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COMMISSION OF THE EUROPEAN COMMUNITIES

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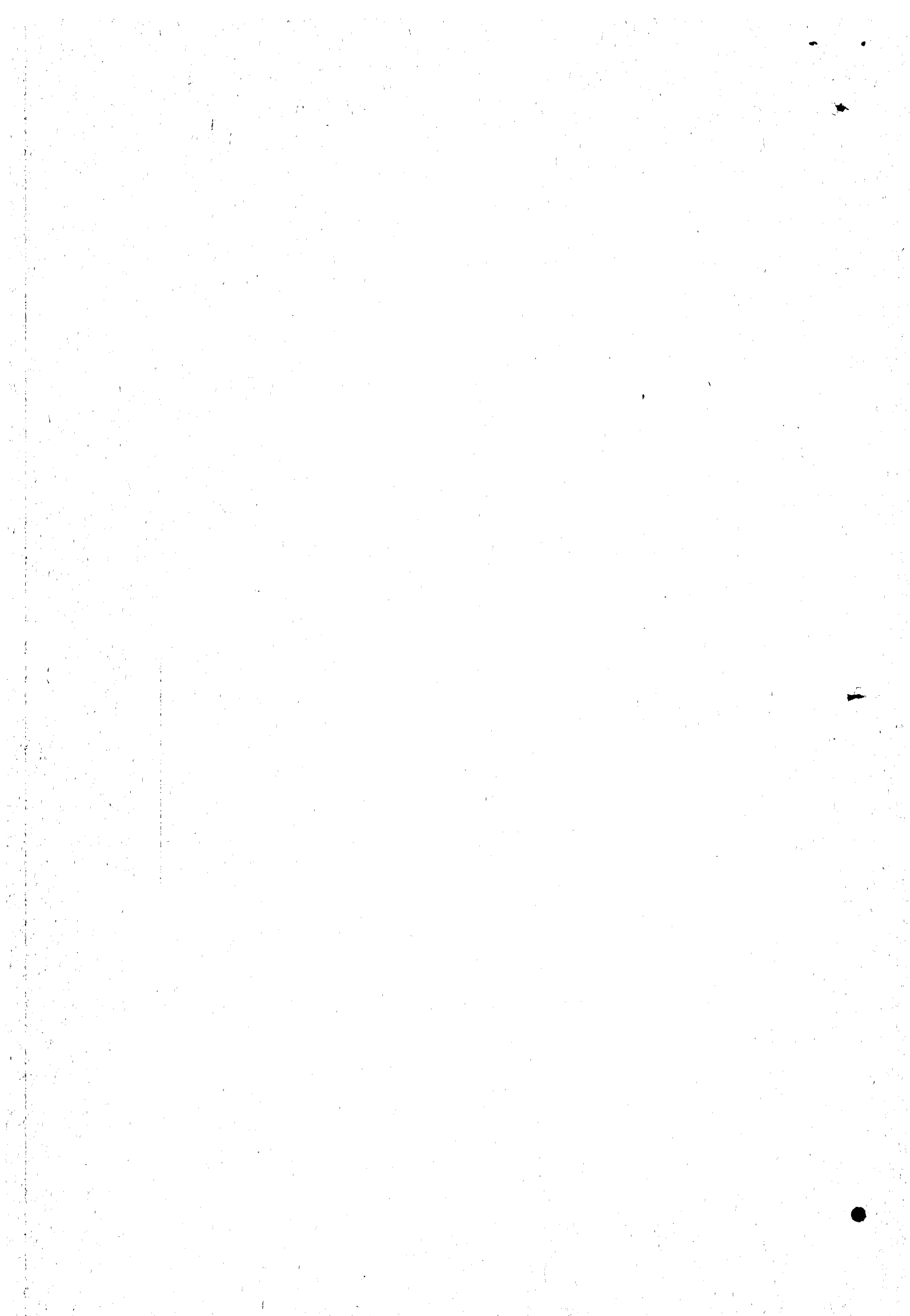
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Commission Communication to the Council
relating to food aid provided through the
Catholic Relief Service for certain categories
of the population in Chile.



