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REPORT FROM THE COMMISSION TO THE COUNCIL AND THE  
EUROPEAN PARLIAMENT ON COMMUNITY FOOD AID AND  
MANAGEMENT IN 1986

(INFORMATION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT  
PURSUANT TO ARTICLE 12 OF COUNCIL REGULATION NO.3972/86)

REPORT ON THE COMMUNITY FOOD AID POLICY AND MANAGEMENT IN 1986

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## I. GENERAL TRENDS AND POLICY DEVELOPMENTS

1. In 1986 the basic legal framework for the operation of the Community food aid programme continued to be provided by Council Regulation no. 3331/82 (1). Article 2 of this regulation laid down three particular objectives for food aid, namely:
  - to raise nutritional standards
  - to help in emergencies
  - to contribute towards the balanced economic and social development of recipient countries.
  
2. Whereas in 1984 and 1985 the salient feature of Community food aid had been the emergency actions taken to assist those affected by the drought in Africa, in 1986 it was possible to focus more upon programming aid with a view to enhancing its contribution to economic development. In this respect particular attention was paid to beneficiary countries' food strategies and sectoral development policies and the role which Community food aid might play in their implementation through multiannual programming and the use of counterpart funds generated by the sale of food aid.  
Several substitution actions, the replacement of food aid by an equivalent financial contribution, were taken in 1986 to enable the development impact of food aid to be maintained in cases where commodities themselves were not required. The increased use of triangular operations, the purchase of commodities in one developing country for delivery in another, helped to broaden the contribution of food aid to economic development by stimulating intra-regional trade.

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(1). O.J/ L352 of 14.12.1982

## II. THE 1986 FOOD AID PROGRAMME.

### A. FOOD AID REGULATIONS.

3. The 1986 food aid programme was the last for which the legal base was Council Regulation 3331/82. Already in 1985 this legal framework was under review in a special working group within the Commission and indeed also in the other Community institutions. These deliberations culminated at the end of 1986 in the adoption by the Council of Regulation no. 3972/86, establishing a new framework for the Community's food aid policy and management. The principal purposes of this reform were to establish food aid policy as a policy in its own right, independent of the Common Agricultural Policy, and to avoid difficulties which had arisen in the past as a result of the division of responsibility for food aid policy and operations between Community institutions and the Member States' intervention boards. The most important changes incorporated in the new regulation were the following:
- (a). The connection between food aid policy and the Common Agricultural Policy through Article 43 of the treaty of Rome has been dropped from the new framework regulation; the latter indeed emphasized the development role of food aid by adding to the list of objectives the promotion of food security and the supporting of recipient countries' efforts to improve their own food production.
  - (b). The circumstances under which aid can be mobilized from outside the Community have been enlarged on condition that these triangular operations should in aggregate remain compatible with the principle that aid be mobilised on the Community market.
  - (c). Specific reference is now made to the possibility of making multi-annual allocations, subject to budget availability, to support development projects spread over a number of years.

- (d). Whilst the procedures for emergency action remain unchanged, such action can now be taken not only in cases where a country as a whole faces unforeseen difficulties but also in cases where such difficulties are faced by refugees or other vulnerable sectors of the population. Moreover the maximum period for which emergency aid can be allocated has been extended from three months to four months.
- (e). It is now the Commission rather than the Council which decides annually both the maximum quantities available for each product on the basis of the credits written into the budget and also the list of products eligible for use as food aid.

Together with this reform of the basic policy there was also a need to improve the procedures for mobilisation (purchase, transport and delivery) of food aid. This led to the drafting of proposals by the Commission in 1986 and the subsequent adoption of a new mobilisation regulation in 1987 (1). Under previous arrangements mobilisation of food aid was the responsibility of Member States' intervention boards. ~~The Commission's proposals, and indeed~~ the regulation as adopted in July 1987, provided that this responsibility should pass to the Commission which, in addition to the purchasing and transport of food aid would introduce a control system through the use of monitoring agencies, and would therefore be able to follow food aid mobilisation from start to finish.

#### B. BUDGET, VALUE, QUANTITIES

4. The overall budget for food aid commitments (Chapter 92) in 1986 amounted to 693.6 MECU compared with 635.6 MECU in 1985. A substantial part of these credits, 136.4 MECU, were used to cover commitments made under the 1984 and 1985 programmes, that is to say to cover the so-called "weight of the past". (see tables 1a, 1b, 1c, 1d)

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(1) Commission Regulation (EEC) No. 2200/87, O.J. L204 of 25.7.87.

Of the remaining credits a total of 411.9 MECU had been committed under the 1986 programme by the end of 1986. Because credits for food aid products, Articles 920 to 924, had been transformed from non-differentiated credits to differentiated credits as from the 1986 budget; it was therefore possible to carry forward to 1987 the remaining uncommitted credits, namely 145.3 MECU. Although the Community budget was not adopted until July 1986 and it was therefore necessary to operate on the basis of "provisional twelfths" of the budget for the first half of 1986, nevertheless this delay did not substantially affect the implementation of the 1986 aid programme.

5. Several new elements were introduced into the budget in 1986. Following the operational experiences of the 1984/5 African famines, the budgetary authorities created a new article, Article 928, with a view to constituting an "Exceptional Reserve". The credits for this article (5,01 MECU) were written into Chapter 100 of the budget. However it was in fact possible to finance the operation of this article, used to meet large and exceptional needs in Ethiopia and Mozambique, from credits available within Chapter 92. A second important element introduced into the 1986 budget was the provision of 10 MECU of both commitment and payment credits for Article 929, this being for the financing of substitution actions. These credits were all committed by the end of 1986. The third innovation made in the budget for food aid was the creation of Article 951. This was endowed with 5.5 MECU of commitment credits to be used for the co-financing, by the Commission, of foodstuffs purchases made by NGOs in order to provide food aid in emergencies.
6. The quantities available for the 1986 food aid programme were set by the annual implementing regulation (1). Those set for cereals and "other products" remained the same as in 1985 (table 1b). For all other foodstuffs the quantities were reduced: there was 14% less skimmed milk powder (SMP), 5% less butteroil (BO), 6% less vegetable oil (VO) and 65% less sugar. Of these reductions the potentially most problematic was that of SMP.

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(1). Council Regulation (EEC) no. 232/86, O.J. L29 of 27.1.86.



However it turned out in fact that the substantial quantities of dairy products originally programmed for Operation Flood in India were not required; these quantities could therefore be allocated to other beneficiaries.

III. IMPLEMENTATION OF THE 1986 FOOD AID PROGRAMME

A. FOOD AID COMMITTEE

As in previous years the bulk of the food aid was allocated in the form of "normal" aid and therefore decided by the Commission after the opinion of the Food Aid Committee.

The Food Aid Committee met six times between January and December 1986 and approved a total of 66 allocations.

Three proposals were given a favourable opinion by the Committee by way of a written procedure (Ethiopia, Mozambique and Uganda).

Four substitution actions were proposed to the food aid Committee and received a favourable opinion : Haïti, Mali, Zambia, Burkina Faso.

B. DIRECT FOOD AID

7. Normal direct food aid in 1986 amounted to 740.000 tonnes of cereals (in terms of wheat equivalent), 22.000 tonnes of SMP, 7.000 tonnes of BO, 4.700 tonnes of VO, 100 tonnes of sugar and 10.700 tonnes of beans (see tables 2a and 2b). On the basis of the indicative prices retained for budgetary purposes, these quantities corresponded to the following values: 113,47 MECU for cereals, 21,37 MECU for SMP; 14,87 MECU for BO; 5,17 MECU for VO; 0,03 MECU for sugar; 8,56 MECU for beans.

The relative importance of direct food aid in relation to total food aid varies according to product. Thus direct aid in the form of cereals accounted for 64% of the overall cereals programme whereas for other products the share of direct aid in total aid was substantially lower (23% of SMP, 26% of BO, 55% of VO, 3% of sugar). This reflects the important characteristic of cereals as an economic (balance of payments) aid to countries with structural food deficits whereas other products are used to a greater extent in the context of targetted nutritional programmes, these lending themselves particularly to support through indirect aid via NGOs or international organizations.

(a.) Categories of Beneficiaries

8. Direct food aid allocated in 1986 can be divided into three categories according to the principal reason giving rise to the allocation, namely, those allocations intended to cover structural deficits, and those intended to meet temporary shortfalls resulting either from natural disasters or from conflict.

Food aid to countries with a structural food deficit

9. Many countries do not produce sufficient foodstuffs to cover their internal consumption requirements even when production yields are "normal". These countries may be said to have structural food deficits. Of those in receipt of Community food aid in the form of cereals the two most important beneficiary countries are Egypt and Bangladesh. Rapid population growth, increasing urbanisation and severely limited availability of agricultural land have conspired to reduce Egypt's self-sufficiency in agricultural products to a point at which some 60% of food requirements are imported. Egypt received a total of 170.000 tonnes of wheat as direct aid in 1986. In Bangladesh it is principally population growth which has led to heavy dependency upon imports to meet domestic needs. In 1986 the Community made direct aid allocations of 152.000 tonnes of wheat to Bangladesh.

Other countries in receipt of cereals food aid from the Community in order to help bridge a structural deficit included Sri Lanka, Ghana, Sierra Leone, Guinea Conakry, Djibouti and the Comores.

Despite increased rice production Sri Lanka is not self-sufficient in cereals; it received an allocation of 40.000 tonnes of wheat. Similar circumstances in Ghana were the basis for a Community allocation of 10.000 T of cereals equivalent in the form of rice. Sierra Leone received 6.000 T of cereals in the form of rice in order to contribute to meeting a substantial shortfall in supply at a time when economic reform imposed tight restrictions on consumption and import expenditure. The lack of foreign exchange reserves available to finance imports was also an important factor justifying the allocations made in respect of Guinea Conakry (6.000 T wheat), Djibouti (4.000 T wheat) and the Comores (2.000 T cereals, half maize, half rice).

10. Improved growing conditions dramatically reduced the need for food aid in the Sahel. Only Mauritania and Cape Verde, which continued to suffer the effects of drought and which remain in structural deficit even in climatically favourable years, received cereals food aid in 1986 (12.000 T and 9.000 T respectively), whereas a total of 105.000 T of cereals were allocated as direct aid to Sahelian countries in 1985. Similarly the overall 1986 allocations of dairy products to the Sahel were half those of 1985. The 9.000 T of white maize and 2.000 T of beans allocated to Cape Verde were part of a 3 year multi-annual agreement and were purchased in "triangular operations" from Zimbabwe and Senegal. The 12.000 T of cereals provided to Mauritania, which had only 20% of its consumption needs met by domestic production, were used in rural areas in order to limit the migration of drought victims into Nouakchott.

Food Aid to countries experiencing shorfalls due to drought/natural disasters.

11. The overall scale of operations undertaken by the Community to assist in cases of drought or of other natural disasters was substantially smaller in 1986 than in 1985 as a result of the improved situation in the Sahel. Nevertheless it remained necessary to maintain support for the Horn of Africa, in particular Ethiopia and the Sudan, at levels similar to those of 1985. Ethiopia received a total of 100.000 T of cereals as direct food aid of which 60.000 T were drawn from the "Exceptional Reserve", budget line 928. The greater part of this allocation, together with 1600 T SMP, 1000 T BC and 300 T VO, were provided for free distribution by the Government Relief and Rehabilitation Commission (RRC). Although there was a record sorghum harvest in the Sudan, 3,6 million T, there were nonetheless parts of the country, especially in the South, affected by drought. A total of 20.000 T of cereals were initially allocated as direct aid and, when it became apparent that overall needs were met, this allocation was transformed into a substitution operation to cover the cost of additional fertilizer imports.

