

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

10431/81 (Presse 138)

735th Council meeting
- Development Co-operation -
Brussels, 3 November 1981

President: Mr Neil MARTEN,
Minister for Overseas Development
of the United Kingdom

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Daniel COENS Minister for Development Co-operation

Denmark:

Mr Otto MØLLER State Secretary, Ministry of Foreign Affairs

Germany:

Mr Alwin BRÜCK Parliamentary State Secretary, Federal Ministry of Economic Co-operation

Greece:

Mr Marcos ECONOMIDES Ambassador, Permanent Representative

France:

Mr Luc de La BARRE de NANTEUIL Ambassador, Permanent Representative

Ireland:

Mr James O'KEEFFE Minister of State for Development Co-operation

Italy:

Mr Roberto PALLESCHI State Secretary, Ministry of Foreign Affairs

Luxembourg:

Mr Paul HELMINGER State Secretary, Ministry of Foreign Affairs, Foreign Trade and Co-operation

NORTH-SOUTH DIALOGUE

The Council held a general exchange of views on progress with and prospects for the North-South Dialogue in the light of the outcome of the recent international conferences.

The Council began by welcoming the positive contribution the Community had been able to make, thanks to its co-ordinated action, to the outcome of the Nairobi Conference on new and renewable sources of energy and the Paris Conference on the least developed countries.

The Council then turned its attention to the results of the Cancún Summit. During the discussions, particular stress was laid on the need for the Community to play a positive role on the basis of common positions, in the coming discussions concerning global negotiations. In this connection, the Council noted that work was continuing in the appropriate Community fora.

STOCKTAKING OF COMMUNITY AID

The Council, which had agreed at its meeting on 28 April 1981 to conduct periodic stocktaking of Community aid, carried out such an exercise for the first time. The topic selected was Community aid in the sectors of agricultural production and food aid.

A wide-ranging discussion was held on the subject, in the course of which delegations stressed the importance they attached to this exercise and emphasized one or other aspect of the dossier, in particular the balance to be achieved between aid to agricultural production and food aid, the importance of the recipient countries establishing food strategies, the responsibilities of the States benefiting from Community aid, the need for co-ordination between donor countries and between the latter and the recipient countries, the possibilities offered by recourse to non-governmental organizations and finally the supply of certain means of production such as seeds, grain, etc.

In concluding its discussions, the Council approved the Resolution set out in Annex I, which is intended to serve as a guide for the implementation of Community aid in the future with the aim of increasing its effectiveness. The Council agreed to take stock again at one of its future meetings and instructed the Permanent Representatives Committee to select the topic for this exercise and to prepare the discussions.

EMERGENCY AID PROCEDURES

The Council recorded its agreement on the improved procedures for dealing with emergency aid (within the meaning of Article 950 of the Community budget) drawn up in the light of experience.

The Council considered that these procedures should strengthen the Community's capacity to provide help rapidly in emergencies, while ensuring that the necessary decisions are well prepared.

It took note that the Commission intended to make suitable contacts with the European Parliament to consider the extent to which the parliamentary procedures for transferring appropriations could also be speeded up.

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES --
GENERAL GUIDELINES FOR 1982

The Council held a policy debate on the draft Decision determining the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries proposed by the Commission, on which the European Parliament has been asked for its Opinion.

The Council reached general consensus on the matter.

It was in particular confirmed that the requirements of the poorest countries and of the neediest sections of the population should determine Community action. It was also emphasized that the Community must continue to give priority to projects for agricultural and rural development, in particular those designed to improve the food situation, with a view to helping to combat hunger in the world.

PLAN OF ACTION TO COMBAT HUNGER IN THE WORLD

Following an initiative from the Italian Government and several European Parliament Resolutions, the Commission submitted to the Council a Plan of Action to Combat Hunger in the World on which the General Affairs Council had recorded its agreement on 26 and 27 October 1981 and the implementation of which the Development Council was required to discuss at this meeting.

The main features of this plan are:

- exceptional food aid for the least developed countries amounting to 40 million ECU (1st type of action) on which the Commission has submitted a proposal for a Regulation.
- other longer-term projects:
 - = aid for food strategies (2nd type of action)
 - = thematic and regional measures (3rd type of action)
 - = international action (4th type of action).

In this context the Council adopted the conclusions set out in Annex II.

In the same context it noted in particular that, without prejudice to the European Parliament's Opinion, a consensus already existed in support of the draft Regulation on the grant of exceptional food aid to the least developed countries up to a ceiling of 40 MECU.

