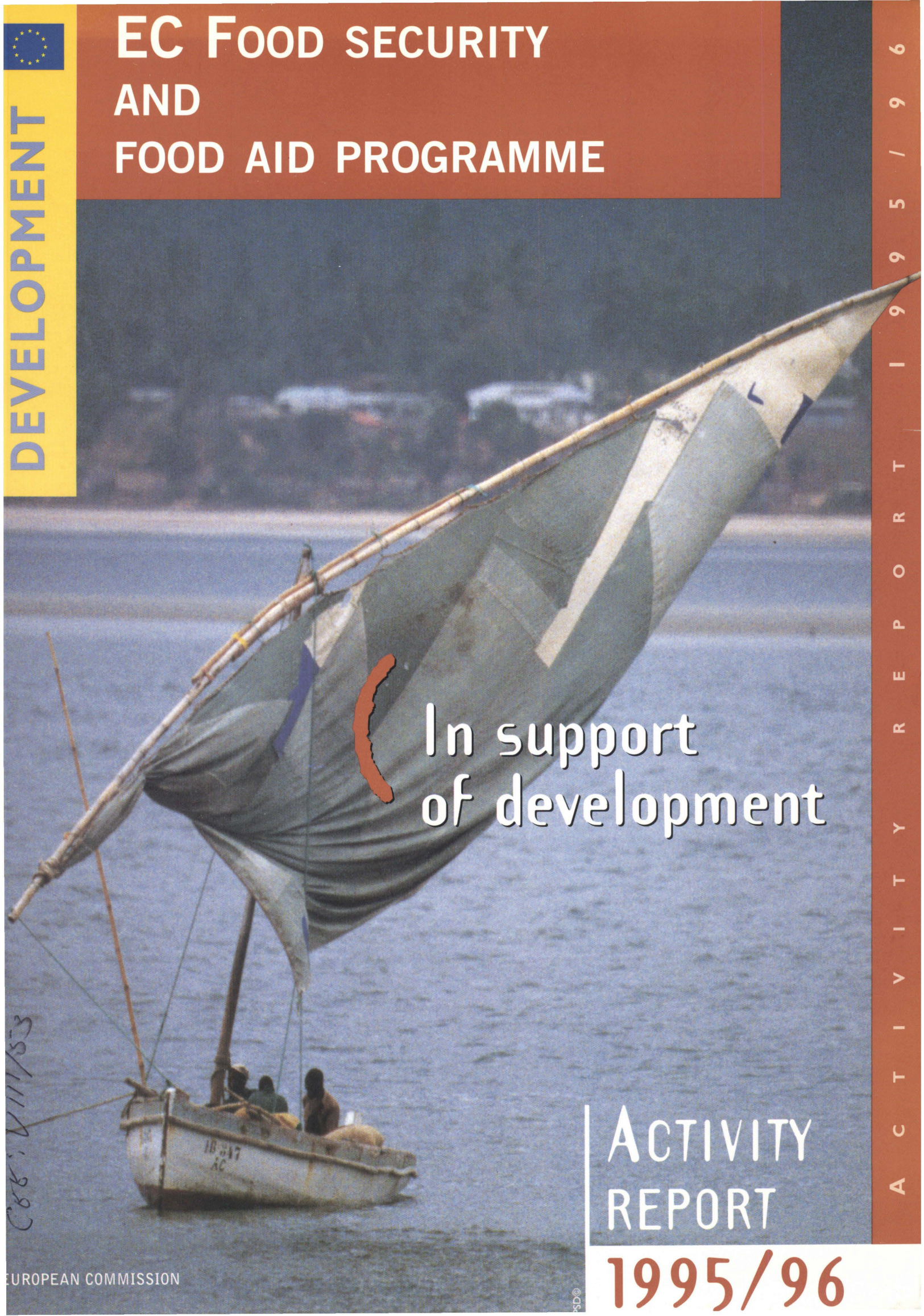




DEVELOPMENT

EC FOOD SECURITY AND FOOD AID PROGRAMME



In support of development

ACTIVITY REPORT

1995/96

C685. V111/83

COVER PHOTO :

Artisanal fishing off the coast of Inhambane (Mozambique)
Fishing is an essential element in the food security of coastal population.

TEXT, CONCEPT AND OVERALL COORDINATION :

Philippe Serge Degernier (consultant) - PSD©

PICTURES PSD© :

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EC FOOD SECURITY AND FOOD AID PROGRAMME



ACTIVITY
REPORT
1995/96

C085 V111/53

PROF. JOÃO DE DEUS PINHEIRO

*Commissioner for External Relations
with the ACP countries and South Africa
as well as the Lomé Convention*



If it is true that the causes of poverty and malnutrition are numerous, it is equally true that the victims are above all the most vulnerable members of society in the developing countries.

Today we are much more aware than in the past of the political character of these causes and of their consequences in terms of exclusion and inequality. The principal causes of persistent hunger are, in fact, political instability, macro-economic imbalances and social inequality.

In this context, it should be encouraged a political vision focused on economic and social development in which the principal aim would be to reduce income disparity and to develop productive resources and at the same time respecting natural resources.

The European Union is well aware of this and has consequently made food security a priority in its development cooperation policy.

Food security is, moreover, a crucial requirement for social justice and has become a powerful instrument in development policy.

For this reason, the range of development policy instruments, whether in the framework of the Lomé Convention or in the framework of other agreements with different regions, is increasingly centred upon priorities for food security.

This political approach has recently been developed and ratified in a new Council Regulation (27 June 1996), which thus endorses the new EC food security and food aid programme.*

Prof. João de Deus Pinheiro

* Council Regulation (EC) No 1292/96 of 27 June 1996 on food aid policy and food aid management and special operations in support of food security.

EC FOOD SECURITY AND FOOD AID PROGRAMME

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- 1995 STATISTICS
- COUNCIL REGULATION (EC) N°1292/96 OF 27 JUNE 1996 ON FOOD AID POLICY AND FOOD AID MANAGEMENT AND SPECIAL OPERATIONS IN SUPPORT OF FOOD SECURITY.

Over the last decade, food aid policies have changed enormously to cope with the increasing complexity of today's food crises. Feeding people in developing countries is no longer simply a question of making food available or boosting production, as was once thought, but of ensuring that people have access to the available food supplies. That access depends on a range of interconnected technical, economic, political and social factors, giving rise to different situations in different countries, so that operations need to be tailored to each country's particular circumstances.

This is all the more pertinent in the light of medium-term forecasts which suggest that there may be new shortages on the horizon. In recent years, countries which have traditionally produced food surpluses have found imports outstripping domestic production; this has been true of certain countries in South-East Asia and sub-Saharan Africa, but (for mainly economic reasons) this is now also the case in some of the New Independent States in the Caucasus and Central Asia.

In 1995, the world situation deteriorated slightly as FAO estimates put these world cereal stocks at 267 million tonnes for 95/96 - their lowest level for 20 years. For the first time in some years, consumption exceeded supply. One symptom of the changed situation was a rise in world wheat prices of almost 40% in one year. The higher prices paid on world markets forced the Commission to impose a tax on EU wheat exports in December 1995. It also sought to reduce the proportion of arable land set aside from 12% to 10%. Higher wheat prices adversely affected the balance of payments of many developing countries which are net importers of food.

The outcome of the Uruguay Round negotiations, reducing customs tariffs and restricting agricultural protectionism (thereby reducing the influence of the public sector) has also led to greater price volatility on world cereal markets, where the trend is upwards. At the same time, rising prices have not yet succeeded in boosting domestic food production in low-income countries traditionally dependent on food imports; hence the need for greater emphasis on local (or triangular) procurement in food aid and food security policy, with a view to encouraging production in countries with chronic food deficits, without raising expectations too high.

Since the early 1970s, developing countries' cereal imports (including food aid) have more than doubled from 60 million tonnes to over 120 million tonnes, according to FAO estimates, and may well exceed 160 million tonnes by 2010. The need for aid has increased as supplies have failed to keep pace with demand, and more people find themselves lacking the wherewithal to meet their basic needs, because of local social economic crises, famines, conflicts or natural disasters. Fifteen African countries needed large-scale food aid in 1995. Harvests in Southern Africa were affected by drought. Yields in sub-Saharan Africa were mediocre; farm production grew by a meagre 2%, reinforcing the steady decline in output per capita.

D S I T U A T I O N I N 1 9 9 5 / 9 6

Sub-Saharan Africa, generally self-sufficient up to the 1960s, has become increasingly dependent on food imports in the last 30 years largely because its population has grown by 3% a year, while farm output has grown by only 1.5 to 2% a year. The sub-continent's food security problems also owe much to recurring political unrest and armed conflicts, not to mention inadequate or ineffectual macroeconomic policies aimed at stimulating agricultural/food production and boosting effective demand. Other factors contributing to the farm crisis include the continued under-exploitation of arable land; failure to improve yields through new technologies; rapid environmental degradation and the lack of a real policy to stop it; the fact that accelerating urbanization has helped to skew national diets towards imported cereals such as wheat or rice; the precedence given to cash crops rather than food crops; the lack of inputs and generally poor economic conditions, not to mention, in some cases, adverse weather conditions. In the last five years, yields per hectare in Africa have averaged 1 183 kg, compared with 2 260 kg in Latin America and 2 827 kg in Asia. In the last 20 years, growth in cereal production has been achieved largely by expanding the area planted, rather than improving yields.

In sub-Saharan Africa, OECD forecasts of an increase in net cereal imports from 30 to 47 million tonnes by the year 2000 highlight the danger that countries will be unable to finance rising demand for food imports. Despite markedly high cereal imports, the amount available per capita fell from 142 kg per year in the early 1970s to 133 kg in 1993/94. The prospect of widespread, increasing dependence on food imports in sub-Saharan Africa over the next few decades is seriously worrying. While the signs of economic take-off are discernible in some of these countries, many of those that are already net food importers are having huge problems paying world market prices. Whatever the reasons, the need to access world markets for essential food supplies will prove an increasing burden on the economy until purchasing power improves markedly. The food problem threatens to become yet another factor barring those countries from the global marketplace.

To picture serious food insecurity one need only think of the familiar cases of unrest, civil wars and natural disasters of all kinds which cause famine after famine. Southern Africa, Liberia, Sierra Leone, the Great Lakes and Horn of Africa, and Sudan are the most critical at the moment. Over the last 30 years, Africa's dependence on food aid has increased. Fifteen million refugees and displaced persons now live in camps, almost totally dependent on the goodwill of the international community for their survival.

It is therefore imperative that we concentrate our effort to combat food "insecurity" and give priority to putting integrated food security policies in place, particularly since, in recent years, there has been a significant drop in food aid contributions, not only because world food stocks are low but, above all, because food aid donors have drastically cut their budgets. World food aid fell by 35% from 15.1 million tonnes in 1992/93 to 9.8 million tonnes in 1994/95. The European Community is the only donor to have maintained and even increased its commitments in the last three years (from ECU 578.9 million in 1993 to ECU 594 million in 1994 and ECU 646 million in 1995).

EUROPEAN COMMUNITY ACTION IN 1995/96

THE REVIEW OF FOOD AID AND SUBSEQUENT POLICY REFORM

In addition to meeting a wide range of operational commitments, in March 1994 (following an evaluation of food aid by the ADE/Solagral think-tank) the Commission launched a review of Community food aid management policy as an integrated development tool which contributes substantially to developing countries' food security. This rethink led to a Council Resolution of 24 November 1994 setting out the principles underlying food security policy.

In 1995, the review process was carried forward with a seminar held in January in conjunction with NGOs, two meetings with experts from the Member States in March and June and an in-house seminar in May. This resulted in new guidelines on food security and priorities for Community food security operations (set out hereafter), plus a proposal for a regulation on food aid management policy and special operations in support of food security, which was adopted by the Council on 27 June 1996 under the cooperation procedure with Parliament.

A: 1995 : A TURNING POINT IN FOOD AID POLICY

The Community carries out food aid and food security programmes under its policy of cooperation with developing countries, in order to ensure – and this is its primary objective – that they can cope with food "insecurity" situations.

What is food insecurity? Food insecurity refers to circumstances in which people are obliged to consume their food reserves, to rely upon their social solidarity networks, and possibly to give up their means of production: in short, to increase their vulnerability.

THE CONCEPT OF FOOD SECURITY

The first conclusion to be drawn from the review, and incorporated into the new Regulation, was precisely the urgent need to integrate food aid as an instrument into development policy proper as part of a dynamic approach, and to improve its effectiveness by using it in conjunction with other instruments.

To this end, the concept of food security was redefined to include not only the traditional idea of producing food and distributing it to a particular population, but also the need to give people the resources to access such food, and create the social and economic conditions which would empower individuals to provide for their own food security. It is impossible to achieve this by simply supplying food aid to a given section of the population. Rather than food aid in the strictest sense of the term, it means providing the means to produce food or earn an income in some other way to enable people to buy food. The point is to re-establish a socio-economically viable environment. The only effective means to this end is a coherent, integrated development policy incorporating food aid as one of an array of instruments.

Food security is a combination of supply and demand factors (availability of food and means to obtain it) that forms a threshold above which households can start to accumulate reserves (in the form of stocks, livestock or savings), develop more powerful means of production or ways of increasing income and organize their social relations to provide more reliable solidarity networks; all of these actions make them less vulnerable in the event of a food crisis. Below this threshold,

The priorities of the Community's food aid and food security programme

Food aid and food security operations aim to :

- promote food security at regional, national, local and family levels ;
- raise the target groups' standard of nutrition ;
- make foodstuffs more available and accessible to the publics ;
- contribute to the balanced economic and social development of recipient countries, in both rural and urban areas ;
- support their efforts to improve food production ;
- reduce their dependence on food aid ;
- increase their autonomy as regards food supplies, either by raising output, or by enhancing and increasing their purchasing power ;
- contribute to development-oriented initiatives to combat poverty ;
- reduce the balance-of-payments deficits of countries that are short of food.

The ultimate objective is to turn the recipients into active participants in their own development. To this end, four key features of the new food aid management policy have been identified :

- the use of food aid as a basic tool of development policy, and particularly long-term food security ;
- improvement of the EC's contribution to the development of food production in countries lacking food security, especially via agricultural rehabilitation ;
- improvement of the poorest groups' ability to obtain basic nutrition (as distinct from simply supplying food) ;
- assurance of ongoing help for vulnerable groups in the event of serious food crises.

The operations carried out to achieve these goals in 1995 and 1996, and the various legal/financial instruments governing them, are outlined in this report.



DOGVINS/EC©

on the other hand, rural households are obliged to consume their reserves, to rely upon their solidarity system, and even to give up their means of production : in short, this increases their vulnerability.

Assessing the vulnerability threshold is therefore the key element in any food aid or food security intervention strategy. Above the threshold, people are part of a development process that can be accelerated only by well-thought-out aid. Below the threshold, people are on a downward and possibly fatal spiral of food dependency, which may lead to other forms of dependency that will be harder to overcome if aid arrives late. In this situation, aid is essential and urgent, because the earlier it arrives in this process, the more effective it is.

The threshold differs for every kind of society and social group, and it is crucial to gauge it correctly. Over-protecting people, far from facilitating their recovery, induces dependent behaviour and jeopardizes the long-term viability of the project. Inappropriate or delayed action exacerbates dependency, as the communities affected become increasingly dislocated, so that ultimately humanitarian aid may be needed.

A successful intervention strategy to promote food security requires precise targeting, in more ways than one : the aid must arrive on time and in the right place, in addition to reaching the social groups most in need of it.

Moreover, food security projects need to be grounded in a stable and conducive political and economic environment. Food security operations are increasingly important in conflict prevention. They are used as a means of reducing the social tensions which cause conflict, and are frequently associated with policies aimed at increasing the lowest incomes, targeting social groups most at risk, optimizing available resources, in particular agricultural resources, and creating employment. Accordingly, local purchases and triangular operations play a key role in schemes to boost production and local trade, regional integration and the private sector and ensure that food aid fits in with the dietary habits of recipient countries.

Transporting food aid in Angola



A SINGLE REGULATION COVERING FOOD AID AND OPERATIONS TO SUPPORT FOOD SECURITY

Until recently, the management of food aid was based on a package of complex and dated regulations which failed to reflect recent developments in combating food insecurity. It was clearly time to devise a new legal instrument which would be adaptable enough to encompass all aspects of food aid and operations to support food security. To this end, the Commission decided in 1995 to launch a serious debate, with the aid of experts in the field, with a view to hammering out a policy to cover all the tools needed to carry out an integrated food security programme for population groups in countries and regions susceptible to food crises.

A proposal for a revised basic Regulation was sent to the Council and Parliament in July 1995. It was debated by the Council's food aid working party between July and December 1995, when the Council adopted a common position on it. The proposed text was subsequently revised and discussed by Parliament, the Council and the

Commission before being finally adopted on 27 June 1996.

The proposed Regulation was intended to achieve two main objectives :

- ▶ to amend the legal basis for food aid and food security operations in line with the Council's and Parliament's guidelines, i.e. reinforcing food aid's role as a key element of food security policy.

This meant paying closer attention to strategies for developing local food production, price and market policies, commercial imports, control and security mechanisms, changes in the general macroeconomic climate of the recipient countries, implementation of coherent food policies and strategies and an awareness of the impact of food aid on medium-term and long-term trends in production and consumption. To this end, the Commission proposed stepping up triangular operations and local purchasing, which contribute to the development of agriculture in developing countries and stimulate inter-regional economies and trade. Operations to support food security, which have proved effective in developing local production, would be used to supplement Community food aid programmes.

- ▶ to incorporate all the existing instruments into a single Regulation setting out all the policy and management rules for food aid and special operations in support of food security.

COORDINATION

In June 1995, following a Council Resolution, the Commission was assigned the task of developing a more organized approach to cooperation on implementing the Member States' and the Commission's aid policies with regard to food security. Such coordination and consistency are clearly crucial when national strategies are being drafted. EU strategies have always been examined with the Member States in management committees. In order to reinforce this cooperation, the Commission instructed its delegates in the field to ensure that their efforts were coordinated with those of the Member States, so as to arrive at a common opinion on the strategies defined and to avoid any inconsistency in aid implementation. In 1995, these coordination arrangements were put into practice in six pilot countries : Mozambique, Nicaragua, Bangladesh, Peru, Ethiopia and Madagascar.

In addition, there were food aid and food security coordination initiatives with the United States (USAID - Food for Peace Office), starting in September 1995 with five countries (Ethiopia, Eritrea, Malawi, Angola and Bolivia), aimed at developing a common food security policy, a joint approach in relation to the WFP, and greater exchange of information.



B : THE 1995 PROGRAMME

B.1. WHAT IS COMMUNITY FOOD AID IN 1995 ?

Community operations in support of food security consist of either supplying food products, in every sense, or financing development projects relating to food security. In 1995, the Community spent a total of ECU 646.3 million on such operations. This report covers only structural food aid administered by the European Commission's Directorate-General for Development. The European Commission also implements humanitarian food aid projects through its humanitarian office (ECHO) and food aid programmes for the New Independent States of the former Soviet Union.

The products supplied as food aid are grouped into several categories. The largest category is cereals (1 447 268 tonnes in 1995, at a cost of ECU 216 511 203, transport not included). They are staple products par excellence for coping with a range of famines and structural food shortages, because they are ubiquitous (being common to all the world's food systems), nutritious, and reasonably priced.

Wheat and white maize are the main cereals allocated to Africa. Rice is consumed largely in Asia but also in many other developing countries. While low in cost (accounting for 35.88% of the 1995 budget), cereals account for the greatest volume of aid (89.63% of the total tonnage of products shipped in 1995).

Next come pulses (75 710 tonnes in 1995, at a cost of ECU 27 442 084, transport not included), in particular beans, which are rich in protein and often particularly suited to the diets of the recipient groups. This is a new category created to reflect the increasing importance of pulses. They were formerly included under "other products", a category which is not accounted for in tonnes, but by value (ECU 45 252 975 in 1995, transport not included), since it covers a wide variety of products such as groundnut oil, dried fish, meat, tinned foods, tomato puree, fruit and seeds.

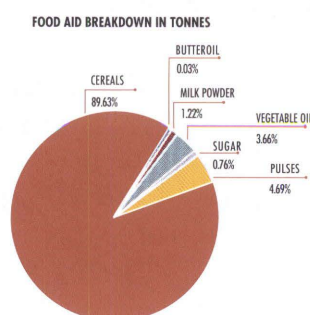
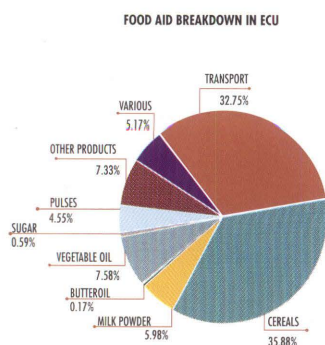
The other categories are vegetable oil (59 107 tonnes in 1995, at a cost of ECU 45 745 382, transport not included), sugar (12 306 tonnes or ECU 3 589 022, transport not included), milk powder (19 742 tonnes or ECU 36 077 794, transport not included) and butteroil (550 tonnes, or ECU 1 012 000, transport not included). Vegetable oil adds fat to the diet while sugar is useful as an energy booster in food supplement programmes for severely undernourished groups of refugees and displaced persons.

Milk powder and butteroil (used with it to reconstitute whole milk) are no longer supplied except to targeted school feeding programmes or clinics, and then only to professionals, because they can cause problems if not properly handled and used in the right proportions.

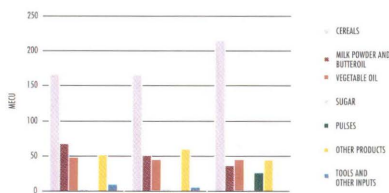
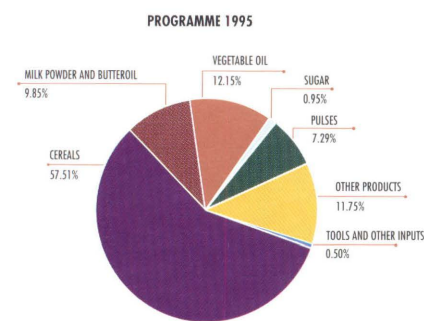
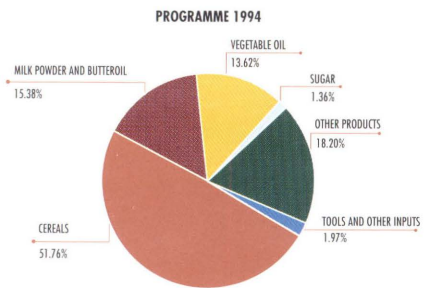
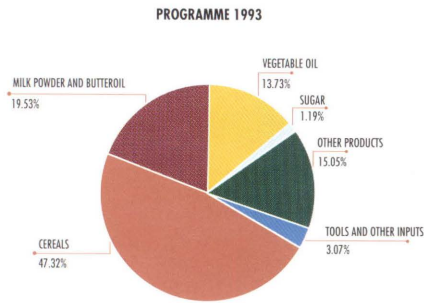
In addition to food products in the strictest sense of the term, seeds, fertilizers, tools and other agricultural inputs may also be supplied as part of farm rehabilitation programmes aimed at improving the recipients' food security.

COMMUNITY AID BREAKDOWN BY CATEGORY OF PRODUCT

PRODUCT	CEREALS	MILK POWDER	BUTTEROIL	VEGETABLE OIL	SUGAR	PULSES	OTHER PRODUCTS	VARIOUS	TRANSPORT
AID (in tonnes)	1 447 268	19 742	550	59 107	12 306	75 710			
AID (in MECU)	216 511 203	36 077 794	1 012 000	45 745 382	3 589 022	27 442 084	44 252 975	31 209 449	197 650 172
Global quantities as foreseen in programming	1 775 600	20 000	800	68 000	12 000	80 000	43 170 000		
Balance	328 332	258	250	8 893	- 306	4 290	-1 082 975		
% of execution on planned quantity	81.51%	98.71%	68.75%	86.92%	102.55%	94.64%	102.51%		



SUMMARY BREAKDOWN BY PRODUCT FOR 1993, 1994 AND 1995 PROGRAMED ALLOCATIONS



TYPE OF AID	1993		1994		1995	
	AMOUNT MECU	%	AMOUNT MECU	%	AMOUNT MECU	%
CEREALS	167.38	47.43%	166.31	49.47%	216.51	57.51%
MILK POWDER AND BUTTEROIL	68.92	19.53%	51.69	15.38%	37.09	9.85%
VEGETABLE OIL	48.46	13.73%	45.80	13.62%	45.75	12.15%
SUGAR	4.21	1.19%	4.57	1.36%	3.59	0.95%
PULSES	-	-	-	-	27.44	7.29%
OTHER PRODUCTS	53.10	15.05%	61.18	18.20%	44.25	11.75%
TOOLS AND OTHER INPUTS	10.84	3.07%	6.63	1.97%	1.90	0.50%
TOTALS	352.91	100.00%	336.18	100.00%	376.53	100.00%

Seed purchases are included in the relevant product categories (e.g. cereals), while fertilizers, tools and other inputs are covered by the category "operations in support of food security". This category covers not only farm inputs but financial assistance with operations in support of food security, in addition to conventional supplies of food products.

There is always a separate transport budget to cover the cost of delivering food aid to the recipients. In 1995 it was ECU 197 650 172, which represents 33.75% of the total food aid budget.

In addition, there are purely financial allocations intended to help the countries concerned implement policies to improve food security. These may be used to finance storage programmes or early warning systems, public information and education programmes, programme evaluations and research, "alternative" aid projects, the purchase of tools and inputs, farm rehabilitation projects, marketing and food crop development, etc.

In 1995, these cost ECU 38 744 449, accounting for 6.42% of the total budget, as follows : ECU 10 900 000 for substitution actions, ECU 779 169 for storage programmes, ECU 3 430 000 for early warning systems, ECU 1 900 000 for the purchase of tools and ECU 21 735 280 for operations in support of food security.

Last but not least, ECU 8 609 360 was spent on monitoring in 1995; ECU 6 952 558 on technical assistance with aid implementation, and ECU 27 648 000 on additional financing to mobilize products needed for previous programmes as a result of 1995 price rises.

THE BUDGETARY MECHANISM OF COMMUNITY AID

Community food aid is not an arm of the common agricultural policy (CAP) or a function of food surpluses. It is an instrument of Community development aid policy in its own right, completely independent of the CAP, with its own objectives and operating budget.

Every year the Commission decides on the volume (tonnage) of products to be supplied as food aid and puts a proposal to the Council and Parliament for allocations in line with these "overall quantities". For the 1995 financial year, it provided for ECU 591.9 million to be committed, divided between three budget headings; a fourth heading covering cofinancing was deleted and the amounts involved divided between the other three. The total 1995 food aid budget was ECU 2.8 million higher than the previous year's.

The first of these budget headings finances the European Community's commitment under the 1986 Food Aid Convention, aimed at making at least 10 million tonnes of food products available a year to developing countries. Under the terms of the Convention, the European Community and its Member States undertook to supply at least 1 670 000 tonnes of cereals each year. This contribution was increased to 1 755 000 tonnes for 1995, in view of the accession of three new Member States,

Peasant working in his field (Horn of Africa) - On the African continent the absence of mechanisation is one of the characteristics of agricultural production.



Austria, Sweden and Finland. The Commission alone supplies 927 700 tonnes a year on the Community's behalf.

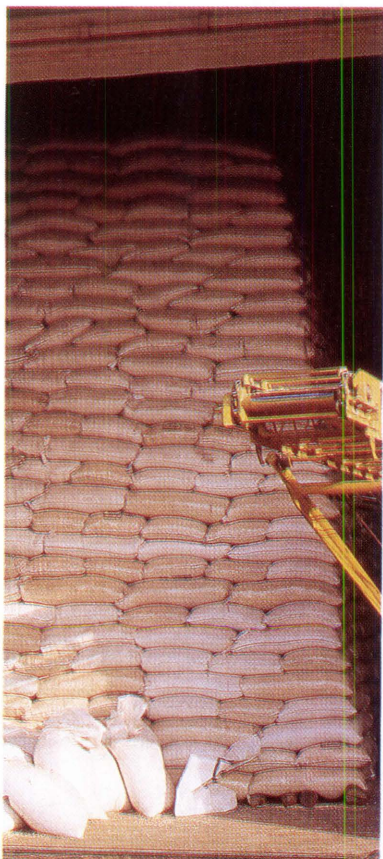
The second budget heading finances an additional allocation of cereals and food products amounting to 843 900 tonnes of cereals, 68 000 tonnes of vegetable oil, 20 000 tonnes of milk powder, 800 tonnes of butteroil, 12 000 tonnes of sugar, 80 000 tonnes of pulses and ECU 43.17 million worth of "other products" for 1995, according to initial forecasts. This second heading can also be used to finance alternative aid operations.

Given steady demand for cereals in 1994, this category was revised upwards from 1 387 000 tonnes to 1 775 600 tonnes for 1995 when the overall quantities were decided upon at the start of the financial year. The volume of dairy products, on the other hand, fell quite substantially as the Commission opted for staple products more suited to local eating habits and less demanding of careful treatment. The "other products" category also shrank considerably with the creation of a separate category for pulses.

There is some scope for juggling with the overall quantities. The volume of any of these products, other than the milk powder and cereals due under the 1986 Convention, may be adjusted upwards by up to 20% (subject to matching reductions in products which are less of a priority). For example, in the 1994 financial year, 1 451 480 tonnes of cereals was allocated, instead of the proposed 1 387 500 tonnes. While the total budget is not affected, this scope for adjustment enables the Commission to take advantage of price fluctuations over the year.

The purpose of the third heading (ECU 218.1 million) is to finance transport, storage, distribution and follow-up operations, as well as projects in support of food security, such as supplying tools, agricultural inputs, advisory services, research, information and public awareness, technical assistance, follow-up, etc.).

Food aid in warehouse (Southern Africa).



THE 1993 INTER-INSTITUTIONAL AGREEMENT : A SAFETY VALVE

Generally, donors program their food aid commitments in terms of financial resources. However recipients, for obvious practical reasons, measure their needs in tonnes. Since food commodity prices can vary greatly, this difference in programming procedures can result in serious mismatches between the amount of aid allocated by donors and recipients' expectations. To get around this problem, the EC set up a financial mechanism that enables it to offset the consequences of the different approaches.

The food aid budget is decided at the beginning of each financial year partly with a view to the overall annual tonnage intended for allocation. Under an inter-institutional agreement on calculating the budget, reached in 1993, an official reference price was set (ECU 127 per tonne of cereals). This indicative price is used to calculate the total budget needed to purchase the required tonnage.

Food aid arriving in the port
(Southern Africa).



If the price of cereals rises, it causes an immediate budget shortfall, but the agreement solves this problem by providing for a transfer of funds from the EAGGF (European Agricultural Guidance and Guarantee Fund) to the food aid budget, equivalent to the difference between the price fixed by the agreement and the real market price. In this way, the EC is sure of being able to fulfill its commitments despite fluctuations in the market.

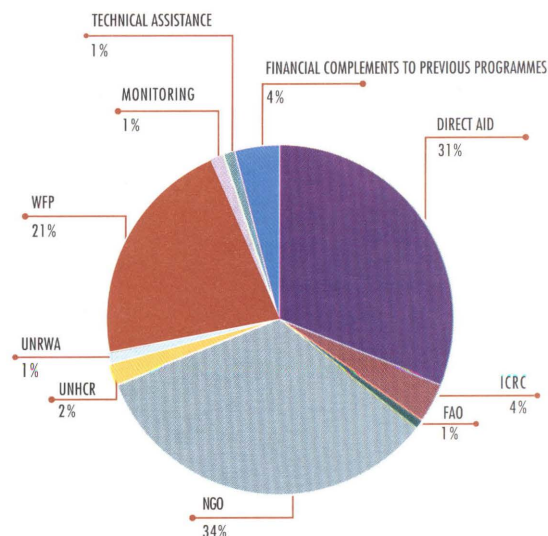
HIGH MARKET PRICES

The average price of cereals in 1995 was ECU 160 per tonne. Since the budget and overall quantities were set at the ECU 127 ceiling under the 1993 agreement, the initial tonnage of cereals set had to be adjusted. Further commitments were also required in 1995 to cover past programmes affected by rising prices.

