

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

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669th Council meeting
- Development Co-operation -
Brussels, 18 November 1980
President: Mr Paul HELMINGER
State Secretary
Ministry of Foreign Affairs, Foreign Trade
and Co-operation of the Grand Duchy of Luxembourg

18.XI.80

Luxembourg:

Mr Paul HELMINGER

State Secretary,
Ministry of Foreign Affairs

Netherlands:

Mr J. de KONING

Minister for Development
Co-operation

United Kingdom:

Mr Neil MARTEN

Minister of State,
Foreign and Commonwealth Office

Commission:

Mr Claude CHEYSSON

Member

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NORTH-SOUTH DIALOGUE

On the basis of an introductory statement by Mr CHEYSSON, Member of the Commission, the Council held a general exchange of views on the progress of the North-South Dialogue with particular reference to the negotiations currently taking place in New York in the context of the **XXXVth General Assembly** regarding the launching of a new round of global negotiations.

FOLLOW-UP TO THE DEBATE BY THE EUROPEAN PARLIAMENT ON HUNGER IN THE
WORLD

In the light of the Resolution on hunger in the world adopted by the European Parliament on 18 September 1980, the Council applauded the proceedings of the Parliament and held an extensive discussion on the basis of a Commission communication, at the close of which it adopted the Resolution attached as Annex I below.

In this connection, the Council also discussed the specific issue of food aid, after which it also adopted a Resolution (Annex II) enabling the Community to make multiannual commitments for the benefit of recipient countries and to use a proportion of the food aid to create security stocks in one or more recipient countries.

The Council concluded its proceedings by agreeing to continue its examination of the problem of hunger in the world at its forthcoming meetings, in particular on the basis of the Commission's studies and proposals.

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

Financing programme envisaged for the 1980 budget year

The Council noted that there were no technical objections to the financing programme for 1980 proposed by the Commission in the context of the general guidelines approved by the Council in October 1979. However, some delegations withheld their formal assent to the programme pending approval of the framework Regulation on financial and technical aid to the non-associated developing countries, which is at present under discussion by the General Affairs Council.

The 1980 programme totals 138 MEUA, shared between 36 items (projects and programmes) involving 15 countries and 9 agencies.

The main priority sectors are irrigation (30.2 MEUA), agricultural production (27.1 MEUA), marketing infrastructures (14 MEUA) and animal production (11.7 MEUA). Co-financing, in particular that with the Member States, is growing steadily. Special attention was paid to regional projects.

General guidelines for the 1981 programme

Subject to the same qualifications as above, the Council reached a consensus on the technical aspects of the general guidelines to be followed by the Commission when drawing up the 1981 financing programme.

These guidelines for the most part broadly match the criteria used when drawing up previous programmes: priority is given to the poorest non-associated developing countries and to the most deprived groups in those countries, as well as to the rural sector in the broadest sense; aid must basically be aimed at improving the living conditions of the poorest groups in society in the recipient countries and in particular at improving food supplies.

The Council has also made provision for a certain amount of aid to sectors other than the rural sector (particularly in favour of regional projects) and the possibility of opening the way to certain energy projects.

ENCOURAGEMENT OF EUROPEAN INVESTMENT IN THE DEVELOPING COUNTRIES

The Council held an exchange of views on the encouragement and protection of European investment in the developing countries, at the end of which it approved the guidelines given in Annex III for the approach on investments to be followed by the Community during negotiations with developing countries or groups of such countries.

RELATIONSHIP BETWEEN THE COMMUNITY'S DEVELOPMENT CO-OPERATION POLICY AND ITS OTHER POLICIES

The Council held a general exchange of views on this matter, and concluded by instructing the Permanent Representatives Committee to continue to consider the matter in the light of the day's discussions.

COUNCIL RESOLUTION:

Follow-up to the debate by the European Parliament
on hunger in the world

In the light of the Resolution of the European Parliament, whose proceedings it applauded, the Council held an extensive discussion, on the basis of the Commission communication, on the problem of hunger in the world, at the end of which it adopted the following Resolution:

1. The Council, noting that world hunger constitutes one of the fundamental problems facing mankind and accordingly requires special efforts to deal with it, subscribes to the approach that the problem should be tackled and solutions to it sought under its various aspects (relations between developing and industrialized countries, development of agricultural and rural production in the developing countries, food aid, consistency between Community agricultural and commercial policy on the one hand and development co-operation policy on the other) in view of their interdependence.