12. Other countries in receipt of direct food aid to combat the effects of natural disasters were Guinea Bissau, Lesotho, Nepal and Peru. Guinea Bissau received 3.000 T of broken rice (6.000 T cereals equivalent) following significant harvest failures in the North, due to locusts, and in the South-East where flooding resulted in the loss of paddy harvest. In Lesotho the overall harvest was lower than in 1985 because of the effects of drought in the lowland regions and frost in the highlands; the cereals allocation made available by the Community was consequently increased to 9.000 T of cereals, having been 3.000 T in 1985. Nepal, having had small exportable surpluses in the early 1980's, was affected by drought in 1986. 10.000 T of white maize were allocated as normal food aid and a further 5.000 T (cereals equivalent) of rice were provided as emergency aid.

In Peru there was serious flooding around Lake Titicaca following torrential rains in February 1986. This aggravated further the economic difficulties of the country and made the overall food supply situation yet more precarious. An allocation of 6.000 T cereals (durum wheat) was consequently made in favour of Peru; 1.600 T of SMP for free distribution (together with 200 T SO) were also allocated.

Food aid to countries experiencing shortfalls due to conflict

13. Angola, Mozambique and the Lebanon all had substantial food shortages due principally to internal conflict. Erratic supplies of food and the continued concentration of conflict in the cereals-producing areas of Angola led the FAO to categorize the Angolan food situation as "critical". Internal transport and distribution remained extremely difficult. The Community allocated a total of 18.000 T of cereals equivalent of which 10.000 T were white maize purchased in Zimbabwe and the remaining 8.000 T were wheat flour and rice. In Mozambique the level of cereals production in 1985 was little changed from that of 1984; the effects of a better growing season were counteracted by security problems and a shortage of seeds. The resulting overall food aid needs, after taking stocks and commercial imports into account, were estimated at 425.000 T of cereals. The Commission allocated 50.000 T of cereals in April 1986 and a further 40.000 T from the exceptional reserve later in the year. Of these quantities 28.000 T were white maize purchased in Zimbabwe, 22.000 T were provided as rice (viz 7.423 T rice) and the remaining 40.000 T were wheat.

(b) Utilisation of Direct Food Aid

14. Food aid can be either sold on local markets in beneficiary countries or used for free distribution to particular sections of the population. The need to avoid deleterious effects on local markets and production makes it most important that any free distribution be targetted upon those who would not otherwise procure supplies through commercial channels. Similarly food aid for sale must be sold at prevailing local market prices in order not to undercut local production. Food aid granted for free distribution falls into essentially two different categories. The first is food aid used to support and improve the diet of particular vulnerable groups such as children, pregnant women and refugees. The second is food aid used in Food for Work projects where it is given in exchange for labour. Food aid for sale is usually channelled through a government ministry or produce board. The receipts from sales are used for the constitution of counterpart funds which are allocated to development projects. For the most part these projects aim to promote rural development and in many cases food aid counterpart funds are used to provide the local currency element required in EDF financed projects.

Free distribution and food for work

15. Under the 1986 normal direct aid programme a total of 132.000 T of cereals, 6.300 T of SMP, 1.500 T of BO, 1.300 T of VO and 1.200 T of beans were allocated for free distribution and food for work programmes. Ethiopia remained the country with the largest programmes of this type. A total of 100.000 tonnes of cereals (of which 60.000 T were from the exceptional reserve), 1.600 T SMP, 1.000 T BO and 300 T of vegetable oil were distributed via the Government's Relief and Rehabilitation Commission (RRC) to drought victims and to food for work programmes, the latter being operated in liaison with the Ministry of Agriculture and local peasant associations. Altogether there were 11 countries where direct food aid was granted for free distribution/food for work, these being Ethiopia, Bangladesh, Pakistan, Djibouti, Sierra Leone, the Comores, Jamaica, Bolivia, Ecuador, Peru and Honduras.

Sale

16. The remainder of the Community's direct food aid programme was allocated for sale on local markets. Such operations can take a number of different forms depending upon the product supplied, the distribution channels used, the nature of the purchaser(s) and the economic policies and food strategies pursued by the beneficiary country. However, common to all actions is the generation of counterpart funds (CFP).

(c) Counterpart funds

17. Counterpart funds are the local currency resource resulting from the sale of food aid in a beneficiary country. Receipts from the sale are paid into a local bank account for use for the financing or co-financing of development projects. Such projects are either designated in advance, as in the case of multi-annual programmes, or agreed in respect of each allocation by common consent between the beneficiary country and the Community. In this way it is possible to enhance the development impact of Community food aid and indeed to integrate it with the Community's other development projects and programmes. The conditions governing the establishment, management and use of counterpart funds are specified in the food aid contracts between the Community and beneficiary countries.

Cereals market development projects

18. In 1986 most cases where CPF were integrated into cereals market programmes were cases where the funds were made available directly through "substitution" actions; these will be dealt with under a separate heading below. However in Mauritania CPF from food aid sales were used to support the Food Security Commissariat (CSA) by meeting part of its operating costs. Indeed this support was provided through a common CPF established by all the various donors - EEC, WFP, USAID, France, F.R. Germany and Spain. Following cereals market liberalisation measures in Madagascar, EEC CPF were used to promote wheat production in the West of the Country and to finance a rice seeds and sowing centre in Central Madagascar.



### Food Production Projects

19. In a number of countries CPF were used in the financing of projects, many of them Lomé Convention or Article 930 projects, aimed at promoting local agricultural production. In Cape Verde CPF were used to finance labour-intensive rural projects in areas such as road and track building, afforestation and soil conservation.

Following a re-organisation of the management and operation of CPF in Egypt, the CPF from the 1986 food aid programme were allocated to finance projects aimed at promoting the production of edible oils, products of which Egypt is a substantial net importer.

In Ghana CPF contributed to local costs of irrigation, livestock improvement and palm oil plantation projects. In 1986 the administration of CPF in Guinea Conakry was reorganized and the resulting joint committee allocated CPF to, inter alia, an EDF funded rural integration development project. In the Sudan food aid is managed through the FANA (Food Aid National Administration) and the CPF in 1986 were used to support seed purchase and distribution programmes, a forestry programme in Kardofan and a variety of rural microprojects. Lomé Convention projects in similar areas of activity (irrigation, afforestation, soil conservation, livestock improvement, agricultural training, road building, crop production, etc.) were financed from CPF in Guinea Bissau, Sierra Leone, Sao Tomé, Djibouti, Tanzania, the Comores, Angola and Lesotho.

In Nicaragua, Peru, Bangladesh, Nepal and Sri Lanka CPF were also used to finance local costs of a number of EEC projects funded under Article 930 of the Community Budget. In the case of Sri Lanka Community food aid CPF continued to be used in 1986 to support the Mahaweli Ganga Scheme, a multi-annual scheme designed to bring 90.000 ha of land into agricultural production. Whereas the linking of food aid needs over a number of years with multi-annual development projects and strategies was only possible on an informal basis prior to the reform of December 1986, the scope for such integration between food aid policy and development/sectoral reform policies is now considerably enlarged.

Other uses of Counterpart Funds

20. CPF were also used in a variety of other ways in 1986. Part of the CPF in Djibouti were used to support a Health Programme in favour of drought victims. In Angola a transit centre for displaced people seeking refuge from the internal conflict was financed. CPF in Madagascar were used to finance/co-finance the reparation of damage caused by cyclones. In Bangladesh part of the costs of Food for Work (FFW) projects using EC wheat as met from CPF.

(d) Alternative Operations

21. Following the adoption in June 1984 of Council Regulation No. 1755/84 on "the implementation of alternative operations", it became possible for the Commission to decide to provide a financial contribution as a substitute for all or part of the food aid allocation to be granted in respect of a particular country. The principal purpose of alternative operations (also known as "substitutions") is to continue to support the pursuit of food security in those low-income countries which, whilst remaining essentially in structural food-deficit, find themselves temporarily in surplus when account is taken of food production, consumption, stocks and aid granted by other donors. Substitutions can contribute to the promotion of food security in a variety of ways by financing actions such as the provision of agricultural inputs (e.g. fertilisers), rural credit, storage projects, investment in infrastructure (marketing, transport, distribution channels), food production projects and research and training.
22. Improved harvests in the Sahel led to substitution actions being decided in favour of the Niger (15.000 T Dec. 85), Chad (15.000 T Dec. 85), Burkina Faso (10.000 T Feb. 86) and Mali (15.000 T July 86). Two further substitutions, for Zambia (10.000 T) and Haiti (6.000 T), were decided in December 1986 and attributed to the 1986 programmes. A total of 10,56 MECU were granted through these actions, the small excess, over and above the 10,0 MECU available in budget line 929 in 1986, being financed from the 1987 budget. The actions in the Sahel all went to support the respective cereals boards and/or their reform. In the cases of Zambia and Haiti the actions were used to fund respectively fertiliser imports and the improvement of the rural road network.

#### IV - EC NORMAL INDIRECT FOOD AID

##### A. NON GOVERNMENTAL ORGANISATIONS

##### 23. Introduction

There were three a priori criteria a non-governmental organization (NGO) needed to satisfy before it could be allocated EC food aid:

- (1) Under normal conditions, NGO headquarters had to be located in one of the Member States;
- (2) The NGO had to possess a statute of the type suitable to such an organization, e.g., non-profit making;
- (3) It had to prove previous successful food aid distribution in developing countries.

Food aid was allocated in products which formed part of the traditional basic diet of the recipients and to countries with a deficit in that product. However, on occasion allocations were made in order to establish "cereal banks", whereby cereals were purchased in a surplus area and sold in a deficit area within the same country, the counterpart funds then financing the next operation.

##### 24. Allocation

Total quantities allocated under the 1986 programme to NGO projects, their value and the estimated cost of delivery free at destination were: (See also Tables 3a and 3b annexed).

<u>Product</u>	<u>Quantity</u> (t)	<u>Normal Value</u> ( '000 ECU)	<u>Total Cost</u> ( '000 ECU)
Cereals	85,470	13,815	26,415
SMP	32,110	33,953	43,265
Butteroil	1,350	2,881	3,313
Veg. Oil	500	550	655
Sugar	1,000	307	497
Beans	1,775	1,420	1,740
Dried Fish	425	638	774
Other Products	-	100	123
		53,664	76,782

These quantities were distributed via 37 NGOs to needy population groups in 64 countries, and accounted for about 33% of total 1986 SMP allocations, 25% of total sugar allocations and under 10% of cereals, butteroil, vegetable oil and other products allocations.

25. As compared with the 1985 allocations, cereals quantities for NGOs were 80% greater and SMP 40% greater, partly thanks to the lessening of the African crisis, which allowed additional allocations to the NGO reserve during 1986 (20,000t cereals and 11,110t SMP), and partly because world cereals prices had fallen. Although butteroil quantities had increased in 1985, vegetable oil quantities had fallen, leading to a slight drop in overall NGO edible oil quantities of 6%. Sugar quantities also fell by 25%, with the drop in quantities due to the need to use 1986 credits to cover previous years' programmes ("weight of the past"). Similarly, the beans and dried fish quantities allocated to NGOs fell with the fall in total quantities available.

The original NGO budget contained 70,000t cereals and 21,000t SMP, including a reserve established to allow more flexible and efficient allocations during the year. During 1986, additional allocations of 20,000t and 4,000t respectively were made, thanks to the lessening needs of many African countries for direct food aid, since they were now recovering from the drought. By the end of 1986, remaining NGO credits were 13,030t of cereals, 1,860t SMP and 60,000 ECU for other products. These, plus a second additional SMP allocation in early 1987 of 7,110t from the general 1986 food aid budget, were allocated in a series of activities to cover the period between the end of 1986 and the authorisation of the 1987 budget: 8,500t of cereals, 1,535t SMP and 75t of beans (60,000 ECU) were allocated in early 87 to continue 86 NGO programmes/projects. These included 6,000t of white maize, as well as SMP and beans for Mozambique, wheat and SMP for Lebanon, SMP for Angola and SMP and beans for Madagascar.