The purpose of this aid is to supply the population of the least developed countries as speedily as possible with foodstuffs such as cereals, oils, legumes and sugar. A proportion of this aid, equivalent to 100,000 tonnes of cereals, will be made available to the World Food Programme for use under the International Emergency Food Reserve.

ENERGY SUPPLIES IN THE DEVELOPING COUNTRIES

The Council again referred, with particular reference to the outcome of the United Nations Nairobi Conference on new and renewable sources of energy, to the problems arising with respect to the needs of developing countries and asked the Permanent Representatives Committee to submit a report for the next Council meeting on the basis of a detailed document promised by the Commission.

TRADE PROMOTION

The Council requested the Commission to submit in the near future a communication on the Community's activities on trade promotion, with a view to the discussion the Council proposed holding at its next meeting.

ROLE OF WOMEN IN DEVELOPMENT

The Council agreed to hold a policy discussion on this question at its next meeting on the basis of a communication the Commission was to prepare in conjunction with experts from the Member States following consultation of its Delegates in the developing countries.

MISCELLANEOUS DECISIONS

Taxation

The Council adopted in the official languages of the Communities the Decision authorizing the Italian Republic to derogate provisionally from the VAT arrangements applicable to aid to earthquake victims in southern Italy.

Fisheries

The Council adopted in the official languages of the Communities the Regulation temporarily suspending the autonomous Common Customs Tariff duties on certain herrings falling within subheading ex 16.04 C II.

Trade in iron and steel products

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted in the official languages of the Communities the Decision on certain measures to be applied, in respect of State-trading countries, to trade in iron and steel products covered by the ECSC Treaty, including pig iron, cast iron and high-carbon ferro-manganese.

Appointment

On a proposal from the Belgian Government the Council appointed Dr A. SOULIER Inspecteur-Chef de Service à l'Inspection du Commerce des Viandes au Ministère de la Santé Publique, alternate member of the Advisory Committee on Veterinary Training in place of Dr LENELLE, for the remainder of the latter's term of office, which runs until 17 February 1983.

STOCKTAKING OF COMMUNITY AID

RESOLUTION

ON

AID TO AGRICULTURAL PRODUCTION AND FOOD AID

(Ministers for Development - Brussels, 3 November 1981)

I. INTRODUCTION

The Council of Ministers for Development decided at their meeting on 28 April to conduct a periodic stocktaking of Community aid with the aim of improving its effectiveness. It was decided that the first such exercise should be conducted at the "Development" Council in the second half of 1981.

At the suggestion of the Presidency, the Member States agreed to limit the first stocktaking to Community aid to agricultural production, taking account of the influence of food aid on food production.

Hunger is one of the most serious and pressing problems facing the developing countries - and the situation is getting worse. The Community has recognized the vital importance of effective action to deal with it. The Council's Resolutions on aid and the European Parliament's Resolution have made a valuable contribution to the formulation of Community policies. The Council has taken note of the Parliament's Resolution of 17 September 1981 on the evaluation of Community development policies. The Italian Government recently took an important initiative within the Community on the subject of hunger in the world.

The main elements of the Community's contribution to alleviating the problem of hunger are:

Commitments (\$ US millions)

	1975	1976	1977	1978	1979	1980 (3)
1. Community food aid (1)	206	247	199	281	356	409
2. Community aid for agriculture (2)	63	168	292	254	340	344
3. Community aid total	487	791	1.065	1.149	1.787	1.816
4. Agriculture aid as a percentage of total aid	12,9	21,2	27,4	22,1	19,0	18,9

This reflects also, of course, the priorities of the developing countries themselves, since the sectoral allocation of the greater part of Community aid is agreed with them.

The Community has a particular responsibility to ensure that the considerable assistance which it provides in the form of aid to agricultural production and food aid is used as effectively as possible to relieve hunger and improve the self-reliance of recipient countries.

A large number of relevant studies have been conducted on the Community's policies in this sector. The Commission is working on others. There has also been an important joint study by ACP and EEC experts in this field. The following recommendations are intended to improve the effectiveness of the Community's efforts to cope with the problem of hunger.

(1) at world prices
 (2) in the wide OECD sense
 (3) provisional figures

II. CONCLUSIONS AND RECOMMENDATIONS

1. Priority for the agriculture and food sectors

In the present alarming situation the Community reaffirms the priority which it gives to aid for the agriculture and food sectors. This priority should be reflected throughout its aid programmes in a consistent manner, bearing in mind that the greater part of the Community's aid priorities have to be determined in consultation with the developing countries themselves.

