972 LA COMMUNAUTE S'ETAIT ENGAGEE A METTRE EN OEUVRE - A COTE DE LA POLITIQUE "D'ASSOCIATION" - UN POLITIQUE MONDIALE D'AIDE AU DEVELOPPEMENT. DEPUIS LORS LE CONSEIL A CONSACRE DE NOMBREUX DEBATS A L'AIDE AUX PVD NON ASSOCIES, CERTAINS ETATS MEMBRES INSISTANT POUR QUE SOIT MIS EN OEUVRE UN PROGRAMME AMBITIEUX VISANT A "EQUILIBRER" LA POLITIQUE D'ASSOCIATION, D'AUTRE AU CONTRAIRE FREINANT UNE EVOLUTION LEUR PARAISSANT METTRE EN PERIL LA PRIORITE ET L'ORIGINALITE D'UNE APPROCHE "REGIONALE" LIMITEE, MAIS PLUS A LA PORTEE DE L'EUROPE ET PERMETTANT DES FORMULES DE COOPERATION PLUS PUSSEE. CES DIVERGENCES EXPLIQUENT LA DIFFICULTE DE DEFINIR JURIDIQUEMENT LE CADRE DE CETTE "NOUVELLE" POLITIQUE

DE LA COMMUNAUTE, DONT LE DEMARRAGE S'EST PRODUIT EN 1976, LE PARLEMENT EUROPEEN AYANT VOTE LES CREDITS D'UN PREMIER PROGRAMME (20 MUC) SUR PROPOSITION DE LA COMMISSION, MAIS SANS L'ACCORD DU CONSEIL. EN 1977, UN PROGRAMME DE 45 MUC ETAIT ADOPTE, PORTE A 70 MUC POUR 1978.

21877A

LES MINISTRES AUJOURD'HUI ONT FINALEMENT PU S'ACCORDER SUR UN PROJET DE REGLEMENT EN LA MATIERE , REGLEMENT QUI NE POURRA TOUTEFOIS ETRE DEFINITIVEMENT ADOPTE QU'APRES CONCERTATION AVEC LE PARLEMENT EUROPEEN. CETTE DECISION PEUT ETRE CONSIDEREE COMME MARQUANT UN POINT DE NON RETOUR DE LA POLITIQUE COMMUNAUTAIRE B'AIDE AUX PVD NON ASSOCIES ENCORE QU'IL FAILLE S'ATTENDRE A CE QUE L'IMPORTANCE DES CREDITS A LUI AFFECTER SOIT L'OCCASION CHAQUE ANNEE D'APPRECIATIONS DIVERGENTES.

LES MINISTRES ONT PAR AILLEURS APPROUVE LES ORIENTATIONS PROPOSEES

-----  
PAR LA COMMISSION POUR LA MISE EN OEUVRE DU PROGRAMME 1978. COMME LES ANNEES PRECEDENTES PRIORITE EST DONNEE AUX PAYS LES PLUS PAUVRES ET AUX PROJETS DE DEVELOPPEMENT RURAL. POUR LA PREMIERE FOIS, A COTE DE L'ASIE (74 0/0 DES CREDITS ACCORDES) ET DE L'AMERIQUE LATINE (21 0/0 ) FIGURE L'AFRIQUE 'NON ASSOCIEE' ( ~~XXX~~ 5 0/9 ). EN OUTRE UNE RESERVE EST CONSTITUEE AFIN DE FAIRE FACE A DES SITUATIONS EXCEPTIONNELLES (CATASTROPHES ....).

### 3. COORDINATION ET HARMONISATION DES POLITIQUES AGRICOLES

-----

APRES UNE DISCUSSION INFORMELLE CONSACREE AUX ORIENTATIONS PROPOSEES PAR LA COMMISSION POUR LE RENOUELEMENT DE LA CONVENTION DE LOME , LES MINISTRES ONT PROCEDÉ A UN RAPIDE ECHANGE DE VUE SUR LE VOLUME DE L'AIDE PUBLIQUE AU DEVELOPPEMENT, SA REPARTITION GEOGRAPHIQUE, LA LIAISON ENTRE POLITIQUE DU DEVELOPPEMENT ET POLITIQUES INTERNES DE LA COMMUNAUTE.