2. The Council confirms the prominence which the Community intends to give to the theme of food and agriculture at the global negotiations once they begin; once the negotiations have been opened the Community will put forward proposals on the various agenda items to be approved for the subject, thereby endeavouring to live up to the expectations generated by its initiative regarding this agenda.

3. The Council is pleased to note that, according to current programming prospects, a substantial share of the financial and technical aid resources provided for in the Lomé Convention is earmarked for agricultural and rural development projects and hopes in this connection that projects for improving the food situation will be given a prominent place. It also confirms that the financial and technical aid for non-associated developing countries should go as a matter of priority to agricultural and rural development projects and in particular to improving the food situation. It expresses the wish that this form of aid may contribute still further to the campaign against hunger in the world, particularly in the case of the most deprived countries.
4. The Council emphasizes the fundamental role, acknowledged by the international community, of the efforts which must be made by the developing countries to incorporate agricultural and rural development activities in suitable national food strategies affording greater food security, especially for the most deprived populations. The Council therefore supports any action which can be undertaken within the resources available to assist those countries which so desire to define and implement such strategies.

The Council stresses in this connection the importance of closer integration of the agricultural sector in national development plans and of measures aimed in particular at:

- better adaptation of land ownership structures;
- introduction of a policy guaranteeing profitable prices at producer level;
- creation of appropriate rural credit schemes;

- the improvement of marketing and distribution conditions to facilitate the access of all classes of the population to the available food;
- the development of advisory capacity and structures;
- greater participation by the populations concerned in the formulation and implementation of activities in this area.

5. The Council stressed the importance of developing research capacity geared in particular to food agriculture in the developing countries and of ensuring complementarity between the activities of research centres in the Community and the efforts undertaken in this area by developing countries.

6. The Council hopes that satisfactory solutions will soon emerge from the work now in progress in the relevant international bodies on financial assistance to agricultural development in developing countries and on formulas to finance the imports of countries faced with insurmountable food difficulties caused by the increase in the cost of importing food.

7. The Council endorses the view that food aid ought to be:

- better administered to increase its effectiveness;
- seen as a development assistance instrument, especially in the agricultural and rural sectors, allowing activities in this area to be better combined with the development programmes or projects of these countries;
- better adapted to the nutritional needs of developing countries.

With this in mind the Council:

- adopted a Resolution on the use of Community food aid to attain food security objectives in the developing countries, which deals in particular with the multiannual programming of food aid and the creation of strategic stocks in one or more beneficiary countries;
- stressed that it considers it essential that efforts be continued for the adoption without delay of the framework Regulation to govern this entire area, including the possibility of the Community supplying food aid in products other than those provided at present.

6. The Council confirms the importance it attaches to increasing world food security. It emphasizes that the two components of the International Wheat Agreement (Wheat Trade Convention and Food Aid Convention) are equally essential to achieve this objective. It accordingly confirms that the Community is ready to use its best endeavours to enable the negotiations for the new Wheat Trade Convention to be resumed as soon as possible and to be concluded in such a way that the advantage of participation in the Convention by the developing countries is taken into account. It points out that a positive outcome on this matter would make it easier to extend the new Food Aid Convention beyond 30 June 1981.

9. The Council confirms its concern to seek the greatest consistency between the Community's internal and external policies and its development aid policy. It notes that the Commission plans to conduct a survey of the relationships between Community development aid policy, agricultural policy and trade in agricultural products.

 10. The Council intends to continue its efforts to make a greater contribution to the fight against hunger in the world with the intention in particular of deploying with the utmost effectiveness the financial resources available to the Community.

 11. The Council is resolved to continue examining the problem of hunger in the world at its forthcoming meetings, notably in the light of the studies and proposals by the Commission.
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**COUNCIL RESOLUTION ON THE USE OF COMMUNITY
FOOD AID TO ATTAIN FOOD SECURITY OBJECTIVES IN
THE DEVELOPING COUNTRIES**

The Council,

Whereas Community food aid must contribute to the economic and social development of recipient countries, while at the same time raising their nutritional standards;

Whereas development operations financed through food aid must be properly planned, which requires guaranteed financial continuity;

Whereas such operations must be able to form a significant contribution to projects financed by the Community, its Member States or international organizations, as the case may be, with the aim of furthering world food security;

Whereas in the fight against hunger in the world certain developing countries are now establishing food strategies with the aid of bilateral donors, including Community Member States, or international organizations;

Whereas the Community should, where appropriate, support the developing countries' endeavours, in particular when they have proposed suitable food strategy plans;