These two extra claims on the budget were financed by transferring EAGGF resources under the 1993 agreement, which comes into play as soon as price rises cause a budget deficit. The transfer, totalling ECU 44.4 million, enabled the Commission to both meet its previous commitments and carry out its 1995 programme. It brought the total food aid budget to ECU 636.3 million, to which must be added a subsequent extra transfer of ECU 10 million.

1995 FOOD AID OVERALL BUDGET : BREAKDOWN BY TYPE OF AID AND BY BODY

Type of aid	Bodies	Allocated amount (ECU)	%
Direct aid		201 760 681	31.22 %
Indirect aid		401 329 400	62.10 %
	ICRC	23 043 110	3.57 %
	FAO	5 380 000	0.83 %
	NGO	214 383 981	33.17 %
	UNHCR	12 742 660	1.97 %
	UNRWA	8 241 753	1.28 %
	WFP	137 537 896	21.28 %
Monitoring		8 609 360	1.33 %
Technical assistance		6 952 558	1.08 %
Fin. comp. to previous programmes		27 648 000	4.28 %
OVERALL TOTAL		646 299 999	100 %



White maize, preferred to yellow maize is a staple food in Southern Africa.

B.2. WHO RECEIVES THE AID ?



Community aid may be either direct, or indirect. Direct aid is entirely implemented by the Commission, while indirect aid consists of a donation from the Community to outside bodies (international or non-governmental organizations) which are given responsibility for implementation in accordance with a partnership agreement with the Commission.

Direct aid may be sold on the market in order to reduce a structural food shortage (generating counterpart funds which are used to improve the country's food security), or it may be distributed to people at risk (by means of food-for-work schemes, school feeding programmes or socio-economic rehabilitation schemes), or even be used to create buffer stocks (at local, national and sometimes international level). Direct aid is preferred by the Commission because it is most often related to structural development operations, which are more promising in terms of long term food security.

In 1995, direct aid was granted to some 20 countries (Angola, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Zambia, Sierra Leone, Bolivia, Peru, Bangladesh, Cambodia, Haiti, Eritrea, Ethiopia, Egypt, Tunisia, Burkina Faso, Cape Verde and Niger) and totalled ECU 202 million, or 33.5% of the food aid budget. Bangladesh and Ethiopia received the largest volumes of direct aid at 180 000 and 150 000 tonnes of cereals respectively. The main region benefiting was sub-Saharan Africa, which accounted for 13 of the 20 countries receiving aid and just over half of the total direct aid allocated, at ECU 115 million.

Indirect food aid is administered by international organizations (especially the UN agencies) or non-governmental organizations (NGOs). Unlike direct aid, it is often distributed free, since it usually forms part of rehabilitation or continuing emergency aid projects. Moreover, its scope is far wider, since it involves a substantial number of different parties operating all over the world. International agencies such as the World Food Programme (WFP) and some of the NGOs carry out operations in a large number of developing countries. The sheer number of people affected, therefore, is much higher.

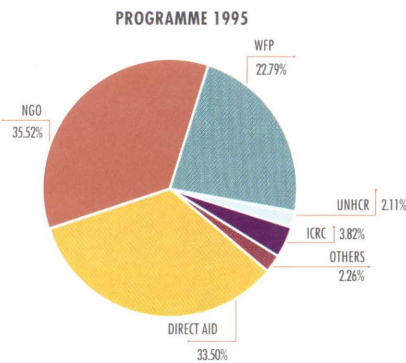
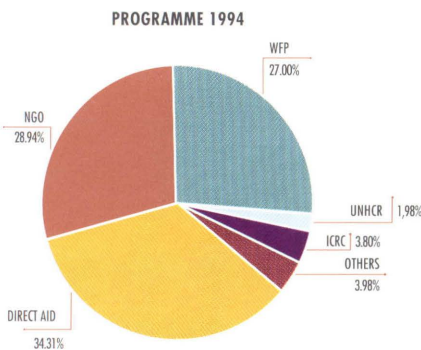
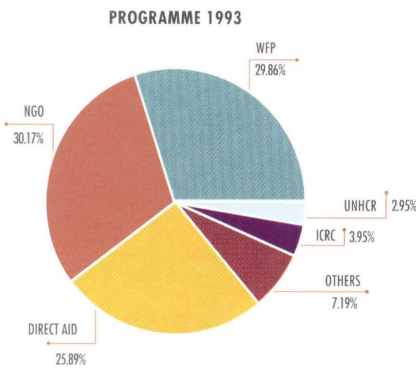
In 1995, NGOs and the following international agencies administered ECU 401 million in food aid, i.e. 66.5% of EC food aid resources :

- the United Nations World Food Programme (WFP), which handles three types of operations : emergency aid (the International Emergency Food Reserve, IEFR) ; food aid to refugees (the Protracted Refugee Operation or PRO) and structural development aid (its regular programme) ;
- the United Nations Relief and Works Agency for Refugees in the Near-East (UNRWA) ;
- the United Nations High Commissioner for Refugees (UNHCR) ;
- the United Nations Food and Agriculture Organization (FAO) ;
- the International Committee of the Red-Cross (ICRC).

SUMMARY BREAKDOWN BY TYPE OF AID FOR 1993, 1994 AND 1995 PROGRAMED ALLOCATIONS

TYPE OF AID	1993		1994		1995	
	AMOUNT MECU	%	AMOUNT MECU	%	AMOUNT	%
DIRECT AID	137.41	25.89%	183.18	34.31%	202.16	33.50%
NGO	160.13	30.17%	154.51	28.94%	214.38	35.52%
WFP	158.47	29.86%	144.16	27.00%	137.54	22.79%
UNHCR	15.66	2.95%	10.55	1.98%	12.74	2.11%
ICRC	20.96	3.95%	20.27	3.80%	23.04	3.82%
OTHERS	38.14	7.19%	21.23	3.98%	13.63	2.26%
TOTAL	530.77	100.00%	533.90	100.00%	603.49	100.00%

In this breakdown of indirect aid, NGOs accounted for ECU 214.39 million, or 35.5% of the 1995 budget, via the Euronaid allocation and under other headings, while the WFP accounted for ECU 137 million, or 22.8%.

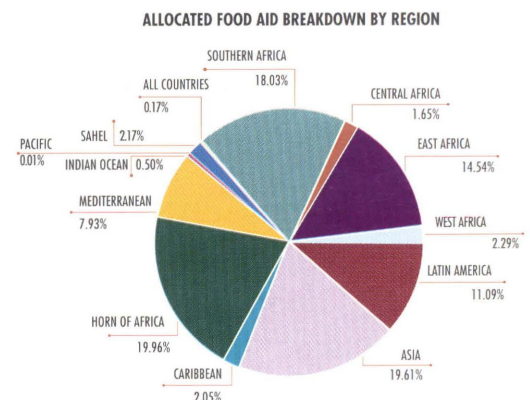


The development agencies and organizations have a free hand in programming "indirect" operations, subject to partnership agreements with the Commission setting out the objectives and implementation arrangements, etc. The Commission ensures coordination, monitoring and proper supervision of these operations, consistent with the terms of allocation and mobilization of Community aid. In addition, many NGOs benefit from aid managed by the Commission itself (aid supplied in the form of goods, counterpart funds, etc.) as part of "direct" operations involving the Commission and the recipient countries.

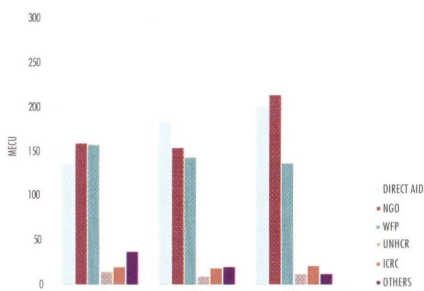
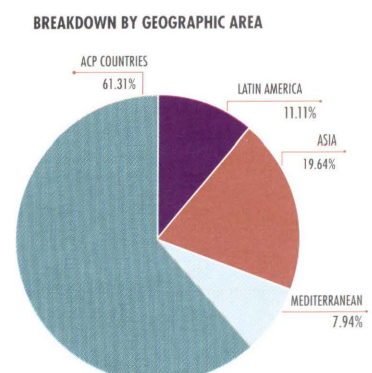
As in 1994, the chief recipients of food aid, both direct and indirect, were countries in sub-Saharan Africa. ACP States received over 60% of total allocations, the bulk of which went to Southern Africa, East Africa and the Great Lakes region. Asia accounted for 20% of Community funds, while Latin America and the Mediterranean each accounted for around 10%. This breakdown is in line with the trends of the early 1990s and is a fairly reliable indicator of the regions most vulnerable in relation to food security.

SUMMARY BREAKDOWN OF FOOD AID ALLOCATIONS BY REGION AND GEOGRAPHIC AREA IN 1995

REGIONS	ALLOCATED AMOUNT (ECU)	%
SOUTHERN AFRICA	87 840 948	18.03%
CENTRAL AFRICA	8 024 718	1.65%
EAST AFRICA	70 840 737	14.54%
WEST AFRICA	11 139 671	2.29%
LATIN AMERICA	54 032 044	11.09%
ASIA	95 525 379	19.61%
CARIBBEAN	9 964 603	2.05%
HORN OF AFRICA	97 207 239	19.96%
MEDITERRANEAN	38 613 768	7.93%
INDIAN OCEAN	2 426 456	0.50%
PACIFIC	72 469	0.01%
SAHEL	10 589 951	2.17%
ALL COUNTRIES	838 000	0.17%
OVERALL TOTAL	487 115 983	100.00%



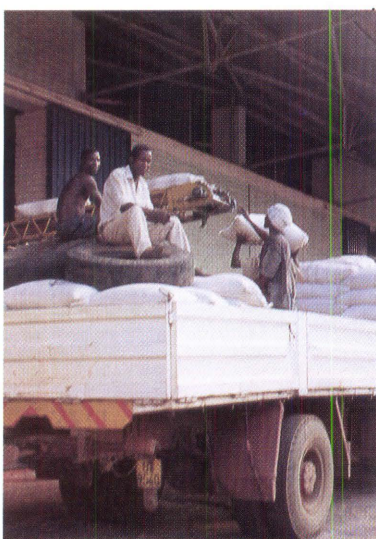
GEOGRAPHIC AREA	ALLOCATED AMOUNT (ECU)	%
LATIN AMERICA	54 032 044	11.11%
ASIA	95 525 379	19.64%
MEDITERRANEAN	38 613 768	7.94%
ACP COUNTRIES	298 106 792	61.31%
OVERALL TOTAL	486 277 983	100.00%



B.3. COMMUNITY INSTRUMENTS IN 1995

The new food aid and food security policy relies on two types of instruments, which differ in essential respects but complement each other : on the one hand, food aid supplied in the form of goods and, on the other, financing for operations to improve food security.

Loading sacks of cereals
(Southern Africa).



FOOD AID DELIVERED IN THE FORM OF GOODS

The Commission may deliver not only "food aid" but also seeds, fertilizers, tools or other agricultural inputs. This may be accompanied by technical and financial assistance and also (funding for) awareness and training campaigns. The aid falls into two main categories : food aid programmes in support of development, and food aid programmes in support of rehabilitation.

FOOD AID PROGRAMMES IN SUPPORT OF DEVELOPMENT

Sales of food aid on the markets

Development-related food aid programmes often involve selling food products on the market to alleviate chronic food shortages. If a certain quantity of food products provided as aid is made available on the local market, it increases the available food supply, helps to stabilize prices, encourages local market activity and helps to combat monopolies, while providing precious support for the trade balance of the country concerned.

Selling aid on the domestic market and thereby converting it into money (hence the term "monetization") gets around the key disadvantage of free distribution, which is that it can cause local food prices to tumble, often putting producers and traders out of business and thereby discouraging local people from producing and distributing food. However, if it is to be effective, monetization must be matched by a commitment on the part of the recipient country to implementing a food security policy.

In 1995, 10 countries received direct food aid allocations for sale on the market. Six of these (Ethiopia, Cape Verde, Malawi, Mozambique, Egypt and Peru) received the aid as part of programmes of structural food aid for development, i.e. to tackle chronic food deficits ; in the other four (Angola, Namibia, Eritrea and Sierra Leone) the aid was intended to support rehabilitation programmes.

Taking cereals alone, the total volume of these operations was 351 810 tonnes, sold in small consignments on different markets in order to improve the supply and food security of the recipients and to support their balance of payments. In Ethiopia (75 000 tonnes of wheat), Eritrea (20 000 tonnes of wheat), Egypt (46 000 tonnes of wheat), Mozambique (61 810 tonnes of cereals), Angola (25 000 tonnes of cereals) and Sierra Leone (10 000 tonnes of rice), the aid was largely directed at towns and surrounding districts, whereas in Cape Verde (5 000 tonnes of wheat), Malawi (60 000 tonnes of white maize), Namibia (10 000 tonnes of white maize) and Peru (25 000 tonnes of wheat) all sectors of the population benefited. Since it is intended for sale on the markets, all this commercial aid will generate counterpart funds destined to finance a variety of projects designed to boost the food security of the people concerned.

Agricultural rehabilitation in Angola - Following the ravages of the civil war, it is important to rebuild the means of production in the agricultural sector.



DG/MIBI/EC©

Counterpart funds

Counterpart funds, generated by selling aid on the market, are incorporated as far as possible into the budget of the State concerned. They are used to finance integrated development programmes aimed at food security for the population groups affected. For countries undergoing structural adjustment, the funds must fit into a single, coherent budgetary policy as part of a programme of social and economic reform.

Counterpart funds are used for macroeconomic and sectoral development projects that promote the food security and socio-economic welfare of the relevant population groups. In cases where the Commission can rely on credible budget policy commitments, the funds can be integrated into the national budget in question. They are deposited in a two-signature account (signed by the Commission delegate or representative in the country and by a duly accredited government representative of that country), which ensures that management of the funds is transparent for all parties concerned.

In some cases, programmes to sell aid on the market may be spread over several years, since the aim is to support the introduction of a long-term integrated food security policy. The Community already undertakes multiannual operations which allow long-term planning. Such operations are only launched where the government is seriously committed to implementing a viable food security policy. They are only envisaged where they help to improve overall aid effectiveness without compromising the Community's ability to respond to other urgent requests.

Central market in Maputo (Mozambique) - In the foreground, a stall holder sells cachou nuts.



In 1995, Tunisia continued to benefit from a multiannual programme of support for milk production, but the 1995 allocation (3 000 tonnes of milk powder) was replaced by financial assistance to help see the programme through. Bangladesh also continued to benefit from a multiannual programme, receiving 170 000 tonnes of cereals for 1995 as part of the IFADEP programme (Integrated Food Assisted Development Programme), worth 562 125 tonnes of cereals and ECU 30 million in financial assistance over a five-year period.

FOOD AID PROGRAMMES IN SUPPORT OF REHABILITATION

The purpose of this form of aid is to offer long-term support to people who may be recovering from a conflict or disaster, or experiencing a protracted lean period, or quite simply incapable of ensuring their own food security because of their economic circumstances. These people must be given the means to enable them (and this is the crux



of the matter) to resume normal social and economic life. In the medium term, food aid programmes for rehabilitation are very effective, but they need to be replaced as soon as possible by long-term structural programmes to establish food security.

Food aid for rehabilitation programmes

Food aid for rehabilitation often involves operations to distribute products to vulnerable groups, directly (either by selling them on the market or distributing them to specific groups) or via integrated nutritional programmes, school feeding projects, food-for-work programmes, and especially the distribution of seeds and tools as part of organized projects to restart food production. They may also involve creating buffer stocks or even the introduction of particular inputs.

Two countries received direct assistance with the creation of buffer stocks in 1995 : Mozambique and Ethiopia. Mozambique will receive 33 000 tonnes of cereals to boost buffer stocks set up by the EC. Ethiopia will receive 75 000 tonnes of cereals to top up its strategic emergency food reserve. In addition, a regional buffer stock of 30 000 tonnes of cereals has been set up for Rwanda and Burundi.

Integrated nutritional and social programmes

Integrated nutritional and social programmes involve distributing food to certain well-defined target groups found among the poorest strata of society so as to help quite specific groups such as children, pregnant or nursing mothers, the sick, the old or people who have lost their means of production and have no immediate prospect of regaining them. The food may serve to support education or nutritional, medical or health training projects, etc. Such projects also help to relieve the distress of those people who are most vulnerable, especially in countries undergoing structural adjustment. They are often needed in situations where welfare expenditure has been cut to the bone while nationalized industries have shed large numbers of staff; in the virtual absence of a safety net, such people may be reduced to extreme poverty.

In 1995, three integrated nutritional and social programmes were directly implemented by the EC in Angola, where almost 30 000 tonnes of food was distributed to rural communities via NGOs, Lesotho, where some 25 000 tonnes of food reached 50 000 people in mountain regions, and Peru, where 11 200 tonnes of food were distributed to some 413 000 people in rural districts and semi-urban areas with a high incidence of poverty. Indirect operations via specialized agencies (UNRWA, WFP, UNHCR), the ICRC or NGOs also contributed to implementing this type of programme.



DC/MIBI/EC©

Food-for-work programmes

Food-for-work programmes are operations to support development projects whereby goods are distributed to the workers as part of their wages. This is particularly appropriate where the wages themselves are too low to enable them to buy staple foods. They may also have an important stabilizing influence if they persuade people not to leave their land (for example, in areas remote from a market) but to work to improve the local agricultural infrastructure, by building irrigation channels, dams, roads, etc.



In 1995, the EC conducted special food-for-work programmes in Cambodia (15 000 tonnes of rice as part of a public works programme), Bangladesh (the IFADEP programme), Angola and Malawi (ADDFood programme, financed from counterpart funds). The WFP, as part of its regular programme, and NGOs also carried out a number of such programmes using indirect aid.

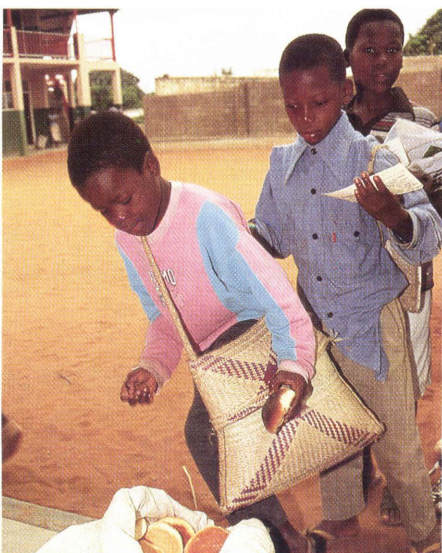
The provision of seeds and tools

The provision of seeds and tools helps to rehabilitate peasant groups of returnees, displaced persons and refugees who have lost their means of production and therefore subsistence. Re-equipping them enables them to regain their independence as quickly as possible. However, the distribution of seeds, inputs and tools is no quick fix, since potential recipients require careful selection and possibly information/education campaigns. One must also be sure that they are not driven to eat the seeds to survive. Either the programme must go hand in hand with food distribution (and use seeds treated with a repulsive dye to make them unfit for consumption) or one must ensure that the recipients' purchasing power is sufficient to buy food to eat.



In 1995, there were programmes to supply seeds and other inputs in Angola, Rwanda, Burundi, Peru and Haiti. In Rwanda and Burundi, stocks of agricultural inputs were supplied to support agricultural recovery in the region and the reintegration of refugees and displaced persons. In Haiti, three integrated programmes geared to agricultural recovery were financed by the EC at a cost of ECU 5.03 million. It also financed an ICRC-run programme to supply agricultural inputs in Afghanistan.

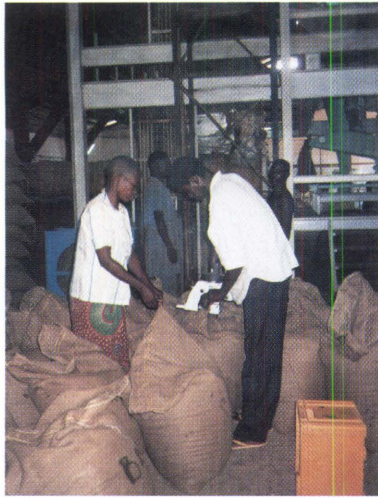
School feeding programme in Maputo (Mozambique) - Distribution of bread before lessons begin.



DC©

School feeding programmes

School feeding programmes are an extremely important component of rehabilitation operations, since they represent an investment in the best form of capital there is : human capital. Underdevelopment and poverty are a state of mind as well as body, and enabling children – tomorrow's adults – to continue their education tackles the root cause of the problem. This is where school feeding programmes come in. In addition to improving children's nutritional intake, they improve their alertness in the classroom, thereby reducing the risk of failure. They also encourage parents to send their children to school, since they are no longer a drain on resources to be compensated for in any way possible (e.g. by putting them to work in the fields, at home, etc.).



Cereal bagging unit.

DOVIMBI/EC©

In 1995, only Angola and Peru benefited from school feeding programmes directly financed by the EC. The Angolan programme is a pilot project aimed at 50 000 pupils in the capital, which may be extended.

MOBILIZATION OF FOOD AID PRODUCTS

Food supplies delivered as aid come from one of three sources : they may be bought on the Community market, or in the recipient country (local purchase), or in another developing country – if possible, in the same region (triangular operation).

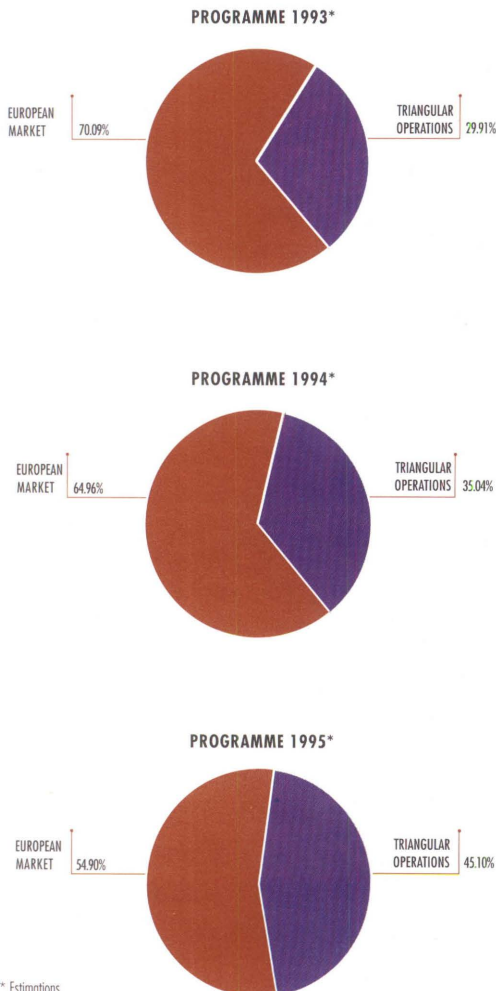
Local purchases and triangular operations enable food supplies to be procured in developing countries, an approach which has four undeniable advantages. Firstly, they can be obtained far more quickly than aid from another continent. Secondly, they are much more likely to fit in with the recipient communities' normal diet. Thirdly, they encourage regional economic trade and take advantage of food surpluses built up by certain developing countries. Fourthly, they provide a substantial incentive to local food producers.

"Triangular operations" are so called because they involve three parties : the country providing the goods sought, the recipient country and the donor financing the operation (in cash or kind).

Local purchases are financed by the donor, but the recipient country itself supplies the goods. This type of operation is justified when access between areas facing shortages and areas with surpluses is difficult because of transport or distribution problems. It is also useful if operations to distribute food free of charge are needed, i.e. when certain sections of the population have been made destitute despite plentiful supplies of food products on local markets. It enables those in need to be assisted while still encouraging local production.

The only major donor to permit and even promote such operations, the Commission devoted over 40% of its financial resources in this field to triangular and local purchases in 1995. In Ethiopia, the largest local purchase operation ever undertaken by the EC, potentially involving almost 200 000 tonnes of cereals, is currently under way.

SUMMARY BREAKDOWN BY TYPE OF MOBILIZATION FOR 1993, 1994 AND 1995 PROGRAMED ALLOCATIONS



FINANCIAL FOOD AID

Food aid alone may be insufficient to establish or sustain a food security policy in a country coping with food insecurity, as it does not tackle the structural problems that are the root cause of food crises; hence the provision for financing food security projects that do not necessarily involve supplying food. Such projects may be implemented either directly, by the Commission, or by outside organizations. They may be organized to support development or rehabilitation programmes.

Operations in support of food security

These operations provide technical and financial assistance with a view to improving food security by helping to finance :

- ▶ the supply of seeds, tools and inputs essential to the production of food crops ;
- ▶ support for rural credit ;
- ▶ storage operations ;
- ▶ marketing, transport, distribution and processing operations relating to agricultural and food products ;
- ▶ support for the private sector to boost trade ;
- ▶ applied research and field training activities ;
- ▶ projects to develop food production ;
- ▶ flanking measures, awareness campaigns, technical assistance and field training activities ;
- ▶ support measures for women and producers' organizations.

These diverse activities are intended to enhance support for recipient countries' food security and provide a range of options enabling them to tackle potential problems effectively.

Extensionists preparing a demonstration plot for sowing (Malawi).

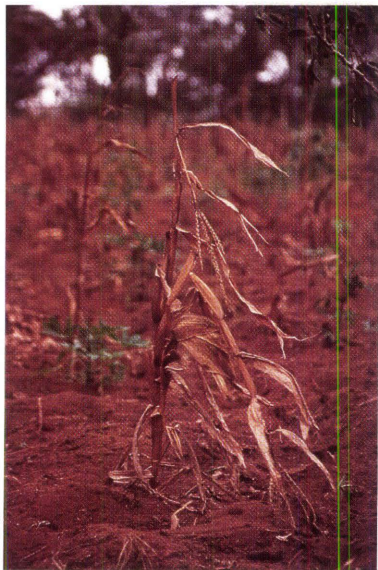


In 1995, the EC financed 15 operations to support food security in 11 countries (Ethiopia, Mozambique, Rwanda, Burundi, Malawi, Haiti, Bangladesh, Egypt, Peru, Bolivia and Cambodia) and contributed to WFP and FAO in the same purpose. The total of these actions amounts ECU 21.74 million.

Substitution operations

Substitution operations allow food allocations to be swapped, or part-exchanged, for financial assistance towards special operations in support of food security. In some cases, changes in production, consumption, stock levels, people's food situation or the degree of food aid granted by other donors may mean that actual food aid deliveries are no longer vital, but projects to improve food security, started using counterpart funds, still need financing. Substitution operations therefore make food aid more versatile.

On this alternative cultivated plot the young growth of maize (foreground) has been unable to resist the effects of drought while the cassava (background) has survived (Southern Africa).



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In 1995, three such schemes were financed, in Burkina Faso, Tunisia and Bolivia. In Tunisia, the financial aid (totalling ECU 5.4 million) was granted instead of milk powder as part of a multiannual programme to support national milk production. Financial assistance of ECU 4 million was granted to support the introduction of a new national food security policy in Bolivia, and a lesser amount (ECU 1.5 million) was accorded to Burkina Faso for the same purpose.

Early warning systems

A coherent food security policy geared to alleviating any type of food shortage needs access to reliable information. The EC's information systems supply a range of data on the level of food insecurity in a particular population and its degree of vulnerability. The EC analyses and interprets this data, honing its ability to assess food security and thereby obtaining a decision-making tool that enables it to make precise diagnoses and select the most appropriate response.

Information on population numbers, market situations, consumption, people's nutritional and health status, the condition and quality of crops and livestock, available food stocks, the climate, the arrival of aid distributed by other donors, etc. is crucial to establishing local food requirements with precision and measuring the scale of a food shortage.

Community aid may be used to finance early warning systems and data collection on crop trends, stocks and markets, nutrition and vulnerability levels, and the risk of national or regional food shortages, so as to improve information on the food situation in the countries affected.

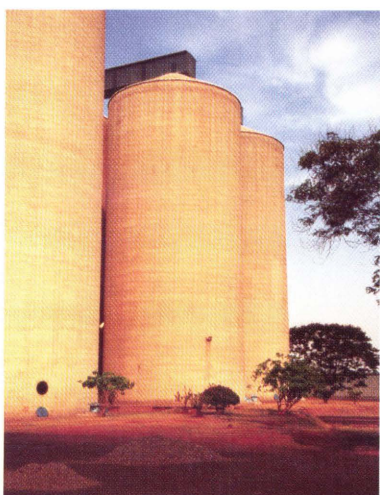
Various types of system are currently financed by the EC :

- ▶ early warning systems (EWS) aimed at detecting food shortages early enough so that food aid can fulfill its emergency function ;
- ▶ advanced early warning systems based on cross-referencing indicators of various kinds (crop monitoring, income, migration, nutritional state, health) to generate socio-economic and nutritional data ;
- ▶ information systems on markets, which enable information on market trends to be disseminated to economic operators ;
- ▶ data bases relying on the use of remote sensing.

These information systems, combined with the increasing adaptability of food aid, enable the EC to formulate policies and programmes bringing together a wide range of operations to improve food security, and at the same time ensuring that aid is better targeted and better coordinated with development programmes and sectoral policies.

In 1995, a number of early warning systems were financed to varying degrees by the EC. In Mozambique, the FAO received fresh finance (ECU 1.53 million) for its EWS developed jointly with the Mozambique administration. The FAO also received ECU 500 000 to continue development of a global information and early warning system (GIEWS) in Rome. In Niger, an EWS will be set up to back up existing facilities, at a cost of ECU 1.1 million. The NGO Care International (United Kingdom) also received ECU 300 000 for its food information system (NKFIS) in northern Sudan.

Partial view of storage silos of ADMARC depot in Lilongwe (Malawi), which has a total capacity of 180.000 tonnes.



Storage operations

In countries at constant risk of food shortages, the Community can finance storage programmes designed to ensure swift intervention, usually by building warehouses for food supplies – either as buffer stocks to be used in any kind of emergency (drought, floods, population movements, conflicts, etc.) or to regulate the market, by buying or selling according to the circumstances. For example, farm surpluses can be stored to prevent them being dumped on the market and causing a collapse in prices and farmers' incomes; the surpluses may be sold if later harvests fail to match demand.

Community aid may therefore be used to finance operations designed to improve storage systems, so as to reduce losses or to ensure that there are sufficient stores to respond to an emergency. Such projects may include building any infrastructure, such as drying, unloading, disinfecting, processing or storage facilities, which may be needed to handle food supplies in support of food aid and food security operations.

Creating stocks of food supplies is a technically complex operation which requires experts assistance. They must be correctly located so as to be immediately on hand in the event of famine, for example, which means that they must be located in the country in which they are likely to be used. Preliminary technical studies must be carried out, and the specifications drawn up before the warehouse can be built. The site must not be liable to flooding or subsidence, for example. The cost must be within reason and the scale of the facilities appropriate to local needs. The supplies may be stored in bulk, in silos or in sacks in a warehouse. Warehouses and silos need to be airtight to allow grain stocks to be fumigated to eradicate insects and larvae. Warehouse supplies should be stored on pallets to allow proper ventilation and reduce humidity.

In 1995, numerous storage operations were financed by the EC and implemented by NGOs via Euronaid, at a cost of ECU 338 000. Three other NGOs received finance for such operations, including the German NGO Deutsche Welthungerhilfe, which received ECU 375 169 to rehabilitate granaries in 15 villages in the Androy region of Madagascar, as part of a pilot programme to conserve food supplies and seeds.