These quantities have been included in the tables. The outstanding balance of 4,503t cereals and 805t SMP was then used towards the 1987 programme.

26. The largest recipient NGO was the Caritas group (Caritas Belgica, Germanica, Italiana and Neerlandica), which was allocated over 35,000t cereals, 13,700t SMP, 800t edible oils (butteroil and vegetable oil), 400t beans, 200t fish as well as 420t sugar, thus accounting for 22.3 MECU worth of food aid products. They distributed these in 34 countries, but the emphasis was on Ethiopia (11,500t cereals, in addition to other food aid) and Chile (8,000t cereals, 4,260t SMP and other food aid).

Second largest recipient was Catholic Relief Services, with 14,400t cereals, 3,320t SMP, 520t beans, as well as some edible oils and fish, worth in total 6.3 MECU. These were distributed in 13 countries, although El Salvador and Pakistan alone accounted for over half the cereals quantities, and El Salvador benefitted from three quarters of the beans.

The third largest recipient NGO was Oxfam (-UK, and -Belgium), which was allocated 6,060t cereals, 3,570t SMP, 410t edible oils, 280t sugar and 53t beans. These were distributed among 9 countries and the emphasis lay on Ethiopia. Nicaragua, Sudan (SMP for Ethiopian refugees) and Mozambique.

A number of other NGOs received large allocations for a specific beneficiary, e.g. World Vision-UK and Save the Children Fund (UK) were each allocated 6,000t of cereals for Mozambique, "Concern" (IRL) received 2,530t cereals for Ethiopia; Diakonisches Werk (D) was allocated a wide variety of food aid products, including a large quantity of beans for Mozambique; Frères des Hommes (B) distributed 1,740t of cereals in Zaire; Protos (B) was allocated 2,400t cereals, plus SMP and beans for distribution in Haiti; Trocaire (IRL) distributed 500t rice (1,450t cereals equivalent) in Kampuchea, etc.

On a regional basis, Sub-Saharan Africa was the greatest recipient, with almost 47,000t of cereals, just under 13,000t SMP, as well as the greater part of the other food aid products. Only in beans did non-ACP countries' (especially Latin American) allocations exceed those of Africa. Clearly, despite recovery in many countries from the drought, Africa still required large quantities of food aid for nutritional purposes.

On a country basis, the largest cereals recipients were Ethiopia (almost 18,000t), Mozambique (16,000t), Chile (8,400t) and Guatemala (5,100t). The largest SMP recipients were Chile (4,300t), India (3,000t) and Sudan (2,000t). It should be noted that much of the food aid distributed in Sudan was not for the

native Sudanese, but for Ethiopian refugees. Chile and Sudan benefitted from the largest quantities of edible oils and sugar, El Salvador, Mozambique and Angola from beans and Mozambique and Chile from dried fish. The consistently large NGO quantities for Chile can be explained by the fact that it benefitted from no other EC food aid, in contrast to Bolivia, Nicaragua and Peru, which enjoyed direct EC food aid, to El Salvador, which received considerable quantities of EC emergency aid in 1986, etc.

27. Development Projects and Welfare/Relief Programmes

NGO food aid could be allocated for three purposes: (1) relief to victims of natural disasters or conflict; (2) vulnerable group feeding (VGF), that is, caring for those prone to mal- or under-nourishment, and/or (3) development projects, especially "food for work" (FFW), whereby beneficiaries are paid in kind for their efforts towards local rural development projects, e.g. tree-planting, hillside terracing, irrigation works, etc.

28. Development Projects

In order to minimize the number of straight "hand-outs", priority was given, as in previous years, to rural development projects, in particular those which emphasized local food production/self-sufficiency. In 1986, the proportion of NGO food aid distributed in development projects was:

Product	Quantity (t)	% of Total NGO food aid
Cereals	45,936	51
SMP	7,950	25
Butteroil	203	15
Vegetable Oil	140	28
Sugar	200	20
Beans	444	25
Dried Fish	200	47

These quantities were valued at 16.76 MECU, one-third of total NGO food aid value.

29. SOS Sahel International continued FFW projects in Burkina Faso, Mali, Mauritania, Niger and Senegal. The NGO set up seed nurseries and built cereals storage for local cereals production self-sufficiency, as well as encouraging reforestation and the provision of water (wells for drinking water, dams and ditches for irrigation).

The four Caritas NGOs organised a considerable number of FFW projects in 7 African and 5 Latin American countries. In Ethiopia, Caritas Germanica emphasized water development, which laid the foundation for reforestation and fruit and vegetable planting, using the largest single 1986 NGO allocation. In Uganda Caritas G continued to help farmers under a resettlement scheme, with emphasis on traditional livestock breeding and poultry raising, while in Somalia, Caritas Italiana encouraged reforestation, especially of grapefruit and coconut trees. One of the most interesting FFW projects was the biscuit factory in Zaire, under the aegis of Caritas Belgica. Here cereals, butteroil and sugar from the EC food aid were used to manufacture high-energy protein biscuits which were then distributed free to hospitals and schools, as well as to the undernourished and disadvantaged. This project both increased local employment for women and, by producing 125,000 kg of biscuits p.a., improved nutritional standards.

30. In Latin America, Caritas G. used a wide variety of food aid products in Chile for FFW projects to discourage the rural exodus, by providing technical training for the improvement and diversification of agricultural, especially food, production. In Paraguay, Caritas B. used food aid in FFW projects for training young people: boys learned stockbreeding and food crop production, while girls were taught wool and leather processing. Both Caritas NL and B worked in Haiti, the former in building roads, reforestation and irrigation, the latter in training women in poultry and pig-rearing.

Catholic Relief Services organized 3 FFW programmes: in Dominica, community buildings were constructed; in Morocco projects emphasized water conservation, well-digging and irrigation, and in Pakistan, rural infrastructure was improved to combat soil erosion (roads, irrigation, terracing).

Other NGOs which set up FFW projects included the World Council of Churches, which set up a small scale farm in Angola for the relief of displaced persons, Dutch Interchurch Aid in Ethiopia, Association Aide au Tiers Monde in Senegal and Togo, and Protos in Haiti.

Monetisation was approved in exceptional circumstances for the purchase of cereals in a surplus area and their sale in a deficit area within the same country, thus generating a revolving fund to finance the following purchase. In 1986, Catholic Relief

Services built silos and created a revolving fund for cereals in Senegal.

### 31. Relief/Welfare Programmes

Some of the 1986 EC NGO food aid was distributed as relief for refugees or displaced persons, victims of conflict or natural disaster. The Caritas organizations helped such people in Angola, Somalia, Lebanon, Algeria (for Sahraoui refugees) and Guatemala; the two Oxfams distributed food aid in Mozambique, Angola, Sudan/Ethiopia, Algeria and Nicaragua. Other NGOs involved in such relief include Trocaire, Gemeinschaft zur Förderung der Soz. Med. Stiftungen, Catholic Relief Services, Diakonisches Werk, World Council of Churches, Alimentation et Developpement de l'Enfant and Société de St. Vincent de Paul.

The remainder of 1986 EC NGO food aid was distributed for nutrition purposes, that is, to groups vulnerable to malnutrition, such as infants, pregnant women, nursing mothers, the handicapped, the aged, the ill, etc., and/or institutions such as schools, dispensaries, clinics, hospitals, leper colonies, etc. Such food aid for nutrition was distributed by most NGOs in almost every country which benefitted from 1986 food aid.

### 32. Co-financing

Within the framework of the 1986 EC Budget, Article 951 introduced credits (3 MECU) to co-finance the purchase of food aid products in emergency situations with NGOs. However, due to the late approval of the Budget, only six projects were co-financed under the 1986 programme.

The 3 MECU were intended to cover not less than 25% of the cost of food products purchased by NGOs in order to provide emergency relief for disaster victims in developing countries or other non-EC Member countries. The legal basis for 1986 was considered to be the Council Framework Regulation 3331/82 and the Implementing Regulation 232/86. Under normal conditions the EC contribution was to be 75% of the purchase price of the product(s), subject to the proposed action costing no less than 80,000 ECU, but no more than 1 MECU.

The first co-financing in 1986 was that with Trocaire for the relief of Kampuchea. In 1986, the country had an estimated shortfall of 150,000t rice, and the Kampuchean Red Cross, Trocaire's local counterpart, urgently needed the food. 850t of 25% broken rice were purchased in Thailand and the total cost of the operation came to just under 180,000 ECU, with the EC contributing 75% (134,800 ECU).



Other 1986 co-financing operations were: a Caritas Belgica action in Poland, which cost about 196,730 ECU (EC: 147,540 ECU); a Cebemo (EuronAid) operation for Nicaragua (1 MECU for maize, rice, beans, sunflower oil); Christian Aid in Pakistan for Afghan refugees (total 984,500 ECU for wheat flour, sugar, "ghee"); Caritas Belgica and Germanica in Lebanon, with EC contribution of 270,980 ECU; and finally, World Council of Churches in Angola, costing 493,800 ECU.

## B. INTERNATIONAL ORGANIZATIONS

### 33. Introduction

As in 1985, the 5 International Organizations which received EC food aid in 1986 were: The World Food Programme (WFP), the United Nations High Commission for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International League of Red Cross Societies (LICROSS) and the UN Relief Works Agency for Palestinian Refugees (UNRWA). In addition, UN Border and Relief Operations (UNBRO) received a contribution for the purchase of beans and fish at the Thai/Kampuchea border.

Normal food aid to such Organizations accounted for significant proportions of total normal food aid, from around one-third of cereals, SMP and vegetable oil, half of other products, to two-thirds of butteroil and sugar. (See Table 3c). In quantitative terms, the Organizations received just over 334,000t of cereals, just under 32,000t SMP, about 7,000t butteroil, 2,200t vegetable oil, 2,300t sugar and 8.42 MECU worth of other products, which included beans, fish, corned beef, "bulgur" and tomato paste. Transport was always covered to final destination.

As compared with 1985, cereals and SMP quantities were slightly down and edible oil (butteroil and vegetable oil) quantities had risen, but the dramatic changes were in sugar (one-third of 1985 quantities) and other products (half). These differences with respect to 1985 can be explained mainly by movements in overall food aid Budget credits and by "weight of the past" problems.

34. The WFP ranked, as in previous years, as the largest single recipient of EC indirect food aid, being allocated 114,000t cereals (one-quarter indirect food aid), 21,600t SMP (one-third), 11,700t butteroil (two-thirds), 500t vegetable oil (20%) and 1,500t of beans (10%), with total product value at just over 67 MECU, 94 MECU including transport. These quantities include the second WFP allocation, made during 1987 from the general 1986 food aid reserve, of 14,190t cereals and 7,175t butteroil, which were used towards 1987 WFP projects.

The EC was cooperating with the WFP in three ways: (1) regular food aid product pledges fixed at Pludging Conferences every 2 years (US\$ 136.6 million for 1987-88); (2) contributions, both in food aid products and as credits for triangular operations, to the IEFER (International Emergency Food Reserve); and (3) on occasion, the Commission requested the WFP to help in arranging the transport of food aid or in monitoring its distribution. The food aid allocated under regular pledges was

distributed in WFP development projects (mostly FFW) in 37 countries, the emphasis in cereals distribution being on Bangladesh, China, Indonesia and Ethiopia, while for dairy products the emphasis lay on projects in China, Cuba, Uganda and Sudan, the traditional cattle sector in the latter two having suffered greatly with drought and internal conflict. (See Table 3d). The IEFR was allocated 40,000t of cereals and 500t of vegetable oil at a total cost of 12.4 MECU.

