

INFORMATION

DEVELOPMENT AID

FOOD AID
BY THE EUROPEAN COMMUNITY

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The international Convention on food aid was concluded in 1967, after the Kennedy Round negotiations. The European Community, and the member States then undertook to supply 1,035,000 tons of cereals annually to the developing countries for a period of three years. At the end of this period a further convention was signed in 1971, by which the undertaking by the Community and the member States was maintained at its previous level for a further three years.

By internal decisions within the Community it was agreed that the total undertaking should be dealt with partly by national action and partly by Community action. The latter increased from 301,000 tons in 1968-69 to 414,000 tons in 1971-72.

With the passage of time the Community food aid has been extended to other products -- powdered skim milk, butter-oil, sugar and powdered eggs -- but there are two features which distinguish this aid from the cereal aid. In the first place it was given independently by the Community without any international undertaking; and secondly, it has been carried out exclusively by way of Community as opposed to national action.

The total Community aid has grown progressively since 1969, rising from that year's expenditure of 20 million units of account to u.a. 39 million in 1970, u.a. 66 million in 1971 and over u.a. 80 million in 1972. These figures are based on world prices, but the levels would be materially higher if the aid were valued at the internal Community prices.

There is an important point to be noted about the food aid, distinguishing it from that given by the European Development Fund. The latter spends an average

of u.s. 225 million each year for the 19 associated African and Malagasy countries; but the food aid is made available to all developing countries, for which, apart from the generalised preferences, it is the only way in which the Community can intervene.

I. FOOD AID IN CEREALS

The cereal aid is given by the Community in the form of gifts to the governments of the recipient countries. As a general rule the aim is not exclusively to provide food, but also to contribute to the development of the countries to which it is sent.

1. The objectives

The food aid in cereals is given in various ways, depending on the objective. The principal methods are as follows :

a) normal methods. These themselves fall into two categories :

aa) normal methods aimed at development, which are those most often used.

The intention is both to contribute to covering the cereal deficit of the countries asking for aid, and to be an instrument of their economic and social development. The latter results not only from the fact that the aid comes as a gift; but still more from the products given to the receiving country being sold in the local market, and the counterpart funds thus released being used to finance development projects. For this purpose the projects have to be definite and precise, such as the building of a specific road, the laying out of plantations, water supplies and similar work. The projects are selected by the government of the recipient country and put forward for approval by the Community.

bb) normal methods for nutritional purposes. These are exceptional.

The intention is to offset the food shortages for particularly vulnerable population groups, such as children, the sick and the aged. In these cases the produce supplied by way of aid is distributed free by the recipient government to the population groups concerned.

In these cases of normal aid the produce is usually delivered f.o.b. Community ports and the cost of transport and insurance to the final destination is borne by the recipient country.

b) urgent aid

Aid in the urgent class is given to deal with famine conditions resulting from natural calamities (earthquakes, floods etc) or armed conflict, and the produce is distributed free to the population affected. In these cases the aid is usually delivered c.i.f. to the frontier of the recipient country.

2. Procedure

The countries desiring to receive food aid from the E.E.C. send their requests to the Commission, backed by justificatory particulars from which the Commission can make any informed analysis of the request.

The Commission brings together all the requests made either directly to itself or to the member countries in respect of any crop-year. It then proceeds to an analysis of the cereal supply position for each applicant, covering consumption, requirements, production, commercial imports and aid to be received from other quarters. It then looks into the country's economic and financial situation, more especially the level of incomes, the foreign exchange reserves and the budget position.

When this analysis is completed, it divides the 1,035,000 tons, which is the total Community commitment, among all the applicants; and if necessary it sub-divides the supply to each of them between aid from the Community and aid from the individual countries.

The annual programme thus drawn up is submitted in draft form to the Council of Ministers. Once approval has been given the Commission begins negotiating the Community action with each of the potential recipient countries, with a view to entering into a supply agreement.

3. Countries which have enjoyed food aid in cereals from the Community

The table below shows the growth in the amount of Community aid, and the consistent parallel growth in the number of countries aided from only 8 in 1968/69 to 24 in 1971/72.