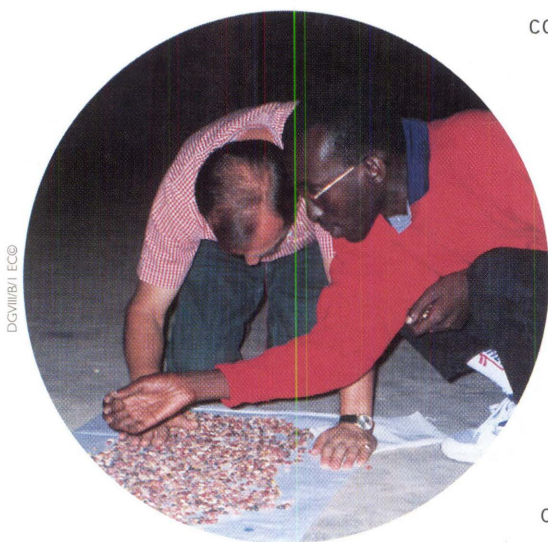
Cereal warehouse - Its construction was financed with counterpart funds (Lesotho).



Technical assistant examining bean seeds (Rwanda).

Technical assistance

Food aid and food security projects are often delicate and complex operations to run. They can involve huge quantities of goods and need monitoring day in, day out to prevent delays occurring. For this reason, the Community's direct aid programmes relating to food security often include financing for technical assistance. This provides for one or more specialists (agronomists, economists, logisticians, etc.) to take over the day-to-day running of the project in close collaboration with the Commission Delegation and the government of the recipient country. Their work is indispensable, in that they see to the proper execution of programmes to sell aid on the market (calling for and evaluating tenders, etc.) or distribute it to target groups, as well as handling counterpart funds and the programmes financed by such funds.



DOVIMBI/EC©

In 1995, 21 countries received technical assistance (involving some 60 expatriate experts) with the implementation of direct and indirect aid programmes : Angola, Cambodia, Senegal, Egypt, Nicaragua, Malawi, Bangladesh, Burkina Faso, Haiti, Cuba, Ethiopia, Liberia, Mozambique, Peru, Somalia, Rwanda, Burundi, Tanzania, Zimbabwe and Zaïre

B. 4. IMPLEMENTATION OF COMMUNITY AID

The Food Security and Food Aid Unit of the European Commission's Directorate-General for Development is responsible for drafting and implementing Community food aid and food security programmes. It is split into two main sections, programing and mobilization, each with its own specific tasks. In addition, there is an independent follow-up team and a monitoring organization which reports to the mobilization section.

Programing is an ongoing exercise which involves assessing the food security situation and needs of potential recipient countries and regions, and considering the eligibility of applications received from States, international organizations and NGOs, along with their implementation where appropriate. In the process of defining a **strategy** for a given country or region and considering **applications**, the programing section draws up guidelines based on the budget allocated at the beginning of the year, and decides which instrument is best suited to implementing the proposed operations.

Each application is examined jointly by the desk officer covering the relevant country within the unit and his/her counterparts in either the Directorate General for Development or the other Directorates-General covering external relations, following consultations with the Commission Delegations on the spot and other potential donors.

If, upon examination, the application is accepted, a **financing proposal** is submitted to the **Food Aid Committee**, which is made up of representatives of the 15 Member States, who give an opinion on every food aid operation the Commission proposes to undertake. Once the Commission has decided to grant the aid, the recipient is sent an **official letter**

Food aid is allocated according to an objective assessment of the concrete needs of the potential recipient, taking into account economic factors.

The following factors are considered, along with any other relevant information :

- whether there are food shortfalls ;
- whether the population suffers from nutritional deficiencies ; infant mortality levels ;
- per capita income (and whether any groups are particularly deprived) ;
- social indicators of the welfare of the people concerned ;
- the potential recipient country's balance-of-payments situation ;
- the extent of food imports and the external debt burden on export earnings ;
- the economic/social impact and financial cost of the proposed operation ;
- whether the potential recipient country has a long-term food security policy.

Account must also be taken of the "usual marketing requirement", which provides a measure of the country's scope for commercial imports. Aid may still be considered necessary if, even allowing for food imports, there is still a substantial deficit, i.e. the year's food production plus net food imports does not match total domestic demand for food.

of notification, setting out all the relevant terms : the type of aid, volume, delivery arrangements, etc.

Once the recipient has formally accepted the aid proposal, the mobilization section takes over. "Mobilization" covers everything needed to ensure the decision to grant aid is carried out in practice. The section asks the relevant officials in the Directorate-General for Agriculture to issue a **call for tenders** on the European market to obtain the necessary supplies. The goods are supplied to the recipient either at the port of shipment, or at the port of landing, or at their final destination. Mobilization also entails organizing local purchases and triangular operations, in which case the mobilization section issues its own invitations to tender. It also takes charge of any storage operations needed.

The job of **monitoring**, conducted under the auspices of the mobilization section, involves strict supervision of the quality and quantity of the goods supplied and coordination of the various agencies involved in food aid operations. It is carried out by a number of companies contracted by the Commission, with monitors in the ports of shipment and landing and at the final destination.

Follow-up and evaluation missions are undertaken by agricultural economists to assess food aid and food security operations in the field. The missions enable the experts to pass on feedback and recommendations as to whether the programmes are in line with the objectives, what problems or difficulties have been encountered in implementing them, and to what extent they have actually met the goals set. The experts also check on the distribution of the aid (free or market), storage, monetization and the management of any counterpart funds generated, the projects financed by the latter, and the choice of target groups. They check that the quantity and type of goods supplied are appropriate to the needs and diet of the recipients, assess the impact of the aid on local agricultural production, on the level of market prices and on trade in the region, and lastly, its impact on longer-term nutritional and food security objectives. Follow-up and evaluation missions are covered under "Transport" in the food aid budget. In 1995, ECU 6.77 million was allocated for such missions; 58 were carried out, in most of the countries where food aid and food security operations (direct and indirect) were conducted.

Quality control carried out by inspectors from a monitoring company contracted by the EC in the framework of a local purchase operation in Ethiopia.



C : INDICATIVE PROGRAMING FOR 1996

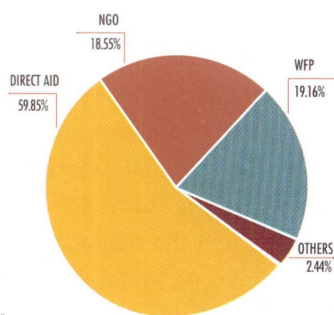
While the 1996 financial year has not yet finished, its overall shape is already discernible since programing for EC food aid and food security operations takes place early in the year.

The total available budget is ECU 573.37 million. The overall quantities have been set at 11 443 500 tonnes of cereals, 20 000 tonnes of milk powder, 500 tonnes of butteroil, 60 000 tonnes of oil, 10 000 tonnes of sugar, 70 000 tonnes of pulses and ECU 50 million to purchase other products. As for the 1995 financial year, a 20% margin has been set for these quantities (with the exception of milk powder and butteroil), so as to allow scope to adjust them in response to price fluctuations. In general, the Commission plans to consolidate and further develop the use of food aid as a development tool in 1996 and to provide a more formal structure for its operations.

For the first time, the five republics of the Caucasus and Asia Minor, which benefited from a programme worth ECU 200 million, are included in the programme of the Commission's food aid and food security unit. This amount concerned will be substantially reduced, in accordance with the general allocation criteria for food aid. On the other hand, the budget for humanitarian food aid (ECU 51 million in 1995) has officially been transferred to ECHO, the Commission's humanitarian aid office.

In addition to incorporating the new Regulation concerning food aid/food security policy and management, in programing and allocating such aid for 1996 the emphasis will be on unifying and focusing aid on a small number of priority intervention countries for the EC, with a view to achieving the critical mass required to ensure that aid brings a change for the better. In the past, this critical mass has not been reached because EC operations were spread too thinly across the globe. The selection criteria are as follows : the extent of Community aid received in the past, the (high) degree of structural food insecurity as measured by economic and social indicators (essentially GNP per capita and the FAO's food security index), and the country's dependence on food imports.

BREAKDOWN BY TYPE OF AID FOR 1996 PROGRAMME*



* Estimation

Eligible countries

Despite the adaptability of EC instruments used to support the food aid and food security programme, and the considerable volume of finance involved, it has proved necessary to rationalize and concentrate EC operations in order to obtain the critical mass needed to ensure that aid achieves results. For this purpose, a list of priority countries was drawn up for the 1996 financial year.

GROUP 1

- Very high degree of structural food security problems
- Very low income

ERITREA
ETHIOPIA
MADAGASCAR
ANGOLA
MALAWI
MOZAMBIQUE
HAITI
NICARAGUA
PERU
BOLIVIA
BANGLADESH

GROUP 2

- Countries in crisis

LIBERIA
SIERRA LEONE
BURUNDI
RWANDA
SUDAN
SOMALIA
PALESTINE
GUATEMALA
AFGHANISTAN

GROUP 3

- High degree of structural food security problems
- High degree of dependency on food imports

CAPE VERDE
EGYPT
YEMEN
HONDURAS

Local cereal trade programme in West Africa

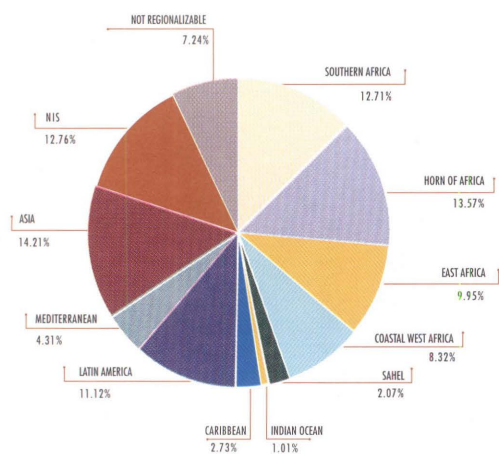
Caucasus and Central Asia programme (ARMENIA, AZERBAIJAN, GEORGIA, KYRGYZSTAN, TAJIKISTAN)

The countries eligible for an intervention are represented in red on the map.



PSD©

BUDGETARY EXECUTION - 1996 BUDGET YEAR GEOGRAPHIC BREAKDOWN*



* Estimations

A new instrument : the foreign currency facility

Where a recipient country has liberalized food imports to some degree, the EC must see that any aid mobilization is consistent with national policy, so as to avoid causing turbulence in the markets. Since such policies are geared to fostering the development of the private sector, the Commission must avoid any tendency to displace market supplies from the outset, while helping to improve commercial operators' effectiveness and efficiency. One way in which it does this is by providing the country concerned with access to foreign exchange for the use of private operators, provided that the scheme forms part of a national food security policy consistent with its economic policy.

This type of financial aid, an innovation introduced under the new food aid and food security Regulation, should prove very useful to countries where the private sector is capable of importing food but lacks access to the necessary hard currency (due to a shortage, hyperinflation, etc). In that case, an amount in foreign exchange will be allocated to the recipient country and importers wishing to obtain foodstuffs on the international market, for sale on the domestic market, will have access under the same terms as for structural adjustment programmes financed by the EC. Special measures in support of small and medium-sized traders are encouraged with a view to improving market effectiveness by increasing the number of operators.

D : FOOD AID FOR THE NEW INDEPENDENT STATES (NIS)

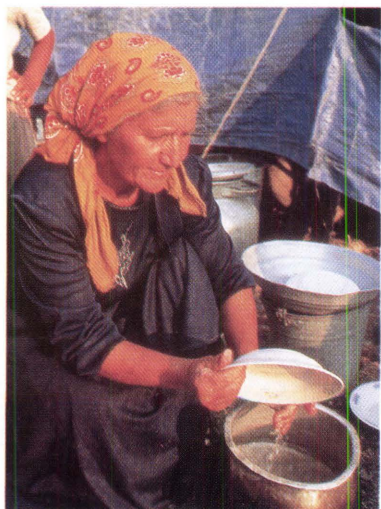
In July 1995, the Council decided to allocate ECU 197 million to implement food aid schemes for the New Independent States : Armenia, Azerbaijan, Georgia, Kyrgyzstan and Tajikistan.

Managing the supply of this aid was divided up among several Commission departments : ECU 80 million (EAGGF), ECU 17 million (TACIS programme), ECU 65 million for food security operations (Food Security and Food Aid Unit, Directorate-General for Development), and ECU 35 million in emergency food aid (ECHO). These aid decisions were taken by the Council following fact-finding mission to those countries with a sizeable food shortage.

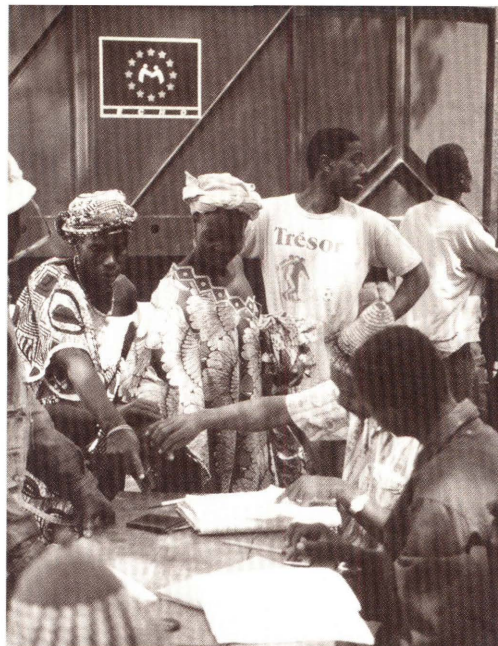
Since the collapse of the former USSR, instability in the region has given rise to a chronic dearth in foodstuffs. Traditional commercial ties between the former Soviet Republics which ensured food supplies broke down as a result of this instability and, in certain cases, misguided sectoral and macroeconomic policies impeded the sustainable development of the agricultural sector.

1996 Programme

From 1996 on, given that the new Regulation that has entered into force, it is no longer necessary for the Council to take special decisions on implementing food aid programmes for the NIS as they have been included in the new list of potential recipient countries. These food security and food aid operations now come under the responsibility of DG VIII's food aid and food security unit. Commission departments have accordingly prepared for financial year 1996 the allocation of financial assistance, in the shape of food aid, amounting to ECU 65 million : Armenia (ECU 19 million), Azerbaijan (ECU 13 million), Georgia (ECU 17 million), Tajikistan (ECU 5 million) Kyrgyzstan (ECU 11 million). This food aid will continue to play a key support role in the balance of payments and financial operations of the governments concerned. The schemes will focus primarily on increasing in the short term the supply of cereals and farm inputs, improving general incentive measures for agricultural development and strengthening logistic capacity.



Checking off the recipients of a rice distribution in Casamance (Senegal) from emergency food aid undertaken by Caritas and financed by ECHO.



E : EMERGENCY FOOD AID

Since the creation in 1992 of the European Community Humanitarian Office (ECHO), relief and emergency aid operations no longer come under the Food Security and Food Aid Unit of the Directorate-General for Development.

ECHO's brief is to fund humanitarian operations that concern emergency aid, emergency food aid and aid to refugees and displaced persons, implemented by non-governmental organizations, States and international organizations. Financial year 1995 saw the handing over of powers for emergency food aid from the Food Security and Food Aid Unit to ECHO.

Until the end of 1995, ECHO had a special budget heading of ECU 33.6 million for emergency food aid operations. Furthermore, the Office will have allocated 39.3% of its overall budget (of ECU 692 million) for the financing of food aid projects in 1995.

Community food aid policy has two main pillars : integration of food aid as a support instrument for food security in the long term as part of our development policy, and integration of emergency food aid as one of the elements of food aid policy. It has therefore been necessary to divide up responsibilities, on the basis of on-going coordination and collaboration, between the various departments responsible both from the point of view of development policy and humanitarian aid policy. This breakdown has been carried out in accordance with the following principles :

- food aid projects of a specifically humanitarian nature will be the responsibility of ECHO ;
- food aid schemes with a development slant, structural aid, support action for food security or other food aid schemes with a development component will be carried out by the Food Security and Food Aid Unit in cooperation with the relevant geographical departments ;
- in the event of a serious food crisis or humanitarian crisis with an important food component, all the Community food aid instruments will contribute to coordinated action and coordination will be managed by the Food Security and Food Aid Unit for food crises and by ECHO for humanitarian crises ;
- permanent cooperation between these two departments will take place in order to guarantee maximum consistency and coordination and make for a seamless and effective transition between humanitarian schemes and rehabilitation or development action.

These measures will enable the Commission to optimize all its instruments to tackle different operations coming under the heading of Community food aid.

Pending application of these new measures, the food security and food aid unit managed in 1995, on a transitional basis and on behalf of ECHO, ECU 51.2 million in humanitarian and emergency aid, broken down as follows : ECU 12.75 million for the UNHCR, ECU 28 million for the WFP, ECU 4.55 million for the ICRC and ECU 5.9 million for NGOs implementing operations in Algeria (Solidaridade Internacional, Oxfam, Cimade, Caritas, Secours populaire français and CISP Movimondo).

DIRECT*

AND

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ACTIONS

Haiti :
restarting the seed
agricultural-input
supply network

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Niger :
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Tunisia :
a substitution action scheme
to continue the multiannual
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Angola :
continued support for
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Burkina Faso :
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Cape Verde :
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Sierra Leone :
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Honduras :
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Peru :
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Bolivia :
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São Tomé :
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Namibia :
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Liberia and Ivory Coast :
integrated programme for the rehabili-
tation of displaced persons and refugees

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* EC Direct actions implemented in 1995/96 are indicated on the map by the flag of each concerned country.

CTIONS OF THE EC IN 1995/96

Egypt :
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rural develop-
ment

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Eritrea :
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Ethiopia :
almost 300 000
tonnes of cereals to
plug the food gap

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Bangladesh :
continuation of the multi-
annual IFADEP pro-
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**FOOD AID FOR THE
NEW INDEPENDENT
STATES - NIS P.34**

GEORGIA

ARMENIA

AZERBAIJAN

KYRGYZSTAN

TAJIKISTAN

Cambodia :
food-for-work
programme

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Rwanda :
assistance programme for the
Ministry of Agriculture

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Rwanda & Burundi :
security stocks for the entire
Great Lakes region

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Madagascar :
support for urban
communities

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Malawi :
shortcomings in the
agricultural production
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Lesotho :
recurring
droughts since
1991

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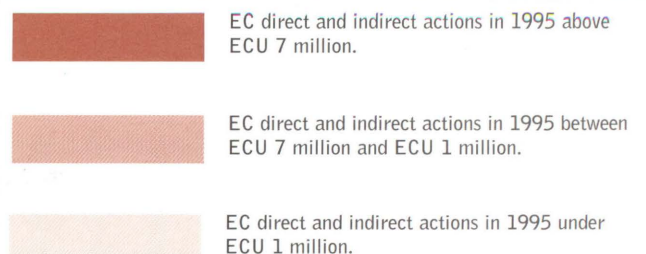


Zambia :
allocation of fertiliz-
ers as a substitu-
tion action

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Mozambique :
integrated food security sup-
port programme

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DIRECT AID IN 1995/96



ETHIOPIA :

ALMOST 300 000 TONNES OF CEREALS TO PLUG THE FOOD GAP

Despite huge areas of arable land and a climate which generally favours agriculture, Ethiopia suffers from a structural food shortage, due chiefly to the weakness of its agriculture (lack of the right inputs, shortage of technology and mechanization, inadequate and irregular rainfall, etc.) but also to the ravages of 17 years of civil war and to degradation of the soil and plant cover in this arid environment. GNP per head of population was about USD 110 in 1993. 90% of the Ethiopian population work on food-crop production. And, since the 1991 change of government, the country is largely moving towards a market economy by liberalizing various sectors.

Since the fall of the previous regime ten donors, with the World Bank in the lead, have put in hand an Emergency Recovery and Reconstruction Programme (ERRP) coupled with a financial structural adjustment facility from the IMF. At the end of March 1993 the Paris Club reduced the country's debt burden; in June the World Bank released USD 150 million, the first tranche of a structural adjustment credit.

But the dependence of Ethiopia on food aid can only be overcome with a coherent national strategy for food security providing incentives for the development of production and markets for farm inputs. The soil is productive enough for agricultural output to be improved, but damage to the natural resources and low soil productivity, due to the use

Unloading the first convoy of locally bought cereals in Ethiopia.



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A : AID PROGRAMMES IN SUPPORT OF DEVELOPMENT

Storage hangar in Shashmane for the local purchase operation (Ethiopia).



1996 : an unprecedented local purchase programme

By end-1995 the harvest in Ethiopia broke all production records. For the first time in many years, there was no need of food-aid imports because of large marketable surpluses.

The harvest was in fact so good that some anxiety was felt about keeping the market price above the cost of production so as to avoid any loss of confidence by the farmers in the emerging market in Ethiopia, which could have resulted in a substantial fall in the acreage sown in the following season and, consequently, a resumption of food aid.

In view of the EC's commitment – alongside the Ethiopian government – to a policy of long-term food security, the Commission decided to support domestic production with a big local purchasing operation : 110 000 tonnes of cereals in four regions of the country. An appropriate invitation to tender published by the locally based Community food security programme aroused the interest of a substantial number of companies. A total of 25 contracts (each for 3 000 tonnes) was placed ; delivery of the cereals began in May '96 and spread over four months. Of the total 75 000 tonnes came from the '95 programme to aid the EFSR and 35 000 tonnes from food-for-recovery programmes for the Tigre region.

Another scheme, covering 80 000 tonnes, was planned for September 1996, as soon as market analysis showed these quantities to be available and there was no doubt that the market would not be distorted if the scheme went ahead. The Ethiopian government has been highly appreciative of what the EC has done and, given the cooperation within the donor community, most food aid programmes for the country have been postponed or redirected in order not to flood the market and so to support the market price (i.e. that paid to the producer).

of the methods of subsistence agriculture, may worsen the structural food deficit (which was about 750 000 tonnes in 1995) unless concerted action is taken.

An estimated 27 million people – about half the population of Ethiopia – are living in permanent or short-term poverty. About 75% of those whose food supply is insecure belong to the poorest classes in rural areas, the remaining quarter being made up of town-dwellers and displaced persons or refugees. In fact, even when the country is unaffected by drought, some of the population suffers from malnutrition. Recent surveys have shown an increase in emaciation and rickets. The food security situation is aggravated by inadequate output, the low growth rate in agriculture, a fast-growing population, inadequate infrastructure for the reception and storage of large quantities of food products, widespread poverty, etc.

The EC's medium-term response

Despite an above-average harvest in 1995 it was still necessary to import 750 000 tonnes of food products to meet national needs. For that, the EC decided to allocate 150 000 tonnes of cereals for this year, and 96 304 tonnes through NGOs (via Euronaid) and 46 000 tonnes through the WFP, a total of 292 304 tonnes of cereals with an aggregate value of ECU 65.6 million (including transport), with an added ECU 10 million of miscellaneous products. The rest of the shortage was handled by the Ethiopian government, USAID and other donors.

The Community's direct aid programme will consist of the sale on the market of 75 000 tonnes of wheat (worth ECU 11.25 million, including international transport) on the market in order to improve supply in urban areas while providing support for the country's balance of payments. The aim of the programme is to increase the amount of bread available for town-dwellers during periods when the market supply is inadequate. The resulting counterpart funds will go into the central government budget as targeted financial support under the structural adjustment programme.

The other 75 000 tonnes of wheat (worth ECU 19.25 million, including carriage to storage depots) will be used to top up the Ethiopian Food Strategic Reserve (EFSR). This reached 216 000 tonnes in November 1995 and the



Delivering bags to sellers in the framework of the local purchase operation in Ethiopia
 - These 50kg bags were specially produced on the spot to correspond to the local commercial type.

EC had already allocated 80 000 tonnes to it in 1994 (in addition to 50 000 tonnes under the 1994 direct aid programme). The EFSR, which is financed by the Ethiopian government, set up a programme to build storage facilities at five strategic locations in the country near the regions traditionally affected by drought, reachable by heavy transport; this cuts the cost of administration and operations and promotes turnover or recycling stocks. The role of the EFSR, through its system of loans, fits perfectly into a crisis risk management strategy. The recipients are those who live in regions where there is no security of food supply, particularly during periods of shortage. As a result, food security is enhanced in the time between a food crisis breaking and food aid reaching the country.

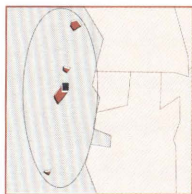
The EC's long-term response

It has been clear for some years that the answer to the Ethiopian structural food shortage does not lie in massive food aid but in the Ethiopian government's developing and implementing a food security strategy. The government is aware of the importance attaching to this and is to publish a paper on the subject in autumn of 1996. With that in mind the EC commissioned a study on possible food security strategies for Ethiopia and sent it to the government.

The study highlighted the fact that, with regard to production, foodstuff prices generally protect the consumer to the detriment of the producer; that Ethiopian agriculture is characterized by small production units with a low level of technology; and that intensive use of the land is increasingly degrading its fertility. On the consumer side, effective demand is still very low, with a population vulnerable to the slightest price variation owing to the high levels of poverty in the country. Nevertheless, considerable rises in the world coffee price – this being Ethiopia's main cash crop – and the introduction of free-market economic policies have made it possible to raise the price paid to the producer, which shows that the rise in output in 1994 and 1996 was brought about both by better weather and by incentive prices.

From this analysis there sprang a three-point plan for improving food security in Ethiopia in response to three problems : How to improve farm output ? How to improve consumer access to that output ? (or, how to improve effective demand ?); How to manage crisis risks and how to respond to crises should they arise ?

In an attempt to work out a strategy to respond to these three challenges, the study outlined a number of proposals : to improve agricultural output requires a higher purchase price to the farmer as an incentive; to improve effective demand requires income-generating activities to be developed; and to respond to crises requires a disaster-management system based on early-warning and immediate-action mechanisms and a matching rehabilitation policy.



SÃO TOMÉ AND PRÍNCIPE :

ASSISTANCE FOR THE COUNTRY'S BALANCE OF TRADE

Situated off the West African coast in the Gulf of Guinea, the São Tomé and Príncipe archipelago is made up of several islands, the main ones being São Tomé (859 km²) and Príncipe (142 km²). There were 96 600 inhabitants in 1981, rising to 124 600 in 1994, an average rate of increase of around 2.5%. There has been a marked rural exodus to the capital and suburbs, where around 60% of the population currently live. The proportion of young people under the age of 15 is very high. Unemployment stands at 30%.

The country's economy depends heavily on the cultivation of cocoa (mono-culture) but since the beginning of the 1980s São Tomé and Príncipe has been beset by a structural economic crisis characterized by stagnant growth in the domestic market and in domestic supply, dependence on the outside world for food requirements, essential products and financing, a weak private sector and lack of enterprise, and low purchasing power. GDP per capita is US\$ 390, well below the average for the least advanced countries.

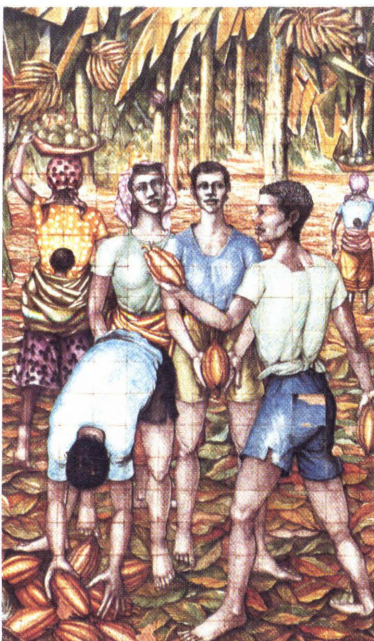
In 1987, in the face of this crisis, the government adopted a structural adjustment programme to help restore the economy to health. However, the balance of payments has remained in structural deficit and has even worsened. Where food security is concerned, production is quite inadequate to feed the population. Between 80% and 90% of supplies come from imports bought in by the government until 1988 before they were liberalized from 1991 onwards. Unfortunately, the islanders' low spending capacity has limited households' access to these imported foodstuffs.

Traditional Fishing (São Tomé.)



DGV/MS ECO

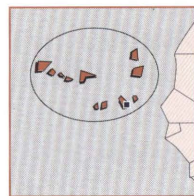
Tiles representing the cultivation of cocoa on the outside wall of a house in São Tomé.



MS/MS ECO

In 1996, to support the government's efforts to put in place a food security policy, the Commission allocated food aid worth ECU 1 929 800 to buy 1 000 tonnes of rice, 1 500 tonnes of sugar, 200 tonnes of milk powder and 1 500 tonnes of wheat flour : ECU 75 000 was spent on a variety of other products. These products are to be sold on local markets, generating counterpart funds which will be used under the terms of an agreement between the EC and the government. This aid will supply the market with foodstuffs without worsening the balance of trade and will help set up a national food security strategy through the use of the counterpart funds.

Water distribution point in Cape Verde - The Cape Verde Islands have no water courses.



CAPE VERDE :

STRUCTURAL FOOD SHORTAGE

The Cape Verde archipelago, with nine of its ten islands inhabited, is situated in the Atlantic Ocean and shares the same climatic features as the Sahel countries of Africa : unreliable and usually scant rainfall, poor soil with a constant risk of erosion and desertification. The economy is chiefly geared to the tertiary (services) sector, which accounts for 69% of GDP. Agriculture accounts for only 13% as arable land is not very productive and the country suffers from a chronic water shortage.

The population of 364 000 is growing rapidly despite emigration over a number of years and despite recent measures to promote family planning. The geographical and climatic constraints seriously curtail agricultural production and this is reflected in a cereals shortage estimated at 88% (between 75 000 and 95 000 tonnes of foodstuffs per annum). Food aid accounts for 10-15% of all consumer goods imports, i.e. 70% of all imports of foodstuffs. It thus weighs heavily on the balance of payments.

To ease this deficit, the EC decided to grant 5 000 tonnes of common wheat and 1 400 tonnes of vegetable oil for a total of ECU 2.34 million, including transport costs, to be sold on the domestic market with the release of counterpart funds. On top of support for the balance of payments, the aim of this aid is to ensure that urban markets are supplied with goods at affordable prices and to support schemes contributing to rural food security through the financing, via counterpart funds, of projects aimed at promoting jobs, reducing population growth and improving farm production and the rational use of fishery resources. For its part, the government is drawing up and implementing

In the Sahel, deforestation in order to obtain firewood is one of the causes of the soils degradation and of the desert advancement.



DGV/MS/EC©

1996 : continuation of the structural programme and implementation of a foreign currency facility

The EC's 1996 programme will be geared to underpinning national food security and restoring equilibrium to the balance of payments. With that end in view, a decision was taken to grant 4 000 tonnes of wheat and 1 100 tonnes of vegetable oil for ECU 1.736 million (including transport) to supply urban markets. The counterpart funds thus generated will help rural populations through the continued funding of development projects.

In addition to this allocation of products, a foreign currency facility worth ECU 500 000 has been approved. This will involve making available foreign exchange at a preferential rate in local currency to private traders for the purchase of food products on the world market with a view to selling them on the domestic market. This scheme will help foster and diversify the private sector and more specifically enable small and medium-sized importers to gain access to the international market. This measure will underpin the government's development plan which advocates the integration of Cape Verde into the international economy. The country's food security has thus been strengthened through support for economic development coupled with the supply of foodstuffs for the domestic market.

a food security policy in the wake of the outcome of the Geneva round table organized by donors.

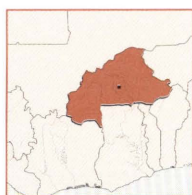
The government's new food security policy has three objectives : availability of food products, stability of supply and access of the population to these products. The strategy has four complementary facets :

- ▶ economic policy based on an expanding private sector and integration into the global economy ;
- ▶ measures to boost food supplies (liberalization of imports, coordination and negotiation of food aid) ;
- ▶ improved economic access of families to food (fight against poverty) ;
- ▶ institutionalization of the coordination of food security policy.

Family maize store (Cape Verde).