2. The place of aid to agriculture and food in the development policies of both the Community and the recipient states

The Community's aid to agricultural production as well as food aid must be considered in the context of its overall development co-operation policy. Aid to agricultural production will be effective only if it is integrated into the developing countries' wider policies on social and economic development. It also requires a stable and satisfactory framework of supporting policies and adequate structures, and above all a food sector strategy, which should ideally be harmonized with those of neighbouring countries and meet regional needs.

3. The adoption of food sector strategies by the developing countries

An important contribution which the Community can make to improving the effectiveness of its aid in this sector is to encourage and provide assistance **for the adoption of food sector strategies**. These should pay particular attention to:

- production policy, which determines whether crops should be produced for food or cash,
- pricing policies, which balance the **consumer's need for adequate supplies at reasonable prices with encouraging financial returns for the producer**, and
- marketing and distribution policies, which **ensure both the necessary inputs and an infrastructure capable of handling output**.

The Community should use all the instruments available so as to persuade developing countries to adopt such strategies. In this respect, the Community should, in making decisions on food aid, take account of the extent to which the recipient countries agree to integrate the aid in their food sector policy or strategy. Among other means, the use of counterpart funds, where appropriate, to promote this objective should not be neglected.

4. Balance between aid to agricultural production and food aid

The Community should continue to make a substantial contribution to the food security needs of the developing countries. The right balance must be struck between aid to agricultural production and food aid. Food aid can contribute to the maintenance of well-managed and economically justified reserves and buffer stocks, and there is a useful role in this respect for multiannual programmes. The Council's agreement on a common position on the **food-aid management Regulation**, the adoption of which should enable the Community to improve its contribution in this respect, is greatly welcomed, **but no less important in contributing** to adequate food stocks is help to the developing countries in the elimination of waste and losses from harvests. Actions taken by the Community to help increase production must include measures to improve conservation of products, including at the local level, and of the means of production. There is scope for greater attention to this factor in the Community's aid programmes, though the difficulties of persuading farmers to change their ways should not be **underestimated.**

5. Avoidance of adverse effects of external food supplies

At the same time, every effort must be made to prevent external food supplies, including food aid, from having adverse effects such as the depression of producer prices or the masking of poor policies. This can best be achieved by integrating such external food supplies more carefully with national food strategies.

6. Management of the food aid programme

Ministers took note of the comments by the Court of Auditors on the Community's food aid programme, and look forward to early recommendations for improvements as a result of the analysis being conducted within the framework of the Council. Particular attention should be given to the elimination of delays in implementing actions.

7. Specific proposals for improving the efficiency of Community aid

The effectiveness of the Community's aid to agricultural production could be further enhanced by attention to the following factors:

- the importance of close consultation with the local beneficiaries of a project. Such consultation is sufficiently important to justify provision for it in financing proposals. NGOs can often play a useful role in this respect;
- rural development programmes, in which social and infra-structural improvements are linked to activities aimed at increasing production, can in carefully defined conditions make a major contribution to accelerated development, **but** they are difficult to manage and experience with them so far has been disappointing. Community programmes should concentrate further on more gradual and phased development, mainly involving simpler projects. Particular attention should also be given in project planning to the role of women.

- the Community should ensure at the planning and design stage that farmers taking part in an agricultural project will have adequate incentives to increase their production and adequate resources to do so, including access to local financing;
- the Community should take care not to establish projects which will be beyond the financial means of the recipient to take over on completion;
- Community projects should always include training for local replacements for the technical cooperation staff originally administering the projects and provision for them to remain for a reasonable period. This will often mean greater attention to strengthening appropriate local institutions to carry out programmes and afford continuity.

8. Agricultural technology

An area of particular importance is the transfer of relevant agricultural technology, between the Community and the developing countries and among developing countries themselves (the latter applies to quite simple agricultural techniques). The early establishment of the Technical Centre for Agricultural Development, to be set up under the second Lomé Convention, should enable the Community to improve its contribution in this respect. Agricultural technology should, in addition to facilitating increased production and reliable yields, pay adequate attention to socio-economic and environmental considerations. Special attention should be given to the selection and reasonable use of pesticides, soil and water conservations, reafforestation with fast-growing trees **and pollution control.**

9. Practical application of agricultural research

The link between agricultural research and its practical application also needs to be greatly strengthened. In this respect also the Technical Centre for Agricultural Development has a role to play. Extension services should be designed to act as a conduit by which research workers keep in touch with farmers' needs and through which farmers can inform themselves. Research data should be tested under field conditions to ensure their relevance.