Whereas certain developing countries have asked for food aid so that food security stocks may be constituted; whereas the creation of such stocks in the developing countries, where appropriate also on a regional basis, could be an effective instrument of food security; whereas the Community could help establish such an instrument by providing that food aid may be used for this purpose;

Whereas the multiannual aid programming and the constitution of security stocks in the recipient countries are only two aspects of the work in progress to improve food aid policy and management; whereas it is therefore essential that efforts be continued with a view to the adoption without delay of the framework Regulation intended to govern this entire matter,

Has agreed as follows:

1. Food aid programmes may include, as well as annual allocations, amounts that are covered by multi-annual commitments to recipient countries, on the understanding that such quantities are in no way additional and must not represent more than a reasonable proportion of the aid;

Where budgetary resources permit, these multi-annual commitments may be approved for countries which:

- have a suitable food strategy which receives aid from bilateral donors, including Community Member States or international organizations and has, for example, the combating of post-harvest losses as one of its objectives;

- and/or undertake to use food aid and the counterpart funds obtained through food aid as a parallel contribution to those from Community funds (under the EDP or Article 930 of the general budget of the European Communities: aid to non-associated developing countries) or funds allocated under the budget of a Member State for the implementation of specific development projects or operations;
- and/or undertake a food security programme in conjunction with international organizations.

2. Although food aid is predominantly intended to meet the urgent food requirements of the developing countries, a small proportion of Community food aid in the form of cereals may be supplied on a case-by-case basis to one or more developing countries, where appropriate also on a regional basis, to build up security stocks for emergency situations. Use of food aid for this purpose will be subject to the following conditions:

- (a) the creation of stocks must be part of a well-defined socially useful and economically sound food security programme;
 - (b) while other approaches will not be ruled out, particular attention will be given to supplies intended to form the basis of a stockbuilding system set up with Community funds.
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INVESTMENTGuidelines approved by the Council

1. The search for a common approach with regard to the encouragement of European investment in the developing countries should be seen as a means of complementing and reinforcing national measures and not as a substitute for them. National spheres of competence thus remain intact.

Whatever solution might be adopted should be so designed as not to conflict with existing national agreements or the practical possibility of Member States subsequently concluding international agreements in this area.

2. In view of the principles set forth in paragraph 1, the Community should raise in principle the subject of investment in the negotiations with developing countries or groups thereof with the aim of having a clause included in the agreements to be concluded with those countries.
3. Although the content and final wording of the clause in each specific case may vary depending on the outcome of the negotiations it would be advisable to ensure that the Community's negotiating position:
 - seeks to include a provision setting out the objective and, if necessary, the means of co-operation with regard to investments, with the specific measures for achieving the objective being left to the implementation of the agreements;
 - lays down a provision aimed at improving the climate for investment and including, inter alia, a reference to the general aim of non-discrimination.

4. The Council instructs the Permanent Representatives Committee to analyse the content and implementation of the abovementioned general objective of non-discrimination and to consider, on the basis of the Commission proposals and in whatever way it sees fit, the procedures for implementing the provisions on investment protection in the agreements negotiated by the Community.
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MISCELLANEOUS DECISIONS

The Council took note of the 5th annual report from the Commission on the European Regional Development Fund (1979) and of the comments made by the delegations and by the Commission representative on this matter.

The Council adopted, in the official languages of the Communities, the Regulation on the tariff treatment of certain products intended for use in the construction, maintenance and repair of aircraft.

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NOTE BIO (80) 467 AUX BUREAUX NATIONAUX
C.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

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CONSEIL DEVELOPPEMENT (H.FERRATON)

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LA REUNION ANNUELLE DU CONSEIL DEVELOPPEMENT SERA MARQUEE PLUS PARTICULIEREMENT PAR LES SUITES DU DEBAT DU PARLEMENT EUROPEEN SUR LA FAIM DANS LE MONDE. LE CONSEIL ADOPTERA A CE SUJET UNE RESOLUTION DEVANT INSPIRER L'ACTION FUTURE DE LA COMMUNAUTE, QU'IL S'AGISSE DE SON ACTION AUTONOME OU DE SES INITIATIVES SUR LE PLAN INTERNATIONAL (NEGOCIATIONS GLOBALES NORD-SUD - NOUVEL ACCORD SUR LE BLE - FINANCEMENT DES IMPORTATIONS ALIMENTAIRES DES PVD ETC.). EN OUTRE LES MINISTRES ADOPTERONT UNE RESOLUTION PLUS SPECIFIQUE CONCERNANT L'AIDE ALIMENTAIRE COMMUNAUTAIRE ET SON UTILISATION : PAR CE TEXTE LES MINISTRES DEVRAIENT ACCEPTER DANS LEUR PRINCIPE UN CERTAIN NOMBRE DE PROPOSITIONS AVANCEES DE LONGUE DATE PAR LA COMMISSION. CECI CONCERNE EN PARTICULIER LA POSSIBILITE POUR LA COMMUNAUTE DE PRENDRE DES ENGAGEMENTS PLURIANNUELS D'AIDE ALIMENTAIRE ET DE PARTICIPER A LA CONSTITUTION DE STOCKS DE SECURITE DANS LES PVD, AINSI QUE LA DIVERSIFICATION DES PRODUITS ALIMENTAIRES FOURNIS.