35. The UNHCR was the second largest recipient of EC indirect food aid in 1986, with significant quantities of each product: 125,000t of cereals, 6,000t SMP, 2,000t butteroil, 1,000t vegetable oil, 500t sugar and 3 MECU for other products (spent on 2,500t beans and 666t dried fish). The total value of these, including transport, came to 55 MECU. The food aid was distributed in 6 countries housing large refugee populations (Somalia, Mexico, Iran, Pakistan) or with great numbers of displaced persons (Ethiopia, Angola). In addition, emergency operations were carried out in favour of refugees in Thailand and Honduras.

36. The ICRC was allocated 40,000t of cereals, 1,000t SMP, 1,500t butteroil, 500t vegetable oil and 1.5 MECU, which purchased 1,500t of pulses; the total cost of supply and delivery was 19.4 MECU. The ICRC works mainly in areas of internal conflict by bringing relief to the victims and the 1986 EC allocations represented 50% of 1986 ICRC requirements. The emphasis in 1986 was on distribution in Ethiopia and Sudan (one-third of the cereals), Angola, El Salvador and Nicaragua, as well as a large nutrition programme set up in the Philippines.

37. LICROSA, on the other hand, concentrates on countries which have suffered natural disasters, setting up large feeding programmes and organising a few FFW development projects. The Organization was allocated 20,000t cereals, 870t SMP, 1040t butteroil, 100t sugar and 1 MECU for other products (1,250t beans). Ethiopia was the largest beneficiary, with 60% of the cereals and 25% of butteroil; other main beneficiaries were Mauritania, Burkina Faso and Haiti.

38. Finally, food aid allocations to UNRWA were stimulated by the EEC/UNRWA Convention 1984-86, which provided for aid in kind for UNRWA feeding programmes, and by the Council Decision of June 28th, 1984,<sup>(1)</sup> which stated that the allocation of such food products would follow the procedures of Council Regulation No. 3331/82. UNRWA was allocated 1,725t of rice (5,000t cereals equivalents), 2,500t SMP, 800t butteroil, 200t vegetable oil, 900t sugar, 100t beans and 600t sardines. In addition, products not on the food aid list were allocated: 800t corned beef, 500t tomato paste and 800t bulgur (cracked wheat). Finally, UNRWA was allocated 4 MECU to cover some of the operating costs of the many feeding programmes. The total cost of the food aid delivered to final destination was 9.8 MECU, in addition to the extra 4 MECU taken from budget line 926.

The Community concluded on the 26 May 1986 another three-year convention with this organisation where it committed to assist UNRWA in three ways, i.e. by :

- paying a cash contribution of 20 Million ECU per year for 1987-1988 and 1989;
- paying a cash contribution to be fixed annually to cover the operating costs of the supplementary feeding program;
- allocating food aid the quantity of which is to be determined annually.

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(1)

O.J. L188 of 16.7.1984

V - EC EMERGENCY FOOD AID  
AND  
EXCEPTIONAL FOOD AID

39. I - Exceptional Reserve

Following the African food crisis of 1984/85, the European Council of June 1985 agreed on the Proposal of the Commission to provide for a food aid reserve in 1986 to enable the Commission to react more rapidly and more efficiently should any similar exceptional circumstances reoccur.

The 1986 Budget, as finally confirmed by the Budget Authorities provided appropriations to cover an exceptional Reserve which was fixed by the Council on Proposal of the Commission, after opinion of the Parliament, to 386.700 t of cereals or equivalent, to be used to cover "exceptional food shortages". In 1986, this reserve was used to cover the exceptional food needs of Ethiopia and Mozambique.

The quantities utilised were 60.000 t of cereals for Ethiopia and 72.000 t of cereals, 1.000 t of vegetable oil, 1,6 MECU of beans for Mozambique.

40. II - Emergency food aid

A. Introduction

As in previous years, events or circumstances eligible for EC emergency food aid in 1986 came under Article 6 of the Council Framework Regulation 3331/82 (see 1985 Report).

21 countries received Community emergency food aid in 1986. Of the 24 food aid allocations, 6 were distributed by NGO's and 9 by International Organizations (UNHCR, ICRC, LICROSS and UNRWA). Quantities allocated totalled: 118,560t of cereals, 8,020t skimmed milk powder (SMP), of which 3,520t vitaminised and 4,500t non-vitaminised, 1,900t butteroil, 2,100t vegetable oil and 500t sugar. The total cost came to 52.7 MECU, including transport (see Table ).

Asia was the largest recipient of cereals, with 66,500t of which 30,000t was via the UNHCRT for refugees and displaced persons in Thailand and 27,000t for victims of cyclone "Peggy" in China. Sub-Saharan Africa received 35,440t of cereals, 2/3rds of which was for Ethiopia. A further 16,370t were allocated to 3 Mediterranean countries.

Egypt was the largest recipient of SMP, with 4,000t, followed by 2,500t vitaminised SMP destined via the UNHCR for Afghan refugees in Pakistan. The same recipients were allocated 1,500t butteroil and the other butteroil allocation of 400t was for victims of the Syrian drought. The UNHCR was the only beneficiary of sugar (500t) and also received 1,000t vegetable oil, both products for distribution in four countries sheltering refugees: Mexico, Honduras, Iran and Ethiopia.

#### 41. B. Allocation

For convenience, this section has 4 sub-headings indicating the circumstances which prompted the allocation of emergency food aid: natural disasters (such as earthquakes, cyclones), drought, internal conflict (refugees, displaced persons) and one 1986 allocation which falls under none of these headings.

#### 42. Natural Disaster

Four allocations were made for the relief of victims of natural disasters in Madagascar, El Salvador, China and Vietnam, totalling 28,950 t of cereals, 100 t SMP and 100 t vegetable oil.

In Madagascar, after cyclone "Honorinina", the Commission allocated 200 t of cereals, in the form of rolled oats, and 100 t SMP, quantities indicated by the Delegation as being sufficient when other aid (EC and other donors) was taken into account. The food aid was distributed by the NGO Association Aide aux Tiers Monde.

Following the earthquake in El Salvador on 10th October 1986, the EC and Member States sent tents, blankets and medical supplies and the NGO "Catholic Relief Services" organized a food aid distribution programme in collaboration with local NGO counterparts and other International Organizations. CRS already owned food aid stocks in El Salvador which could cover immediate needs and were replaced later by the arrival of the emergency food aid of 400 t of vegetable oil decided by the Community as well as by the normal aid to CRS for this country.

In China typhoon "Peggy" hit Guandong Province on 11th July, damaging 600,000 ha of farmland and affecting 5 million people. The Commission allocated 27,000 t of cereals in the form of wheat flour to assist the victims.

Finally, Vietnam suffered typhoon "Wayne" on 6th September, which flooded 96,700 ha of rice fields. At first, the Government requested food aid only from traditional donors especially the UN umbrella. Only in early October did it issue an appeal for international help. The Commission sent 1,500 t of cereals (as 518 t of rice) via the NGO Trocaire, which had already been working in the region with the help of normal EC food aid. Using their reserves of this food aid, Trocaire also distributed mackerel and soya beans.

#### 43. Drought

Emergency food aid drought relief in 1986 differed greatly from 1985 and 1984, since the pressing needs of the African drought no longer persisted in many of the countries. Total quantities for drought relief in 1986 were 46,740 t of cereals, 5,070 t SMP and 400 t of butteroil.

Ethiopia was allocated 20,000t of wheat for emergency distribution to drought victims by the NGO Lutheran World Foundation. Of the 822,000 destined recipients, over half were in the Wollo region in the North, a further 125 recipients in Shoa in Central Ethiopia and 275,000 in the South and South-West. Ethiopia also received 2,740 t of cereals, in the form of 2,000 t of wheat flour, and 170 t SMP via the NGO "World for Vision-UK". This food aid was distributed at 9 major feeding centres in Wollo, Shoa and Sidamo.

In Sudan, Oxfam-UK was allocated 5,000 t of cereals which were purchased as white maize in a "triangular operation" with Kenya for distribution in Southern Sudan.

Botswana, suffering its fifth consecutive year of drought, was allocated 4,000 t of cereals and 400 t SMP, quantities similar to normal food aid in previous years. These cereals were also purchased as white maize under a triangular operation with Zimbabwe.

Cape Verde and Mozambique received substantially increased food aid allocations in 1986 and therefore did not require any emergency food aid.

In the Mediterranean, Tunisia, Syria and Egypt received food aid for drought relief. In Tunisia drought had severely affected 37 % of the cereals-producing land in the South. The Commission allocated 5,000 t of wheat for sale to farmers in the worst-hit areas during the lean season.

Syria was suffering its fifth consecutive year of drought, especially severe in the South and South West and 5,000 t of cereals were allocated in the form of 3,650 t of wheat flour.

Egypt was in similar straits and 4,000 t of SMP were allocated for vulnerable groups in danger of severe malnutrition in the drought-ridden south.

Finally, Nepal was allocated 5,000 t cereals in the form of rice (3,100 t) for drought relief; lack of rain had delayed the planting of rice and the subsequent heavy rains destroyed much of the ripening crop. 67 % of rice and maize production was estimated to have been affected - a deficit of 185,000 t for the year.

#### 44. Internal conflict

Under this category the widest variety of foods was allocated: 39,870t of cereals, 2,850t SMP, 1,500t butteroil, 2,100t vegetable oil, 500t sugar and 16t of "rizine lactée". Food aid was distributed to victims of internal conflict: displaced persons in El Salvador, Lebanon, Kampuchea, Philippines and refugees in countries such as Algeria, Ethiopia, Honduras, Iran, Malawi, Mexico, Pakistan and Thailand, bordering those with civil conflict.

El Salvador requested aid in the form of vegetable oil, since oil seed crops remaining after destruction in the conflict would satisfy less than a quarter of annual demand. 400t of semi-refined palm oil were purchased from Honduras, processed in El Salvador and distributed via official channels.

1,300t of cereals in the form of 1,000t of wheat flour were allocated via the UNRWA in Lebanon for 60,000 refugees in camps in 5 main cities, including Beirut. In addition, 5,000t of cereals were allocated direct to the Government, for the relief of the increasing number of victims of the conflict who now lacked any own resources for producing food.

As in 1985, the NGO Trocaire distributed 16t of "rizine lactée" in Kampuchea. This product is a baby-weaning food made of a mixture of rice and milk.

In the Philippines, the ICRC distributed 500 t EC vegetable oil under relief programmes for people displaced following the increased tension in the country. The ICRC also distributed 100t of olive oil among Sahroui refugees in Southern Algeria.

LICROSS was allocated 3,500 t of cereals for Mozambican refugees in Malawi. These were estimated to number 70,000 by the end of 1986. The Commission, aware of Malawi's white maize surplus, authorised LICROSS to purchase the cereals aid locally.

Finally, the UNHCR was allocated a total of 30,000t of cereals, 2850t SMP, 1,500t butteroil, 1,000t vegetable oil and 500t sugar for distribution to refugees in 6 countries. Kampuchean refugees in Thailand were twice allocated 15,000t of cereals, Afghan refugees in Pakistan received 2,500t SMP and 1,000t butteroil and, finally, 350t SMP, 1,000t vegetable oil and 500t sugar were shared between Afghan refugees in Iran, Guatemalans in Mexico, Salvadoreans and Nicaraguans in Honduras and Sudanese in Ethiopia.