10. Monitoring and evaluation

Regular monitoring and evaluation of the Community's aid in conjunction with the recipient countries is essential. The important role of the Commission's evaluation procedure in this respect is stressed. Evaluation should be regarded as a vital contribution to the more effective design and implementation of policies and operations.

11. Importance of recipient countries' policies

A thread which runs through all these conclusions is the importance of helping developing countries to adopt policies which promote agricultural development. Above all where pricing policies are concerned, these can spell the difference between failure and success. The difficulties are substantial. Since the importance of any individual project in relation to the macro-economic policy of the government concerned is likely to be small, the Community should not try to attach over-ambitious conditions to its support for projects and wherever possible these conditions should be arrived at by agreement.

However, conditions relating to sectoral policies in particular may be necessary and the Community should not shy away, in important cases, from withholding its support for particular projects if it judges that they cannot succeed without a modification of existing policies.

12. Supply of agricultural inputs

In the light of the outcome of the studies in hand, the Community should also be ready to consider the supply, in special circumstances, of inputs to agricultural production, e.g. seeds, fertilisers, pesticides. But this can best be considered in the context of adequate sectoral policies in the recipient country and should generally be linked with project aid and technical assistance.

13. Improved co-ordination of donors

Finally, there is scope for substantial improvement in donor co-ordination, both within the Community and with other donors, including international organizations. Within the Community there is already provision for better co-ordination of bilateral and Community aid with the aim of improving efficiency and quality. More use should be made of these provisions to ensure the most efficient use of resources and to remove duplication. Such coordination, which should also extend to monitoring and evaluation, could take place both within the Council framework and between Community representatives in developing countries.

The latter is particularly important. A current experiment in Africa where donors (both within and outside the Community) are to make forward commitments of food aid and the authorities concerned is to introduce new food pricing policies, will be interesting to follow. It may provide a valuable model for co-ordination among donors and with recipients elsewhere, though a still broader approach covering financial and technical aid as well as food aid might also be considered. There is also scope for more regular consultation between the Commission departments and Member States' aid administrations. Individual developing countries should also be encouraged to establish and strengthen mechanisms for donor co-ordination.

CONCLUSIONS OF THE DEVELOPMENT COUNCIL (3 NOVEMBER 1981)
ON THE COMMISSION PROPOSAL ON HUNGER IN THE WORLD

1. The Council held a full discussion of the Commission's paper "Towards a Plan of Action to Combat Hunger in the World", prepared in response to a request from the General Affairs Council of 14 September 1981 following an initiative of the Italian Government. It congratulated the Commission on the speed with which it had put forward concrete proposals for action to which the General Affairs Council of 26 October 1981 had given approval in principle.

2. The Council noted with satisfaction the decision of principle by the Foreign Affairs Council that the Community should make available an additional 40 MECU from the 1981 Community budget, on a non-recurrent basis, for food aid to the least developed countries. Within this amount, the Council agreed in principle to an additional contribution equivalent to 100,000 tonnes of cereals which would enable the International Emergency Food Reserve to achieve, for the first time, its target for resources. The Council invited the other donors to contribute to maintaining the reserve at its target level in the future. The Council called on the Commission to arrange, in accordance with existing procedures, for the speediest possible distribution of the remaining food aid, and to make particular efforts to ensure that the aid reaches those in the greatest need.

3. The Council recalled its earlier statements of support for food sector strategies to be defined and put into operation by the developing countries themselves. In this context the Council welcomed the Commission's suggestion that there should be greater **co-ordination** between Community actions and those of Member States designed to help developing countries adopt and implement such strategies. It agreed that the Community and its Member States should contribute to this objective within their existing programmes, namely through food aid and financial and technical assistance. It stressed that for such assistance to be as effective as possible both sides should be ready to make mutual commitments. The Council concluded that the practical aspects of the Commission's proposal to establish task forces to **co-ordinate** donor activities should be decided upon as soon as possible after urgent study by a group of experts. Such **co-ordination** should be done in a pragmatic way and according to modalities to be fixed. The Council encouraged the Commission to start exploratory contacts meanwhile to identify recipient countries which might be ready to take part in such a **co-operative** venture, and stressed that invitations for donor participation should not be restricted to Member States of the Community.

4. The Council agreed that the Community should consider further how it might contribute to international support for regional or thematic measures to safeguard and realize the agricultural potential of developing countries. It invited the Commission to put forward specific proposals in due course under normal procedures.

