

European Communities

EUROPEAN PARLIAMENT

Working Documents

1975-1976

15 December 1975

DOCUMENT 442/75

Report

drawn up on behalf of the Committee on Development and Cooperation

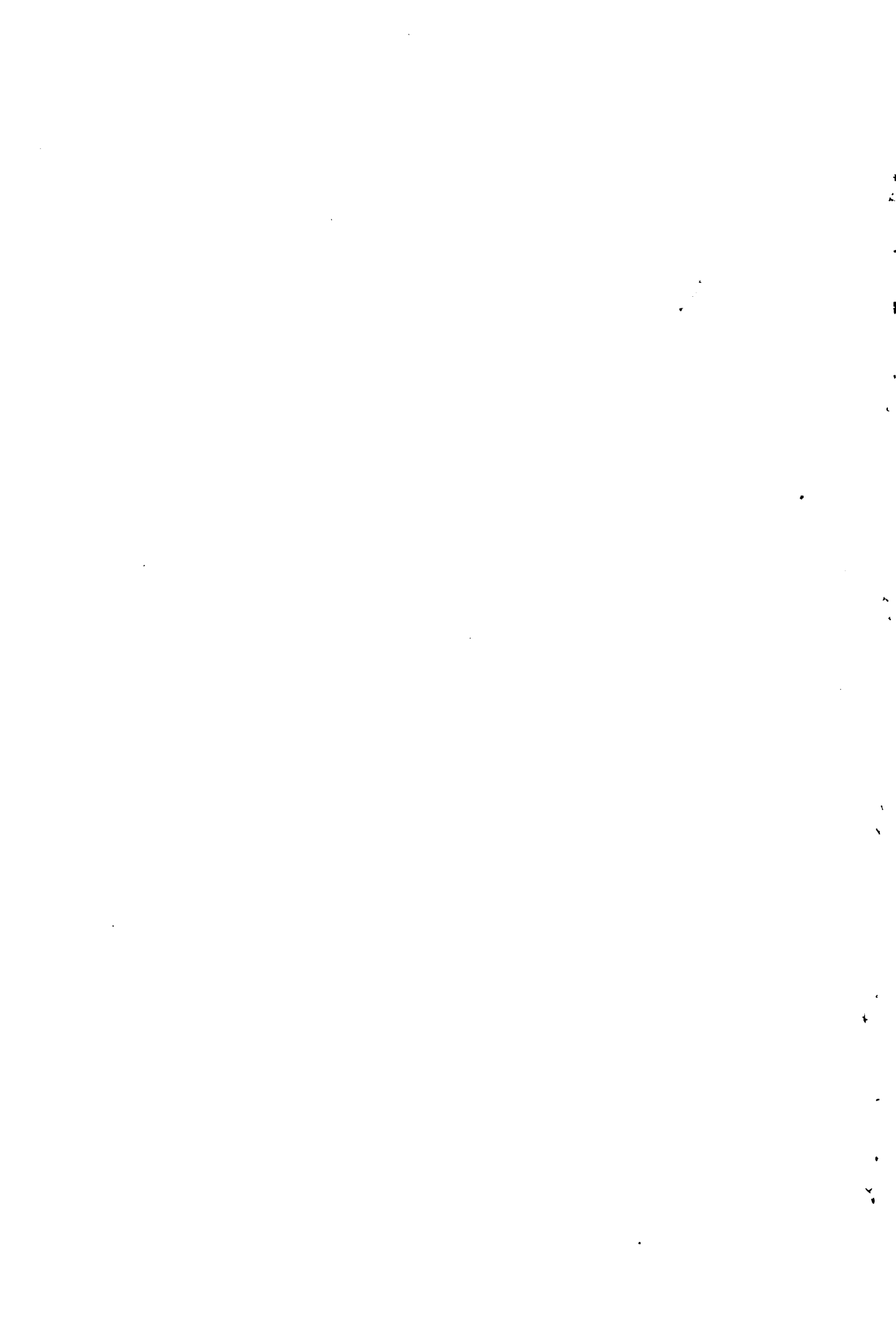
on the proposal from the Commission of the European Communities to the Council (Doc. 439/75) for a regulation laying down general rules for the supply of milk fats as food aid to certain developing countries and international organizations under the 1976 programme

Rapporteur: Mr P. DESCHAMPS

1. 2. 2

PE 43.034/fin.

EP 19 75-76:442



By letter of 10 December 1975 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation laying down general rules for the supply of milk fats as food aid to certain developing countries and international organisations under the 1976 programme.

The President of the European Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible.

On 10 December 1975 the Committee on Development and Cooperation appointed Mr Deschamps rapporteur. It considered this proposal at this meeting and adopted the motion for a resolution and explanatory statement unanimously.

It was decided in agreement with the Commission of the European Communities to ask that the motion for a resolution be put to the vote without further discussion, in accordance with Rule 27 of the Rules of Procedure.

Present: Mr Deschamps, chairman and rapporteur; Mr Sandri, vice-chairman; Mr Aigner, Miss Boothroyd, Mr Broeksz, Mr Durieux, Sir Geoffrey de Freitas, Mrs Iotti, Mr Jakobsen, Mr Kaspereit, Lord St. Oswald, Lord Walston, Mr Zeller.

Stub for miss. issues. OK.

CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	6

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation establishing general rules concerning the supply of milk fats as food aid under the 1976 programme to certain developing countries and international agencies

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (75) 586 final),
- having been consulted by the Council pursuant to Article 43 of the Treaty establishing the EEC (Doc. 439/75),
- having regard to the report of the Committee on Development and Cooperation (Doc. 442/75),

1. Approves the proposal that butter or butteroil equivalent to an amount of 45.000 metric tons of butteroil shall be made available to developing countries and international organizations as food aid under the 1976 programme;
2. Requests the Commission and Council to take appropriate steps to make a greater quantity available;
3. Reiterates the importance of the proposals made by the Commission (Doc. 430/74) in particular with regard to quantitative proposals for the period 1974-1977;
4. Requests the Council, therefore, formally to adopt this proposal as soon as possible and, if possible, before the end of this year.

B

EXPLANATORY STATEMENT

1. The Commission of the European Communities makes proposals in the present document for the 1976 food aid programme concerning butteroil. At the same time it makes proposals for regulations concerning:

- the supply of milk fats as food aid to certain developing countries and international organizations under the 1976 programme
- the supply of butteroil to Pakistan as food aid pursuant to Regulation (EEC) No. 1542/75.

Parliament is not consulted on the last two proposals. However, as the proposal for the regulation on the supply of milk fats as food aid also indicates the countries to which aid is to be given, your committee feels that it must also express its views on at least the first of these points.

2. The Commission bases its food aid programme on the guidelines contained in the document Development Aid - "fresco" of Community action tomorrow' .

3. It is proposed to make available a total of 45.000 tons, which is identical with that proposed in 1975.

1975 BUTTEROIL PROGRAMME

- World food program	16,000 metric tons
- UNICEF	2,000 metric tons
- UNRWA	3,000 metric tons
- Cyprus, Egypt, Jordan, Yemen (Arab Republic) Afghanistan, Bagladesh, Pakistan, Sri Lanka, Somalia, Tanzania, Cape Verde, Islar Islands, Guinea Bissau, Haiti, Peru	19,550 metric tons
- reserve	4,450 metric tons
	<u>45,000 metric tons</u>
	<u>1976</u>

The Commission proposes that the amount of 45,000 tons for 1976 referred to above, should be made available as follows:

- World food program	16,000 metric tons
- UNICEF	2,000 metric tons
- UNRWA	3,000 metric tons
- League of Red Cross Societies	500 metric tons
- Haiti, Honduras, Peru, Kenya, Mauritius, Tanzania, Somalia, Ethiopia, Cape Verde, Upper Volta, Mauretania, Guinea Bissau, Egypt, Jordan, Yemen, Afghanistan, Bangladesh, Pakistan, Sri Lanka	19,960 metric tons
- reserve	3,540 metric tons
Grand Total	<u>45,000 metric tons</u>

In addition the Commission proposes to allocate a small quantity remaining from the reserve under the 1975 programme to Pakistan.

4. One new request has been made by the League of Red Cross Societies. One of last year's recipients has made no request: Office of U.N. High Commissioner of refugees (for Cyprus) and Malta.

Aid is delivered either f.o.b., or in some cases free destination. The WFP receives the aid f.o.b. plus fixed contribution. UNRWA will receive aid c.i.f. plus fixed contribution. The WFP has suggested a more flexible procedure for obtaining allocations by region.

5. At the time of our discussion of the 1975 Programme, your committee posed the question of whether enough was being done in this field by the Community. It is worth pointing out that the total amount of butteroil sent by the Community in the years 1974, 1975 and proposed for 1976, has remained the same, i.e. 45,000 tons. In the fresco of Community Action (Doc. 430/74), this was a planned minimum target with a possible maximum of 65,000 tons. Although your committee recognises that the cost of supplying the same amount of butteroil has risen by 5 m u.a., it hopes that in view of the need for butteroil (specific requests received by the Commission for 1976 total 91,800 tons but the actual shortfall is at least several times this figure. In fact, on the Commission's calculations, the approximate total shortfall is in the order of 650,000 tons). the Council will increase the total supply during the remainder of the first three-year programme.

6. In drawing up its proposals, the Commission has appraised the situation in applicant countries on the basis of three criteria, viz:

- great need for edible oils and fats,
- low annual per capita income (less than \$ 300),
- a precarious balance-of-payments situation.

The Commission points out that the first of these criteria is the sine qua non for the grant of aid, but that countries have to satisfy the other two criteria as well in order to qualify. However, if a country does not fulfill one of these criteria, it may still be eligible for aid if it meets the other two criteria in greater degree. Thus, in the case of Peru, although per capita income is reckoned at \$ 520 (i.e. above the proposed limit) Peru's external position is extremely precarious, and so it is still eligible.

Your committee pointed out the danger of using inadequate data as a measure of income at the time of the discussions on the 1975 Food Aid Programme, and indeed in this connection it notices that the Commission has made in the present document balance of payment comparisons over approximately

six-month periods, which does not seem good statistical practice. The committee believes that common sense and a sympathetic understanding of problems as they arise should be used in the application of the proposed objective criteria.

7. Your committee would however like to question the way in which and the extent to which the three criteria have been applied. For example, it notes that amongst the countries which are receiving a free distribution, Kenya is allotted approximately one fifth the amount required on the basis of its population (i.e. the measure of need used by the Commission) while having a low per capita income (\$ 170) and a declining balance of payments situation (\$ 191 m to \$ 175 m), whereas Jordan, which has a substantially improving balance of payments position (\$ 349 m to \$ 474 m) and a substantially higher per capita income (\$ 270) receives four fifth of its requirement. While welcoming the establishment of objective criteria, and urging that they be used with discretion and understanding, your committee also urges that they do be used as the prime measure of allocation of aid, or they will become meaningless. Your committee would welcome further explanation of how the allocation for individual countries is made.

Subject to the above remarks, your committee approves the proposals for the 1976 butteroil food programme.