LE CONSEIL DEVRAIT EGALEMENT APPROUVER LE PROGRAMME 1980 D'AIDE AU PAYS NON ASSOCIES, PROGRAMME ESSENTIELLEMENT CONSACRE ■■ A DES PROJETS DE DEVELOPPEMENT RURAL EN FAVEUR DES PAYS OU DES POPULATIONS LES PLUS PAUVRES D'ASIE ET D'AMERIQUE LATINE. CE PROGRAMME QUI PORTE SUR UN TOTAL DE 138,5 MILLIONS D'UNITES DE COMPTE REGROUPE 36 ACTIONS OU PROJETS REPARTIS ENTRE 15 PAYS DIFFERENTS ET 9 ORGANISATIONS REGIONALES INTERNATIONALES (DETAIL SUIVRA PAR NOTE P). JE VOUS RAPPELLE QUE LA COMMISSION AVAIT PROPOSE POUR LE PROGRAMME 1981 UNE ENVELOPPE DE 200 MILLIONS D'UNITES DE COMPTE, CREDIT QUE LE CONSEIL BUDGET AVAIT RAMENE EN PREMIERE LECTURE A 100 MILLIONS D'UNITES DE COMPTE!

APRES DES DISCUSSIONS QUI ONT DURE DEPUIS PLUS DE DEUX ANS LE CONSEIL PARVIENDRA SANS DOUTE A UN ACCORD SUR 'UNE APPROCHE COMMUNE EN MATIERE D'ENCOURAGEMENT DES INVESTISSEMENTS EUROPEENS DANS LES PVD'.

ENFIN UNE DISCUSSION GENERALE SERA CONSACREE A L'ETAT DU DIALOGUE NORD-SUD. A SUIVRE

AMITIES,
M. SANTARELLI COMEUR
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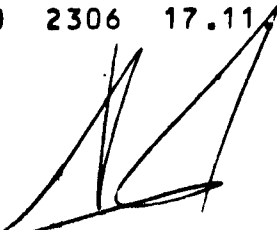
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NOTE BIO (80) 467 (SUITE 1 ET FIN) AUX BUREAUX NATIONAUX
C.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

CONSEIL DEVELOPPEMENT (H.FERRATON)

1. NORD-SUD

L'ETAT DU DIALOGUE NORD-SUD A FAIT L'OBJET D'UN ECHANGE DE VUE GENERAL. M. CHEYSSON A NOTE QU' 'APRES UN DEBUT INQUIETANT' LES DISCUSSIONS EN VUE DES FUTURES NEGOCIATIONS GLOBALES CONNAISSAIENT DEPUIS QUELQUES JOURS UN PROGRES SENSIBLE AUSSI BIEN EN CE QUI CONCERNE LA DEFINITION DE L'ORDRE DU JOUR QUE LES PROBLEMES DE PROCEDURE : 'UNE TENTATIVE DE COMPROMIS EST EN COURSD'EBAUCHE'. 'SI LES NEGOCIATIONS GLOBALES N'ETAIENT PAS LANCEES - A-T-IL AJOUTE - LA CRISE DE CONFIANCE SERAIT TELLE QUE TOUTES LES AUTRES POSSIBILITES DE PROGRES, DANS D'AUTRES ENCEINTES, SERAIENT COMPROMISES.'

2. FAIM DANS LE MONDE - AIDE ALIMENTAIRE

LA RESOLUTION ADOPTEE PAR LE CONSEIL SUR LA LUTTE CONTRE LA FAIM DANS LE MONDE CONSTITUE, A DECLARE LE PRESIDENT DU CONSEIL, UNE PREMIERE REACTION AUX INITIATIVES DU PARLEMENT EUROPEEN, ET PERMETTRA 'D'ENGAGER UN DIALOGUE POLITIQUE' ENTRE LES DEUX INSTITUTIONS.