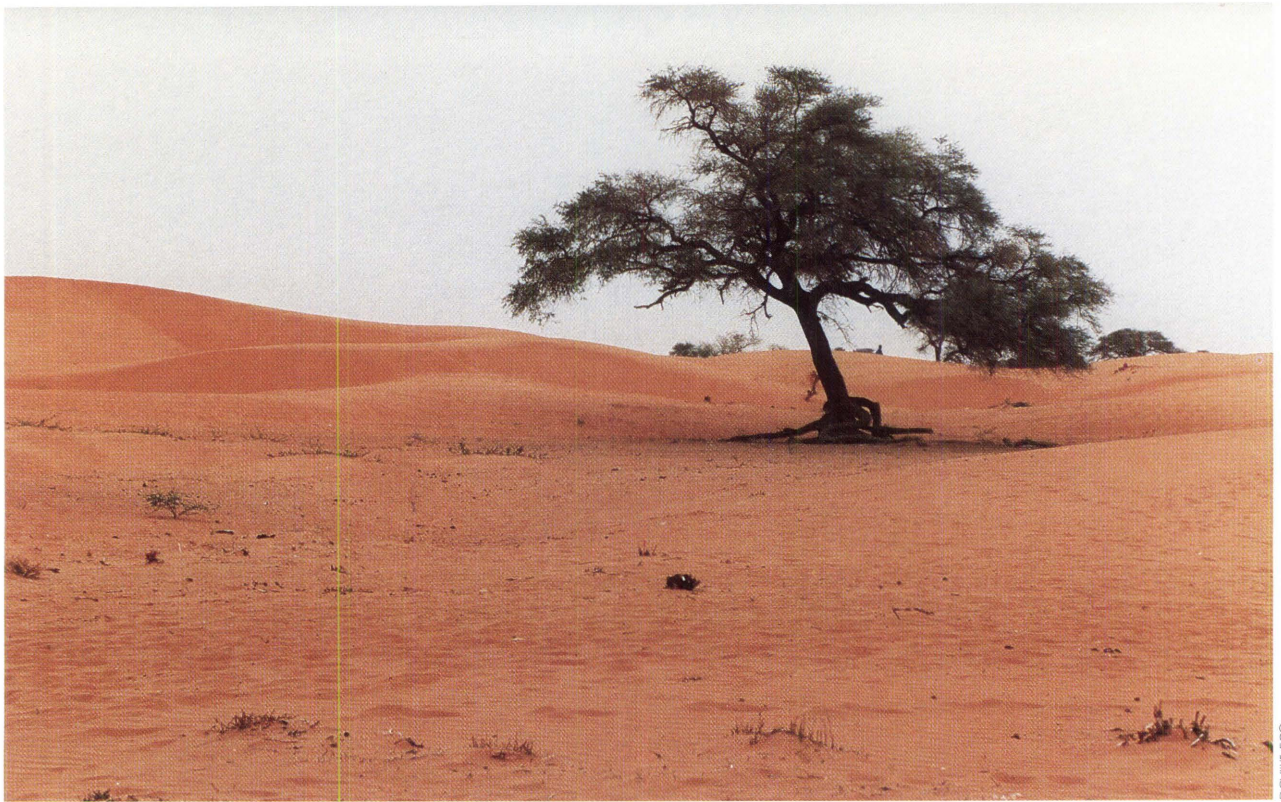
DGV/MS EC©



BURKINA FASO :

SUPPORT FOR FOOD SECURITY

Agriculture employs more than 80% of the population and accounts for nearly 40% of GDP. It is the main engine of growth of the Burkina Faso economy. The 1994-95 season, which was good despite early rainfall, yielded 1.8 million tonnes of millet and sorghum, 310 000 tonnes of maize and 57 000 tonnes of rice.



DOVILLIS ECU

The advancing desert in Sahel
(Burkina Faso).

Although this was enough to cover the country's food requirements, there are appreciable regional disparities between the north, in chronic deficit, and the south-west, which generally has a surplus. Therefore, although overall production is increasing, food security in certain communities is still precarious in the short to medium term as the necessary cereals are not be had in those regions.

On the other hand, the government's commitment to a process involving the reorganization of the main sectors of the economy, notably agriculture, has led to a recasting of the country's food security policy. A programme to reorganize the agricultural sector (PASA) was put in place in cooperation with certain partners, among them the EC, with the aim of boosting food security, strengthening and diversifying local production and conserving and improving the management of natural resources.

To underpin this programme and make its operations more effective in the event of a food crisis, the EC granted substitution aid (financial assistance) amounting to ECU 1.5 million to support Burkina Faso's food security arrangements. This aid will help build up the national food security stock as part of the PASA programme through the purchase locally of 6 330 tonnes of cereals. There are also plans to give financial support to two institutions, the national food security stock management company (SONAGESS), which has responsibility for these food stocks, and the national emergency relief and rehabilitation committee (CONASUR), which is in charge of action in the event of a food crisis or disaster. This programme dovetails with a wider programme to buttress the country's cereals policy.

The cattle market of Niamey (Niger).



DGVMI/5 ECO



NIGER : EARLY WARNING SYSTEM

The main market in Niamey (Niger).



SCANIG

Niger is a land-locked country in the Sahel whose development is held back by serious natural handicaps (scant and irregular rainfall, barren land, encroachment of the desert, locust plagues). It has an estimated population of 8.55 million which is growing at a rate above the average for sub-Saharan Africa (3.2% per annum). GDP per capita is US\$ 190 and life expectancy one of the lowest on the African continent : 44 years.

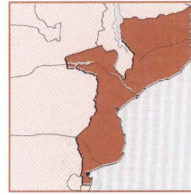
When it comes to food security, 80% of the population works in farming and much of the arable land is given over to subsistence agriculture (millet and sorghum cover 65% of overall food requirements). There is a structural shortage in huge swathes of the country and living conditions are extremely precarious.

Although the country has been through a long period of economic stagnation, the devaluation of the CFA franc in January 1994 created the conditions for a relaunch of the economy. The government consequently put in place a biannual economic and financial policy and called on donors to lend their support. It also devised a food security policy aimed ultimately at ensuring the availability, stability and accessibility of food products for the population at large.

Coordination of food aid is in the hands of the Prime Minister's office, which centralizes aid applications and distribution plans. To establish reliable estimates and coherent objectives for its food security policy, the government has created a number of instruments to collect data : annual cereals forecasts (DIAPER project financed by the EDF), information systems on cereals markets and estimates of each region's surpluses. A fourth and crucial instrument is the early warning system that will make it possible to monitor on the ground the structural causes of food "insecurity" in those areas at risk.

To plug this gap the EC has decided to fund to the tune of ECU 1.1 million a system of this kind covering the whole country. It is designed to supply better data in the agronomic, socio-economic and medical/nutritional fields in the areas experiencing shortages, diagnose the extent of the food security problem among vulnerable sections of the population and make for a better match between aid distribution and the population's real needs. To that end, an initial identification operation will involve collecting and analysing information at district (canton) level. More thoroughgoing surveys will be organized at village and/or household level later on. A monthly publication summarizing the information and recommendations will be distributed.

Bagging cereals in the security stocks established by the EC in Beira (Mozambique).



MOZAMBIQUE :

INTEGRATED FOOD SECURITY SUPPORT PROGRAMME

Following the first multiparty elections in Mozambique since the end of the civil war which laid waste to this southern African country for 15 years, continuing peace and the virtual completion of the return of exiled and displaced persons cleared the way for cooperation activities throughout the country and for a gradual changeover from emergency aid to longer-term projects. Despite an economic recovery in the last two years, however, the country is still the poorest in the world and consequently the one most dependent upon outside financial assistance : 98% of Mozambique's GNP, according to the OECD.

Food security, nevertheless, has improved considerably since the fighting stopped, despite constantly alarmist reports in the media. Emergency food aid has dropped sharply and only 80 000 tonnes of grain is believed to be needed for this type of aid in the present crop year (instead of the 180 000 tonnes used in 1994/95). Despite a few signs of drought in some regions in 1995, agricultural production is constantly rising, although it covers only 50% of national requirements, while food aid is still the country's biggest import. Although information on the subject is not reliable, the estimated structural food shortfall for 1995/96 is expected to be 150 000 tonnes.

To cover part of that the EC will supply 58 000 tonnes of grain, i.e. wheat and rice (38 000 tonnes being the balance of the 1993 programme and 20 000 tonnes from the 1995 programme) and 2 500 tonnes of vegetable oil. It will be sold on the market (with counterpart funds accruing) and will help to supply urban consumers with rice, bread and oil.

The programme continued in 1996

The counterpart funds are being used under the Mozambican State's 1996 budget mainly to ensure that public expenditure contributing to a sustainable improvement in domestic food security can be paid from the budget. The National Road Directorate plays its part with the constant improvement of the secondary road network, this being an essential factor in the restarting of agricultural trade in the provinces. The Agriculture Ministry, through its provincial directorates, also has a hand, particularly in strengthening the national early-warning system which is also to have another four years' technical support from the FAO (with specific finance from the EC).

This approach (budgetary support) will be augmented in 1997 when a currency facility is put in place, a new means of underpinning food security under the new EC Regulation on food aid policy and management and specific action in support of food security. To provide support for the Mozambican private agri-food sector as it picks up speed, the EC has decided to provide ECU 10 million to facilitate the financing of agricultural imports by enabling private entrepreneurs to buy foreign currency at a preferential rate so that they can operate on the international foodstuffs market. The resulting counterpart funds (from the sale of currencies) will also be used as part of the State budget to support sector policies designed to enhance food security, policies which the Commission helped to frame, in association with other donors, EU Member States in particular.



Village communal system for water distribution (Mozambique).

In addition to this commercial aid, and to enable the government to react quickly to a food crisis, the EC has decided to replenish the reserve stocks set up in 1993 because commercial supply channels were wiped out. This benefits three groups : country dwellers who suffer distress in the event of any climatic mischance ; the urban consumer, should there be difficulties with market supply; and smaller producers involved in the campaign for the local purchase of maize to rebuild stocks. This campaign has the advantage of providing a production incentive to the small producer, who often has no potential buyers in his region on the basis of local purchases of maize. In late 1995, 10 000 tonnes of maize was purchased locally (using funds left over from the 1993 programme and on the basis of the 1995 programme) to build up a further stock of 23 000 tonnes of maize. All these stocks were used up during 1996, partly to help those affected by the February floods, by support for NGO projects or the partnership with the WFP as part of emergency supply operations which, although on a clearly downward trend, should continue until end-1996.



MADAGASCAR :

SUPPORT FOR URBAN COMMUNITIES



The rice harvest in a paddy field (Madagascar).

Madagascar has considerable development potential and was a rice exporter at the beginning of the 1970s. But in two decades, a whole series of unfortunate economic decisions such as nationalization of the means of production or inadequate investment have plunged the country into deep crisis. With an income of US\$ 200 per capita, Madagascar has become one of the poorest countries in the world.

However, over the last two years, the country has made considerable headway towards putting in place a reform programme designed to liberalize exchange rates and make the currency convertible, put a halt to subsidies for basic foodstuffs, restructure the public investment programme and introduce stricter budgetary discipline. As a result, economic indicators have improved appreciably.

Where food security is concerned, paddy rice is a staple food in Madagascar, accounting for 35% of overall consumption. Liberalization of the cereals market, which started in 1983, has entailed a marked improvement in the production of rice and self-sufficiency could have been achieved in 1991 had it not been for drought in the south of the country and a series of cyclones on the coast which adversely affected production.

In 1994, therefore, in order to lessen the effects of cereals prices increases in urban areas as a result of these natural disasters, the Commission granted aid consisting of 7 300 tonnes of wheat flour (ECU 2.25 million, including transport costs) to sell to local bakeries. This aid was delivered and sold in 1995. The project will help bring down the price of bread, which has become a staple for certain sections of the urban population.

Sale of rice on the market (Madagascar) - Rice is a basic commodity on the island of Madagascar.

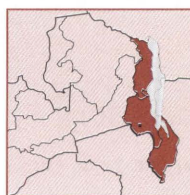


As Madagascar is a country with a food deficit which needs to import 150 000 tonnes of cereals in 1995/96, the Commission has decided to grant 9 000 tonnes of wheat flour (worth ECU 2.33 million, transport included), which will be sold by lot on the market in order to supply the country's bakeries. This project, a follow-up to the 1994 allocation, is targeted at the victims of precarious supply conditions in the main urban areas over this period of difficult restructuring by the government as part of a liberalization process started two years ago and which should result in enhanced food security. The counterpart funds generated by the sale of this food aid allocation will help finance projects relating to food security.

Extensionist spreading the word in the framework of the ADDFood project in Malawi.



DOVMIIS EC©



MALAWI :

SHORTCOMINGS IN THE AGRICULTURAL PRODUCTION SYSTEM

Since May 1994, after 30 years of dictatorship under the iron rod of ex-President Banda, Malawi has been governed by a democratically elected coalition. This small landlocked country in Southern Africa faces hard times : since 1994 its GDP has fallen 9% in real terms. Prices have increased by about 40% and the kwacha has fallen significantly against the ecu. In 1995 inflation was still around 20% and the balance-of-payments deficit was still 150-170 million dollars.

Basically, food security in Malawi is ensured by white maize which accounts for over 80% of the national average food mix and 96% of total cereal production. The entire population is provided with this basic staple (white maize) by a "historic" system of domestic prices set well below world-price levels : the price to the consumer is low, but the price received by the producer is also very low and therefore offers little incentive in a context of liberalization of all prices, and fertilizer prices in particular. What is more, production is unreliable and fluctuates widely, because almost everybody uses hybrid seed and fertilizers, should the rains fail or there be problems in getting hold of inputs, as is often the case for small farmers. Only 697 000 tonnes was produced in 1992 owing to drought, but in 1993 production was 2 120 000 tonnes owing to good rains, better credit arrangements and heavy use of inputs; in 1994, however, production fell back to 1 400 000 tonnes, again owing to drought.

ADMARC warehouse in Blantyre (Malawi) - ADMARC has been contracted to store and distribute the seeds of an EC seed programme.



SDC©

Peasants coming to obtain their seeds for the next sowing.

Action by the EC in 1996

Fluctuations in domestic maize production, particularly since the severe drought of 1992, have also resulted, over and above EC gifts of maize placed on the market in heavy use by the Malawian government of its strategic grain reserve (SGR : maximum 180 000 tonnes) to avoid major crises in maize supplies to markets against a general background of economic and political transition liable to cause strains in the social fabric. As a result the SGR had fallen to about 25 000 tonnes by 31 December 1995.

In these circumstances, and in agreement with other donors such as USAID, the EC decided in January 1996 to act by partially restocking the strategic reserve, while taking part in the "rethinking exercise" begun by the government and the donor community on the future and ultimate role of the SGR in relation to the liberalization of trade in cereals at regional level. The good crop prospects for 1996 (over 2 million tonnes) made it possible to consider a local purchasing campaign, seen by the EC as an opportunity to defend the prices paid to producers and so promote a genuine income transfer to the farming element in society. Under the price-band system put in place by the government and revised upwards in the first quarter of 1996 (after heavy pressure from the EC) local purchases by the EC are based on the minimum purchase price paid to producers and so are able to pull the market upwards in so far as small producers are not left on their own to face a private sector which is still in its infancy in Malawi.

Two locally purchased 20 000-tonnes batches of maize are being paid for with counterpart funds from the 1995 food aid programme and the EC decided in March 1996 to allocate a further 40 000 tonnes to underpin the internal maize-market situation. This 40 000-tonnes will either be covered by additional local purchases or imported from countries in the region depending on the internal situation when the 1996 harvest is in.



In Malawi 70% of farmers – i.e. 1.6 million people – are smallholders; of these, 1.3 million (one-third of them women) have less than one hectare under cultivation. And 80% of the people regarded as poor in Malawi are small subsistence farmers. Their average annual output is about 120 kg of maize. In the current crop-year, however, it will be about 80 kg. These farmers are therefore locked into a food-deficit situation.

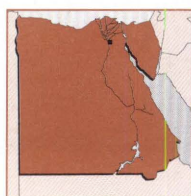
The total crop for 1995/96 is estimated at 1 791 000 tonnes of grain. That leaves a shortfall to be covered of approximately 251 000 tonnes. With other donors the EC has decided to help to remedy this structural food deficit by selling 60 000 tonnes of white maize bought in neighbouring countries on domestic markets, so generating counterpart funds. Including transport the aggregate value will be ECU 14.77 million. First of all, this will enable white-maize consumers (urban and rural) to be supplied and, secondly, through the targeted use of counterpart funds, it will support crop-diversification programmes and programmes to raise productivity on small holdings.

In 1995 the counterpart funds arising from the 1994 food aid programme provided continuing finance for ADDFood, a European Development Fund (7th EDF) pilot project designed to disseminate, among poor rural communities, agro-forestry techniques to counter soil erosion and fertility loss due to maize monoculture and deforestation. This programme, with its scope widened by a project for reducing poverty in rural areas, affects some 325 000 smallholders farming 116 000 hectares and includes a maize yield improvement element, crop diversification and the training of 150 advisory personnel for that purpose.

The second use of 1994 counterpart funds was to support the local propagation of seeds for various food crops in order to promote crop diversification and so reduce the risks attending maize monoculture in a context of cyclic droughts. To boost this approach and speed up the

Village nursery in the framework of the ADDFood project - These bushes will be planted in the countryside in order to stop soil erosion and to combat deforestation.►

process, the EC financed imports into Malawi of 1 355 tonnes of hybrid maize seed, 2 498 tonnes of cross-pollinated maize seed and 492 tonnes of sorghum, soya, bean, pea and sunflower seed – with an aggregate value of one and a half million ecus. Some of these seeds were sold, some were used in propagation schemes, and some were supplied under NGO projects for sustainable diversification (Community seed banks).



EGYPT :

SUPPORT FOR RURAL DEVELOPMENT

Egypt has succeeded in stabilizing its economy since 1991 by reducing its budget deficit and inflation. Improvement in the situation is chiefly due to a reduction in public capital spending and subsidies to the economy. Economic liberalization has gone forward in many sectors, agriculture in particular, with the State progressively withdrawing from commercial and productive activities.

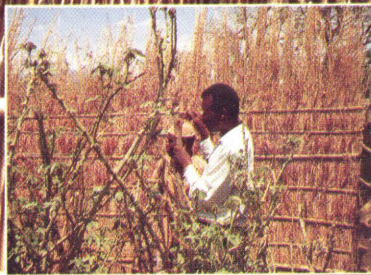
The impact of this adjustment process on the people has been rather mixed. Unemployment (currently 17.5% of the active population) has continued to rise, affecting young people in particular. As regards food security for the general public, liberalization of prices both for producers and on the market has resulted not only in a significant increase in private-sector production, with domestic coverage of national wheat requirements reaching 20% in 13 years for example, but also an equally significant increase in consumer prices. As a result, some socio-economic categories are so poor that they are unable to enjoy food security. In the farm sector, too, liberalization of the fertilizer distribution system resulted in a shortage and a price explosion, with which the producers' purchasing power was unable to cope.

Baladi bread (Egypt).



As a remedy, the EC provided Egypt with ECU 9.12 million of aid for the supply of 46 000 tonnes of wheat for sale on the local market, and ECU 7.54 million for projects to support food security. Although EC food aid is declining, as is the case with other international donors, this programme means that progress with projects supported with counterpart funds from wheat sales can be safeguarded.

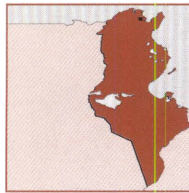
Aid in the form of wheat will actually provide immediate underpinning for the food security of those concerned, among other things by increasing the availability of wheat for producing the kind of bread chiefly eaten by impoverished town-dwellers. Counterpart funds, administered with the help of an outside technical assistance team, will finance, or continue to finance, rural development projects : supply of improved seeds, promotion of mechanization, improved marketing, developing a farm credit policy, etc.





Preparing bread to be backed in a Cairo bakery (Egypt).

DC/MI/BI/EC©



TUNISIA :

A SUBSTITUTION ACTION SCHEME TO CONTINUE THE MULTIANNUAL FOOD AID PROGRAMME

In 1991 the EC approved a six-year multiannual food aid programme for the supply of 3 000 tonnes of powdered milk annually. The aim was to reduce the country's structural milk shortage and, with the resulting counterpart funds, to support the nation's endeavours to implement a milk production strategy.

Implementation of the aid called for a mid-term evaluation of results, the conclusions of which were to shape the further course of the programme. The evaluation took place early in 1995 and showed both that the scheme had been a success and that powdered-milk supplies were ceasing to be effective : in the then state of development of the milk sector they no longer made any sense except for generating counterpart funds to finance the State's milk strategy (improvement of stock-farming techniques, milk production, milk collection, cattle feeding, etc.), which is the true objective of the programme.

To make the aid more effective, therefore, the EC decided following the mid-term evaluation to convert the last two years of the powdered milk supply programme into a substitution action scheme under which projects in hand could be financed direct. For 1995 this consisted in allocating the currency equivalent of the powdered-milk originally scheduled for supply in 1995, i.e. ECU 5.4 million. A fresh EC-Tunisian government cooperation agreement was to take account of the refocusing of the project and to meet its objectives, with particular regard to the production, storage and keeping of fodder, by disseminating and promoting methods suitable for small and medium-scale stock farmers.



BOLIVIA :

FINANCIAL ASSISTANCE FOR A MORE DYNAMIC APPROACH TO FOOD SECURITY

The programme of economic reform and structural adjustment undertaken by Bolivia over the last 10 years has stabilized the country's economy and involved the State disentangling itself from production sectors. Inflation has been brought under control and trade and official debt liquidated or restructured, but growth rates have not reached the levels necessary for reducing the country's endemic poverty, which affects 60% of the population. Employment in the private sector has not offset the job losses in the public sector and a steadily growing number of people are working in the informal sector. The country is still one of the least developed in South America and under-nourishment affects 38% of Bolivia's people.

The country is self-sufficient in food where most products are concerned, except for milk and wheat (domestic production covers only 25% of needs). Before the United States decided to withdraw its aid, in this field, food aid covered around half of requirements. The remainder came from commercial imports. However, this food aid has never really resolved the structural deficit as it merely involved making food available through social assistance projects for the needy that were not viable in the long term. The Bolivian government has therefore decided to adopt a food security policy designed to develop productive potential instead of focusing on the availability of food.

In order to help this new departure, the EC – in close cooperation with USAID – has decided to provide ECU 5 million in the shape of a substitution action. This financial support, which is entered in the State's budget, replaces the traditional direct aid given previously by the EC and is aimed at :

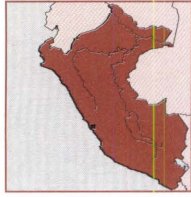
- ▶ supporting peasant farming to help make the economy viable and stabilize jobs in the regions concerned ;
- ▶ support municipal food security plans by backing the production of wheat and the marketing of products through markets and municipal fairs in order to supply the least well-off regions better ;
- ▶ support on the agricultural frontier ;
- ▶ contribution to macroeconomic management ;
- ▶ support for the sectoral reform process and establishment of a framework of reference for food security (as part of the national food security strategy).

The programme continued in 1996

This approach is continuing in budget year 1996 with among other things the process of finalizing the national food security strategy and getting the message across to the administration and civil society. The objective is to integrate this strategy in the government's development policy, in particular the measures to eradicate poverty. The machinery for implementing the food security support programme (PASA), to which ECU 15 million has been allocated to 1996, will be similar to that used in 1995. However, stringent budget control measures will be applied as part of moves towards decentralization that will benefit local authorities. Indicators to gauge the impact of the PASA will be identified and put in place and monitored throughout implementation.

Drying pulses in the back yard of a house.





PERU :

FOOD SECURITY FOR THE POOR

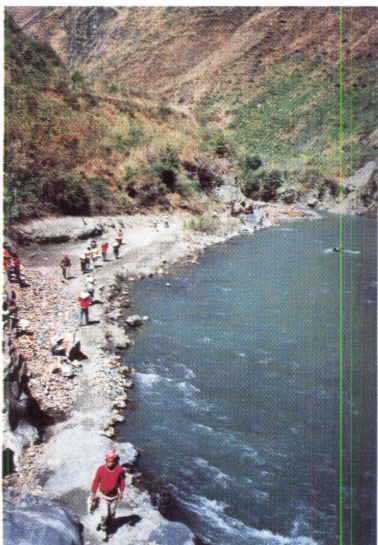
The structural adjustment programme that Peru has been undergoing has enabled it to put its economy on a sounder footing and put its finances in order as a result of tighter control of public spending and tougher fiscal measures. Although growth in agricultural production has been hampered somewhat by these rigorous measures, it has continued to progress as a result of good weather conditions and the gradual adjustment of the sector to new market conditions such as liberalization and the scrapping of subsidies.

However, Peru is still a poor country and 80% of its people lack food security. It is estimated that in 1994 poverty affected 46% of the country's 23 million people. Undernourishment is particularly acute in marginal urban areas and in rural areas. In the countryside, 23% of mothers and 67% of school age children suffer from chronic malnutrition, which is compounded by a serious lack of iodine and iron and certain vitamins, notably vitamin A.

To counter this precarious food security situation, the EC granted assistance in the shape of 25 000 tonnes of wheat, 4 680 tonnes of wheat flour, 1 500 tonnes of rice, 3 800 tonnes of vegetable oil, 1 000 tonnes of milk powder and 2 250 tonnes of vegetables, worth ECU 16.86 million in all, including transport and support measures. This aid partly involves the sale on Peruvian markets of 25 000 tonnes of wheat and 3 500 tonnes of rape seed oil. The country has a sizeable shortage of these products so their sale through traditional trade channels will not affect local production. On the contrary, this measure will help to some extent plug shortages and improve Peru's food security situation.

To help the most vulnerable sections of the population in particular, 11 200 tonnes of wheat flour, rice, vegetable oil, milk powder and vegetables are to be distributed free of charge to some 413 000 people in rural and semi-urban areas where poverty is rife in order to improve and diversify their food intake. A variety of programmes are being carried out such as assistance for people's canteens, school dinner programmes in mountainous areas to tackle malnutrition (pre-school and primary school education in the central region of the Andes), food-for-work programmes to support rural areas in the conservation of soil and water, etc. The sale of aid on the market will release counterpart funds that will finance food support programmes (food-for-work), agricultural development schemes (aimed at supporting production, processing and marketing in rural areas) and institutional support (training of technicians, rural promoters and recipients, etc.). These programmes financed by counterpart funds will concern 97 000 people in rural areas and will be overseen by the food security unit set up for that purpose.

Food-for-work programme (Peru).



CENTRO ALITI MONDIAL©

1996 is a transitional year on the way to a structural food security policy. Economic, monetary and civilian stabilization have made good progress, but structural problems affecting Peruvian society such as extreme poverty in rural areas persist and are a growing threat to food security. In order to encourage and flank the government's efforts to put in place targeted policies to combat poverty, budget assistance in 1996, amounting to ECU 16 million, should be earmarked for the poorest areas worst affected by a lack of food security by means of careful budget targeting.

Road opening in the framework of a food-for-work programme in Honduras.



HONDURAS :

MULTIANNUAL RURAL FINANCING PROGRAMME

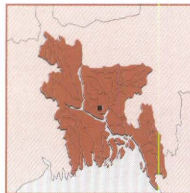
Since 1990 Honduras has implemented measures to stabilize its economy. The structural adjustment programme being implemented in this Central American country is continuing with mixed results and indications are that it will be a long and socially difficult process. Annual debt servicing is a major handicap to national development initiatives.

It is among the least well-off sections of the rural population that the adverse effects of structural adjustment have been most keenly felt. These people are the victims of precarious food security owing to their limited means of agricultural production which makes them net purchasers of foodstuffs and obliges them to seek income from other sources (seasonal harvesting, small business activities, small-scale stockbreeding, etc.). Improving food security therefore hinges on augmenting these people's income. This being so, the main bar to achieving food security remains the lack of access to credit to develop private economic schemes in rural areas.

In order to substantially reduce the effects thereof, the EC has decided – from this financial year on – to allocate ECU 10 million to Honduras as part of the multiannual programme to support food security staggered over three years at the rate of ECU 3.3 million per annum. The aim of the programme is to fund the rural sector and increase the production capacity and incomes of the least well-off rural families in order to enhance their food security. The recipients will be small producers particularly hit by current restrictions on credit and the absence of credit and those with accounts in small community banks, i.e. chiefly women in rural areas.

The programme will comprise the implementation of two budget headings : the first, "agricultural credit", will be aimed at family holdings of under 14 hectares and will, in the short term, chiefly cover credit for production and marketing, whereas in the medium to long term it will cover the purchase of equipment and land and legal allocation of land ownership. The second, "rural credit", will be targeted essentially - in the short term - at savings and credit associations and, to a lesser degree and linking in with the aforementioned credit, at short and medium-term credit to support various non-agricultural activities (credit for microenterprises).

This programme will be carried out under the aegis of the Central Bank of Honduras through its Fondo de Desarrollo de la Producción (Production Development Fund). The programme will prove its effectiveness in the long term in terms of food security as it will act on factors of production and production capacity, while permanent access to credit will entail an improvement in income – the principal factor in ensuring food security.



BANGLADESH :

CONTINUATION OF THE MULTIANNUAL IFADEP PROGRAMME

Although economic growth remains stable at 4.6% of GDP and the country has enough food grains to meet domestic needs, a quarter of Bangladeshis still cannot afford to buy the food they need at market prices and are suffering from chronic malnutrition. Studies show that almost 25 million people consume less than 1 800 calories per day. Women and children are the most seriously affected by poverty and so food security operations continue to be targeted at households, in particular women without support.

The current Community food aid programme in Bangladesh comes under the banner of multiannual programming (1992-97) and provides for the allocation of 562 125 tonnes of cereals and ECU 30 million worth of financial and technical assistance. In an effort to respond to the country's food security needs in a more coherent and efficient manner, it was decided that annual commitments would be progressively reduced as the country's food security situation improved. This plan was born of the optimism which prevailed at the end of the 1980s after a decade of steadily improving agricultural yields. Production has since dwindled leaving numerous sections of the population at risk from food shortages. Something had to be done to ensure that food reached those most in need, hence the introduction of a food aid allocation for the most vulnerable groups over and above the annual instalment under the IFADEP programme.

Workers on a river excavation project near to Dacca (India) - Food-for-work programme.





DC/MI/BI/EC©

Thus, 1995 saw the introduction of a double allocation for Bangladesh, (an initial 105 000 tonnes under the IFADEP Programme, closely followed by a further 75 000 tonnes in the wake of worsening food shortages), i.e. a total of 180 000 tonnes of cereals worth ECU 37.54 million (including transport) granted in the framework of the standard IFADEP Programme. This Programme is coordinated by the WFP and has three main facets :

- ▶ support programme for vulnerable groups ;
- ▶ fisheries programme ;
- ▶ road-building programme.

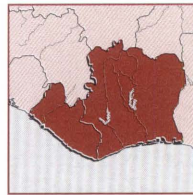
The aim of the first programme is to generate income and promote training for women without support, who are often heads of household. The women selected will receive a monthly ration of 30 kg of wheat and a two-year training and credit package to teach them skills such as poultry and silkworm breeding. These activities will be implemented in conjunction with governmental and non-governmental organizations. In addition to the monthly cereal allowance, the women will also receive training in health and hygiene and disease prevention.

The fisheries programme involves the communal development of fish ponds in the framework of flood control and irrigation programmes under the "food-for-work" scheme. Besides receiving food during the construction of these ponds, participant families will continue to reap the benefits of their endeavours once the work has been completed.

Finally, road-building and related activities will be carried out as part of the existing local authority programme, again on the principle of food-for-work. The aim is to improve communications and market integration, thereby substantially improving the quality of life of rural dwellers. The programme is also part of the government's campaign to eradicate poverty, which recently received an increase in State funding.