#### 45. Other Emergency Circumstances

One 1986 emergency food aid allocation falls into none of the above categories; this was the case of 3,000t cereals for poverty-stricken families among the sugar-cane workers on the Philippine Negros Island, which produces 60% of the Philippine sugar. The NGO "Comité Catholique contre la faim et pour le Développement" was already working for the relief of these workers who were employed for only 120 days per annum in sugar cane working and had very few other employment possibilities. When the world sugar market collapsed and the national economy deteriorated, these workers became impoverished and malnutrition spread rapidly. The CCFD therefore distributed the EC 3,000t cereals (1,035 t of rice) over 3 months to 64,000 worst-hit families. The total cost of this unusual emergency operation came to only US\$ 181,143.



VI - MOBILISATION OF FOOD AID

46. The rate at which the mobilisation of allocations from the 1986 programme was executed was similar to that of the previous year in the case of cereals (1986 : 67 %; 1985 : 63 %) and butteroil (1986 : 47 %; 1985 : 44 %) but was somewhat lower in the case of milk powder (1986 : 52 %; 1985 : 59 %).

	<u>Mobilisations 1986 Programme</u>		
	<u>Quantities foreseen in budget</u>	<u>Quantities mobilised/ in process</u>	<u>Remaining to be executed</u>
Cereals	1.160.000	777.669	382.331
Skimmed Milk Powder	94.100	49.048	45.052
Butteroil	27.300	12.759	14.541

These figures refer to the quantities for which the mobilisation procedure was engaged in the course of 1986. The proportion of these quantities which not only had been mobilised but for which delivery was also completed was lower for cereals and milk powder in 1986 than 1985 but higher for butteroil. If, furthermore, account is taken of the mobilisation of the smaller quantities carried over as reserves from the previous programme, then it may be concluded that the execution of food aid in 1986 proceeded more slowly than in 1985. The reasons for this are well known and are the same as those analysed in point 30 of the report on the 1984 programme :

47. "30. The time taken to ensure the delivery of food aid, once the Commission allocation decision was made, is determined by many factors there is first of all the need for a formal response by the beneficiary government accepting the conditions attached to the allocation by the Commission. (Where food aid is destined for sale, for example, these conditions refer to pricing policies, management of counterpart funds, the level of normal food imports, etc.). For international organisations, it is sometimes the case that a global allocation, to the World Food Programme for instance, is mobilised progressively over time, in separate lots for different destinations, according to need. The time required to set up the contracts for the supply and delivery of food aid, usually by public tender, has to be taken into account also, before reckoning the time taken for the actual transportation of aid to destination.

.../...

The supply of cereals and dairy products, which is overseen by the Community marketing organisations and governed by Commission regulations 1974/80<sup>(1)</sup> and 1354/83<sup>(2)</sup>, involves more lengthy procedures than for other food products. Efforts were nevertheless made during 1984 to streamline procedures within the limits of existing regulations."

Clearly the important question is whether or not the efforts mentioned in the above passage have brought satisfactory results. In fact the experience of 1986 cannot effectively be used as a basis for judgement because the negotiation of a new structure for food aid proved to be more complex and protracted than foreseen. Indeed, the new food aid mobilisation regulation was not adopted until July 1987.

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(1) O.J. L 192 of 26.7.1980

(2) O.J. L 142 of 1.6.1983.

## VII - EC TRIANGULAR OPERATIONS

### 43. A. Introduction and Legislative Basis

Triangular Operations (TOs) consist of purchases by the Commission of food aid products from one developing country, for delivery to another.

The first EC TO took place in 1978, when Botswana, having refused its cereal allocation in the form of European yellow maize, received 500t of white maize purchased in the region from Zambia. However, TOs became part of food aid policy implementation only in 1982, in the Framework Regulation 3331/82/EEC. According to Article 3.1, the purpose of TOs was to act as a "safety-net" either when the product requested by the beneficiary Government proved unavailable on the Community market or in the mobilisation of an emergency allocation. In the latter case, the food aid was intended to reach its destination more quickly, having been purchased nearby, thus avoiding the loss of time associated with mobilisation from Europe. Instances of the latter were relatively few (only one in 1986), which shows that 3331/82 considered TOs simply as competing against normal Community market supplies, not as instruments for development. This restrictive legislation led to a number of incongruous situations or anomalies in the four programme years based on 3331/82. These were in addition to the usual TO problems such as the fluctuating staples production in LDCs, leading to difficulties in relying on the same supplier from one year to the next, and so on.

49. The adoption of Council Regulation 3972/86 changed the context, applicability and procedures for TOs. In general, they are now regarded as possible development instruments. In addition to the usual expected benefits of food aid, TOs are (implicitly) intended to help the following:

(1) the beneficiary, by reducing transport delays and delivering traditional consumed varieties of staples;

(2) the supplier country, by assisting the marketing of local staples surpluses, by easing the balance-of-payments through stimulating exports and by supporting Government pricing policies through stabilising domestic production stocks; and

(3) the region of countries, by absorbing regular surpluses and relieving chronic deficits, thereby reducing storage and import costs respectively, and thus encouraging and freeing capital for the build-up of intra-regional trade infrastructure.

Finally, under 3972/86 all TOs are conducted through invitations to tender.

50. B. 1986 Commission Triangular Operations

The Commission conducted 20 IOs under the 1986 programme, with cereals, pulses and vegetable oil from 8 supplier countries to 14 recipients. Quantities totalled 77,300t of white maize, 18,500 t of rice, 20,000 t of sorghum, 9,900 t of beans, 800 t of lentils and 400 t of semi-refined palm oil. (See Tables 5a, 5b and 5c).

With three exceptions, all IOs took place within the same region of countries: from Zimbabwe and Kenya to Southern Africa and the Horn, from Senegal to another Sahel country, and from Argentina and Honduras to Central America.

Whilst tenders were not awarded solely on the basis of their proximity, preference was given to suppliers in the same region when the criteria of variety, quality and cost allowed. The dominant role of Zimbabwe in 1986 white maize IOs was due not only to a large exportable surplus, but to the Zimbabwean grain market becoming increasingly known for its good quality maize, efficiently delivered at competitive prices.

Of the 20 IOs, 3 were for emergency food aid, 2 indirect normal for the UNHCR, and 17 direct for beneficiary Governments.

51. The three emergency allocations together accounted for 8 % of total emergency cereals quantities, (but as much as a quarter of emergency cereals for Sub-Saharan Africa) and 20 % of emergency vegetable oil.

In this context, an outstanding example of the problems associated with food aid transport was the purchase of Kenyan white maize on behalf of Oxfam (UK) for distribution in Juba, Southern Sudan, which could not be reached from Port Sudan. 5,000 t of maize were purchased from the parastatal NCPB for transport by a Zimbabwean company. However, that transport was in turn rendered almost impossible by simultaneous and sometimes cumulative problems of : insecure roads, some of which were land-mined; ancient, rusting bridges unable to support the loaded trucks; inability to use local aircraft in areas of civil conflict; the constantly changing political relationships between the Governments of the 4 countries concerned (Kenya, Uganda, Zaire and Sudan). The operation should normally have been concluded within two months. Yet, despite unremitting efforts by all concerned, it took 8 to 9 months for the first 3,125 t to be delivered, 2,000 t of which was with the help of WFP under military escort.

This example shows the sort of the problems that can arise while implementing triangular operations. It also puts the recurrent complaints of delays and bureaucratic obstacles by Community institutions into a completely different light.

52. Of the direct normal food aid allocations, Tables 2b and 5a show that 10% of cereals were purchased as TOs, but 90% of beans, which are not usually produced in the EC

Most of the 1986 TOs went through smoothly and according to the procedure already outlined. One delivery took place only one month after the allocation decision. The average was an unsurprising 5 1/2 months, since normal food aid is programmed for arrival some months after the Commission decision, in order to allow for mobilisation procedures and arrival during the lean season. In some cases, shipments had to be delayed in order to avoid congestion at ports of disembarkation, especially in Ethiopia.

### VIII - CONCLUSIONS

53. In 1986 it was possible to shift the emphasis of Community food aid policy (both direct and indirect) from a preoccupation with short term emergencies to a greater interest in long term development. That this was possible was indeed partly due to the improved conditions in Sub-Saharan Africa. However it was also due to the growing realisation that the problems of long term food security in developing countries could be addressed best by a food aid policy that was clearly established as an instrument of overall development policy. This conviction was translated into practical reality through the adoption of the new framework regulation (Council Regulation 3972/86) adopted in December 1986. This regulation not only enhanced and enlarged the developmental aspects of food aid policy (such as multiannual programmes, substitution actions and triangular operations) but also paved the way for the adoption of a new regulation governing the mobilisation of food aid (Council Regulation 2200/87 of 25/7/87) by which executive responsibility for food aid operations was devolved entirely upon the Commission.

## EC FOOD AID BUDGET

## 1985 AND 1986 PROGRAMMES

Article item	Heading	1985		1986	
		Commitment appropriations (1) (MECU)	Quantities ( <sup>'</sup> 000 T)	Commitment appropriations (1) (MECU)	Quantities ( <sup>'</sup> 000 T)
	<u>Chapter 92</u>	<u>635.5948</u>	.	<u>693.6</u>	
<u>920</u>	<u>Cereals</u>	<u>261.8</u>	<u>1,160.0</u>	<u>299.4</u>	<u>1,160.0</u>
9201	Current programme for cereals other than rice (Obligatory expenditure)	188.0	727.7	188.0	727.7
9203	Current programme for rice, quantities in cereals equiv. (Obligatory expenditure)	33.4	200.0	33.4	200.0
9204	Additional food aid in cereals	40.4	232.3	78.0	232.3
<u>921</u>	<u>Dairy Products</u>	<u>263.0</u>	<u>137.3</u>	<u>233.0</u>	<u>121.4</u>
	<u>Milk powder</u>	<u>150.0</u>	<u>108.6</u>	<u>150.0</u>	<u>94.1</u>
9211	Current programme	150.0	108.6	150.0	94.1
	<u>Butteroil</u>	<u>113.0</u>	<u>28.7</u>	<u>83.0</u>	<u>27.3</u>
9213	Current programme	113.0	28.7	83.0	27.3
<u>922</u>	<u>Sugar</u>	<u>3.0</u>	<u>11.0</u>	<u>3.0</u>	<u>3.9</u>
9221	Current programme	3.0	11.0	3.0	3.9
<u>923</u>	<u>Meat</u>	<u>10.0</u>	<u>9.1</u>	<u>10.0</u>	<u>7.6</u>
<u>924</u>	<u>Other commodities</u>				
	quantities in cereals equiv.	<u>30.0</u>	(211.7)	<u>30.0</u>	(121.8)
<u>925</u>	<u>Food aid transport costs</u>	<u>62.2</u>		<u>102.0</u>	
<u>926</u>	<u>Expenditure resulting from EEC/UNRWA Convention</u>	<u>3.5948</u>		<u>4.0</u>	
<u>927</u>	<u>Other expenditure associated with food aid</u>	<u>2.0</u>		<u>2.0</u>	
9270	Exceptional measures for implementing food aid	0.8			
9271	Control of supply and delivery of food aid	1.2			
<u>928</u>	<u>Exceptional reserve</u>	-	-	(2)	132 (2)
<u>929</u>	<u>Alternative operations "substitutions". in cereals equiv.</u>	-	-	<u>10.0</u>	(65.0)

(1) Including funds for extra costs of commitments under previous years' programmes

(2) Introduced to continue work of Dublin Plan : in 1986, line 928 was included in Chapter 100 and covered by appropriations under art. 920

Table 1b

EC FOOD AID BUDGET QUANTITIES ('000 tonnes)1984, 1985 AND 1986 PROGRAMMES

PRODUCT	1984	1985	1986	
			Commission Request	Council 2nd Reading
Cereals	1,127.7	1,160.0	1,160	1,292.0
SMP	122.5	108.6	120	94.1
BO	32.8	28.7	35	27.3
Veg.Oil	20.0	9.1	20	8.6
Sugar	13.5	11.0	11	3.9
Other products (MECUs)	23.0	30.0	23	30.0