CETTE RESOLUTION CONFIRME L'ORIENTATION QUE SUIVRA LA COMMUNAUTE SUR LE PLAN INTERNATIONAL : DES PROPOSITIONS SERONT FAITES DANS LE CADRE DES NEGOCIATIONS GLOBALES - LA COMMUNAUTE SOUTIENDRA LES EFFORTS ENGAGES DANS DIVERSES ENCEINTES INTERNATIONALES EN CE QUI CONCERNE LE FINANCEMENT DU DEVELOPPEMENT AGRICOLE ET CELUI DES IMPORTATIONS ALIMENTAIRES DES PVD. ELLE EST DISPOSEE A 'DEPLOYER TOUS SES EFFORTS POUR PERMETTRE A LA NEGOCIATION D'UN NOUVEL ACCORD SUR LE BLE DE REPRENDRE DES QUE POSSIBLE' ETC.SUR LE PLAN DE SES ACTIONS AUTONOMES LA COMMUNAUTE CONFIRME L'IMPORTANCE QU'ELLE ACCORDE AUX ACTIONS DE DEVELOPPEMENT RURAL, DANS LE CADRE DE LA CONVENTION DE LOME ET DE L'AIDE AUX PVD NON ASSOCIES (SUR CE DERNIER POINT LE CONSEIL 'EXPRIME LE VOEU QUE CETTE FORME D'AIDE PUISSE CONTRIBUER ENCORE DAVANTAGE A LA LUTTE CONTRE LA FAIM DANS LE MONDE': CE QUI POURRAIT ANNONCER UNE ATTITUDE PLUS COMPREHENSIVE.... SUR LE PLAN BUDGETAIRE).

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S'AGISSANT DE L'AIDE ALIMENTAIRE, LA COMMUNAUTE ACCEPTERA DORENAVANT DE PRENDRE - DANS CERTAINES LIMITES - DES ENGAGEMENTS PLURIANNUELS, ET DE PARTICIPER A LA CONSTITUTION DE STOCKS DE SECURITE DANS LES PVD. DE MEME UN PREJUGE FAVORABLE EST EXPRIME EN CE QUI CONCERNE L'ELARGISSEMENT DE LA GAMME DES PRODUITS FOURNIS, CECI AFIN DE TENIR COMPTE DE LA DIVERSITE DES HABITUDES ALIMENTAIRES ET DES BESOINS.

3. LE CONSEIL N'A PU EN REVANCHE DONNER SON ACCORD FORMEL AU PROGRAMME DE FINANCEMENT 1980 EN FAVEUR DES PVD NON ASSOCIES (LA NOTE DE DOSSIER QUI VOUS EST ENVOYEE PAR AILLEURS NE PEUT DONC ENCORE ETRE DIFFUSEE). AUCUNE OBJECTION SUR LE FONDS, MAIS NECESSITE DE TROUVER AU PREALABLE UNE SOLUTION A UNE QUERELLE DE PROCEDURE TOUCHANT A LA REPARTITION DES COMPETENCES ENTRE LES INSTITUTIONS COMMUNAUTAIRES, PROBLEME QUI EST DE LA COMPETENCE... DU CONSEIL AFFAIRES GENERALES. EN ATTENDANT LE PROGRAMME EST BLOQUE!

4. PROGRES A SOULIGNER EN REVANCHE SUR LA 'PROMOTION ET LA PROTECTION DES INVESTISSEMENTS DANS LES PVD. DES ORIENTATIONS COMMUNES ONT ETE ADOPTEES METTANT UN TERME A UNE VIEILLE QUERELLE ENTRE DELEGATIONS DEFENDANT L'EXCLUSIVITE DE LA COMPETENCE NATIONALE ET CELLES SOUTENANT LE RECOURS A DES INSTRUMENTS COMMUNAUTAIRES : CES DERNIER N'INTERVIENDRONT QU'A TITRE COMPLEMENTAIRE MAIS LE PRINCIPE EST ACCEPTE DE L'INCLUSION DANS LES ACCORDS FUTURS DE CLAUSES CONCERNANT LA PROMOTION ET LA PROTECTION DES INVESTISSEMENTS DE MEME QUE DE DISPOSITIONS ASSURANT LA NON DISCRIMINATION ENTRE ETATS MEMBRES.

EN OUTRE LES TRAVAUX SERONT ENGAGES AFIN D'ASSURER LA MISE EN OEUVRE DES DISPOSITIONS DEJA RETENUES PAR LES ACCORDS EXISTANTS.

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AMITIES,
PAUL CERF COMEUR
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