In the light of recent trends in world food production and the international food markets, government and donors are set to face continued problems in their attempts to tackle the country's rising food deficit. Against this backdrop the EC allocated 110 000 tonnes of cereals (worth ECU 21.05 million) in 1996 for the continuation of the IFADEP programme. This came on top of the annual IFADEP instalment of 40 750 tonnes of cereals (valued at ECU 9.09 million). In an effort to increase the profitability of the programme, the cash equivalent of 65 000 tonnes of cereals (as part of the set allocation for 1996) will be provided to complement and support food security projects e.g. through the provision of credit to vulnerable groups. Furthermore, a study will be carried out on the formulation of a second multiannual food security programme towards the end of 1996.

DIRECT ACTIONS IN 1995/96



LIBERIA AND IVORY COAST :

INTEGRATED PROGRAMME FOR THE REHABILITATION OF DISPLACED PERSONS AND REFUGEES

(2 B

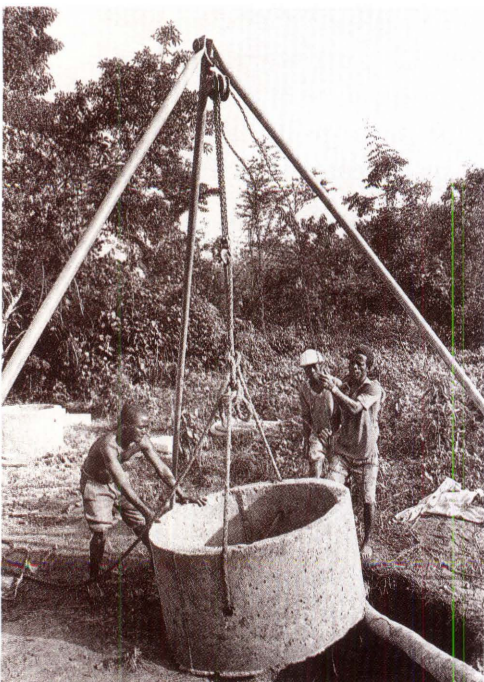
B : AID PROGRAMMES IN SUPPORT OF REHABILITATION

For the past six years Liberia has been ravaged by sporadic outbreaks of civil war, crushing all hopes for a return to normality despite the Abuja peace agreements of 19 August 1995. The conflict has caused the death of more than 15 000 people, forcing some 750 000 (out of a total population of 2.5 million) to flee to neighbouring countries and half the population to uproot themselves within their own country. The economy, traditionally dependent on exports of iron ore, rubber, diamonds, wood, coffee and cocoa, now lies in tatters.

The mass migration caused by the war is a major source of instability both in Liberia (Monrovia, the capital has seen its population double) and in neighbouring countries : some 305 000 Liberian refugees have fled to Ivory Coast, 385 000 to Guinea and several thousand to Sierra Leone. Liberia is currently prey to six warlords commanding a total of 60 000 fighters (including 6 000 children). A significant part of the territory (including the capital) is controlled by the ECOMOG, (an 8 000 strong West African peacekeeping force, including some 6 000 Nigerians), whose aim is to disarm the warring factions. Under the Abuja agreements a national transition government was put in charge of the disarmament process and given the task of preparing the country for democratic elections. The current climate bodes well for a return to normality and peace or, at any rate, the absence of conflict.

In the field of food security, the Commission's main objective is to support the reintegration of refugees and displaced persons through rehabilitation and support activities to promote self-sufficiency in food rather than dependence on hand-outs. The medium-term objective is to move from the state of emergency to a phase of rehabilitation and development. In this context, action to reintegrate and support vulnerable groups (by the NGOs) and children (by the WFP) will be integrated with the Commission's overall food aid policy for the victims of the conflict and dovetailed with ongoing projects (including the ECU 25 million EDF rehabilitation programme).

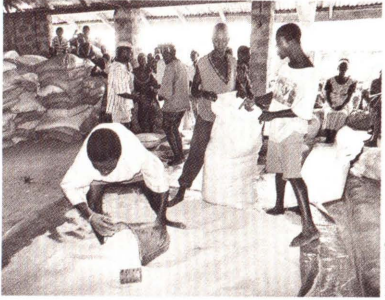
Building a new well (Liberia) - The existing wells have to be rehabilitated.



UNHCR©

As far as support for reintegration/rehabilitation is concerned, the EC has decided to allocate ECU 20 066 000 for the purchase of 1 250 tonnes of rice seed, 3.6 tonnes of vegetable seeds, 160 000 tools, 8 000 tonnes of corn meal, 22 000 tonnes of grain corn, 1 800 tonnes of beans and 3 350 tonnes of palm oil. This allocation will also cover distribution, handling, transport and technical assistance costs. The aim is to promote the reintegration of refugees and displaced persons by properly targeting the distribution of food aid and encouraging the resumption of agricultural activity. The programme will focus in particular on the development of rice growing through the distribution of tools and selected seed and the provision of relevant agricultural advisory services.

Stocking up with cereals
(Sierra Leone/Liberia).



The beneficiaries of this programme are Liberia (160 000 families in the regions bordering Guinea and Ivory Coast) and Ivory Coast (some 295 000 Liberian refugees housed in reception camps in the border region). Women will be the main beneficiaries of the rehabilitation activities. In Liberia, the programme activities will include the distribution of tools and selected rice seeds, the re-introduction of improved varieties, the propagation of seeds and cuttings in rural areas, training for agricultural advisers, the development of marshland, the reestablishment of agricultural networks and the development of small-scale stock rearing activities by peasant farmers. In Ivory Coast, the emphasis will be on ensuring food aid reaches those most in need, nutritional and socio-economic monitoring of refugees and displaced persons, local and triangular purchases, the constitution of security stocks of 10 000 tonnes of cereals, the distribution of seeds and tools to some 15 000 families, the development of rice growing in swampy ground, agricultural guidance, specific monitoring of women farmers and training in the organization of production groups. The general aim of all of these activities is to give a major boost to the food security of the target groups.

SIERRA LEONE :

SUPPLY PROBLEMS IN FREETOWN

Sierra Leone has been in a state of political and economic turmoil since 1991 following a latent civil war between the ruling military government and the troops of the United Revolutionary Front. This instability has prompted an ever increasing number of civilians to leave rural areas and take refuge in the Freetown peninsula (the capital).

The economy is primarily based on agriculture, which employs 65% of the population (some 4.2 million inhabitants). Traditional food farming is predominant inland, while in coastal areas and in the lower river valleys the cultivation of rice and cash crops is more common. Foreign trade developed rapidly after 1989 thanks to the mining industry (mainly diamonds) and contributed to the country's economic revival. However, the civil war and political instability have exacted a heavy toll.

In the field of food security, one of the main problems in 1995 was supplying markets with produce at a time when, according to FAO estimates, production was 53% down on the usual level. Reduced supplies on the markets in the Freetown area led to a huge rise in consumer prices, with the cost of a bag of rice almost doubling in the space of six months.

Renutrition center for children of
refugees and displaced persons in
Liberia.

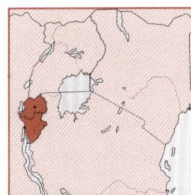


In order to counteract this artificial price rise and to keep the region's markets supplied, the EC programed 10 000 tonnes of rice as food aid for sale on markets in and around the capital, where some 800 000 displaced persons had taken refuge. The private sector would be responsible for sales and marketing. The rice allocation would be divided into 500 tonne lots to enable small traders to participate in the calls to tender. The counterpart funds generated by the sale of this aid would be used mainly to finance projects involving rehabilitation (overhaul of socio-economic infrastructure, primary schools, clinics, etc.), the improvement of local production, job promotion and action in support of NGOs.

Rwandan farm workers children.



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RWANDA AND BURUNDI :

SECURITY STOCKS FOR THE ENTIRE GREAT LAKES REGION

In the wake of the crises that have hit Rwanda and Burundi since 1993 some two million displaced persons and refugees needed help in the region. The end of civil war and genocide have restored tranquillity to Rwanda, but there are still about 2.3 million people living in huge refugee camps in Zaïre, Tanzania and Burundi.

But some 600 000 have already reached a decision to return to Rwanda after being encouraged to do so by the authorities. They are in addition to the 800 000 who have already returned to the country. Unfortunately Rwanda has not the resources to carry out its policy and consequently has been unable to assume responsibility for the return and resettlement of those persons, chiefly farming families.

The political situation in Burundi is still tense and, although a considerable number of displaced persons have returned home, an outward population flow has been in progress since December 1995. The security situation, especially outside the capital Bujumbura, has deteriorated in recent months, with a wave of attacks whose victims have included staff members of humanitarian organizations, including the ICRC, which recently ceased entirely to operate in this country.

The Commission has decided to rehabilitate Rwanda by continuing its emergency and rehabilitation aid in the form of a special programme of ECU 67 million for water and electricity supplies in the capital Kigali, reforestation of war-stricken areas, rehabilitation of national parks, fuel imports, infrastructure repairs, etc. A further ECU 60 million was allocated to the country in December 1994 for a second special rehabilitation programme consisting in environmental protection, social measures, road repairs, balance of payments support, a fresh start for export crops, promotion of food security (agricultural inputs, seed growing, revitalization of agricultural research, rehabilitation of rice paddies, livestock health protection), and support for industry.

For food security, an ECU 18 million programme was approved in October 1994 to enable country dwellers (returned displaced persons and refugees) to recover the means of production for both 1995 growing seasons by obtaining such inputs as seeds, tools and fertilizers (ECU 6 million). The same ECU 18 million total was used to finance a strategic food reserve for distribution should a large part of the refugee population suddenly return, to fill gaps in other operators' supplies, to intervene on local markets in the event of temporary shortages and to have reconstruction work carried out by food-for-work projects. The reserve consisted of 30 000 tonnes of grain for a value of ECU 11 million. A technical assistance amounting to ECU 1 million was provided to manage it.



Filling up with water.

ATLAS®

In August 1994 a food-security programme worth ECU 8.5 million was also approved for Burundi, with the same objectives as in Rwanda. July 1995 saw a second ECU 16.5 million tranche supplied on a regional basis to Rwanda and Burundi for continued support for restarting agricultural production in both countries and, by the same token ensuring continuity of the regional food-security stock. Both these programmes are still running.

The stock operates as a food and inputs bank and will be available for operational partner agencies who will thus be authorized to borrow according to their needs, subject to an obligation to resupply the stock as soon as they are able. A food-supply pipeline for the region would avoid any renewed increase in tension due to shortage of food. The main beneficiaries, will, of course, be displaced persons or those newly resettled on their original land. The main objective is to encourage victims of the recent troubles to return home.

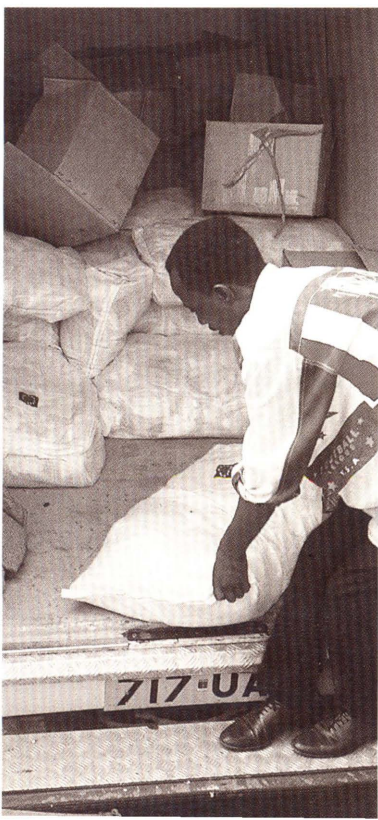


RWANDA :

ASSISTANCE PROGRAMME FOR THE MINISTRY OF AGRICULTURE

A fresh start for agricultural production is one of the priorities in Rwanda, both to improve life for displaced persons within the country and to prepare for the return of refugees from neighbouring countries. To provide the people with the means of meeting its own needs for food security is an essential action in terms of policy for preventing social tensions.

Unloading selected seeds (Rwanda).

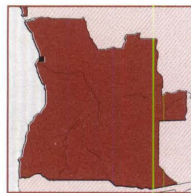


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With this in mind, the EC has launched an innovative programme to support food security in Rwanda, with ECU 1 million. The funding, in four sections, has been allocated to the Rwandan Ministry of Agriculture ("Minagri") and is earmarked for the following projects : a food security early warning and monitoring system, support for Minagri services to manage the restart of agricultural production and the monitoring of food security, support for controlled commercial seed propagation by seed-growing farmers, and support for revitalizing the National Plant Protection Service.

The aim of the programme is to give the government the ability to monitor developments in the food situation and so make a contribution to food security in the country. Along these lines, the aim in setting up a food security early warning and monitoring system is to supply information on agricultural production, the weather (meteorology), availability of food, causes of lack of food security, etc. Logistical support for Minagri departments will be used to purchase the necessary equipment and resources (vehicles, office equipment, training equipment, etc.) in order to provide them with the material means of coordinating and closely monitoring the resumption of agricultural production in all local authority areas, more particularly the distribution and use of agricultural inputs and the training of agriculture officers at prefecture level.

Support for commercial seed propagation will include the reorganization of the seed production and distribution system, because it was entirely disorganized by war. The structures usually responsible for local production of seed have simply gone : farmers' organizations broken up, technical assistance projects all closed, supervisory and advisory services and distribution channels no longer in existence. If agricultural production is to be revived, it is essential for the stock of seeds (chiefly beans) characteristic of the region to be built up again. With that in view technical support will be provided for the Seeds Division of Minagri for a year. Support for the revitalization of the National Plant Protection Service is intended to limit the impact of diseases and parasites on the production of field crops and on food stocks. This is all the more necessary because the arrival in Rwanda on a massive scale of foodstuffs and seeds as aid for its people in the aftermath of the war may provide a channel for the introduction of diseases and parasites previously unknown in the country. This particular programme extends the security stock programme for the Great Lakes region. It was set up with the specific aim of supporting the Rwandan authorities in restarting agricultural production on a long-term basis. Implementation was to begin at the start of the 1996 financial year.



ANGOLA :

CONTINUED SUPPORT FOR THE PEACE PROCESS

The civil war that ravaged Angola from independence in 1974 was brought to an end by the signing of the Lusaka Peace Protocol by the MPLA and UNITA in November 1994. Although relations between the two – the main players on the Angolan scene – are sometimes tense, peace seems to have prevailed on a lasting basis throughout the country since the first quarter of 1995. The Lusaka Protocol provided not only for a reconciliation between MPLA and UNITA but demobilization of the latter's troops and the forming of a unified army. The peace is at present permitting a degree of economic recovery.

Angola was easily able to meet domestic demand until the mid-1970s, but the planned economy brought in by the government seriously reduced the productive capacity of the agri-food sector. This went so

Work in the field (Angola) -
Agricultural rehabilitation programme.





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far that Angola, from being a potential exporter, became chronically dependent on international aid for want of the means to import on a commercial basis. The food deficit for 1995/96 was about 500 000 tonnes. There have been encouraging results, however, in local production since 1993. An increase in the number of lorries carrying agricultural produce can be seen on many roads, and more fruit and vegetables are available in the capital.

The increase in production is largely due to the EC's seed and tool distribution programmes carried out through NGOs since 1993. For the sake of continuity, and to take account of the significant progress made, the Commission decided to limit its food aid for 1995 (45% less than in 1994) and to target it better over time. Furthermore, it focused on support for the poorest communities, either through direct food aid or allocation of counterpart funds. Angola was to receive 50 000 tonnes of grain, 3 000 tonnes of vegetable oil and 4 000 tonnes of beans, with a total value of ECU 21.49 million, in 1995. A technical assistance team was responsible for distribution in the field.

The first 25 000 tonnes of grain, 1 500 tonnes of oil and 2 000 tonnes of beans was allocated to the rehabilitation programme run in the countryside by NGOs. The beneficiaries were rural population groups affected by local drought, and displaced persons in the process of returning to their home regions. In an extension of the 1994 programme this aid was implemented by 15 NGOs through 41 support projects, such as community or school canteen projects, nurseries, food for reconstruction and rehabilitation work, food in return for planting community crops for the propagation of seed and seedlings, food for reforestation work, etc.

To provide support for the most disadvantaged members of the urban population and partly fill the country's food gap (an extension of the 1994 programme) a further 25 000 tonnes of grain, 15 000 tonnes of vegetable oil and 2 000 tonnes of beans was to be sold on local markets. The resulting counterpart funds were to be used to finance a programme of support for restarting food production across the country in the form of microprojects jointly managed by the Commission and the Angolan government.

Following a visit from an EC team in January 1995, it became apparent that the domestic situation in Angola was far from stabilized and that great flexibility was required in implementing this programme. What was needed was the ability to meet a sudden, unforeseen increase in food requirements, either due to the demobilization of UNITA soldiers, which is being spread over a much longer time scale than anticipated, or to whole areas becoming inaccessible, or to the return home of displaced persons, which is delayed by the slowness of the peace process. Furthermore, coordination among the main food aid donors – with the WFP in particular – had to improve.

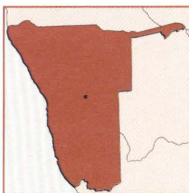
All this induced the EC to combine the food aid allocated, administer it from locally leased storage facilities and make its end-use more flexible, whether it be a matter of holding safety and quick-reaction stocks (in cooperation with the WFP) or of allocating products to NGO projects with a clear priority for the restarting of agricultural production, or the monetarization of aid, rules for which were revised with the Angolan government's agreement and to favour particularly small/medium-sized agri-food businesses. In 1995, using financial balances from the 1994 programme, the EC also mobilized 2 972 tonnes of various seeds and about 350 000 agricultural tools for Angola under a programme for supply to the rural population financed by the EC and the ODA under the supervision of Save the Children.

The programme continued in 1996

Programing for Angola in 1996 also took account of the slow progress with the process of social stabilization. The approach developed in 1995 was maintained, so as to extend the programme put in hand by the EC from mid-1994 to June 1997, i.e. 15 000 tonnes of grain, 2 000 tonnes of oil and 3 000 tonnes of beans for a total value of ECU 9.12 million. The EC's flexibility and its ability to support the restarting of domestic agricultural production are both enhanced by the provision of financial grants.

Firstly, ECU 7.5 million is being allocated for substitution action schemes (of which ECU 5 million is for PARPA _ the "Programme of Aid for the Restarting of Production in Agriculture") as part of NGO projects already given support under the 1994, 1995 and 1996 programmes. A further ECU 3.5 million is earmarked for projects to support food security by financing action to improve storage facilities in rural communities, supporting the provision of information on the people's vulnerability and on food security, financing NGOs or communities involved in the PARPA, provision of mine-removal services, and increasing awareness of the danger due to mines.

Financial balances left over from 1995 are to be used for a further scheme to provide agricultural inputs with the same partners for the main planting season in 1996 (September) ; this time, following the evaluation of the 1995 scheme, with less seed (1 800 tonnes, 400 tonnes of it locally purchased) and more tools (about 600 000 articles).



NAMIBIA :

A SHORT-TERM FOOD SHORTFALL

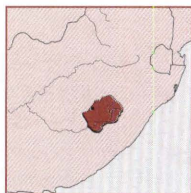
Namibia, the last continental African country to win its independence, was struck by a severe drought in the 1994/95 farming season. Rainfall was 70-80% down on normal seasonal levels. The rains also came very late, so that agricultural output fell dramatically. It was down from 1994's 119 000 tonnes to 59 000 tonnes in 1995. With domestic consumption of 226 900 tonnes of grain and a stock of 85 900 tonnes (the 59 000 tonnes produced in 1995 plus the 26 900 tonnes already in stock) Namibia's food shortfall reached 143 000 tonnes, of which 133 000 tonnes should be covered by commercial imports (according to the Namibia Early Warning Food Information System).

Namibia is characterized by vast desert and very poor quality of soil for agriculture.



This meant that some 163 000 people (chiefly small arable farmers from the northern region and small livestock farmers from the rest of the country) were affected by the drought, lacked the resources to tide themselves over until the next season and needed assistance from August 1995 to May 1996 in order to have enough to eat. The Namibian government's estimate of requirements was 38 000 tonnes of food aid to assist vulnerable groups and it appealed to international donors accordingly; the EC was one of those to respond.

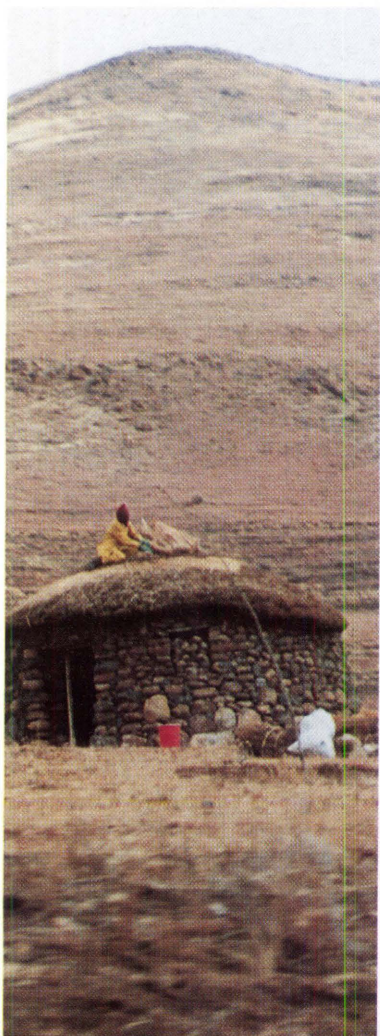
To meet those needs the EC allocated 10 000 tonnes of white maize from East Africa, worth ECU 2.1 million, intended for sale on the market through the private sector. The counterpart funds resulting from this sale to private operators was to be used to finance a programme to provide maize-based meals for drought victims at Council of Churches of Namibia feeding centres across the country.



LESOTHO :

RECURRING DROUGHTS SINCE 1991

Buildings in Lesotho are made of stone to avoid the effects of frost.

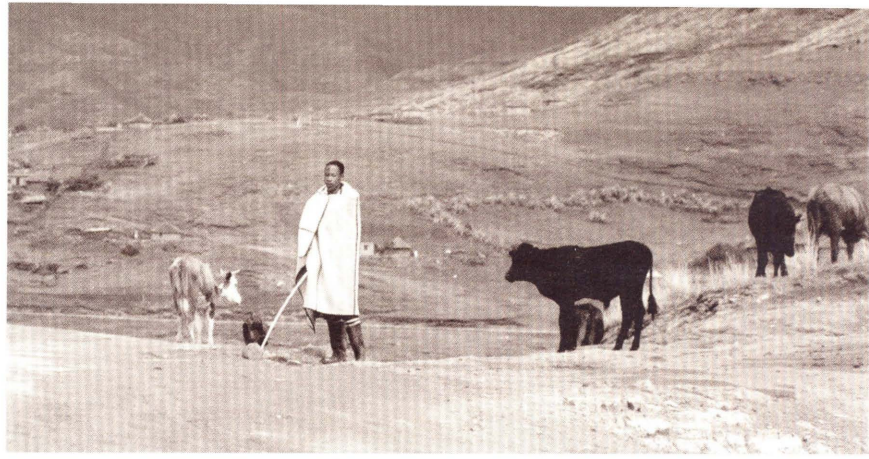


Lesotho, a small land-locked, mountainous, monarchy in Southern Africa, has been suffering since 1991 from the effects of recurrent droughts. With very little by way of natural resources, the country's agriculture is basically limited by the small amount of arable land (9% of the country's territory) while upland stock-farming is declining owing to overgrazing and erosion. The small amount of foreign investment is confined to the textile industry. The economy is highly dependent on remittances from workers employed in the South African mines, a source of income now seriously reduced. Although the structural adjustment programme under way since 1988 has had positive results, Lesotho is still a poor country with a per-capita GNP of US\$ 600 and unemployment affecting 40% of the active population.

The government declared a state of emergency in December 1994 because of the drought which had lasted since April that year. Its impact on crops was the worst since the start of the decade because it came on top of the 1991, 1992 and 1993 droughts. The 1995 harvest was about 40 000 tonnes, i.e. 20% of the previous year's and 10% of national requirements. With commercial imports of around 180 000 tonnes (according to the FAO) the food shortfall was almost 170 000 tonnes in 1995, to be made good either by additional commercial imports or from food aid.

To come to the aid of a population at risk numbering approximately 500 000 (subsistence farmers, landless labourers, etc.) located chiefly in the mountainous areas and the south-west of the country, the EC decided to provide food aid in the form of 20 000 tonnes of maize and 3 000 tonnes of beans, totalling ECU 6.635 million, including transport costs. This would help to maintain a minimum food security level for those affected by the drought pending the 1996 harvest. The aid operation was jointly organized and carried out by ad hoc government agencies and the EC Delegation in Lesotho.

Cattle rearing in the Lesotho mountains.



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Initially the aid, delivered from 1995 onward, was stored in warehouses belonging to the Food Monitoring Unit, part of the Prime Minister's Secretariat, before being distributed to recipients through the Red-Cross and Save the Children. For the purpose of targeting recipients extensive surveys were carried out (location and number of recipients, level of rations, and feasibility of food-for-work schemes) so as to ensure that distribution to those in need was as precise as it was correct.



ZAMBIA : **ALLOCATION OF FERTILIZERS** **AS A SUBSTITUTION ACTION**



DGVN/IS EC©

Yoke of oxen financed by the EC (Zambia).

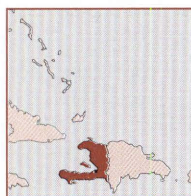
Zambia has been regularly hit by droughts of varying severity since 1992. For 1995/96 a total of 1 563 000 tonnes of cereals were needed to cover the country's needs. In view of forecast national production and stocks already in the country (1 033 000 tonnes) and forecast imports (445 000 tonnes), the resulting food shortage was of 85 000 tonnes to be covered by food aid. That amount was promised by international donors including the EC which, through Euronaid, allocated 20 000 tonnes for NGO operations in Zambia.

At present Zambia is in the throes of transition from the former regime of State intervention in the market to a free-market economy. The process affects the supply of cereals and agricultural inputs, because the private sector still lacks genuine capacity to invest in major transactions to import grain and fertilizers.

Although the EC originally decided to supply white maize to the country this was replaced, as a substitution operation, by a quantity of fertilizers, because the white maize would reach the Zambian market at a time when it would threaten sales of domestic production (which finally turned out to be higher than forecast).

Since Zambia is also short of fertilizers (to the extent of approximately 92 500 tonnes) its government is obliged to subsidize them, owing to the inability of the fledging private sector to import large quantities. It is therefore possible for donors to provide aid without any danger of disturbing the market. In view of the harsh farming conditions this aid for fertilizers turns out to be just as important as conventional aid in product form in ensuring food security for the people of the country by restoring the fertility of agricultural land which is drought-affected and therefore not sufficiently fertile for production to be possible without inputs.

So it was decided, at the government's request, to allocate about 25 000 tonnes of fertilizers, to a total value (including transport) of ECU 5.8 million, as part of a triangular operation. The fertilizers are to be sold on local markets (building up counterpart funds) to wholesalers at market prices. So that small traders and NGOs can also have a piece of the action, sales are to be in batches not exceeding 500 tonnes daily, broken down into smaller quantities. Sales will be organized through the Agricultural Commodity Exchange, set up by the Zambian Farmers' Association, with supervision by the government and the Commission. The counterpart funds are to be used to finance projects to aid the areas worst hit by the drought and intended to support the swift replacement of productive resources in agriculture, road maintenance and the restoration or repair of water abstraction facilities.



HAITI :

RESTARTING THE SEED AGRICULTURAL-INPUT SUPPLY NETWORK

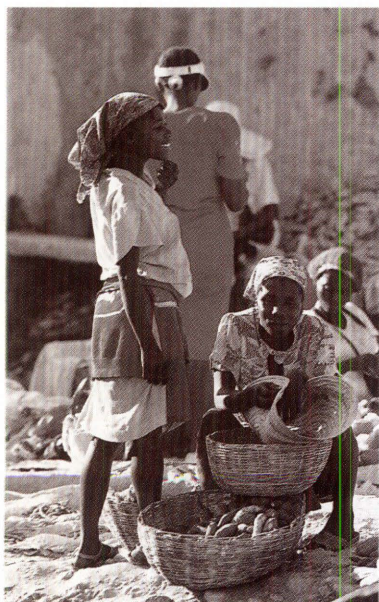
Following three years under embargo, Haiti, the poorest country in the northern hemisphere, is now in dire straits both socially and economically. While the embargo was in force, at least 20% of all families in the country were able to afford a proper meal only every other day. At present over 50% of the population suffer from malnutrition. Since the beginning of 1995 almost one Haitian in five has been dependent on international food aid, chiefly channelled through NGOs. Deliveries in 1994/95 were 95 000 tonnes from the chief donors.

Against this background, the legitimate government of Haiti is doing all it can to stabilize the situation in order to get the country moving again by putting through, all at once, the essential reforms to structures inherited from several decades under dictatorships. However, because the institutional situation has still not been sorted out, it is not possible for the time being to contemplate direct importation of foodstuffs through governmental channels. The reason is that the machinery for effecting such imports on satisfactory and efficient terms is still not in place, although such imports would be warranted for making good the shortfall in grain supplies, supporting the balance of payments and containing the prices of basic foodstuffs.

Haiti's high population density, and the fact too that three-quarters of the country is mountainous, mean that the run-down condition of the farming sector, which employed almost 70% of the population, is not a recent development. But the last three years dealt very harsh blows to an already weakened infrastructure : irrigation networks, country roads, etc. Foodcrops were particularly badly affected, causing pockets of acute famine in places. Cash crops, such as coffee and aromatic plants were entirely laid waste. The environment deteriorated even further because country-dwellers cut down more and more trees to make charcoal for sale in towns : this is often the only possible source of income for the peasants and the only fuel that town-dwellers can afford. Deforestation, unfortunately, goes hand-in-hand with erosion, the silting-up of watercourses and the sea, local climatic change, etc.; this makes the country's loss of resources even worse.

The EC decided to finance three integrated agricultural restart programmes, to contribute to food security for the particular groups concerned and,

Food production in Haiti is not sufficient to supply local markets.



A. BRUNO ©



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The daily search for food is a vital necessity for the survival of impoverished people in Haiti.

1996 : budgetary support for the Ministry of Agriculture

This year will see the continuation of EC aid through the allocation, as a substitution action of ECU 10.5 million, to support the recapitalization of agricultural holdings and strengthen the government's response capabilities. To that end the FAO's earlier project for strengthening the seed and agricultural-input production and distribution network is being extended with one and half million ecus. A million ecus will also be allocated to the Inter-sectoral Food Aid Commission and ECU 400 000 to the Rural Development Fund.

There is also provision for a substantial budgetary support component, with the Haitian Ministry of Agriculture to be provided with ECU 7.1 million to finance certain budget headings for the provision of equipment for local agricultural offices, rehabilitation of the Programming, Monitoring and Evaluation Units ; rehabilitation of the Agricultural Statistics Unit, and support for the Ministry's General Operating Budget (not including salaries and wages). This is institutional support designed to build the Ministry's capacity for monitoring, coordinating and evaluating field projects for agricultural development, it is to form part of the Ministry's restructuring and decentralization.

simultaneously, provide money-making opportunities in the countryside through agro-forestry techniques and the intensification of agriculture by environmentally compatible methods in order to halt environmental degradation.

The first of these programmes will continue and step up the process of establishing a seed and agricultural-input production and distribution network tailored to the true situation of farming in Haiti. This project carries on from one carried out by the FAO (EC-financed in 1992/93) during the embargo period, which played a decisive role in checking the deterioration of agriculture. Now the aim will be to replenish the peasants' resources, for they have suffered severe loss of capital in recent years, by rebuilding their working capital through the supply of inputs, seeds, fertilizers, tools and credit – generally beyond their reach for technical or economic reasons. This programme, on a national scale, is designed to provide the majority of farmers (there are still some 800 000 + holdings, with on average less than a hectare of land for crops) with improved inputs available at the right time and at affordable prices.