Table 1c

EC FOOD AID PRICES & TRANSPORT COSTS (ECU/T)1986 PROGRAMME

PRODUCT	WORLD PRICE	TRANSPORT COSTS	
		CIF	FAD
Cereals	153.5	40	140
Non-vitamised SMP	934.6	160	290
Vitamised SMP	1,057.4		
Butteroil	2,134.1	180	320
Vegetable oil	1,100	120	210
Sugar	307.4	75	190
Beans	800	130	180
Dried fish	1,500	180	320



FC FOOD AID BUDGET: THE "WEIGHT OF THE PAST"1986 BUDGET

<u>Headings</u>	<u>Commitment Appropriations</u>	<u>Including credits for 1984 and 1985 programmes</u>	<u>Remaining credits for 1986 programme</u>
Cereals	188.04	25.9	158.5
Rice	33.4	9.9	23.5
Additional Cereals	<u>78.0</u>	<u>3.0</u>	<u>75.0</u>
	299.4	42.4	257.0
Milk Powder	150.0	55.7	94.3
Butteroil	83.0	20.5	62.5
Sugar	3.0	1.8	1.2
Veg. Oil	10.0	4.7	5.3
Other Products	30.0	11.3	18.7
TOTAL	575.4	136.4	439.0

Table 1e

## EC FOOD AID : BREAKDOWN INTO DIRECT/INDIRECT AND NORMAL/EMERGENCY

(In tonnes)

## 1984 PROGRAMME

REGIONS AND COUNTRIES	CEREALS			SKIMMED MILK POWDER			BUTTEROIL		
	DIRECT	INDIRECT	Total	DIRECT	INDIRECT	Total	DIRECT	INDIRECT	Total
	Normal Emerg.	Normal Emerg.		Normal Emerg.	Normal Emerg.		Normal Emerg.	Normal Emerg.	
<b>SAMEL</b>	<b>21,000</b>	<b>11,934</b>	<b>32,934</b>	<b>1,100</b>	<b>4,614</b>	<b>5,714</b>	<b>400</b>	<b>412</b>	<b>1,012</b>
Burkina Faso	-	2,500	2,500	-	395	395	-	50	50
Cabo Verde	9,000	655	9,655	-	365	365	-	-	-
Gambia	-	961	961	-	373	373	-	-	-
Mali	-	1,357	1,357	500	1,164	1,664	200	200	400
Mauritanie	12,000	4,617	16,617	400	585	85	400	82	482
Niger	-	-	-	200	728	28	-	30	30
Sénégal	-	1,042	1,042	-	1,984	1,984	-	50	50
Tchad	-	-	-	-	120	120	-	-	-
<b>WEST AFR.</b>	<b>28,000</b>	<b>320</b>	<b>28,320</b>	<b>1,450</b>	<b>1,120</b>	<b>2,640</b>	<b>350</b>	<b>-</b>	<b>350</b>
Benin	-	-	-	-	237	237	-	-	-
Cote d'Ivoire	-	-	-	-	60	60	-	-	-
Ghana	10,000	-	10,000	750	520	1,270	250	-	250
Guinée	6,000	-	6,000	-	110	110	-	-	-
Guinée-Bissau	6,000	284	6,284	300	158	458	100	-	100
Sierra Leone	6,000	-	6,000	400	40	440	-	-	-
Togo	-	34	34	-	65	65	-	-	-
<b>CENTRAL AFR.</b>	<b>1,250</b>	<b>2,642</b>	<b>3,892</b>	<b>-</b>	<b>222</b>	<b>222</b>	<b>-</b>	<b>120</b>	<b>120</b>
Cameroun	-	-	-	-	21	21	-	-	-
Centrafrique	-	170	170	-	180	180	-	-	-
Congo	-	-	-	-	125	125	-	-	-
Sao Tomé	1,250	-	1,250	-	55	55	-	-	-
Zaire	-	2,479	2,479	-	618	618	-	120	120
<b>HORN OF A</b>	<b>124,000</b>	<b>103,714</b>	<b>227,740</b>	<b>2,200</b>	<b>10,533</b>	<b>12,903</b>	<b>1,200</b>	<b>425</b>	<b>1,625</b>
Djibouti	4,000	-	4,000	-	150	150	-	-	-
Ethiopia	100,000	56,495	156,495	1,600	1,340	3,110	1,000	280	1,280
Somalia	-	37,960	37,960	-	5,988	5,988	-	-	-
Sudan	20,000	9,259	29,259	600	3,055	3,655	200	145	345
<b>INDIAN OC.</b>	<b>21,000</b>	<b>2,000</b>	<b>23,000</b>	<b>1,000</b>	<b>3,100</b>	<b>4,100</b>	<b>440</b>	<b>1,140</b>	<b>2,050</b>
Botswana	-	172	172	-	130	130	-	-	-
Kenya	11,000	-	11,000	-	215	215	-	-	-
Rwanda	-	222	222	-	130	130	-	550	550
Tanzania	10,000	116	10,116	1,200	130	1,330	340	255	595
Uganda	-	773	773	500	2,636	3,136	100	805	905
<b>INDIAN OC.</b>	<b>22,000</b>	<b>530</b>	<b>22,530</b>	<b>450</b>	<b>1,322</b>	<b>1,742</b>	<b>180</b>	<b>-</b>	<b>180</b>
Comores	2,000	-	2,000	100	100	200	-	-	-
Madagascar	20,000	430	20,430	350	1,199	1,649	180	-	180
Mauritius	-	100	100	-	100	100	-	-	-
<b>SOUTHERN A.</b>	<b>117,000</b>	<b>4,000</b>	<b>121,000</b>	<b>200</b>	<b>4,000</b>	<b>4,200</b>	<b>300</b>	<b>465</b>	<b>765</b>
Angola	18,000	9,170	27,170	600	1,313	1,913	200	270	470
Botswana	-	4,000	4,000	-	400	400	-	-	-
Lesotho	9,000	410	9,410	-	-	-	-	-	-
Malawi	-	-	3,500	-	-	-	-	-	-
Mozambique	90,000	16,049	106,049	300	1,824	2,124	100	130	230
Swaziland	-	493	493	-	380	380	-	-	-
Zambia	-	306	306	-	433	433	-	35	35
Zimbabwe	-	-	-	-	50	50	-	30	30
<b>SUB-SAHARAN AFRICA</b>	<b>334,250</b>	<b>4,000</b>	<b>338,250</b>	<b>7,800</b>	<b>25,976</b>	<b>33,446</b>	<b>3,070</b>	<b>3,032</b>	<b>6,102</b>
<b>CARIBBEAN</b>				<b>300</b>	<b>50</b>	<b>850</b>	<b>200</b>		<b>200</b>
Guyana	-	-	-	800	50	350	100	-	100
Jamaica	-	-	-	300	-	500	100	-	100
<b>TOTAL ACP</b>	<b>334,250</b>	<b>4,000</b>	<b>338,250</b>	<b>8,600</b>	<b>26,026</b>	<b>35,296</b>	<b>3,270</b>	<b>3,032</b>	<b>6,302</b>

REGIONS AND COUNTRIES	CEREALS			SKIMMED MILK POWDER			BUTTEROIL								
	DIRECT	INDIRECT		DIRECT	INDIRECT		DIRECT	INDIRECT							
	Normal Emerg.	Normal Emerg.	Total	Normal Emerg.	Normal Emerg.	Total	Normal Emerg.	Normal Emerg.	Total						
<b>MEDITERRANEAN</b>	<b>180,000</b>	<b>15,000</b>	<b>52,032</b>	<b>1,370</b>	<b>248,402</b>	<b>6,600</b>	<b>4,500</b>	<b>7,071</b>	<b>-</b>	<b>18,171</b>	<b>2,700</b>	<b>400</b>	<b>1,552</b>	<b>-</b>	<b>4,652</b>
Algerie	-	-	842	-	842	-	-	380	-	380	-	-	90	-	90
Egypte	170,000	-	15,333	-	185,333	3,300	4,000	586	-	7,886	2,500	-	-	-	2,500
Jordanie	-	-	7,075	-	7,075	-	-	1,090	-	1,090	-	-	170	-	170
-Cis J/Gaza	-	-	3,043	-	3,043	-	-	1,112	-	1,112	-	-	390	-	390
Liban	10,000	5,000	2,580	1,370	18,950	300	-	1,218	-	1,518	200	-	205	-	405
Maroc	-	-	6,205	-	6,205	-	-	-	-	-	-	-	290	-	290
Syrie	-	5,000	6,073	-	11,073	-	500	1,855	-	2,355	-	400	364	-	764
Tunisie	-	5,000	6,400	-	11,400	3,000	-	320	-	3,320	-	-	50	-	50
Yemen PDR	-	-	2,868	-	2,868	-	-	510	-	510	-	-	-	-	-
<b>L. AMERICA</b>	<b>21,000</b>	<b>-</b>	<b>33,778</b>	<b>250</b>	<b>57,028</b>	<b>5,400</b>	<b>-</b>	<b>14,528</b>	<b>-</b>	<b>20,358</b>	<b>700</b>	<b>-</b>	<b>2,027</b>	<b>-</b>	<b>2,727</b>
Argentina	-	-	-	-	-	-	-	40	-	40	-	-	-	-	-
Bolivia	12,000	-	-	-	12,000	1,000	-	772	-	1,722	200	-	175	-	375
Brazil	-	-	458	-	458	-	-	284	-	284	-	-	-	-	-
Chile	-	-	9,358	-	9,358	-	-	4,395	-	4,395	-	-	260	-	260
Colombia	-	-	802	-	802	-	-	695	-	695	-	-	-	-	-
Cuba	-	-	-	-	-	-	-	2,635	-	2,635	-	-	600	-	600
Dominica	-	-	53	-	53	-	-	64	-	64	-	-	-	-	-
Dominican Rep	-	-	290	-	290	-	-	435	-	435	-	-	-	-	-
Ecuador	-	-	-	-	-	200	-	445	-	645	-	-	-	-	-
El Salvador	-	-	3,520	250	3,770	-	-	430	-	430	-	-	-	-	-
Guatemala	-	-	5,140	-	5,140	-	-	1,408	-	1,408	-	-	135	-	135
Haiti	-	-	7,240	-	7,240	-	-	1,085	-	1,085	-	-	140	-	140
Honduras	-	-	-	-	-	800	-	30	-	830	-	-	-	-	-
Mexico	-	-	1,356	-	1,356	-	-	100	-	100	-	-	-	-	-
Nicaragua	5,000	-	5,679	-	10,679	1,000	-	767	-	2,567	300	-	682	-	982
Paraguay	-	-	-	-	-	-	-	109	-	109	-	-	-	-	-
Peru	6,000	-	845	-	6,845	1,600	-	1,132	-	2,732	200	-	20	-	220
Uruguay	-	-	37	-	37	-	-	182	-	182	-	-	15	-	15
<b>ASIA</b>	<b>202,000</b>	<b>32,000</b>	<b>143,277</b>	<b>34,500</b>	<b>411,277</b>	<b>1,400</b>	<b>-</b>	<b>8,875</b>	<b>2,500</b>	<b>12,775</b>	<b>300</b>	<b>-</b>	<b>3,240</b>	<b>1,500</b>	<b>5,040</b>
Bangladesh	152,000	-	30,200	-	182,200	-	-	50	-	50	-	-	-	-	-
Burma	-	-	-	-	-	-	-	50	-	50	-	-	-	-	-
China	-	-	-	-	-	-	-	3,033	-	3,033	-	-	250	-	250
India	-	-	200	-	200	-	-	-	-	-	-	-	-	-	-
Indonesia	-	-	19,928	-	19,928	800	-	581	-	1,381	300	-	70	-	370
Iran	-	-	8,000	-	8,000	-	-	-	-	-	-	-	-	-	-
Kampuchea	-	-	1,449	-	1,449	-	-	-	-	-	-	-	-	-	-
Nepal	10,000	5,000	-	-	15,000	-	-	86	-	86	-	-	65	-	65
Pakistan	-	-	62,766	-	62,766	600	-	582	2,500	3,682	-	-	2,300	1,500	3,800
Philippines	-	-	100	3,000	3,100	-	-	-	-	-	-	-	-	-	-
Sri Lanka	40,000	-	34	-	40,034	-	-	330	-	330	-	-	-	-	-
Thailand	-	-	30,000	30,000	30,000	-	-	25	-	25	-	-	-	-	-
Vietnam	-	-	1,500	1,500	1,500	-	-	333	-	333	-	-	40	-	40
<b>TOTAL NON-ACP</b>	<b>405,000</b>	<b>47,000</b>	<b>229,094</b>	<b>36,120</b>	<b>717,214</b>	<b>13,400</b>	<b>4,500</b>	<b>30,904</b>	<b>2,500</b>	<b>51,304</b>	<b>3,700</b>	<b>400</b>	<b>6,826</b>	<b>1,500</b>	<b>12,426</b>
<b>TOTAL ALL COUNTRIES</b>	<b>739,250</b>	<b>51,000</b>	<b>375,952</b>	<b>36,120</b>	<b>1,233,762</b>	<b>22,000</b>	<b>4,900</b>	<b>56,930</b>	<b>2,770</b>	<b>86,600</b>	<b>6,970</b>	<b>400</b>	<b>9,958</b>	<b>1,500</b>	<b>18,718</b>
<b>DESTINATION NOT YET KNOWN</b>	<b>10,000</b>	<b>-</b>	<b>48,238</b>	<b>-</b>	<b>58,238</b>	<b>-</b>	<b>-</b>	<b>7,150</b>	<b>350</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>8,572</b>	<b>-</b>	<b>8,572</b>
<b>GRAND TOTAL</b>	<b>749,250</b>	<b>51,000</b>	<b>424,190</b>	<b>67,560</b>	<b>1,292,000</b>	<b>22,000</b>	<b>4,900</b>	<b>64,080</b>	<b>3,120</b>	<b>94,100</b>	<b>6,970</b>	<b>400</b>	<b>18,430</b>	<b>1,500</b>	<b>27,300</b>
<b>TOTAL AS % TOTAL ALLOCATED</b>	<b>58</b>	<b>4</b>	<b>33</b>	<b>5</b>	<b>100%</b>	<b>24</b>	<b>5</b>	<b>68</b>	<b>3</b>	<b>100%</b>	<b>26</b>	<b>2</b>	<b>68</b>	<b>5</b>	<b>100%</b>
	<b>62</b>		<b>38</b>			<b>29</b>		<b>71</b>			<b>27</b>		<b>73</b>		