COMMUNITY AID UNDER THE FIRST FOOD AID CONVENTION
AND THE FIRST YEAR OF THE SECOND CONVENTION (thousand tons)

	1st convention			1st convention	2nd convention
	1968/69	1969/70	1970/71	total	1971/72
<u>MAGHREB</u>					
Algeria	-	-	11	11	25
Morocco	-	-	28	28	25
Tunisia	20	35	27	82	25
<u>AFRICA</u>					
Cameroon	-	-	6.50	6.50	-
Dahomey	-	-	-	-	7
Upper-Volta	-	-	9.50	9.50	5
Mali	-	30	7.50	37.50	17
Niger	-	15	-	15	7
Rwanda	-	-	6	6	-
Senegal	-	-	-	8	8.555
Somalia	-	8	-	39	15
Sudan	20	10	9	-	-
Chad	-	-	-	-	7
<u>Middle East</u>					
Jordan	-	-	28	28	5
Lebanon	-	15	7.50	22.5	10
Egyptian A.R.	-	-	15.10	15.10	20
Syria	-	-	7.50	7.50	15
Yemen	-	14	7	21	4
<u>FAR-EAST</u>					
Afghanistan	-	-	21.64	21.64	20
Bangladesh	-	-	-	-	60
Sri Lanka	-	14	-	14	11
Indonesia	56	60	26.80	142.80	17
Pakistan	50	80	35	165	-
India	80	-	-	80	-
<u>LATIN-AMERICA</u>					
Peru	-	-	15	15	13.5
<u>INTERNATIONAL BODIES</u>					
WFP	-	-	9	9	15
UNRWA	-	-	4.5	4.5	21.945
IRCC	16.7	4.5	7	28.2	10
IRCC (Bangladesh)	-	-	28	28	-
IRCC (Ref. Beng)	-	-	-	-	50
Joint Church Aid (Nigeria)	8.3	-	-	8.3	-
<u>EUROPE</u>					
Turkey	50	51.4	36.60	138	-
<u>TOTAL</u>	301	336.9	353.14	991.04	414

Community food aid under the first Convention was predominantly sent to the Far-East (Pakistan 165,000 tons, Indonesia 142,800 tons, India 80,000 tons). Substantial quantities were also supplied to Turkey (138,000 tons) and Tunisia (82,000 tons).

II. OTHER PRODUCE

Arrangements for this type of aid, having been outside any international undertaking, and depending largely on availabilities in the Community market at any given time, has not had the continuity and regularity which characterise the cereal aid.

The quantities of the different types of produce covered by aid decisions up to the present are as follows :

1. Powdered skim milk

Aid decisions in 1969 and 1970 : 127,000 tons, of which :

World Food Programme (WFP)	120,000 tons
International Red Cross Committee (IRCC)	3,000 tons
Peru	1,000 tons
Turkey	2,000 tons
Rumania	1,000 tons

Aid decisions of December 19, 1972 : 60,000 tons, of which :

Bangladesh	19,450 tons
Jordan	1,000 tons
Lebanon	250 tons
Egyptian A.R.	2,000 tons
Rwanda	750 tons
WFP	29,450 tons
IRCC	6,000 tons
UNRWA	1,100 tons

2. Butter-oil

Aid decisions in 1969 and 1970 : 36,000, of which :

WFP	35,000 tons
Turkey	1,000 tons

Aid decisions in 1972 : 15,000 tons, of which

WFP	13,000 tons
UNRWA	2,000 tons

3. Butter

Aid decisions in 1970 :

Turkey 1,000 tons

4. Powdered eggs

Aid decided in 1971 :

WFP 500 tons

5. Sugar

Aid decisions in 1972 :

UNRWA 6,150 tons

This aid, unlike the cereal aid, has in the past been given mainly through the international bodies, particularly the World Food Programme. Various requests have, however, been made direct to the Community; and its latest decision, on 19 December 1972, laid down a programme of 60,000 tons of powdered skim milk, in which a considerable part was left open for direct Community aid, as was the case with cereals. This aid, like the normal nutritional aid in the cereal programme, was given for free distribution to populations suffering from food shortage.

CONCLUSION:

The Commission is aware that, despite the progress achieved in carrying out a Community food aid problem, and the results which have followed in developing countries, the work undertaken must be carried on, and a general and coherent policy formulated in this field. It has, accordingly, announced its intention of submitting proposals for the Council to cover a continuous and general food aid programme, embracing a diverse range of products. This programme is expected to be on lines which will respond to the hopes which developing countries have in the Community, especially at a time when the latter has just been strengthened by the admission of three new member countries.