Concurrently a food-security support programme will be carried out through an NGO to help some 7 000 families in Artibonite, the country's main agricultural area, which suffered badly during the embargo. And finance will be provided for the future "Inter-sectoral Food Aid Commission"; its intended purpose is to enable the government, in conjunction with civil society, to achieve better targeting of food aid on the neediest people, while avoiding the perverse effects of food aid.



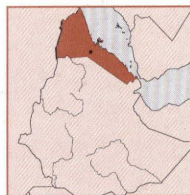
BRUNO©

Children suffering from malnutrition playing in a paddy field (Haiti).

Asmara (Eritrea).



DGVI/IS ECG



ERITREA :

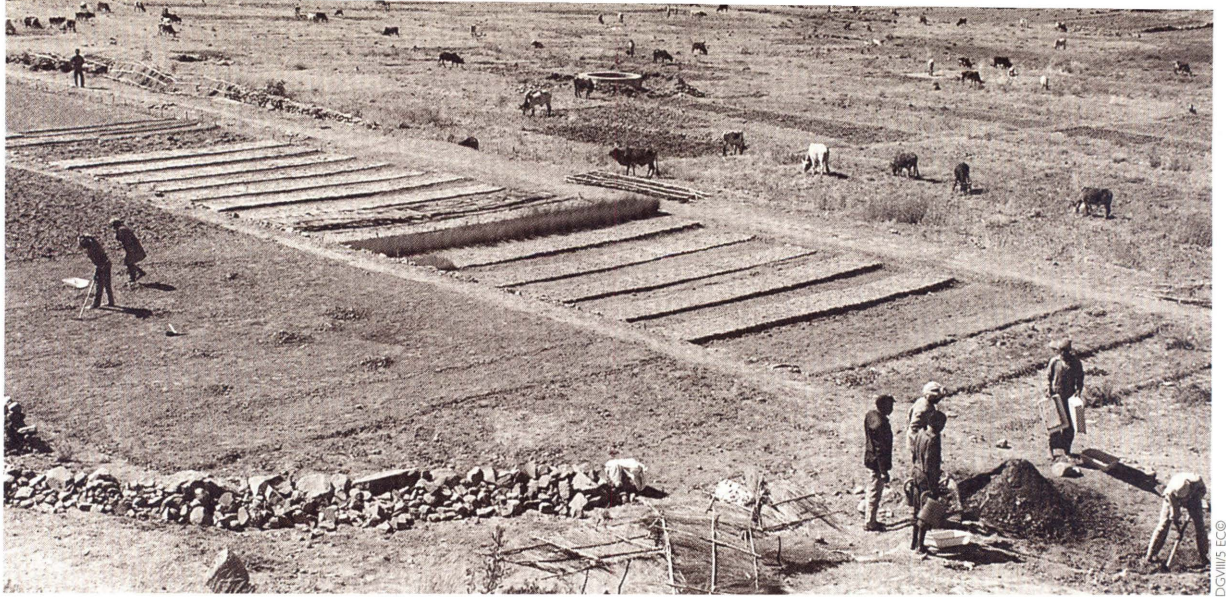
SUPPORT FOR THE URBAN POPULATION

Two years after gaining independence Eritrea is still restoring its economy from the ravages of the war of liberation. A multi-sector rehabilitation programme by the international community has produced visible signs of improvement to the infrastructure. government, too, has launched an ambitious restructuring and reconstruction programme.

In terms of food security, 75-80% of Eritrea's 2.7 million population work in agriculture. But only 10% of arable land is actually under cultivation and the majority of farms are small subsistence holdings. It is highly unlikely in Eritrea, owing to the climate, that food security for the people can ever approach self-sufficiency in the short term. The government's approach is to improve food security by increasing farm output and developing a diversified economy so that commercial food imports can be increased.

The EC has for a few years given Eritrea support in the form of substantial quantities of food aid, by means of cross-border operations before independence and, since 1991, through Eritrean government channels, NGOs and the WFP. The EC has been the biggest food aid donor and was also the first to implement a major programme for selling food aid on the market through the government : 18 000 tonnes of wheat in 1994. A further 20 000 tonnes of wheat and 1 000 tonnes of vegetable oil, for delivery in 1996, was decided upon in 1995. The estimated combined value of these two allocations is ECU 54 million. Food aid is, then, the EC's main form of assistance to Eritrea.

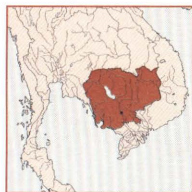
Because much of Eritrea's total consumption of cereals comes from food aid, the authorities (at national level) became concerned about the consequences of the provision of food aid to their country over an extended period. Ultimately this might cause dependence, undermine local agricultural production and distort economic development. To counter these adverse effects the Eritrean government adopted a law regularizing the situation regarding food aid sales on the market. It lays down that, from 1 January 1996, any food aid entering the country is to be sold (and not distributed free), and that the resulting counterpart funds used to replace programmes of free distribution to vulnerable groups with cash relief or cash-for-work programmes (to take the place of food-for-work programmes).



Agricultural irrigation near to Asmara (Eritrea).

The 1995 harvests in Eritrea covered only 30% of domestic grain requirements. As a result, the Eritrean Relief and Refugee Commission estimated the country's food import needs at 350 000 tonnes for 1996 ; only 65 000 tonnes was to be imported commercially.

To help cover the shortfall, the EC informed the Eritrean government that it could submit a request for food aid in 1996 of about 80 000 tonnes of wheat in addition to the 20 000 tonnes of wheat and 1 000 tonnes of vegetable oil already approved. The EC also made clear that it was prepared to consider this aid under the new rules on the sale of food aid. Difficulties arose, however, in resolving the two sides' differing approaches to detailed procedures for implementation. This put back even further the decision on delivering the allocation in question.



CAMBODIA :

FOOD-FOR-WORK PROGRAMME

Since the severe floods of 1994, and the subsequent droughts, Cambodia has had to face a shortfall of about 300 000 tonnes of rice. Over and above the natural disasters the country is still recovering from the effects of an appalling civil war which killed almost 15% of its people during the 1970s. Not until the Paris agreements were signed in 1991 did the climate improve; democratic elections were held in May 1993 under UN auspices.

In terms of the economy, 85% of the population live off farming (chiefly rice-growing). International aid provided 48% of the central government's budget in 1994. Inflation, though under control, is about 20% and trade, irrespective of its scale in monetary terms, is still based on US dollars rather than riels.

In terms of agriculture, rice-growing takes up 1.7 million hectares or 90% of all cultivated land. Rice-growing alone represents 40% of total agricultural output. Rice is the staple food. With the country already facing a chronic shortfall in its food supply, the impact of the floods and drought was devastating (52% of sown rice-growing areas produced nothing in 1995) and only worsened the food shortfall, which is now at twice the level of previous years.

To make good the shortfall in part the EC decided to supply aid to Cambodia in the form of 20 000 tonnes of rice with a total value of ECU 6.04 million (this includes the financing of projects to support food security). Implementation will be operated by the WFP, in association with the Cambodian Red-Cross, and a team of experts paid for by the EC. The aid will be used in food-for-work projects, to target those sections of the population worst affected and most vulnerable, so giving them at least some standard of food security. These food-for-work projects form part of a programme for the construction of public utilities and facilities.

INDIRECT AID IN 1995/96



THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

The FAO is a specialized agency based in Rome which was set up to deal with the needs of both developed and developing countries in the field of food and agriculture. The FAO's role is to provide its Member States with information on agriculture and the food and agriculture situation worldwide and to provide and promote technical assistance in order to improve international food security.

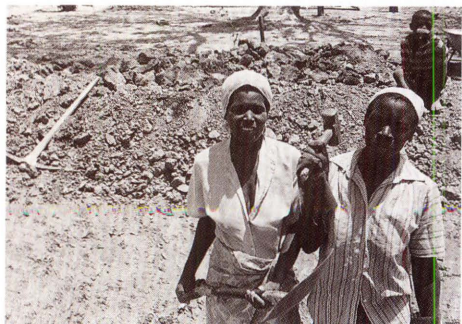
In 1995, the FAO requested Community assistance in two areas : the implementation of early warning systems and the improvement of seed production. The EC agreed to finance three projects to the tune of ECU 4.65 million.

The first, already under way, concerns the financing (ECU 500 000) of the second phase of the design and implementation of a computerized work station for the FAO's Global Information and Early Warning System for Food and Agriculture (GIEWS) which is designed to rapidly alert the international community to food supply problems. There are now plans to make this information available via the INTERNET.

The second project (ECU 1.53 million) will help the Mozambique government to improve its early warning system by training the staff of the various government institutions involved with it.

The third project (ECU 2.62 million) is for the supply and production of seed in Afghanistan. Some 30 000 farming families will receive a total of 500 tonnes of improved strains of wheat and other cereals, plus fertilizers, which should result in a yield of around 37 500 tonnes. Furthermore, thanks to the propagation of seeds in the country itself, the project should also produce some 3 000 tonnes of quality seed.

Food-for-work programme - Road construction.



WORLD FOOD PROGRAMME OF THE UNITED NATIONS (WFP)

Established in 1961 by the UN General Assembly and the FAO for an initial period of three years, the World Food Programme (WFP), based in Rome, aims to combat hunger in the world and foster the socio-economic development of developing countries. In 1965 it was given a permanent and wider mandate.

Food-for-work programme - Road construction.



During the past three decades, the WFP has invested some thirteen billion US dollars - over 40 million tonnes of food aid - in more than 1 600 development projects and some 1 200 emergency operations to the benefit of several hundred million people. Under the UN system, the WFP is the main source of food aid for developing countries and for the past two years, the European Union has been one of the WFP's largest donors.

The WFP provides three different types of assistance : emergency aid through the International Emergency Food Reserve (IEFR), food aid to refugees through the Protracted Refugees Operations (PRO) and structural development aid via the regular programme.

The regular programme

In 1995 the EC provided the WFP with 120 000 tonnes of cereals, 5 000 tonnes of milk powder, 500 tonnes of butteroil, 8 000 tonnes of vegetable oil and four million ecus worth of miscellaneous products, at a total cost of ECU 55 927 750. The regular programme seeks to transfer resources to disadvantaged sectors of the target population or to satisfy their minimum nutritional needs. This aid is generally used for "food-for-work projects", school meals, agricultural development, irrigation, development of the local dairy industry, improving food security for families, agro-forestry development, etc. The EC contribution went on sixteen projects implemented by the following countries : Cape Verde, Chad, China, Cuba, Ecuador, Ethiopia, Guatemala, India, Jordan, Kenya, Malawi, Nicaragua, Pakistan and Tunisia.

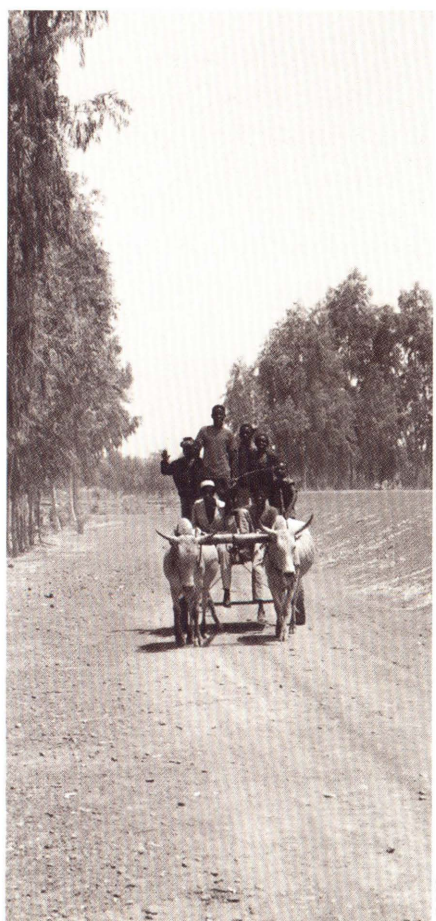
For 1996, the EC has agreed to provide the WFP with 95 000 tonnes of cereals, 4 000 tonnes of vegetable oil, 1 000 tonnes of milk powder and three million ecus worth of miscellaneous products, at a total cost of ECU 36 593 million, including transport and incidental costs. Apart from continuing to support the WFP, the EC will also step up operational collaboration with the Programme to ensure complementarity between Community food aid and food security operations and WFP projects. To that end, closer links have been forged between the EC and the WFP so that WFP projects financed by the EC in 1996 will be implemented after exchanges of views both on the spot (between EC delegations and WFP offices) and at the respective head offices. This new approach should considerably boost coordination, cooperation and the flow of information between the WFP and the EC at all levels.

An example of a regular WFP project implemented in partnership with the Commission is given below :

Rehabilitation of agricultural land, forest and infrastructure in Ethiopia

Since the beginning of the century, mass internal migration by Ethiopians in a relentless quest for new farmland has severely aggravated soil erosion and seriously curtailed agricultural productivity. The forest, which covered 40% of the territory in 1900, now accounts for a mere 3% of the total land mass.

Poorly maintained road infrastructure constitutes a further impediment to agricultural development and farmers are very vulnerable at times of drought owing to the lack of water supply points and antares of irrigation canals.





Women fetching water (Ethiopia) - Forestry and agricultural rehabilitation project in the framework of a WFP food-for-work programme.

These structural problems have led to a drop in the quantity of cereals available per person per year (157 kg in the 1990s down from 179 kg the previous decade). The food security problem is particularly acute in the regions of Amhara, Oromo, Wolaita and Tigray which have been classified as priority areas in this context.

A WFP forest and farmland rehabilitation programme has been running in the area for over thirteen years and has so far achieved 60% of its initial objectives. In 1993, the WFP decided to extend the programme for a further four years and broadened its scope to take in infrastructure development in the target regions.

The medium-term objectives of this project are :

- to protect and develop some 135 000 hectares of land by containing soil erosion, conserving water resources, extending woodland (for firewood), pasturage and individual or communal vegetable plots ;
- to manage some 200 000 hectares of forest with due respect for the ecological balance of the area ;
- to erect basic infrastructure in some 450 communes.

In order to achieve these objectives, WFP food aid has, since the beginning of the project, been used primarily in "food-for-work" operations. For this new instalment of the programme, daily rations will be distributed to peasant families in need. During the four-year period, some 156 000 families (or some 936 000 individuals) will receive WFP rations and 552 000 people will benefit from the farmland and infrastructure rehabilitation work.

In 1994, the Community participated in this programme by supplying 21 000 tonnes of cereals and 330 tonnes of vegetable oil in the context of multilateral aid. It decided to continue its support in 1995 by supplying 25 000 tonnes of cereals and 1 400 tonnes of vegetable oil to the tune of ECU 7.03 million, which in percentage terms is one of the largest ever contributions made from the budget heading concerned.

Aside from its regular programme, the WFP also comes to the rescue of populations whose precarious food security situation requires rapid and urgent intervention. Such measures come under two headings :

The International Emergency Food Reserve - IEFRR

This emergency aid goes to people facing short-term food shortages during periods of drought, following natural disasters or in cases of conflict. It can also be used to provide emergency food supplies to refugees.



DOVILIS ECU

This multilateral aid, which is not tied (i.e. it can be used by the WFP for its general needs and not necessarily as part of pre-established programmes), makes up the Commission's contribution to WFP emergency operations to deal with short-term food shortages; the financing of emergency food aid actions with a more specific humanitarian slant is the responsibility of ECHO (the European Community Humanitarian Office).

In 1995, the EC contributed 82 000 tonnes of cereals, 7 300 tonnes of vegetable oil, 1 900 tonnes of sugar, 8 142 tonnes of pulses and ECU 2 million worth of miscellaneous products (totalling ECU 40 857 500) to the WFP emergency reserve. In 1996 the Community contribution to the emergency reserve will consist of 40 000 tonnes of cereals, 4 000 tonnes of vegetable oil, 1 000 tonnes of sugar and ECU 2 million worth of miscellaneous products (totalling ECU 21.09 million, including transport and other costs).

PRO - Protracted Refugees Operations

The WFP is giving increasing support to protracted food operations for vulnerable groups such as refugees. The spectacular rise in recent years in the number of refugees made it essential for an agreement to be reached between the WFP and the UNHCR in 1992 under which the WFP would take charge of the delivery of basic foods in all operations concerning more than 1000 people. This figure was increased to 5 000 in 1995.

In 1995 the EC contributed 86 236 tonnes of cereals, 5 350 tonnes of vegetable oil, 4 150 tonnes of sugar, 6 671 tonnes of pulses and ECU 1.5 million worth of miscellaneous products (totalling ECU 38 241 396) for WFP Protracted Refugees Operations. In 1996 it will contribute 70 000 tonnes of cereals, 7 000 tonnes of vegetable oil, 500 tonnes of sugar and ECU 2.5 million worth of miscellaneous products (totalling ECU 35.62 million, including transport and other costs).

The EC contributed a grand total of ECU 137 537 890 to the WFP in 1995, made up of 288 236 tonnes of cereals, 20 650 tonnes of vegetable oil, 6 050 tonnes of sugar, 14 813 tonnes of pulses, 5 000 tonnes of milk powder, 5 000 tonnes of butteroil and ECU 7.5 million worth of miscellaneous products. This allocation represented 22.79% of the EC's total food aid budget (ECU 603 490 081) and 34.27% of indirect aid (ECU 401 329 400).

WFP food aid drop destined for a refugee camp in Liberia.



UNHCR

Palestinian apprenticeship thanks to an
UNRWA training programme.



DG/MIB/EC©

THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR REFUGEES IN THE NEAR-EAST (UNRWA)

UNRWA was set up in 1950 to look after Palestinian refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip. UNRWA works chiefly in the fields of food aid, medical assistance and health care, education and basic assistance.

Supplies of food aid for Palestinian refugees began in 1972, through UNRWA. The EC has been one of the biggest donors to the UNRWA for a long time.

In 1995 the EC supplied the UNRWA with the equivalent of ECU 8.17 million of miscellaneous food aid (including transport costs). The aim was to help maintain political stability in the region while improving the poorest refugees' incomes. The rations distributed provide a daily minimum of 1 800 calories per person.

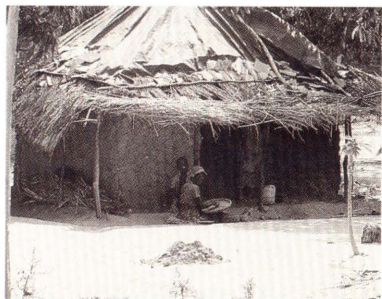
For 1996 the EC allocated food aid amounting to ECU 10 million, for a variety of products, to the UNRWA. The purpose is to continue to provide EC support for the Agency. Aid will continue to be used for social assistance, through the Special Hardship Programme, education and health.

The recipients are Palestinian refugees registered under the Special Hardship Programme, i.e. 179 000 person or 5.8% of the total registered population. The UNRWA supplies direct aid only to families with no adult male member medically fit for work and no other means of meeting their primary needs. Of the 179 000 registered persons, 45% are children or young people below 18 and 15.5% men and women over 60. The others are women, girls and a minority of men in full-time training or education, in prison or medically unfit for work.

Other beneficiaries are women who are pregnant or breast-feeding, and babies between six-months and two-years old, and a very small number of tuberculosis victims. The other recipients of aid are patients in hospitals and maternity clinics (fewer than 200) and students in training establishments (fewer than 3 500).

OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR)

Home recovered with tarpaulin supplied by the UNHCR (Southern Africa).



The Office of the United Nations High Commissioner for Refugees was set up in January 1951 to protect and help refugees and find lasting solutions to their problems (such as repatriation); since then there has been a constant increase in the number of refugees, following the end of the cold war and the outbreak of regional disputes. There are now some 25 million refugees and the same number of displaced persons.

The HCR reached an agreement with the WFP enabling it to concentrate once more on its primary objective, in that it no longer needs to ensure that refugee camps with more than 5 000 occupants are supplied with food. The agreement, however, does not cover the mobilization of milk products and foodstuffs other than "basic" ones. In 1995 the Commission therefore supplied the UNHCR with 1 350 tonnes of powdered skimmed milk, 1 325 tonnes of milk specially treated for therapeutic purposes, 128 tonnes of vegetable oil, 4 020 tonnes of rice and ECU 3.77 million for the purchase of miscellaneous products ; aggregate value : ECU 12.7 million.

INTERNATIONAL COMMITTEE OF THE RED-CROSS (ICRC)

Under the 1949 Geneva conventions the International Committee of the Red-Cross, an impartial, neutral and independent humanitarian organization, has a mandate to help the victims of armed conflict, unrest or domestic tension. The ICRC is one of the Commission's main partners in view of its effectiveness on the ground and its continuous presence on the scene of many areas of violence or unrest.

In 1995, the Community granted the ICRC 50 000 tonnes of cereals, 4 000 tonnes of vegetable oil, 350 tonnes of sugar, 3 000 tonnes of various products and 200 000 agricultural implements, all of this worth ECU 23.04 million. The aim was to help the ICRC in its agricultural rehabilitation programmes for victims of fighting, chiefly in Africa but also in Afghanistan.

In southern Sudan, the ICRC will continue its assistance programme for civilians hit by the fighting by supplying 240 000 families the wherewithal to survive in the shape of seeds and tools. In Afghanistan, it will provide food assistance to around 70 000 displaced persons living in abandoned apartment blocks in Kabul where living conditions are harsh.

In Kenya, the ICRC is setting up a permanent regional stock that will enable a rapid response to be taken over an initial period of six weeks in the event of a crisis in the region. In Angola and Rwanda rehabilitation schemes have also been carried out by the ICRC and financed by the EC to the tune of more than ECU 3.5 million in Angola (10 380 tonnes of cereals, 900 tonnes of vegetable oil and ECU 354 800 in other products) and more than ECU 7 million in Rwanda (14 746 tonnes of cereals, 970 tonnes of vegetable oil, 40 tonnes of sugar and ECU 2 132 000 in other products).

Unloading help from a Red-Cross plane.



NGO volunteer in conversation with villagers.



NON-GOVERNMENTAL ORGANIZATIONS (NGOs)

NGOs are important partners of the Commission in the field of food security and food aid. Leaving aside emergency aid and humanitarian assistance, for which ECHO is responsible, NGOs have access to two types of grant in the framework of Commission food aid : structural food aid and the warehousing and early warning programme.

In 1995, as a result of a redistribution of powers between ECHO and the Food Security and Food Aid Unit, the notion of partnership as part of development policy was strengthened and geared more to structural projects. Humanitarian projects were put in the hands of ECHO. More stress has been put on the food security angle.

NGOs carry out various types of scheme which are key facets of food security :

- ▶ rehabilitation programmes : food-for-work, school meals, nutritional centres, supply of seeds and implements, etc ;
- ▶ assistance programmes for the victims of famine or persons displaced by fighting ;
- ▶ refugee resettlement programmes.

A large part of food aid (around 60%) channelled via NGOs is purchased in the recipient countries, thus encouraging local agricultural production and fostering regional trade. 70% of these development aid schemes are in Africa.

In 1995, 321 000 tonnes of cereals, 7 800 tonnes of milk powder, 20 250 tonnes of vegetable oil, 3 445 tonnes of sugar, 41 164 tonnes of pulses, ECU 18.97 million worth of various products, and ECU 1.5 million in tools were allocated to NGOs through Euronaid (total value around ECU 191.25 million).

However, to get an overview of allocations to NGOs, we have to add to the latter amount the sum of ECU 23.14 million which is the overall amount of allocations made to NGOs that did not go through Euronaid. This makes ECU 214.39 million, i.e. around 35.5% of the total budget for financial year 1995.

In 1996, 160 000 tonnes of cereals, 12 000 tonnes of pulses, 7 000 tonnes of vegetable oil, 3 000 tonnes of milk powder, 2 000 tonnes of sugar and ECU 15 million in other products were allocated to NGOs through Euronaid (total value ECU 93.12 million). The estimate of needs to draw up this allocation in 1996 was made in the light of reserves left over from the 1995 allocation.

Over and above the 1996 allocation made available through Euronaid, the EC approved an overall food aid allocation in respect of 5 000 tonnes of cereals, 1 000 tonnes of pulses, 5 000 tonnes of vegetable oil, 300 tonnes of sugar, 300 tonnes of milk powder, ECU 1.5 million in other products, ECU 500 000 for tools and ECU 3 million for storage or early warning systems (total value ECU 9 million) to meet the needs of NGOs contacting Commission departments without passing via Euronaid.

**Euronaid :
interface between NGOs
and the Commission**

The bulk of Community food aid allocated to NGOs (more than 321 000 tonnes in 1995) is channelled via Euronaid, which was set up in 1980 by eight NGOs and has a membership of 24. Its aim is to manage the organization of transport and related activities and the purchase of products in developing countries on behalf of NGOs that have received a grant from the Commission and which more often than not are not able to manage the volume of this grant with their own means. Euronaid is responsible for the smooth execution of operations conducted by the NGOs.

Below is a description of typical NGO projects funded by the Commission from the food aid budget :

-Caritas Mbuji-Mayi : project to assist displaced persons from Kasai

In September 1992 serious ethnic unrest broke out in the province of Shaba in southern Zaïre and around 800 000 people from Kasai were driven back into the eastern part of their region. As agricultural production there was already unable to meet the population's needs, this sudden influx of hundreds of thousands of persons has made the food situation untenable and necessitates the distribution of humanitarian food aid.

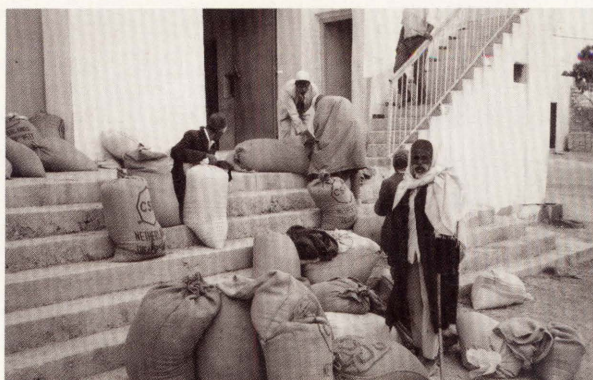
In order to ensure food security, the local NGO Caritas Mbuji Mayi, with the support of the Dutch NGO "Mensen in Nood - Caritas Neerlandica", has taken the initiative to launch a programme involving the provision of seeds and tools to give these people a measure of independence, support their reintegration into the region and, above all, improve the production and supply of foodstuffs. This project has helped 12 000 uprooted families, who have received parcels of seeds and tools and will be supervised up to harvest time.

This project, coordinated by the EC and technical assistance on the ground, forms part of a wider programme to help 20 000 families and involves other partner NGOs. To implement it, the Commission will provide money via Euronaid for 810 tonnes of seed, 47 250 hoes and 20 000 machetes, plus transport costs.

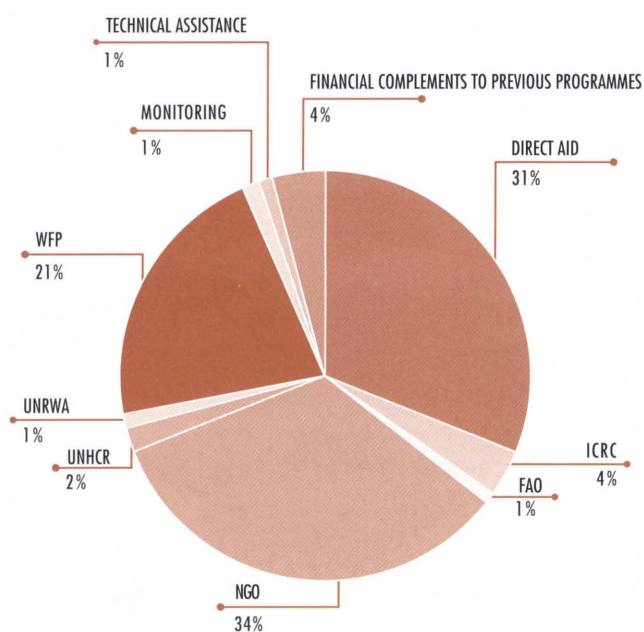
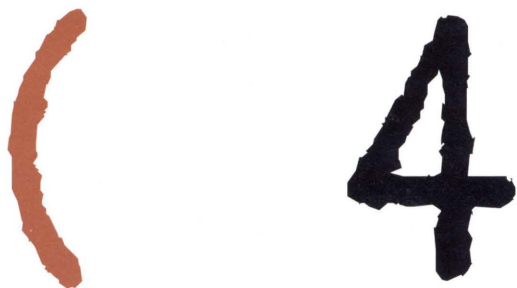
-FARM-Africa : rural development project in Ethiopia

In Tigray, people need to travel for four to eight hours to find water in certain districts. Moreover, given a lack of resources, the government is not able to develop farming techniques which have already been tried and tested. The region's farmers are therefore unable to produce food for their own consumption over the next six months.

To remedy this situation, the United Kingdom NGO FARM-Africa (Food and Agriculture Research Management) has started a four-year rural development project involving the introduction of new technologies in agricultural production, water management and community resources. To back this project, the Commission has decided to grant, via Euronaid, 720 tonnes of common wheat and 90 tonnes of rape seed oil. This aid has been used both as part of food-for-work programmes involving the sinking of wells and installation of pumps, the creation of nurseries, the application of new farming technologies and the building of roads to make it easier for products to be marketed. Part of this grant will be monetized to finance the purchase of necessary material. In both cases, there will be a substantial improvement in food security for some 30 000 direct beneficiaries of the scheme.