## Notes:

- (1) Includes 132,000t from the exceptional reserve, for Ethiopia and Mozambique  
(2) Includes allocations on 1986 credits for 1987 WFP projects: 14,190t cereals and 7,175t butteroil  
(3) Includes 7,110 t SHP allocated to NGOs from remaining 1986 programme food aid reserves, for 1987 NGO projects.  
(4) UNHCR: shared between Ethiopia, Iran, Honduras, Mexico for refugees.

Table 2a

## EC NORMAL DIRECT FOOD AID

## 1985 AND 1986 PROGRAMMES

( in tonnes )

REGION / COUNTRY	Cereals		S.M.P.		Butteroil		Veg. Oil		Sugar		Other Products (MECU)	
	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
<b>SAHEL</b>	<u>105,000</u>	<u>21,000</u>	<u>2,300</u>	<u>1,100</u>	<u>1,500</u>	<u>600</u>						
Dominican Rep.	11,000	(1)	--	--	-	-	-	-	-	-	-	-
Cabo Verde	7,000	9,000	600	--	200	-	-	-	-	-	-	-
Mali	14,000	(1)	500	500	200	200	-	-	-	-	-	-
Mauritanie	14,000	12,000	800	400	800	400	-	-	-	-	-	-
Niger	26,000	(1)	400	200	-	-	-	-	-	-	-	-
Sénégal	17,000	-	-	-	-	-	-	-	-	-	-	-
Tchad	16,000	(1)	-	-	300	-	-	-	-	-	-	-
<b>WEST AFRICA</b>	<u>25,000</u>	<u>28,000</u>	<u>1,200</u>	<u>1,450</u>	<u>400</u>	<u>350</u>						
Ghana	10,000	10,000	900	750	300	250	-	-	-	-	-	-
Guinée Con.	4,000	6,000	-	-	-	-	-	-	-	-	-	-
Guinée Biss.	5,000	6,000	300	300	100	100	-	-	-	-	-	-
Sierra Leone	6,000	6,000	-	400	-	-	-	-	-	-	-	-
<b>CENTRAL AFRICA</b>	<u>1,000</u>	<u>1,250</u>					<u>100</u>	<u>100</u>				
Sao Tomé e Prin.	1,000	1,250	-	-	-	-	100	100	-	-	-	-
<b>HORN OF AFRICA</b>	<u>122,000</u>	<u>124,000</u>	<u>2,600</u>	<u>2,200</u>	<u>1,600</u>	<u>1,200</u>	<u>300</u>	<u>800</u>				<u>0.16</u>
Djibouti	4,000	4,000	-	-	-	-	-	-	-	-	-	0.16
Sudan	(3)	20,000	1,000	600	500	200	-	500	-	-	-	-
<b>EAST AFRICA</b>	<u>21,000</u>	<u>21,000</u>	<u>1,300</u>	<u>1,700</u>	<u>340</u>	<u>440</u>						
Burundi	-	-	100	-	-	-	-	-	-	-	-	-
Kenya	11,000	11,000	-	-	-	-	-	-	-	-	-	-
Tanzania	10,000	10,000	1,200	1,200	340	340	-	-	-	-	-	-
Uganda	-	-	-	500	-	100	-	-	-	-	-	-
<b>INDIAN OCEAN</b>	<u>16,000</u>	<u>22,000</u>	<u>700</u>	<u>450</u>	<u>300</u>	<u>180</u>	<u>100</u>		<u>200</u>	<u>100</u>		
Comores	1,000	2,000	300	100	100	-	100	200	100	-	-	-
Madagascar	15,000	20,000	400	350	200	180	-	-	-	-	-	-
<b>SOUTHERN AFRICA</b>	<u>80,000</u>	<u>117,000</u>	<u>500</u>	<u>900</u>	<u>100</u>	<u>300</u>	<u>300</u>	<u>1,200</u>			<u>1.6</u>	<u>3.2</u>
Angola	13,000	18,000	-	600	-	200	-	-	-	-	-	-
Botswana	4,000	(4)	200	(4)	-	-	-	-	-	-	-	-
Lesotho	3,000	9,000	-	-	-	-	-	-	-	-	-	-
Mozambique	40,000	90,000 (2)	300	300	100	100	300	1,200	-	-	1.6	3.2
Zambia	15,000	(1)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL AFRICA</b>	<b>370,000</b>	<b>334,250</b>	<b>8,600</b>	<b>7,800</b>	<b>4,240</b>	<b>3,070</b>	<b>700</b>	<b>2,200</b>	<b>200</b>	<b>100</b>	<b>1.6</b>	<b>4.96</b>

contd.

Table 2a contd.

( in tonnes)

REGION / COUNTRY	Cereals		S.M.P.		Butteroil		Veg. Oil		Sugar		Other Produ (MECU)	
	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
<b>CARIBBEAN</b>			<u>1,000</u>	<u>800</u>	<u>325</u>	<u>200</u>						
Grenada	-	-	200	-	40	-	-	-	-	-	-	-
Guyana	-	-	300	300	185	100	-	-	-	-	-	-
Jamaica	-	-	500	500	100	100	-	-	-	-	-	-
<b>TOTAL A.C.P.</b>	<b>370,000</b>	<b>334,250</b>	<b>9,600</b>	<b>8,600</b>	<b>4,565</b>	<b>3,270</b>	<b>700</b>	<b>2,200</b>	<b>200</b>	<b>100</b>	<b>1.6</b>	<b>4.96</b>
<b>MEDITERRANEAN</b>	<u>128,000</u>	<u>180,000</u>	<u>8,000</u>	<u>6,600</u>	<u>2,100</u>	<u>2,700</u>			<u>1,000</u>			
Egypte	120,000	170,000	4,500	3,300	1,900	2,500	-	-	1,000	-	-	-
Liban	8,000	10,000	500	300	200	200	-	-	-	-	-	-
Tunisie	-	-	3,000	3,000	-	-	-	-	-	-	-	-
<b>LATIN AMERICA</b>	<u>19,000</u>	<u>23,000</u>	<u>5,200</u>	<u>5,400</u>	<u>700</u>	<u>700</u>	<u>1,000</u>	<u>1,000</u>			<u>3.6</u>	<u>3.6</u>
Bolivia	10,000	12,000	1,000	1,000	200	200	500	500	-	-	0.8	0.8
Ecuador	-	-	200	200	-	-	-	-	-	-	-	-
Haiti	2,000	(1)	-	-	-	-	-	-	-	-	-	-
Honduras	-	-	800	800	-	-	-	-	-	-	-	-
Nicaragua	5,000	5,000	1,800	1,800	300	300	500	500	-	-	2.8	2.8
Peru	2,000	6,000	1,400	1,600	200	200	-	-	-	-	-	-
<b>ASIA</b>	<u>180,000</u>	<u>202,000</u>	<u>17,400</u>	<u>1,400</u>	<u>4,400</u>	<u>300</u>	<u>1,500</u>	<u>1,500</u>				
Bangladesh	140,000	132,000	-	-	-	-	1,000	1,000	-	-	-	-
India	-	-	16,000	-	3,750	-	-	-	-	-	-	-
Indonesia	-	-	-	800	-	300	-	-	-	-	-	-
Nepal	-	10,000	-	-	-	-	-	-	-	-	-	-
Pakistan	-	-	800	600	650	-	500	500	-	-	-	-
Philippines	-	-	600	-	-	-	-	-	-	-	-	-
Sri Lanka	40,000	40,000	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-ACP</b>	<b>527,000</b>	<b>405,000</b>	<b>30,600</b>	<b>13,400</b>	<b>7,200</b>	<b>3,700</b>	<b>2,500</b>	<b>2,500</b>	<b>1,000</b>	<b>-</b>	<b>3.6</b>	<b>3.6</b>
<b>TOTAL ALL COUNTRIES</b>	<u><b>697,000</b></u>	<u><b>739,250</b></u>	<u><b>40,200</b></u>	<u><b>22,000</b></u>	<u><b>11,765</b></u>	<u><b>6,970</b></u>	<u><b>3,200</b></u>	<u><b>4,700</b></u>	<u><b>1,200</b></u>	<u><b>100</b></u>	<u><b>5.2</b></u>	<u><b>8.56</b></u>
<b>RECAP.:</b>												
Sub-Saharan Africa	370,000	334,250	8,600	7,800	4,240	3,070	700	2,200	200	100	1.6	4.96
Caribbean	-	-	1,000	800	325	200	-	-	-	-	-	-
Mediterranean	128,000	180,000	8,000	6,600	2,100	2,700	-	-	1,000	-	-	-
Latin America	19,000	23,000	5,200	5,400	700	700	1,000	1,000	-	-	3.6	3.6
Asia	180,000	202,000	17,400	1,400	4,400	300	1,500	1,500	-	-	-	-

(1) "Substitution" actions

(2) From the Exceptional Reserve : Ethiopia, 60,000 t cereals ; Mozambique, 40,000 t cereals, 1,000 t vegetable oil and 1.6 MECU of other products.