When it adopted the 1972/73 food aid programme, the Council provided for the grant to Chile by way of direct normal aid¹ of 20 000 tonnes of cereals to be delivered fob Community port of shipment. Given the special supply difficulties facing that country at that time, the Council had moreover authorized the Commission to carry out this operation according to the advanced implementation procedure.

In order to carry out these decision, the Commission, after receiving the Chilean authorities' approval of the terms of the draft agreement² which had been submitted to them, issued an invitation to tender which provided for the shipment of the products between 15 and 20 September 1973.

The events which meanwhile occurred in Chile led the Commission to suspend delivery of the cereals.

Since then, after informing the Permanent Representatives Committee, the Commission has examined with the Chilean authorities and certain benevolent organizations whether and to what extent the normal aid action originally contemplated could, given the new situation and inter alia the fact that certain external sources of supply had been re-established, be converted into special aid for needy sections of the population.

The Chilean authorities then notified the Commission that they did not consider that they were obliged to accept the conversion of the direct normal aid originally agreed into special aid.

¹ in other words sale at the normal market price in Chile and use of the funds so obtained to finance a development project.

² Regulation (EEC) no. 2149/73 of 3 August 1973 (CJ no. L 219 of 7 August 1973) and notification of invitation to tender of 3 August 1973 (CJ no. C 65 of 7 August 1973).

2.

As the Commission was concerned, however, that the Community aid should go to the destitute in Chile and to the only, it then examined with some reliable specialized organizations¹ how it might be possible to provide help through their good services. Following contacts with those organizations, the Catholic Relief Service presented a scheme according to which it would distribute, in reasonable conditions of supervision, 7 915 tonnes of flour (corresponding to 11 952 tonnes of wheat) free of charge to the needy².

The purposes of the CRS project and the conditions of its implementation (which are specified in Annex I) are, in the Commission's view, such as to lead the Community to approve it.

The programme involves distribution to children in public care, to holiday camps, to school children, to old people, to the sick and to families of persons in prison. These programmes would be implemented by CRS's corresponding organization, namely Caritas. The Chilean Government has informed this organisation that it has no objection to this humanitarian operation being carried out by them.

Because of the nature of these distributions and the inability of the CRS to pay for the transport of these quantities, the operation can be carried out only if the Community agrees to deliver the flour cif port of unloading in Chile. This will result, by comparison with the operation originally contemplated in favour of Chile, which provided for delivery of the products fob, in additional expenditure of 360 000 u.a., funds for which are still available under Chapter 90 of the Commission budget - Food Aid Expenditure (on this point see Financial Annex).

In conclusion, it is proposed that the Council :

1. Cancel the food aid operation for Chile under the 1972/73 programme;

¹ In particular the Red Cross, which was unable to ensure a significant distribution under satisfactory conditions, and the Oecumenical Council of Churches, which stated that it relies on the CRS for implementation of this type of operation.

² The Commission considers that a further possibility offered by the CRS should not be accepted, namely to sell additional quantities on the Chilean market with a view to allocating the funds so obtained to socio-economic and social aid projects also implemented by that organization. Such an operation would have characteristics very close to those originally contemplated with the authorities.

2. Grant the Catholic Relief Service an allocation of 7 215 tonnes of flour, corresponding to 11 952 tonnes of wheat to be delivered cif Chile for distribution free of charge to particularly needy sections of the population as specified in the Annex.
3. Adopt the proposal for a Council Decision relating to the financing by the Community of certain expenditure on food aid provided through the Catholic Relief Service for certain categories of the population in Chile (Annex III).

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The Commission wishes to inform the Council furthermore that studies are being undertaken with a view to using the remaining quantities for Chile (8 048 tonnes of cereals) for a possible socio-economic scheme in the rural and urban environments, which could be implemented by the group of Christian churches in that country.

The Commission reserves the right to present additional proposals if it seems that an operation of this type should be adopted.



Aid programme presented by the Catholic Relief Service (CRS)
for the benefit of Chile

The particular grounds for the programme presented by the CRS are the unsatisfactory food situation of that part of the population which is socially and economically at a disadvantage. In the urban areas, according to a survey of households the daily food deficit varies between 33,06 % and 72,6 % according to the district. In the rural areas the situation is no better.