ANNEXES



1995 FOOD AID OVERALL BUDGET : BREAKDOWN BY TYPE OF AID AND BY BODY

Type of aid	Bodies	Allocated amount (ECU)	%
Direct aid		201 760 681	31.22 %
Indirect aid		401 329 400	62.10 %
	ICRC	23 043 110	3.57 %
	FAO	5 380 000	0.83 %
	NGO	214 383 981	33.17 %
	UNHCR	12 742 660	1.97 %
	UNRWA	8 241 753	1.28 %
	WFP	137 537 896	21.28 %
Monitoring		8 609 360	1.33 %
Technical assistance		6 952 558	1.08 %
Fin. comp. to previous programmes		27 648 000	4.28 %
OVERALL TOTAL		646 299 999	100 %

BUDGETARY EXECUTION - 1996 EXERCICE* BREAKDOWN BY BODY AND BY REGION

	DIRECT AID	%	WFP	UNRWA	FAO	NGO	TOTAL	%	TOTAL	%
Southern Africa	48.08	15.0%	10.73		4	10.07	24.8	10.8%	72.88	12.71%
Horn of Africa	23.53	7.4%	10.82			43.48	54.3	23.8%	77.81	13.57%
East Africa		0.0%	23.22			10.6	33.82	14.8%	57.04	9.95%
Coastal West Africa	26.3	8.2%	17			4.4	21.4	9.4%	47.7	8.32%
Sahel	5.76	1.8%				6.1	6.1	2.7%	11.86	2.07%
Indian Ocean	2.52	0.8%	1.74			1.6	3.34	1.5%	5.8	1.01%
Caribbean	10.05	3.1%				5.6	5.6	2.4%	15.65	2.73%
ACP TOTAL	116.24	36.3%	63.51			81.85	149.36	65.3%	265.6	46.32%
Latin America	43.4	13.6%	6.44				6.44	2.8%	63.74	11.12%
Mediterranean	6	1.9%	4.89	10		13.9	28.79	12.6%	24.69	4.31%
Asia	41.24	12.9%	35.02			3.8	38.82	17.0%	81.46	14.21%
NIS	71.57	22.3%				5.2	5.2	2.3%	73.17	12.76%
Not regionalizable	41.57	13.0%							41.57	7.24%
OVERALL TOTAL (MECU)	320.02	100%	109.86	10	4	104.75	228.61	100%	573.37	100%

* Estimation

DIRECT AND INDIRECT FOOD AID ALLOCATIONS - 1995 PLANNING

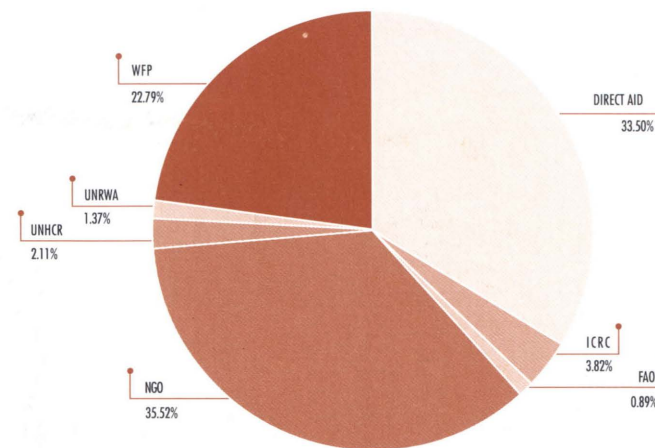
DIRECT AID	Country/organization	CEREALS Tonnes			MILK POWDER Tonnes			BUTTEROIL Tonnes			VEGETABLE OIL Tonnes			SUGAR Tonnes			PULSES Tonnes			OTHER PRODUCTS ECU			OTHER ECU			
		Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	Request	Orientation	Allocation	
SOUTHERN AFRICA	ANGOLA	50 000	50 000	50 000	171	171	171	50	50	50	3 000	3 000	3 000				4 000	4 000	4 000							
	LESOTHO	20 000	20 000	20 000													3 000	3 000	3 000							
	MALAWI	60 000	60 000	60 000																1 500 000	1 500 000	1 500 000	250 000	250 000	250 000	
	MOZAMBIQUE	23 810	23 810	23 810	674	674	674				2 649	2 649	2 649	177	177	177							150 000	150 000	150 000	
	NAMIBIA	10 000	10 000	10 000																						
	EAST AFRICA	RWANDA																						590 000	1 590 000	590 000
	ZAMBIA	40 000	40 000	40 000																						
	WEST AFRICA	SIERRA LEONE	24 000	24 000	24 000																					
	LATIN AMERICA	BOLIVIA																					5 000 000	5 000 000	5 000 000	
	ASIA	PERU	35 012	35 012	35 012	1 000	1 000	1 000				3 800	3 800	3 800				2 250	2 250	2 250	587 000	587 000	587 000	856 780	856 780	856 780
	BANGLADESH	180 000	180 000	180 000																		300 000	300 000	300 000		
	CAMBODIA																					300 000	300 000	300 000		
CARIBBEAN	HAITI	1 250	1 250	1 250																1 494 000	1 494 000	1 370 000	5 000 000	3 008 500	3 008 500	
HORN OF AFRICA	ERITREA	20 063	20 063	20 063							1 000	1 000	1 000							35 975	35 975	35 975				
	ETHIOPIA	150 000	150 000	150 000																			500 000	500 000	500 000	
MEDITERRANEAN	EGYPT	100 960	100 960	100 960																						
	TUNISIA																						5 400 000	5 400 000	5 400 000	
SAHEL	BURKINA FASO																						1 500 000	1 500 000	1 500 000	
	CAPE VERDE	5 000	5 000	5 000							1 400	1 400	1 400													
	NIGER																						1 100 000	1 100 000	1 100 000	
TOTAL OF DIRECT AID		720 095	720 095	720 095	1 845	1 845	1 845	50	50	50	11 849	11 849	11 849	177	177	177	9 250	9 250	9 250	3 616 975	3 616 975	3 492 975	19 185 280	20 185 280	19 185 280	
INDIRECT AID	AATM																						36 000	36 000	36 000	
	CAREINTUK																						300 000	300 000	300 000	
	ICRC	50 000	50 000	50 000							4 000	4 000	4 000	350	350	350				5 200 000	5 200 000	5 200 000	400 000	400 000	400 000	
	CIMADE	680	680	680	220	220	220				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000				
	CISP	680	680	680	220	220	220				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000				
	DWHH																						375 169	375 169	375 169	
	ECB	600	600	600	200	200	200				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000				
	EURONAI	321 000	321 000	321 000	7 800	7 800	7 800				20 250	20 250	20 250	3 445	3 445	3 445	41 164	41 164	41 164	18 970 000	18 970 000	18 970 000	1 838 000	1 838 000	1 838 000	
	FAO	1 500	1 500	1 500																			4 650 000	4 650 000	4 650 000	
	OXBE	680	680	680	220	220	220				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000	30 000	30 000	30 000	
	RWANDA/BURUNDI	20 000	20 000	20 000							1 000	1 000	1 000				9 000	9 000	9 000	1 000 000	1 000 000	1 000 000	2 995 000	2 995 000	2 995 000	
	SOLINT	680	680	680	220	220	220				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000				
	SPF	680	680	680	220	220	220				25	25	25	100	100	100	150	150	150	160 000	160 000	160 000				
	UNHCR	9 648	9 648	9 648	2 675	2 675	2 675				128	128	128							3 770 000	3 770 000	3 770 000				
	UNRWA	2 789	2 789	2 789	1 122	1 122	1 122				1 080	1 080	1 080	1 684	1 684	1 684	583	583	583	3 360 000	3 360 000	3 360 000				
	WFP	30 000	30 000	30 000																			1 400 000	1 400 000	1 400 000	
	WFP-IEFR	92 000	92 000	92 000							7 300	7 300	7 300	1 900	1 900	1 900	9 196	9 196	8 142	2 000 000	2 000 000	2 000 000				
	WFP-PRO	150 000	86 236	86 236							10 000	5 350	5 350	5 000	4 150	4 150	7 655	7 655	6 671	8 875 000	1 500 000	1 500 000				
	WFP-REGULAR	280 000	120 000	120 000	18 000	5 000	5 000	1 000	500	500	18 000	8 000	8 000							8 000 000	4 000 000	4 000 000				
TOTAL OF INDIRECT AID		960 937	727 173	727 173	30 897	17 897	17 897	1 000	500	500	61 908	47 258	47 258	12 979	12 129	12 129	68 498	68 498	66 460	51 935 000	40 760 000	40 760 000	12 024 169	12 024 169	12 024 169	
OVERALL TOTAL		1 681 032	1 447 268	1 447 268	32 742	19 742	19 742	1 050	550	550	73 757	59 107	59 107	13 156	12 306	12 306	77 748	77 748	75 710	55 551 975	44 376 975	44 252 975	31 209 449	32 209 449	31 209 449	
GLOBAL QUANTITIES				1 775 600			20 000			800		68 000			12 000			80 000						43 170 000		
BALANCE				-328 332			-268			-260		-8 893			306			-4 290							1 082 975	

SUMMARY TABLE OF COMMUNITY FOOD AID ALLOCATIONS BY REGION OR BY BODY

REGIONS	CEREALS		MILK POWDER		BUTTEROIL		VEGETABLE OIL		SUGAR		PULSES		OTHER PRODUCTS		OTHER		TOTAL PRODUCTS	TOTAL TRANSPORT	OVERALL TOTAL
	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes	Orientation Tonnes	Allocation Tonnes			
SOUTHERN AFRICA	163 810	163 810	845	845	50	50	5 649	5 649	177	177	7 000	7 000	1 500 000	1 500 000	400 000	400 000	35 746 142	20 489 552	56 235 694
EAST AFRICA	40 000	40 000													1 590 000	590 000	6 990 000	4 000 000	10 990 000
WEST AFRICA	24 000	24 000															3 840 000	450 000	4 290 000
LATIN AMERICA	35 012	35 012	1 000	1 000			3 800	3 800			2 250	2 250	587 000	587 000	11 856 780	5 856 780	18 452 292	3 403 820	21 856 112
ASIA	180 000	180 000													830 000	830 000	29 118 650	9 250 000	38 368 650
CARIBBEAN	1 250	1 250											1 494 000	1 370 000	3 008 500	3 008 500	4 862 000	168 000	5 030 000
HORN OF AFRICA	170 063	170 063					1 000	1 000					35 975	35 975	500 000	500 000	23 813 975	14 691 250	38 505 225
MEDITERRANEAN	100 960	100 960													5 400 000	5 400 000	13 780 000	8 270 000	22 050 000
SAHEL	5 000	5 000					1 400	1 400							2 600 000	2 600 000	4 485 000	350 000	4 835 000
TOTAL OF DIRECT AID (in Tonnes)	720 095	720 095	1 845	1 845	50	50	11 849	11 849	177	177	9 250	9 250							
TOTAL OF DIRECT AID (in ECU)	102 107 312	102 107 312	3 321 000	3 321 000	92 000	92 000	9 185 210	9 185 210	55 932	55 932	3 648 350	3 648 350	3 616 975	3 492 975	26 185 280	19 185 280	141 088 059	61 072 622	202 160 681
RED CROSS																			
ICRC	50 000	50 000					4 000	4 000	350	350			5 200 000	5 200 000	400 000	400 000	16 589 300	6 453 810	23 043 110
TOTAL RED CROSS (in Tonnes)	50 000	50 000					4 000	4 000	350	350									
TOTAL RED CROSS (in ECU)	7 782 200	7 782 200					3 100 000	3 100 000	107 100	107 100			5 200 000	5 200 000	400 000	400 000	16 589 300	6 453 810	23 043 110
UNITED NATIONS																			
FAO	1 500	1 500													4 950 000	4 650 000	5 220 000	160 000	5 380 000
UNHCR	9 648	9 648	2 675	2 675			128	128					3 770 000	3 770 000			10 848 660	1 894 000	12 742 660
UNRWA	2 789	2 789	1 122	1 122			1 080	1 080	1 684	1 684	583	583	3 360 000	3 360 000			7 429 513	812 240	8 241 753
WFP	30 000	30 000													1 400 000	1 400 000	4 280 000	1 231 250	5 511 250
WFP-IEFR	82 000	82 000					7 300	7 300	1 900	1 900	9 196	8 142	2 000 000	2 000 000			24 157 500	16 700 000	40 857 500
WFP-PRO	86 236	86 236					5 350	5 350	4 150	4 150	7 655	6 671	1 500 000	1 500 000			22 700 396	15 541 000	38 241 396
WFP-REGULAR	120 000	120 000	5 000	5 000	500	500	8 000	8 000					4 000 000	4 000 000			39 320 000	13 607 750	52 927 750
TOTAL UNITED NATIONS (in Tonnes)	332 173	332 173	8 797	8 797	500	500	21 858	21 858	7 734	7 734	17 434	15 396			6 050 000	6 050 000	113 956 069	49 946 240	163 902 309
TOTAL UNITED NATIONS (in ECU)	51 231 270	51 231 270	16 600 100	16 600 100	920 000	920 000	16 941 609	16 941 609	2 194 040	2 194 040	6 102 410	5 389 050	14 630 000	14 630 000	6 050 000	6 050 000	113 956 069	49 946 240	163 902 309
NGO																			
AATM															36 000	36 000	36 000		36 000
CAREINTUK															300 000	300 000	300 000		300 000
CIMADE			220	220			25	25	100	100	150	150	160 000	160 000			804 175	189 500	993 675
CISP	680	680	220	220			25	25	100	100	150	150	160 000	160 000			804 175	189 500	993 675
DWHH															375 169	375 169	375 169		375 169
ECB	600	600	200	200			25	25	100	100	150	150	160 000	160 000			755 375	175 500	930 875
EURONAIID	321 000	321 000	7 800	7 800			20 250	20 250	3 445	3 445	41 164	41 164	18 970 000	18 970 000	1 838 000	1 838 000	118 509 062	72 734 500	191 243 562
OXBE	680	680	220	220			25	25	100	100	150	150	160 000	160 000	30 000	30 000	834 175	189 500	1 023 675
RWANDA/BURUNDI	20 000	20 000					1 000	1 000			9 000	9 000	1 000 000	1 000 000	2 995 000	2 995 000	10 180 000	6 320 000	16 500 000
SOLINT	680	680	220	220			25	25	100	100	150	150	160 000	160 000			804 175	189 500	993 675
SPF	680	680	220	220			25	25	100	100	150	150	160 000	160 000			804 175	189 500	993 675
TOTAL NGO (in Tonnes)	345 000	345 000	9 100	9 100			21 400	21 400	4 045	4 045	51 064	51 064					804 175	189 500	993 675
TOTAL NGO (in ECU)	55 390 421	55 390 421	16 156 694	16 156 694			16 518 563	16 518 563	1 231 950	1 231 950	18 404 684	18 404 684	20 930 000	20 930 000	5 574 169	5 574 169	134 206 481	80 177 500	214 383 981
TOTAL INDIRECT AID (in Tonnes)	727 173	727 173	17 897	17 897	500	500	47 258	47 258	12 129	12 129	68 498	66 460							
TOTAL INDIRECT AID (in ECU)	114 403 891	114 403 891	32 756 794	32 756 794	920 000	920 000	36 560 172	36 560 172	3 533 090	3 533 090	24 507 094	23 793 734	40 760 000	40 760 000	12 024 169	12 024 169	264 751 850	136 577 550	401 329 400
OVERALL TOTAL (in Tonnes)	1 447 268	1 447 268	19 742	19 742	550	550	59 107	59 107	12 306	12 306	77 748	75 710							
OVERALL TOTAL (in ECU)	216 511 203	216 511 203	36 077 794	36 077 794	1 012 000	1 012 000	45 745 382	45 745 382	3 589 022	3 589 022	28 155 444	27 442 084	44 376 975	44 252 975	38 209 449	31 209 449	405 839 909	197 650 172	603 490 081

DIRECT AND INDIRECT COMMUNITY FOOD AID

TYPE OF AID	BODIES	ALLOCATED AMOUNT (ECU)	%
DIRECT AID		202 160 681	33.50
INDIRECT AID		401 329 400	66.50
	ICRC	23 043 110	3.82
	FAO	5 380 000	0.89
	NGO	214 383 981	35.52
	UNHCR	12 742 660	2.11
	UNRWA	8 241 753	1.37
	WFP	137 537 896	22.79
OVERALL TOTAL		603 490 081	100.00



DIRECT AND INDIRECT FOOD AID ALLOCATIONS BREAKDOWN BY REGION (WITH A BREAKDOWN BY BODY)

REGIONS	ALLOCATED AMOUNTS (ECU)												
	TOTAL		DIRECT AID		INDIRECT AID						TOTAL		%
		%		%	ICRC	FAO	NGO	UNHCR	UNRWA	WFP		%	
SOUTHERN AFRICA	87 840 948	18.03%	55 359 104	28.83%	3 530 418	1 530 000	5 178 082			22 243 344	32 481 844	11.01%	
CENTRAL AFRICA	8 024 718	1.65%					4 593 837	3 430 881			8 024 718	2.72%	
EAST AFRICA	70 840 737	14.54%	10 990 000	5.72%	11 253 141		27 623 560	4 151 242		16 822 794	59 850 737	20.28%	
WEST AFRICA	11 139 671	2.29%	4 290 000	2.23%			4 835 802	724 782		1 289 087	6 849 671	2.32%	
LATIN AMERICA	54 032 044	11.09%	21 856 112	11.38%			18 590 827	11 700		13 573 405	32 175 932	10.90%	
ASIA	95 525 379	19.61%	38 368 650	19.98%	5 196 585	3 350 000	11 285 038	1 529 526		35 795 580	57 156 729	19.37%	
CARIBBEAN	9 964 603	2.05%	5 030 000	2.62%			4 250 012			684 592	4 934 603	1.67%	
HORN OF AFRICA	97 207 239	19.96%	38 505 225	20.06%	469 433		41 375 998	652 551		16 204 033	58 702 014	19.89%	
MEDITERRANEAN	38 613 768	7.93%	12 760 000	6.65%	11 600		7 668 589	351 466	7 875 917	9 946 196	25 853 768	8.76%	
INDIAN OCEAN	2 426 456	0.50%					2 426 456				2 426 456	0.82%	
PACIFIC	72 469	0.01%						72 469			72 469	0.02%	
SAHEL	10 589 951	2.17%	4 835 000	2.52%			3 172 191	637 249		1 945 511	5 754 951	1.95%	
ALL COUNTRIES	838 000	0.17%				500 000	338 000				838 000	0.28%	
OVERALL TOTAL	487 115 983	100.00%	191 994 091	100.00%	20 461 177	5 380 000	131 338 392	11 561 866	7 875 917	118 504 540	295 121 892	100.00%	

DIRECT AND INDIRECT FOOD AID ALLOCATIONS BY COUNTRY

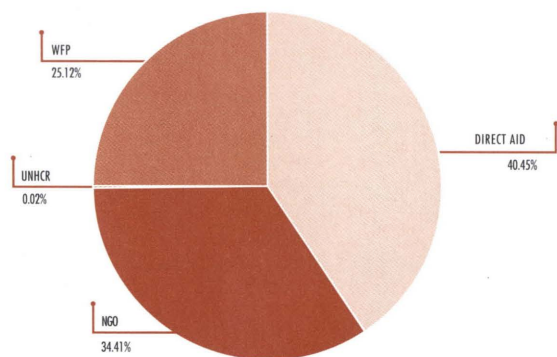
COUNTRIES	CEREALS			MILK POWDER			BUTTEROIL			VEGETABLE OIL			SUGAR			PULSES			OTHER		TOTAL				
	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Value	Transport	Product	Transport	Overall		
	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	ECU	ECU	ECU	ECU	ECU		
AFGHANISTAN	34 974	4 909 665	5 186 796							1 750	1 136 250	297 075	1 960	588 360	368 048				4 022 000	364 740	10 656 275	6 216 659	16 872 934		
ALGERIA	7 000	1 021 000	884 000	1 446	2 588 200	195 140				450	296 250	72 928	600	180 000	84 000	1 400	708 750	221 734	960 000	150 000	5 754 200	1 607 802	7 362 002		
ANGOLA	82 258	12 140 495	13 768 317	171	307 800	30 000	50	92 000	10 000	6 600	4 687 200	1 626 230	550	144 375	105 539	5 200	1 820 000	564 000	617 300	286 731	19 809 170	16 390 817	36 199 987		
BANGLADESH	187 110	29 429 239	9 390 448	94	171 725	14 760				45	46 935	2 337	108	37 368	17 280	180	88 740	2 900	389 059	17 812	30 163 066	9 445 537	39 608 603		
BENIN	2 657	308 993	59 406																308 993	59 406			368 399		
BOLIVIA	9 152	1 478 487	1 189 734																5 000 000		6 478 487	1 189 734	7 668 221		
BURKINA FASO	48	10 210	1 342	630	990 990	107 100				7	7 910	1 131				7	1 855	225	1 568 186	13 115	2 579 151	122 913	2 702 064		
BURUNDI	8 656	1 355 000	960 295	89	160 200	11 570				533	388 000	216 115				3 420	1 151 077	852 279	2 018 394	433 073	5 072 671	2 473 332	7 546 003		
CAMBODIA	45 000	4 755 000	1 892 000																1 930 000		6 685 000	1 892 000	8 577 000		
CAMEROON	216	24 333	13 519							8	6 000	1 600							14 765	2 953	45 098	18 072	63 170		
CAPE VERDE	5 000	800 000	175 000	576	645 120	71 616				1 575	1 210 125	207 637									2 655 245	454 253	3 109 498		
CHINA	47 750	6 923 750	4 094 563																		6 923 750	4 094 563	11 018 313		
CONGO	1 315	147 960	82 200							27	20 250	5 400							25 218	5 044	193 428	92 644	286 072		
CUBA	30	27 225	3 900	2 933	5 118 684	105 841	500	1 007 500	93 250	690	368 061	92 092				25	22 275	3 192	2 705 166	469 343	9 248 911	767 618	10 016 529		
DJIBOUTI				15	22 665	2 250													5 521	1 104	28 186	3 354	31 540		
EGYPT	105 711	8 029 375	170 967							400	329 528	56 000	72	30 485	4 214	558	438 185	23 706	40 764	6 115	8 868 337	261 002	9 129 339		
EL SALVADOR	810	124 934	323 415	75	128 250	15 300										144	53 280	6 199			306 464	344 914	651 378		
ECUADOR				530	954 000	98 580				120	118 680	13 243	306	119 970	48 960	126	49 043	1 830			1 241 693	162 613	1 404 306		
ERITREA	33 856	5 257 381	1 709 631							1 635	1 278 375	138 900				1 225	455 284	22 764	35 975	895	7 027 015	1 872 190	8 899 205		
ETHIOPIA	296 624	38 326 759	31 011 953	99	180 609	29 311				5 955	4 227 627	1 133 533				3 084	1 143 083	131 993	1 570 616	190 134	45 448 695	32 496 924	77 945 618		
GAMBIA	1 867	238 005	195 911							16	12 000	3 200							873	175	250 878	199 286	450 164		
GEORGIA	1 959	231 867	105 320							150	116 493	22 500	200	61 200	24 600						409 560	152 420	561 980		
GHANA				120	202 200	20 400													205 855	41 171	408 055	61 571	469 626		
GUATEMALA	10 580	1 622 878	473 151	1 125	1 890 000	209 813							36	12 367	612	720	249 502	12 400			3 774 747	695 976	4 470 723		
HAITI	12 710	1 912 728	1 475 809	480	793 375	46 919										2 070	604 712	310 587	4 636 770	183 704	7 947 584	2 017 019	9 964 603		
INDIA	4 494	578 165	204 283	466	824 517	71 576				1 015	783 015	109 205	172	65 532	14 620	984	327 619	48 928	2 846 016	630 173	5 424 864	1 078 785	6 503 649		
IRAQ	12 330	2 047 140	688 939	29	49 300	2 610				350	230 195	11 812	500	131 250	51 450	4 105	1 290 000	250 350			3 747 885	1 005 161	4 753 046		
JORDAN	10 063	725 000	428 750							200	143 000	37 300							66 880	16 000	934 880	482 050	1 416 930		
KENYA	24 914	4 297 589	2 674 777							2 114	1 506 404	327 371	1 631	434 353	301 910	3 813	1 109 252	379 040	1 261 748	317 701	8 609 346	4 000 799	12 610 145		
LESOTHO	24 000	3 166 800	2 720 150													3 000	898 350	420 000			4 065 150	3 140 150	7 205 300		
LIBERIA	1 368	820 800	266 760	262	435 050	42 706				600	465 000	90 000									1 397 000	37 920	3 117 850	437 386	3 555 236
MADAGASCAR	3 958	551 524	360 920	360	635 880	55 036				315	223 740	51 158	108	37 604	19 656	208	72 800	11 648	402 169	4 320	1 923 718	502 738	2 426 456		
MALAWI	69 762	10 870 039	6 509 224	15	25 650	1 762				358	273 786	51 747				323	174 356	35 942	2 354 000	430 000	13 697 831	7 028 675	20 726 506		
MALI	1 398	248 453	98 400	183	312 990	19 170							36	12 024	2 160						108 749	14 850	682 216	134 580	816 796
MAURITANIA																					117 987	23 597	117 987	23 597	141 584
MEXICO										13	9 750	1 950										9 750	1 950	11 700	
MOZAMBIQUE	43 810	5 909 600	3 834 620	689	1 238 633	162 830				3 679	2 676 525	439 941	177	55 932	8 456						2 158 463	368 372	12 039 153	4 814 219	16 853 372
NAMIBIA	10 918	1 820 580	517 271													126	32 880	42 375			1 853 460	559 646	2 413 106		
NEPAL	12 000	1 656 000	1 296 000	12	18 132	2 400				400	285 000	18 566	250	75 000	6 448	1 800	609 750	49 914			2 643 882	1 373 328	4 017 210		
NICARAGUA	18 633	2 999 644	1 363 241							2 537	1 822 413	429 220	36	11 893	6 948	1 494	597 406	77 927	87 580	11 516	5 518 936	1 888 852	7 407 788		
NIGER	5 126	804 639	213 780	125	210 000	23 313				39	29 250	7 800									1 219 734	23 629	2 263 623	268 522	2 532 145
NIGERIA	1 222	137 430	76 350	1	1 511	200				22	16 500	4 400									12 492	2 498	167 933	83 448	251 381
UGANDA	5 620	1 875 000	928 500	250	425 000	22 500													802 326	208 605	3 102 326	1 159 605	4 261 931		

COUNTRIES	CEREALS			MILK POWDER			BUTTEROIL			VEGETABLE OIL			SUGAR			PULSES			OTHER		TOTAL		
	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Quantity	Product	Transport	Value	Transport	Product	Transport	General
	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	Tonnes	ECU	ECU	ECU	ECU	ECU	ECU	ECU
PAKISTAN				195	333 450	31 200				1 550	1 171 020	232 500				306	165 240	48 960			1 689 710	312 660	1 982 370
PAPUA NEW GUINEA	360	40 500	22 500	3	5 100	270				3	2 250	450							1 166	233	49 016	23 453	72 469
PERU	48 302	8 198 769	2 131 608	1 564	2 682 594	580 456				4 080	3 188 758	831 102	281	93 878	47 585	3 861	2 031 399	500 704	1 878 894	235 652	18 074 292	4 327 107	22 401 399
RWANDA	31 869	4 651 330	3 151 520	570	1 142 147	104 383				4 505	2 688 131	1 254 815	1 016	273 165	167 773	11 504	4 026 400	1 981 982	6 631 034	1 839 503	19 412 207	8 499 976	27 912 183
SENEGAL	835	147 194	108 550	30	540 000	979				60	46 500	9 000				36	13 536	2 520	9 800	1 960	757 030	123 009	880 039
SIERRA LEONE	24 000	3 840 000	450 000																		3 840 000	450 000	4 290 000
SOMALIA	2 731	444 627	178 411							1 304	854 099	124 215	1 272	483 474	96 304				2 108	71	1 784 308	399 001	2 183 309
SUDAN	7 229	1 296 823	494 644	505	851 063	62 393				2 033	1 253 709	267 888	605	182 825	57 768	2 880	940 000	319 943	2 151 893	268 618	6 676 313	1 471 254	8 147 567
SWAZILAND	6 000	675 000	142 425																157 500	18 328	832 500	160 753	993 253
SYRIA	40	6 400	5 200																		6 400	5 200	11 600
TAJKIKISTAN	7 395	1 908 926	1 091 350																1 512 000	241 920	3 420 926	1 333 270	4 754 196
TANZANIA				263	448 200	48 804													796 392	159 278	1 244 592	208 082	1 452 674
CHAD				449	754 320	83 380															754 320	83 380	837 700
THAILAND	5 615	631 688	350 938																343 614	68 723	975 302	419 661	1 394 963
TOGO	3 256	450 069	179 119	90	151 682	15 300				377	276 650	53 100				410	153 677	47 155	210 240	39 379	1 242 318	334 053	1 576 371
TUNISIA	10 000	1 450 000	857 500							332	257 300	61 918							5 400 000		7 107 300	919 418	8 026 718
TURKEY	219	24 528	13 688																		24 528	13 688	38 216
WEST BANK & GAZA	2 789	384 882	127 820	1 122	1 873 740	123 420				1 080	745 200	118 800	1 684	522 040	185 240	583	177 815	64 130	3 360 000	192 830	7 063 677	812 240	7 875 917
YEMEN (N&S)	548	93 792	24 681							100	57 375	15 000				110	37 125	6 188			188 292	45 869	234 161
ZAIRE	16 151	2 727 743	995 569	799	1 436 400	155 417				8	5 642	756	9	32 805	1 080	169	86 740	11 266	1 890 589	331 467	6 179 919	1 495 557	7 675 476
ZAMBIA	69 335	10 047 326	6 287 269							346	247 390	64 529				252	88 200	14 112	49 650	7 944	10 432 566	6 373 854	16 806 420
ZIMBABWE	2 174	285 855	290 874							512	429 053	75 182	126	37 800	24 318	994	403 556	159 040	1 455 636	288 110	2 611 900	837 524	3 449 424
OVERALL TOTAL	1 383 749	194 889 139	112 253 308	16 365	28 549 177	2 568 705	550	1 099 500	103 250	47 893	33 937 340	8 579 646	11 735	3 623 700	1 644 968	55 117	20 021 887	6 625 935	64 432 123	7 949 306	346 552 866	139 725 117	486 277 983

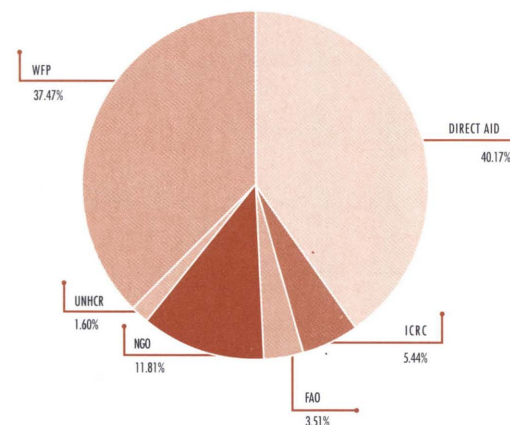
DIRECT AND INDIRECT FOOD AID ALLOCATIONS BREAKDOWN BY GEOGRAPHIC AREA

REGIONS	ALLOCATED AMOUNTS (ECU)											
	TOTAL	%	DIRECT AID	%	ICRC	FAO	NGO	UNHCR	UNRWA	WFP	TOTAL	%
LATIN AMERICA	54 032 044	11.11%	21 856 112	11.38%			18 590 827	11 700		13 573 405	32 175 932	10.93%
ASIA	95 525 379	19.64%	38 368 650	19.98%	5 196 585	3 350 000	11 285 038	1 529 526		35 795 580	57 156 729	19.42%
MEDITERRANEAN	38 613 788	7.94%	12 760 000	6.65%	11 600		7 668 589	351 466	7 875 917	9 946 196	25 853 768	8.79%
ACP COUNTRIES	298 106 792	61.30%	119 009 329	61.99%	15 252 992	1 530 000	93 455 938	9 669 174		59 189 359	179 097 463	60.86%
OVERALL TOTAL	486 277 983	100.00%	191 994 091	100.00%	20 461 177	4 880 000	131 000 392	11 561 866	7 875 917	118 504 540	294 283 892	100.00%

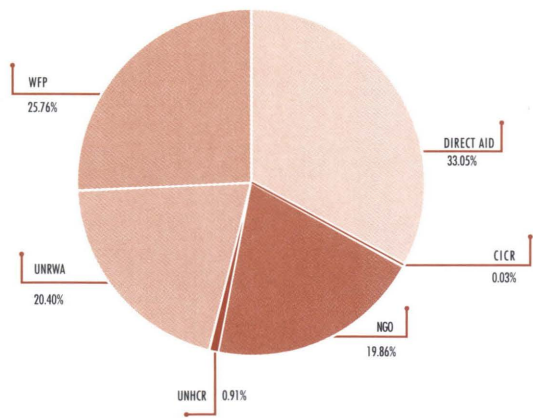
LATIN AMERICA BREAKDOWN



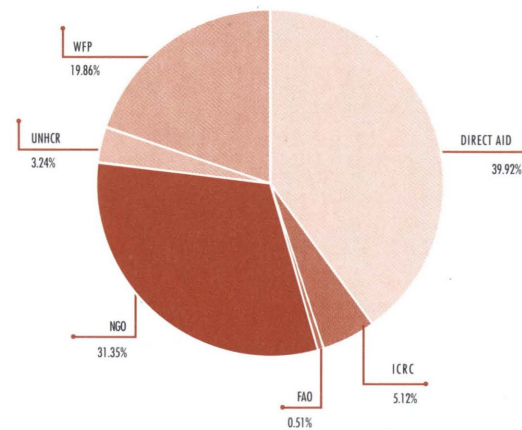
ASIA BREAKDOWN



MEDITERRANEAN BREAKDOWN



ACP COUNTRIES BREAKDOWN



COUNTRY CLASSIFICATION BY ALLOCATED FOOD AID RESOURCES

POSITION	COUNTRY	ALLOCATED AMOUNT	%
1	ETHIOPIA	77 945 618	16.03%
2	BANGLADESH	39 608 603	8.15%
3	ANGOLA	36 199 987	7.44%
4	RWANDA	27 912 183	5.74%
5	PERU	22 401 399	4.61%
6	MALAWI	20 726 506	4.26%
7	AFGHANISTAN	16 872 934	3.47%
8	MOZAMBIQUE	16 853 372	3.47%
9	ZAMBIA	16 806 420	3.46%
10	KENYA	12 610 145	2.59%
11	CHINA	11 018 313	2.27%
12	CUBA	10 016 529	2.06%
13	HAITI	9 964 603	2.05%
14	EGYPT	9 129 339	1.88%
15	ERITREA	8 899 205	1.83%
16	CAMBODIA	8 577 000	1.76%
17	SUDAN	8 147 567	1.68%
18	TUNISIA	8 026 718	1.65%
19	WEST BANK & GAZA	7 875 917	1.62%
20	ZAIRE	7 675 476	1.58%
TOTALS		377 267 834	77.58%