5. The Council underlined the need to continue and intensify efforts to achieve a more secure food supply situation in the developing countries both by means of its own action and of that taken in an international context. In this connection it recalled the relevant conclusions of the stocktaking exercises on aid to agriculture production including food aid (see Annex I).
 6. Member States confirmed their intention to make efforts individually to achieve the target of 0.15% of GNP for their aid to the LLDCs, as agreed at the United Nations Conference on the best developed countries.
 7. The Council welcomed the intention of the Italian Government to organize discussions in Rome on the problem of world hunger with a view to greater co-ordination among donors and between the latter and the beneficiary countries.
 8. The Council invited the Permanent Representatives Committee to implement the conclusions which it had reached on the Commission's plan of action and to give a progress report at the next Council meeting on development.
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NOTE BIO (81) 424 AUX BUREAUX NATIONAUX
CC/ AUX MEMBRES DU GROUPE DU PORTE PAROLE

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CONSEIL DEVELOPPEMENT DU 3 NOVEMBRE 1981

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LES MINISTRES CONSACRERONT L ESSENTIEL DE LEURS TRAVAUX A
L EXAMEN DU PLAN D ACTION PROPOSE PAR LA COMMISSION POUR LA
LUTTE CONTRE LA FAIM DANS LE MONDE (VOIR P-59 ET BIO 368 DU
■1.10.81), PLAN DONT LES GRANDES LIGNES ONT DEJA FAIT L OBJET
D UN ACCORD DE PRINCIPE DES MINISTRES DES AFFAIRES ETRANGERES.
LE DEBAT QUI S ENGAGE EST D IMPORTANCE : IL NE PORTE PAS
SEULEMENT SUR LA MISE EN OEUVRE D UNE ACTION D URGENCE (40 MECU
D AIDE ALIMENTAIRE SUPPLEMENTAIRE) MAIS AUSSI ET SURTOUT SUR LA
DEFINITION D UNE NOUVELLE APPROCHE ET DE NOUVELLES METHODES
DE COOPERATION, CECI EN COMMENCANT PAR LE DOMAINE OU LA
RECHERCHE D UNE PLUS GRANDE EFFICACITE EST PARTICULIEREMENT
URGENTE : CELUI DU DEVELOPPEMENT DE LA PRODUCTION ALIMENTAIRE.
S AGISSANT DE LA COMMUNAUTE, LA PROPOSITION DE LA COMMISSION
CONCERNANT LA MISE EN OEUVRE DE STRATEGIES ALIMENTAIRES
NATIONALES (DANS LE CADRE D UNE ETROITE CONCERTATION ENTRE LE
PAYS BENEFICIAIRE ET L ENSEMBLE DES PAYS DONATEURS) IMPLIQUENT
UNE COORDINATION OPERATIONNELLE ENTRE ACTION COMMUNAUTAIRE ET
ACTIONS BILATERALES : CE SERAIT UNE ETAPE IMPORTANTE POUR LA
POLITIQUE COMMUNAUTAIRE DE DEVELOPPEMENT.

QUANT AU RESTE DE L ORDRE DU JOUR IL SERA CONSACRE NOTAMMENT
A UN ECHANGE DE VUE SUR LES RESULTATS DE CANCUN ET A
L APPROBATION DES ORIENTATIONS DU PROGRAMME 1982 D AIDE AUX
PVD NON ASSOCIES.

AMITIES,
M. SANTARELLI COMEUR
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H. FERRATON

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M. SANTARELLI

Bruxelles, le 3 novembre 1981
Note BIO(81)430 aux Bureaux Nationaux
c.c. aux membres du groupe du Porte-Parole

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CONSEIL DEVELOPPEMENT (FERRATON)

Cette breve reunion des Ministres du Developpement a ete marquee pour l'essentiel par l'approbation du plan propose par la Commission pour la lutte contre la faim dans le monde. La mise en oeuvre de l'aide d'urgence de 40 MUCE se fera des approbation par le Parlement. Les autres volets du plan de la Commission, dont je souligne encore une fois l'importance, seront appliques progressivement, par experimentations successives; mais on peut affirmer des maintenant que la Communaute s'est resolument engagee dans la recherche de methodes de cooperation nouvelles et plus efficaces.

L'echange de vues a propos de la reunion de Cancun ne visait pas la formulation de conclusions : celles-ci seront etablies par un prochain Conseil Affaires Etrangeres. Des appreciations posees par les diverses delegations, on retiendra deux preoccupations :

- meme apres Cancun, il subsiste entre la position des USA et celle des 77 une assez grande divergence; un effort important reste donc a faire pour que puissent s'ouvrir les negociations globales;
- la Communaute doit maintenir "l'acquis communautaire" (ce qu'elle a accepte lors de la session speciale des Nations Unies) et sa propre cohesion.

Amities

M. SANTARELLI - COMEUR/////