The purpose of this project is to give help in particular to :

1. Children in public care (18 128 children between 16 and 19 years of age), who receive distinctly inadequate aid from the Chilean State;
2. Holiday camps : 50 000 children from socially and economically deprived environments attend holiday camps set up by Caritas;
3. Old people : Caritas provides help for approximately 4 500 inmates of old peoples' homes;
4. The sick : the CRS and Caritas-Chile give help on average to 55 000 sick persons per year;
5. Prisoners' families : the CRS and Caritas help about 25 000 prisoners' families.

The programme extends also to school canteens and to a number of workers' families.

The breakdown of the flour requirements for these different categories is as follows :

Category	Number of persons	Daily ration in gr.	Number of days per month	Number of months	Total tonnes required
Children in public care	18 128	100	30	12	652.0
Old people's home	4 500	200	30	12	324.0
Holiday camps	50 000	200	30	3	900.0
Health institutions	50 000	150	30	12	2,700.0
Sick at home	5 000	200	30	12	350.0
University students from institutions	1 000	200	30	9	54.0
Families of persons in prison	25 000	200	30	12	1,800.0
School canteens	1 500	100	25	12	45.0
Workers' families	15 000	200	25	12	1,080.0
Total :					7,915.0

FINANCIAL ANNEXI. Cost of the operation at internal Community prices

A. Value of raw materials

11 952 tonnes wheat x 140.57 u.a. ¹	1 680 000 u.a.
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B. Cost of transport

7 915 ² x 45 u.a./t	356 175 u.a.
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	<u>2.036 175 u.a.</u>
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II. Charges to budget

1974 Budget, Chapter 90 Item 9 011 (1972/73 plan of execution)

the situation of which is as follows :

A. Initial appropriation	13 000 000 u.a.
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B. Supplementary appropriation resulting from a transfer within Chapter 90	10 900 000 u.a.
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C. Total appropriations	23 900 000 u.a.
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D. Disbursements	17 954 000 u.a.
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E. Available balance	5 946 000 u.a.
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Charging the proposed operation to this balance (E) will leave available under Item 9011 an amount of 3 910 000 u.a., which will be sufficient to cover the bulk of costs still to be paid under the 1972/73 programme, estimated at 5 000 000 u.a. The difference of approximately 1 000 000 u.a. will be covered, as stated during the budget discussions, by a transfer within Chapter 90, under which all the necessary funds are grouped.

In any case, it should be pointed out that the logic governing the budget discussions would have required such a transfer since the aid measure as now proposed involves additional funds of only 356 175 u.a. (transport costs) by comparison with execution of the 1972/73 programme as originally contemplated.

¹ Market price evaluated at the average target price January/July 1974 (136.57 u.a./t) + delivery fob (4 u.a./t).

² Amount of wheat flour corresponding to 11 952 tonnes of wheat.

Proposal for a Council Decision

relating to the financing by the Community of certain expenditure on food aid provided through the Catholic Relief Service for certain categories of the population in Chile.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
Having regard to Council Regulation (EEC) no. 1703/72¹ of 3 August 1972 amending Regulation (EEC) no. 2052/69 as regards the financing by the Community of expenditure resulting from the implementation of the 1967 Food Aid Convention and laying down rules for the financing by the Community of expenditure arising from the implementation of the 1971 Food Aid Convention, and in particular Article 8(1) and Article 10(1) thereof;

Having regard to the proposal from the Commission;

Whereas the Catholic Relief Service is not in a position to finance the costs necessitated by the transport of the products, whereas it is therefore advisable, in order that this aid measure may be undertaken, that the Community bear the cost of transport of the food aid in the form of cereals to the ports of unloading;

HAS DECIDED :

Sole Article

Community financing shall, in the case of the Community food aid for certain categories of the population in Chile provided through the Catholic Relief Service under the 1972/73 programme, also cover the cost of delivering the products to the ports of unloading.

¹OJ no. L 180, 9 August 1972, p. 1