POSITION	COUNTRY	ALLOCATED AMOUNT	%
21	BOLIVIA	7 668 221	1.58%
22	BURUNDI	7 546 003	1.55%
23	NICARAGUA	7 407 788	1.52%
24	ALGERIA	7 362 002	1.51%
25	LESOTHO	7 205 300	1.48%
26	INDIA	6 503 649	1.34%
27	TAJIKISTAN	4 754 196	0.98%
28	IRAQ	4 753 046	0.98%
29	GUATEMALA	4 470 723	0.92%
30	SIERRA LEONE	4 290 000	0.88%
31	UGANDA	4 261 931	0.88%
32	NEPAL	4 017 210	0.83%
33	LIBERIA	3 555 236	0.73%
34	ZIMBABWE	3 449 424	0.71%
35	CAPE VERDE	3 109 498	0.64%
36	BURKINA FASO	2 702 064	0.56%
37	NIGER	2 532 145	0.52%
38	MADAGASCAR	2 426 456	0.50%
39	NAMIBIA	2 413 106	0.50%
40	SOMALIA	2 183 309	0.45%
		92 611 307	19.04%

POSITION	COUNTRY	ALLOCATED AMOUNT	%
41	PAKISTAN	1 982 370	0.41%
42	TOGO	1 576 371	0.32%
43	TANZANIA	1 452 674	0.30%
44	JORDAN	1 416 930	0.29%
45	ECUADOR	1 404 306	0.29%
46	THAILAND	1 394 963	0.29%
47	SWAZILAND	993 253	0.20%
48	SENEGAL	880 039	0.18%
49	CHAD	837 700	0.17%
50	MALI	816 796	0.17%
51	EL SALVADOR	651 378	0.13%
52	GEORGIA	561 980	0.12%
53	GHANA	469 626	0.10%
54	GAMBIA	450 164	0.09%
55	BENIN	368 399	0.08%
56	CONGO	286 072	0.06%
57	NIGERIA	251 381	0.05%
58	YEMEN (N&S)	234 161	0.05%
59	MAURITANIA	141 584	0.03%
60	PAPUA NEW GUINEA	72 469	0.01%
		16 242 616	3.34%

POSITION	COUNTRY	ALLOCATED AMOUNT	%
61	CAMEROON	63 170	0.01%
62	TURKEY	38 216	0.01%
63	DJIBOUTI	31 540	0.01%
64	MEXICO	11 700	0.00%
65	SYRIA	11 600	0.00%
		156 226	0.03%

OVERALL TOTAL (ECU)

486 277 983 **100.00%**

COUNCIL REGULATION (EC) No 1292/96 OF 27 JUNE 1996

ON FOOD AID POLICY AND FOOD AID MANAGEMENT AND SPECIAL OPERATIONS IN SUPPORT OF FOOD SECURITY

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Acting in accordance with the procedure laid down in Article 189c of the Treaty ⁽²⁾,

Whereas now, as ever, food aid is an important aspect of the Community's development cooperation policy ;

Whereas food aid must be integrated into the developing countries' policies for the improvement of their food security, in particular by the establishment of food strategies aimed at alleviating poverty and geared to achieving the ultimate goal of making food aid superfluous ;

Whereas the Community and its Member States closely coordinate their development cooperation policies as regards food aid programmes and operations aimed specifically at enhancing food security ; whereas the Community, with its Member States, is a party to certain international agreements in this domain, and in particular the Food Aid Convention ;

Whereas regional, national and household food security, with the long-term aim of securing universal and constant access to a diet that will promote a healthy and active life, is an important element in the fight against poverty and whereas it is important for this to be emphasized in all programmes intended for developing countries ;

Whereas food aid must not have any adverse effects on the normal production and commercial import structures of the recipient countries ;

Whereas food aid and operations in support of food security are key features of Community development cooperation policy and must be taken into account as objectives in all Community policies likely to affect the developing countries, in particular from the point of view of economic reforms and structural adjustment ;

Whereas, given the different responsibilities of men and women for the food security of households, systematic account should be taken of their different roles when drawing up programmes aimed at achieving food security ;

Whereas women and communities should be involved to a greater extent in efforts to achieve food security at national, regional or local level and at the level of households ;

Whereas food aid must be an effective instrument ensuring access to an adequate and appropriate diet and improving the availability and accessibility of foodstuffs to the public, consistent with local dietary habits and production and trading systems, particularly in food crises, and fully integrated into development policy ;

Whereas the food aid instrument is a key component of the Community's policy on preventing or helping in crisis situations in the developing countries and whereas account should be taken in its implementation of its possible social and political effects ;

Whereas food aid operations cannot be part of a viable solution unless they are integrated into development operations geared to relaunching local production and trade ;

Whereas analysis, diagnosis, programming and monitoring need to be improved to make food aid more effective and avoid adverse effects on local production, distribution, transport and marketing capacities ;

Whereas food aid should be made a real instrument of the Community's policy of cooperation with the developing countries, thereby enabling the Community to participate fully in multiannual development projects ;

Whereas it is therefore necessary that the Community be able to provide a steady overall flow of aid and be in a position, in appropriate cases, to undertake to supply to the developing countries minimum amounts of products under specific multiannual programmes linked to development policies as well as to enter into undertakings in relation to international organizations ;

Whereas the Community's support for the developing countries' efforts to achieve food security could be enhanced by greater flexibility in food aid, granting financial support for operations concerning food security, and in particular the development of farming and food crops, as an alternative to food aid in certain circumstances, while protecting the environment and the interests of small farmers and fishermen ;

Whereas the Community can assist those in need in rural and urban areas in the developing countries by helping finance operations in support of food security through the purchase of food products, seed, agricultural implements and inputs, and relevant means of production, and through storage programmes, early-warning systems, mobilization, supervision and technical and financial assistance ;

Whereas it is necessary to continue to support regional approaches to food security, including local purchasing operations in order to make use of the natural complementarity between countries belonging to the same region ; whereas the policies conducted in the field of food security should be given a regional dimension in order to foster regional trade in foodstuffs and promote integration ;

Whereas the purchase of foodstuffs at local level reduces inefficiency, costs and damage to the environment which might be caused by the transport of large quantities of foodstuffs in the world ;

Whereas the genetic potential and bio-diversity of food production must be safeguarded ;

Whereas Community food aid policy must adjust to geopolitical change and the economic reforms under way in many recipient countries ;

Whereas a list should be drawn up of the countries and bodies eligible for Community aid operations ;

Whereas to that end provision should also be made for Community aid to be made available to international, regional and non-governmental organizations ; whereas such organizations must satisfy a number of conditions guaranteeing the success of food aid operations ;

Whereas, in order to facilitate the application of certain of the measures envisaged and ensure that they mesh with the recipient country's food security policy, provision should be made for close cooperation between the Member States and the Commission within a Food Security and Food Aid Committee ;

Whereas in determining the steps to be taken for the execution of food aid operations the implementing procedures should be adjusted to the specific nature of each recipient area, although within the framework of a common policy and strategy ;

Whereas, in order to ensure better management of food aid, aligning it more closely on the interests and needs of the recipient countries, and to improve the decision-making and implementing procedures, it is desirable to replace Council Regulation (EEC) No 3972/86 of 22 December 1986 on food aid policy and food aid management ⁽³⁾, Council Regulation (EEC) No 1755/84 of 19 June 1984 on the implementation in relation to food of alternative operations in place of food aid deliveries ⁽⁴⁾, Council Regulation (EEC) No 2507/88 of 4 August 1988 on the implementation of storage programmes and early warning systems ⁽⁵⁾, Council Regulation (EEC) No 2508/88 of 4 August 1988 on the implementation of co-financing operations for the purchase of food products or seeds by international bodies or non-governmental organizations ⁽⁶⁾ and Council Regulation (EEC) No 1420/87 of 21 May 1987 laying down procedures for the implementation of Regulation (EEC) No 3972/86 on food aid policy and food aid management ⁽⁷⁾,

⁽¹⁾ JO no C 253 du 29. 9. 1995, p. 10.

⁽²⁾ Avis du Parlement européen du 15 décembre 1995 (JO no C 17 du 22. 1. 1996), position commune du Conseil du 29 janvier 1996 (JO no C 87 du 25. 3. 1996, p. 34) et décision du Parlement européen du 24 mai 1996 (JO no C 166 du 10. 6. 1996).

⁽³⁾ JO no L 370 du 30. 12. 1986, p. 1. Règlement modifié en dernier lieu par le règlement (CEE) no 1930/90 (JO no L 174 du 7. 7. 1990, p. 6).

⁽⁴⁾ JO no L 165 du 23. 6. 1984, p. 7.

⁽⁵⁾ JO no L 220 du 11. 8. 1988, p. 1.

⁽⁶⁾ JO no L 220 du 11. 8. 1988, p. 4.

⁽⁷⁾ JO no L 136 du 26. 5. 1987, p. 1.

HAS ADOPTED THIS REGULATION :

CHAPTER I

Objectives and general guidelines for food aid and operations in support of food security

ARTICLE 1

1. Under its policy of cooperation with developing countries and in order to respond appropriately to situations of food insecurity caused by serious food shortages or food crises the Community shall carry out food aid operations and operations in support of food security in the developing countries.

Food aid operations of a humanitarian nature shall be carried out in the framework of the rules on humanitarian aid and shall not fall within the scope of this Regulation. In the event of a serious crisis, all the instruments of the Community's aid policy shall be implemented in close coordination for the benefit of the population concerned.

2. Operations under this Regulation shall be appraised after analysis of the desirability and effectiveness of this instrument as compared with other means of intervention available under Community aid which could have an impact on food security and food aid, and in coordination with these means.

The Commission shall ensure that operations under this Regulation are appraised in close coordination with intervention by other donors.

3. The objectives of the food aid operations and operations in support of food security referred to in paragraph 1 shall, in particular, be :

- to promote food security geared to alleviating poverty, to help the population of developing countries and regions, at household, local, national and regional levels,
- to raise the standard of nutrition of the recipient population and help it obtain a balanced diet,
- to take account of the concern to ensure the supply of drinking water to the population,
- to promote the availability and accessibility of foodstuffs to the public,
- to contribute towards the balanced economic and social development of the recipient countries in the rural and urban environment, by paying special attention to the respective roles of women and men in the household economy and in the social structure ; the ultimate objective of Community aid operations shall be to make the recipients into agents of their own development,
- to support the efforts of the recipient countries to improve their own food production at regional, national, local and family level,
- to reduce their dependence on food aid,
- to encourage them to be independent in food, either by increasing production, or by enhancing and increasing purchasing power,
- to contribute to the initiatives to combat poverty with development as an objective.

4. The Community's aid shall be integrated as thoroughly as possible into the development policies, particularly those on agriculture and agri-foodstuffs, and the food strategies of the countries concerned. Community aid shall back up the recipient country's policies on poverty, nutrition, reproductive health care, environmental protection and rehabilitation, with special attention to the continuity of programmes, particularly in a post-emergency situation. Whether sold or distributed free of charge, aid must not be liable to disrupt the local market.

TITLE I : Food aid operations

ARTICLE 2

1. The products supplied, along with an other operation in the framework of food aid, must reflect as closely as possible the dietary habits of the recipient population and shall not adversely affect the recipient country.

When products are selected, consideration shall be given to how to maximize the quantity of food with a view to reaching the maximum number of people, taking into account the quality of products in order to ensure adequate levels of nutrition.

When selecting the products to be supplied as Community aid and the procedures for the mobilization and distribution of that aid, particular account shall be taken of the social aspects of access to food in the recipient countries, and especially of the most vulnerable groups and the role of women in the household economy.

2. Food aid shall primarily be allocated on the basis of an objective evaluation of the real needs justifying such aid, as this is

the only way to improve the food security of groups which do not have the means or possibility of plugging their food shortage themselves. To that end, consideration shall be given to the following criteria, without excluding other relevant considerations :

- food shortages,
 - the food situation measures using human development and nutritional indicators,
 - per capita income and the existence of particularly poor population groups,
 - social indicators of the welfare of the population in question,
 - the recipient country's balance-of-payments situation,
 - the economic and social impact and financial cost of the proposed operation,
 - the existence in the recipient country of a long-term policy on food security.
3. The granting of food aid shall, where necessary, be conditional on the implementation of short-term, multiannual development projects, sectoral operations or development programmes, and as a priority those which promote sustainable long-term food production and food security in the recipient countries within the framework of a food policy and strategy. Where appropriate, this aid may take the form of a direct contribution to the implementation of such projects, operations or programmes. Where Community aid is intended for sale, such complementarity must be ensured by the use of counterpart funds for purposes agreed by the Community and the recipient country or, where appropriate, the body or non-governmental organization which receives the aid. Where food aid is provided as backing for a development programme spread over a number of years, it may be supplied on a multiannual basis linked to the programme in question. Besides the allocation of basic foodstuffs, aid may be used for the supply of seed, fertilizer, tools, other inputs and commodities, the creation of reserves, technical and financial assistance and awareness and training schemes.
4. As a key component of food security programmes food aid may be given to support efforts by the recipient countries to create buffer stocks paying special attention to individual farmers' stocks and national reserves, in tandem with the setting-up of regional reserves.
5. Counterpart funds shall be managed in a manner consistent with other Community aid instruments.

In the case of countries undergoing structural adjustment, and in line with the relevant resolutions of the Council, the counterpart funds generated by the various development assistance instruments constitute resources which must be managed as part of a single and consistent budgetary policy in the context of a programme of reforms.

In this context, the Community could move from targeting counterpart funds towards more general allocation, as soon as progress has been made in improving the effectiveness of the monitoring instruments, programming and budget implementation, and as regards internalization of reviews of public expenditure. Without prejudice to the foregoing, these funds shall be managed in accordance with general Community aid procedures for such funds and as a priority to support food security policies and programmes.

TITLE II : Operations in support of food security

ARTICLE 3

Where circumstances warrant it, the Community may carry out operations in support of food security in developing countries suffering a food shortage.

Such operations may be implemented by the recipient countries, the Commission, international or regional organizations or non-governmental organizations.

The purpose of these operations shall be to support, using the resources available, the framing and execution of a food strategy or other measures fostering the food security of the population concerned and to encourage them to reduce their food dependency and their dependence on food aid, especially in the case of low-income countries with serious food shortages. The operations must help to improve the living standards of the poorest people in the countries concerned.

Operations in support of food security shall take the form of financial and technical assistance, in accordance with the criteria and procedures laid down in this Regulation. Such operations shall be planned and appraised in the light of their consistency with, and complementarity to, the objectives and operations financed by other Community development-aid instruments. They must be part of a multiannual plan.

ARTICLE 4

A developing country eligible for Community food aid operations under this Regulation may receive part or all of the food that has been – or may be – allocated to it in the form of operations in support of food security either directly or through international, regional or non-governmental organizations, with particular account being taken of trends in production, consumption and reserves in that country, the food situation of its inhabitants and the food aid granted by other donors.

ARTICLE 5

Operations in support of food security shall take the form of technical and financial assistance aimed, in accordance with the objectives laid down in Article 1, at improving sustainable and long-term food security by helping finance, inter alia :

- the supply of seed, tools and inputs essential to the production of food crops,
- rural credit support schemes targeted particularly at women,
- schemes to supply the population with drinking water,
- storage schemes at the appropriate level,
- operations concerning the marketing, transport, distribution or processing of agricultural and food products,
- measures in support of the private sector for commercial development at national, regional and international level,
- applied research and field training,
- projects to develop the production of food crops while respecting the environment,
- flanking, awareness, technical assistance and field training operations, in particular for women and producers' organizations and agricultural workers,
- support measures for women and producers' organizations,
- projects to produce fertilizer from raw materials and basic materials found in the recipient countries,
- schemes to support local food aid structures, including training schemes on the ground.

TITLE III : Early-warning systems and storage programmes**ARTICLE 6**

The Community may support existing national early-warning systems and help to strengthen existing international early-warning systems concerning the food situation in developing countries and, in exceptional and duly substantiated cases, it may operate such systems, in accordance with the procedure laid down in Article 27. It may also cover the cost of implementing storage programmes in these countries in support of food aid operations under this Regulation or comparable measures undertaken by the Member States, international or regional organizations or non-governmental organizations.

Such operations should be consistent with other Community development aid instruments, including the use of counterpart funds generated by the sale of food aid, and be compatible with Community development policy.

These operations are intended to strengthen the food security of the recipient countries. They must help improve the living conditions of the poorest sections of the population in the countries concerned and conform with their development objectives, in particular the policy on food crops.

Community participation in such operations shall take the form of financial and/or technical assistance, in accordance with the criteria and procedures laid down in this Regulation.

Operations supported by Community aid shall be appraised in the light of and in a manner consistent with existing programmes managed by specialist international organizations.

ARTICLE 7

Community support for storage programmes and early-warning systems may be granted, upon request, to international or regional organizations or non-governmental organizations for operations to help developing countries eligible for food aid from the Community and its Member States.

ARTICLE 8

Community aid may help finance the following measures :

- early-warning systems and systems for gathering data on trends in harvests, stocks and markets, the food situation of households and the vulnerability of the population with a view to improving understanding of the food situation in the countries concerned,
- operations aimed at improving storage systems with a view to reducing waste or ensuring sufficient storage capacity for emergencies. Such operations may also include the establishment of the infrastructure, in particular bagging, unloading, disinfection, treatment and storage facilities, needed to handle food products in these countries in support of food aid operations or operations in

support of food security,

- preparatory studies and training schemes in connection with the above activities.

CHAPTER II

Implementing procedures for food aid and storage and early-warning operations in support of food security

ARTICLE 9

1. The countries and organizations eligible for Community aid for operations under this Regulation are listed in the Annex. In this connection, priority shall be given to the poorest sections of the population and to low-income countries with serious food shortages.

The Council, acting by a qualified majority on a proposal from the Commission, may amend that list.

2. Non-profit-making non-governmental organizations (NGOs) eligible for direct or indirect Community financing for the implementation of operations under this Regulation must meet the following criteria :

a) if they are European non-governmental organizations, they must be autonomous organizations in a Member State of the European Community under the laws in force in that Member State ;

b) they must have their headquarters in a Member State of the Community, the recipient countries or, exceptionally, in the case of international NGOs, a third country. This headquarters must be the effective decision-making centre for all co-financed operations ;

c) show that they can successfully carry out food aid operations ; in particular through :

- their administrative and financial management capacity,
- their technical and logistical capacity to handle the proposed operation,
- the results of operations implemented by the relevant NGOs carried out with Community finance or finance from the Member States,
- their experience in the field of food aid and food security,
- their presence in the recipient country and their knowledge of that country or of developing countries ;

d) undertake to comply with the conditions laid down by the Commission for the allocation of food aid.

ARTICLE 10

1. The Community may help finance operations in support of food security of the kind described in Titles I, II and III (Chapters I and II) executed by the recipient country, the Commission, international or regional organizations or non-governmental organizations.

2. Cofinancing operations may be carried out at the request of recipient countries, international or regional organizations or non-governmental organizations, where such operations seem the most appropriate way of enhancing the food security of groups without the ways and means to cope with a food shortage themselves.

3. In the design of the Community operations defined in Titles I, II and III, the Commission will give particular attention to :

- the pursuit of sustainable impact and economic viability in project design,
- the clear definition and monitoring of objectives and indicators of achievement.

ARTICLE 11

1. Products shall be mobilized on the Community market, in the recipient country or in one of the developing countries (listed in the Annex) if possible one belonging to the same geographical region as the recipient country.

2. Exceptionally, products may be mobilized on the market of a country other than those provided for in paragraph 1 of this Article in accordance with the procedure laid down in Article 27 :

- if the requisite type or quality of product is unavailable on the market of the Community or any of the developing countries,

- if there is a serious food shortage, where such purchases are likely to increase the effectiveness of the operation.
3. Food products available on the internal market may be mobilized on the market of a developing country, if the economic efficiency of doing so compares favourably with that of mobilizing products on the European market.
 4. Where food is purchased in the recipient country or in a developing country, steps must be taken to ensure that such purchases threaten neither to disrupt the market of the country concerned or of any other developing countries in the same region nor to affect adversely the supply of food to their inhabitants. Such purchases shall be integrated as thoroughly as possible into the implementation of Community development policy towards these countries, particularly with regard to the promotion of food security in the country concerned or at regional level.

ARTICLE 12

Where a recipient country has partially or totally liberalized food imports, the mobilization of Community aid must be consistent with that country's policy and not distort the market.

In such cases, the Community contribution may take the form of a foreign-currency facility to be made available to private-sector operators in the country concerned, subject to the operation being part of a social and economic policy and an agricultural policy aimed at alleviating poverty (including the strategy on the importation of basic foodstuffs). The recipients shall be required to prove that they have made proper use of the means put at their disposal. Priority shall go to small and medium-sized private operators in order to ensure that operations are complementary. To the extent that its powers to carry out operations so allow, the Commission may adopt positive discrimination measures for small and medium-sized private operators.

Such aid shall be governed by the principles laid down in Article 11.

ARTICLE 13

1. The Community may cover costs relating to the transport of food aid.
2. Where the Commission considers that the Community should cover costs relating to the inland transport of food aid, it shall take account of the following general criteria :
 - a serious food shortage,
 - the delivery of food aid to low-income countries suffering from serious food shortages,
 - whether the food aid is destined for the international or regional organizations or non-governmental organizations referred to in Article 10,
 - the need to increase the efficiency of the food aid operation in question.
3. Where food aid is sold in the recipient country, the Community should cover inland transport costs only in exceptional circumstances.
4. The Community may also cover the air transport costs of food aid operations in exceptional circumstances.

ARTICLE 14

The Community may cover final distribution costs where the smooth execution of the food aid operations concerned requires it.

ARTICLE 15

Community aid shall take the form of grants. Aid may cover the external and local costs of implementing operations, including maintenance and operating costs.

Operations under this Regulation shall be exempt from taxes, duties and customs charges.

Any counterpart funds shall be used in accordance with the objectives laid down in this Regulation and managed in agreement with the Commission. The competent authority of the recipient country shall keep accounts on the collection and use of the funds and shall be obliged to render accounts.

ARTICLE 16

The Community contribution may also cover flanking activities necessary to make the operations under this Regulation more efficient and, in particular, supervision, monitoring and inspection, distribution and field training.

ARTICLE 17

Participation in invitations to tender and other procedures for the award of public contracts shall be open on equal terms to all natural and legal persons in the European Union and the recipient countries. It may be extended by the Commission to operations under Article 11 (2) to include natural and legal persons in the countries where the aid is mobilized.

When implementing this Regulation, the Commission shall guarantee the openness of the operations in question by publicizing them properly. The Commission shall ensure that operations by intermediary organizations are also publicized properly.

ARTICLE 18

The Commission may authorize a representative to conclude cofinancing agreements in its name.

ARTICLE 19

1. The Commission shall lay down the allocation, mobilizing and implementation conditions for aid under this Regulation.
2. Aid shall not be implemented unless the recipient country, international or regional organization or non-governmental organization complies with these conditions.

ARTICLE 20

The Commission shall take all measures necessary for the proper implementation of food aid programmes and operations, and operations in support of food security.

To that end, the Member States and the Commission shall afford each other all necessary assistance and exchange all relevant information.

CHAPTER III

Procedure for implementing food aid operations and early-warning and storage operations in support of food security

ARTICLE 21

1. The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, shall determine the Community share of the overall amount of cereals aid laid down in the Food Aid Convention as the total contribution of both the Community and its Member States.
2. The Commission shall coordinate the operations of the Community and the Member States as regards the supply of cereals aid under the Food Aid Convention and shall ensure that the total contribution by the Community and its Member States is at least as high as the quantities provided for in the said Convention.

ARTICLE 22

The Commission, acting in accordance with the procedure laid down in Article 27, and taking account of the general policy guidelines for food aid shall :

- adopt the list of products which may be mobilized as aid,
- lay down rules for mobilization, monitoring and evaluation,
- determine each recipient's share of the products, in terms of quantity and cost,
- where necessary, adjust allocations during the implementation of programmes.

ARTICLE 23

Decisions :

- granting food aid or providing for an operation in support of food security and laying down the conditions for the latter,
- granting a contribution to international or regional organizations or non-governmental organizations for the financing of operations in support of food security,
- granting aid for a storage programme or early-warning system,

shall be adopted by the Commission in accordance with the procedure laid down in Article 27, in compliance with the limits set in Article 25.

ARTICLE 24

1. In accordance with the Council decisions referred to in Article 21 and the decisions taken under Article 22, the Commission shall decide on :
 - a) emergency or serious food shortage operations, where famine or an imminent danger thereof seriously threatens the lives or health of people in a country without the ways and means to cope itself with a food shortage. The Commission shall act after consulting the Member States by the most appropriate means. Three working days shall be allowed to the Member States in which to put forward any objections. If there are any objections, the Committee referred to in Article 26 shall examine the question at its next meeting ;
 - b) the conditions governing the supply and implementation of aid, in particular :
 - the general conditions applicable to recipients,
 - initiation of the procedures governing mobilization, supply of products and implementation of other measures, and conclusion of the relevant contracts.

2. For the purposes of paragraph 1 (a), the Commission shall be entitled to take all necessary measures to speed up the supply of food aid.

The volume of aid granted in a given case shall be limited to the quantities needed by the population affected to cope with the situation for a period not normally exceeding six months.

The Commission shall ensure that priority is given at all stages to the mobilization of food aid for the operations provided for in paragraph 1 (a) and (b).

ARTICLE 25

Decisions regarding operations the financing for which under this Regulation exceeds ECU 2 million shall be taken in accordance with the procedure laid down in Article 27.

ARTICLE 26

1. The Commission shall be assisted by a Food Security and Food Aid Committee, hereinafter referred to as 'the Committee', composed of representatives of the Member States and chaired by a representative of the Commission.
2. The Committee shall examine the long-term implications of any proposal to commit funds for food security at household, local, national and regional level in the recipient countries, bearing in mind the principles laid down in Article 1. It shall also analyze and monitor food security policies which are in receipt of Community aid and examine proposals for joint initiatives.
3. The Committee shall draw up its own rules of procedure.

ARTICLE 27

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter in question. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt measures which apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event, the Commission shall defer application of the measures which it has adopted for a period of two months from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous paragraph.

ARTICLE 28

1. In order to guarantee the principle of complementarity referred to in the Treaty and enhance the effectiveness and consistency of the Community and national food aid provisions and operations in support of food security, the Commission shall seek to ensure that its own activities are as closely coordinated as possible with those of the Member States and with other policies of the European Union, both at decision-making level and on the ground, and may take any appropriate initiative in pursuit of this end.

To that end, Member States shall notify the Commission of their national food aid operations and of their food security programmes. The Commission, acting in accordance with the procedure laid down in Article 27, shall stipulate how notification of national operations is to be effected.

2. The Commission shall ensure that operations implemented by the Community are coordinated with those of international organizations and bodies, in particular those which form part of the United Nations system.
3. The Commission shall seek to develop collaboration and cooperation between the Community and third-country donors in the field of food security.
4. Coordination and cooperation between the Community and the Member States, and between the latter and international organizations and third-country donors shall be the subject of a regular exchange of information within the Committee.

ARTICLE 29

The Committee may examine any other matter concerning food aid and the other operations under this Regulation raised by its Chairman, either on the latter's own initiative or at the request of a representative of a Member State.

The Commission shall inform the Committee, within one month of taking its decision, of the food aid or food security operations and projects it has approved, indicating their amount and nature, the recipient country and the partner entrusted with implementation.

The Commission shall notify the Committee of the general guidelines for products mobilized as Community food aid.

ARTICLE 30

The Commission shall undertake regular evaluations of significant food aid operations to establish whether the objectives laid down in the appraisal of those operations have been achieved and to provide guidelines for improving the effectiveness of future operations. It shall inform the Committee periodically on the evaluation programmes.

Member States and the Commission shall notify each other as soon as possible of the results of evaluation work and of analyses or studies that would improve aid efficiency. The work will be analyzed in the Committee. Member States and the Commission shall endeavour to carry out joint evaluation exercises.

The Commission shall draw up procedures for the dissemination and internal and external communication of the conclusions of evaluation exercises to the departments and organizations concerned.

ARTICLE 31

At the close of each financial year, the Commission shall submit an annual report on the implementation of this Regulation to the European Parliament and the Council. The report shall set out the results of execution of the budget as regards commitments and payments and projects and programmes financed during the year. As far as possible, the report shall contain information on the funds committed nationally during the same financial year. As far as possible, it shall contain the most important statistical data (by recipient country, nationality, etc.) on contracts awarded for the implementation of projects and programmes.

The report shall also contain a breakdown of expenditure assigned to each type of operation as provided for in Articles 2, 5 and 8.

Lastly, the report shall contain information on operations undertaken with the counterpart funds generated by food aid.

ARTICLE 32

Regulations (EEC) No 3972/86, (EEC) No 1755/84, (EEC) No 2507/88, (EEC) No 2508/88 and (EEC) No 1420/87 shall be repealed.

As a transitional measure and until the new mobilization Regulation is adopted by the Commission, Commission Regulation (EEC) No 2200/87 of 8 July 1987 laying down general rules for the mobilization in the Community of products to be supplied as Community food aid (1) shall continue to apply.

Three years after the entry into force of this Regulation, the Commission shall submit to the European Parliament and to the Council an overall evaluation of the operations financed by the Community under this Regulation, accompanied by suggestions for the future of the Regulation and, if necessary, by proposals for amendments to it.

ARTICLE 33

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 27 June 1996.

For the Council

The President

A. MACCANICO

ANNEX

1. COUNTRIES

LDCs (LEAST-DEVELOPED COUNTRIES)

Afghanistan • Bangladesh • Benin • Bhutan • Botswana • Burkina Faso • Burundi • Cambodia • Cape Verde • Central African Republic • Chad • Comoros • Djibouti • Equatorial Guinea • Ethiopia • Gambia • Guinea Bissau • Guinea • Haiti • Kiribati • Laos • Lesotho • Liberia • Madagascar • Malawi • Maldives • Mali • Mauritania • Mozambique • Myanmar • Nepal • Niger • Rwanda • Sao Tome and Principe • Sierra Leone • Solomon Islands • Somalia • Sudan • Tanzania • Togo • Tuvalu • Uganda • Vanuatu • Western Samoa • Yemen • Zaire • Zambia

OTHER LICs (OTHER LOW-INCOME COUNTRIES. PER CAPITA GNP < US \$ 675 IN 1992)

China • Egypt • Eritrea • Ghana • Guyana • Honduras • India • Indonesia • Kenya • Nicaragua • Nigeria • Pakistan • Sri Lanka • Tajikistan • Timor • Vietnam • Zimbabwe

LMICs (LOWER MIDDLE-INCOME COUNTRIES. PER CAPITA GNP US \$ 676-US \$ 2 695 IN 1992)

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