DEBAT ASSEZ DECEVANT ET APPORTANT PEU D'ELEMENTS NOUVEAUX. LA PLUPART DES DELEGATIONS SE LIMITANT A DES INTERVENTIONS PONCTUELLES, REPRENANT DES POSITIONS CONNUES : POUR LES UNS, NECESSITE DE RENFORCER L'AIDE AUX PVD NON ASSOCIES, POUR D'AUTRES PRIORITE ABSOLUE A L'HARMONISATION DES EFFORTS D'AIDE DES ETATS MEMBRES ETC.

M. CHEYSSON A RAPPELE A CE SUJET :

1. QUE LA COMMISSION AVAIT PROPOSE ELLE-MEME DES 1975 UNE PROGRAMMATION DE L'AIDE AUX PVD NON ASSOCIES COMPORTANT DES CREDITS SENSIBLEMENT SUPERIEURS A DEUX RETENUS JUSQU'A PRESENT (PAR EXEMPLE : 170 MUC POUR 1979 ET 200 MUC POUR 1980), MAIS QU'ELLE NE PENSAIT PAS QUE L'ON PUISSE VISER UN EQUILIBRE PUREMENT COMPTABLE ENTRE L'AIDE AUX PVD ASSOCIES ET NON ASSOCIES. ON PEUT NOTER D'AILLEURS QUE D'ORES ET DEJA 68 0/0 DE L'AIDE COMMUNAUTAIRE EST DESTINEE AUX PAYS LES PLUS PAUVRES (PNB PAR TETE INFERIEUR A 200 DOLLARS PAR AN ) :

2. S'AGISSANT D'UNE CONTRIBUTION DES PVD A LA RELANCE DE L'ECONOMIE MONDIALE, LES EFFETS D'UNE AUGMENTATION DE L'AIDE PUBLIQUE COMMUNAUTAIRE NE PEUVENT ATTEINDRE UN SEUIL DETERMINANT : LE DEFICIT DES PVD NON PETROLIERS RISQUE D'ATTEINDRE PROCHAINEMENT 35 A 40 MILLIARDS DE DOLLARS PAR AN. ET ON ESTIME QU'IL FAUT 1 MILLIARD DE DOLLARS D'INVESTISSEMENT DANS LE TIERS MONDE POUR ENTRAINER UNE AUGMENTATION DE 0,1 0/0 DU PNB DES PAYS INDUSTRIALISES. C'EST DONC EN DIZAINES DE MILLIARDS QU'IL FAUT COMPTER CE QUI SIGNIFIE NON SEULEMENT PLUS D'AIDE PUBLIQUE, MAIS PLUS D'INVESTISSEMENTS PRIVES UTILISATION DES FACILITES DE LA BANQUE MONDIALE, RECYCLAGE DES PETRODOLLARS ETC.

TOUS CES THEMES SE RETROUVERONT AU PROCHAIN CONSEIL DEVELOPPEMENT EN AUTOMNE. LES DIVERSES IMPLICATIONS DE L'INTERDEPENDANCE TIERS MONDE - PAYS INDUSTRIALISES FONT L'OBJET, SUR LE PLAN NATIONAL, D'UNE ATTENTION CROISSANTE ET DE NOMBREUSES ETUDES : ON PEUT SE

DEMANDER TOUTEFOIS DANS QUELLE MESURE CE DEBAT PEUT ETRE TRANSPOSE  
DE FACON EFFICACE AUNIVEAU DES INSTANCES COMMUNAUTAIRES DANS LEUR  
FORMATION TRADITIONNELLE.

FIN

AMITIES,

H. F E R R A T O N

CORRIGENDUM A LA N O T E B I O (78) 151 (SUITE 1 ) CONSEIL PECHE)  
-----

LIRE 4EME PARAGRAPHE, LIGNE 14 : '' LA YOUGOSLAVIE N'A TOUJOURS  
PAS REAGI AUX DEMARCHES INSISTANTES DE LA PART DE LA COMMUNAUTE  
VISANT .....''

KLAUS V A N D E R P A S

25.4.78

8.29 H

21877A COMEU B

3446 COMEUR LU

COMEUR BRU

NNNN