(3) Sudan : 16,000 t cereals mobilised as emergency aid

(4) Botswana : 4,000 t cereals and 400 t SMP mobilised as emergency aid

1986 PROGRAMME

COUNTRY	DECISION DATE (1986)	QUANTITIES (in tonnes)						BUDGETARY VALUE (in Mecu)											
		CERCALLS	SMP	BO	VO	SUGAR	BEANS	TRANSPORT	CERCALLS	SMP	BO	VO	SUGAR	BEANS	TRANSPORT	TOTAL			
<u>SAHEL</u>																			
Cabo Verde	10.02	21,000	1,100	600	-	-	2,000								1.08	1.28	1.50	3.43	10.61
Mali	10.12	9,000	-	-	-	-	2,000								-	-	1.50	0.62	3.60
Mauritanie	19.02	-	500	200	-	-	-								0.47	0.43	-	0.21	1.11
Niger	10.12	12,000	400V	400	-	-	-								0.42	0.85	-	1.93	5.04
		-	200	-	-	-	-								0.19	-	-	0.05	0.25
<u>WEST AFR.</u>																			
Ghana	18.07	23,000	1,450	350	-	-	-								1.40	0.74	-	1.42	7.86
Guinée	18.07	10,000	750	250	-	-	-								0.70	0.53	-	0.57	3.34
Guiné Bissau	27.10	6,000	-	-	-	-	-								-	-	-	0.24	1.16
Sierra Leone	18.07	6,000	300	100	-	-	-								0.28	0.21	-	0.31	1.72
		6,000	400V	-	-	-	-								0.42	-	-	0.30	1.64
<u>CENTRAL AFR.</u>																			
Sao Tomé	27.10	1,250	-	-	100	-	-								-	-	-	0.11	0.36
		1,250	-	-	100	-	-								-	-	-	0.11	0.36
<u>HORN OF AFR.</u>																			
Djibouti	03.07	124,000	2,000	1,200	800	-	200								2.25	2.56	0.16	16.01	40.89
Ethiopia (1)	19.02	4,000	-	-	-	-	200								-	-	-	0.19	0.96
Ethiopia	24.04	100,000	-	-	-	-	-								-	-	-	14.00	29.35
Sudan	27.10	20,000	1,600V	1,000	300	-	-								1.69	2.13	-	0.84	4.99
		20,000	600	200	500	-	-								0.56	0.43	-	0.98	5.59
<u>EAST AFR.</u>																			
Kenya	27.10	21,000	1,700	440	-	-	-								1.59	0.94	-	0.83	6.59
Tanzania	10.12	11,000	-	-	-	-	-								-	-	-	-	1.69
Uganda	24.04	10,000	1,200	340	-	-	-								1.12	0.73	-	0.65	4.04
		-	500	100	-	-	-								0.47	0.21	-	0.18	0.86
<u>INDIAN OCEAN</u>																			
Comores	18.07	22,000	450	180	100	-	100								0.44	0.38	-	0.12	4.45
Madagascar	03.07	2,000	100V	-	100	-	100								0.11	-	-	0.12	0.67
		20,000	350	180	-	-	-								0.33	0.38	-	0.12	0.67
<u>SOUTHERN AFR.</u>																			
Angola	18.07	117,000	900	300	1,200	-	4,000								0.84	0.64	3.20	6.44	30.41
Botswana	-	18,000	600	200	-	-	-								0.56	0.43	-	0.85	4.61
Lesotho	27.10	(2)	(2)	-	-	-	-								-	-	-	-	-
Mozambique	24.04	9,000	-	-	-	-	-								-	-	-	-	-
Mozambique (3)	27.10	50,000	300V	100	200	-	2,000								0.28	0.21	-	1.26	2.64
		40,000	-	-	1,000	-	2,000								-	-	-	2.35	12.34
<u>SUB-SAHARAN AFRICA</u>																			
		334,250	7,800	3,070	2,200	100	4,200								7.60	6.54	4.96	28.31	101.17

Table 2b contd.

COUNTRY	DECISION DATE (1986)	QUANTITIES (in tonnes)							BUDGETARY VALUE (1. MECU)							
		CEREALS	SMP	BO	VO	SUGAR	BEANS	TRANSPORT	CEREALS	SHP	BO	VO	SUGAR	BEANS	TRANSPORT	TOTAL
<b>CARIBBEAN</b>																
Guyana	03.07	-	800	200	-	-	-	-	-	-	-	-	-	-	0.07	1.30
Jamaica	03.07	-	300	100	-	-	-	-	-	-	-	-	-	-	0.07	0.56
		-	500V	100	-	-	-	-	-	-	-	-	-	-	-	0.74
<b>TOTAL A.C.P.</b>		334,250	8,600	3,270	2,200	100	6,200		51.31	8.41	6.96	2.42	0.03	4.96	28.38	102.47
<b>MEDITERRANEAN</b>																
Egypt	18.07	190,000	6,600	2,700	-	-	-	-	27.62	6.15	5.77	-	-	-	-	39.54
Egypt	03.09	120,000	3,300	2,500	-	-	-	-	18.42	3.08	5.34	-	-	-	-	26.84
Lebanon	18.07	50,000	-	-	-	-	-	-	7.67	-	-	-	-	-	-	7.67
Tunisia (4)	18.07	10,000	300	200	-	-	-	-	1.53	0.28	0.43	-	-	-	-	2.24
		-	3,000	-	-	-	-	-	-	2.79	-	-	-	-	-	2.79
<b>LATIN AMERICA</b>																
Bolivia	10.12	23,000	5,400	700	1,000	-	4,500	-	3.53	5.43	1.50	1.10	-	3.60	3.72	18.88
Ecuador	10.12	12,000	1,000V	200	500	-	1,000	-	1.84	1.06	0.43	0.55	-	0.80	2.32	7.00
Honduras	27.10	-	200V	-	-	-	-	-	-	0.21	-	-	-	-	-	0.21
Honduras	27.10	-	500	-	-	-	-	-	-	0.47	-	-	-	-	-	0.47
Honduras	27.10	-	300V	-	-	-	-	-	-	0.32	-	-	-	-	-	0.32
Nicaragua	18.07	5,000	1,800	300	500	-	3,500	-	0.77	1.68	0.64	0.55	-	2.80	1.06	7.50
Peru	18.07	6,000	-	-	-	-	-	-	0.92	-	-	-	-	-	-	0.92
Peru	18.07	-	1,600V	200	-	-	-	-	-	1.69	0.43	-	-	-	-	2.12
<b>ASIA</b>																
Bangladesh (5)	18.07	202,000	1,400	300	1,500	-	-	-	31.01	1.38	0.64	1.65	-	-	9.60	44.28
Indonesia	10.12	152,000	-	-	1,000	-	-	-	23.33	-	-	1.10	-	-	6.27	30.70
Nepal	10.12	10,000	800	300	-	-	-	-	-	0.75	0.64	-	-	-	0.18	1.57
Pakistan	10.12	-	-	-	-	-	-	-	1.54	-	-	-	-	-	1.40	2.94
Sri Lanka	03.07	40,000	600V	-	500	-	-	-	-	0.63	-	0.55	-	-	0.15	1.33
		-	-	-	-	-	-	-	6.14	-	-	-	-	-	1.60	7.74
<b>TOTAL NON A.C.P.</b>		405,000	13,400	3,700	2,500	-	4,500		62.16	12.96	7.91	2.75	-	3.60	13.32	102.70
<b>GRAND TOTAL</b>		739,250	22,000	6,970	4,700	100	10,700		113.47	21.37	14.87	5.17	0.03	8.56	41.70	205.17
<b>AS % TOTAL 1986 FOOD AID</b>		63.7	23.3	25.5	54.7	2.6	(28.5) of ECU									

SMP = skimmed milk powder

V = vitaminised skimmed milk powder

BO = butteroil

VO = vegetable oil

(1) 60,000 t. cereals from the exceptional reserve (Article 928)

(2) cereals and SMP sent as emergency aid

(3) from the exceptional reserve (Article 928)

(4) 3,000 tonnes of whole milk powder

(5) 0.06 MECU of the transport costs for WFP distribution controls

Table 2c

EC NORMAL DIRECT FOOD AID: FREE DISTRIBUTION1986 PROGRAMME

COUNTRY and Use	QUANTITIES (tonnes)					TOTAL VALUE ('000 ECU)
	Cereals	vit SMP	BO	VO	Beans	
<u>HORN OF AFR</u>						
Djibouti VGF	-	-	-	-	200	198
Ethiopia Drought/FFW	100,000	1,600	1,000	300	-	3,434
<u>WEST AFRICA</u>						
Sierra Leone VGF	-	400	-	-	-	423
Comores VGF	-	100	-	-	-	122
<u>CARIBBEAN</u>						
Jamaica VGF	-	500	100	-	-	742
<u>LATIN AMERICA</u>						
Bolivia VGF	12,000	1,000	200	500	1,000	6,985
Ecuador VGF	-	300	-	-	-	-
Brazil VGF	-	300	-	-	-	365
Peru VGF	-	1,600	200	-	-	2,411
<u>ASIA</u>						
Bangladesh VGF/FFW	20,000	-	-	-	-	3,870
Pakistan VGF	-	600	-	500	-	1,340
<b>TOTAL 1986</b>	<b>132,000</b>	<b>6,300</b>	<b>1,500</b>	<b>1,300</b>	<b>1,200</b>	<b>20,089</b>
As % total normal direct	18	29	22	28	11	12
1985 Free Distribution	146,500	8,110	2,835	1,300	1,200	na

(1) VGF: vulnerable-group feeding  
FFW: food for work

(2) Includes transport costs



Table 2d

## MODES OF TRANSPORT

EC FOOD AID1986 PROGRAMME

<u>SUB-SAHARAN</u> <u>AFRICA</u>	<u>CARIBBEAN</u>	<u>MEDITERRANEAN</u>	<u>LATIN AMERICA</u>	<u>ASIA</u>
(1) FREE AT DESTINATION (FAD)				
Ethiopia Lesotho Mali Mauritanie Niger Uganda	-	-	Bolivia	Nepal
(2) COST, INSURANCE, FREIGHT (CIF)				
Angola Cabo Verde Comores Djibouti Ghana Guinée Guiné Bissau Moçambique Sao Tomé Sierra Leone Sudan Tanzania	Guyana	-	Honduras Nicaragua Peru	Bangladesh Indonesia Pakistan Sri Lanka
(3) FREE ON BOARD (FOB)				
Kenya Madagascar	Jamaica	Egypte Liban Tunisie	Ecuador Honduras Peru	-

Table 3a

EC NORMAL NGO FOOD AID : BY BENEFICIARY COUNTRY1986 PROGRAMME

( in tonnes)

COUNTRY	CEREALS	SHP	BUTTEROIL	VEG.OIL	SUGAR	BEANS	DRIED FISH
<u>SAHEL</u>	<u>5,434</u>	<u>3,897</u>	<u>70</u>	<u>70</u>	<u>50</u>	<u>151</u>	<u>114</u>
Burkina Faso	-	395	-	30	20	54	29
Cabo Verde	655	365	-	-	-	15	-
Gambia	961	258	-	-	-	-	-
Mali	757	302	-	-	-	20	15
Mauritanie	1,319	135	40	-	-	-	15
Niger	-	413	30	20	30	17	30
Sénégal	1,742	1,909	-	20	-	45	25
Tchad	-	120	-	-	-	-	-
<u>WEST AFRICA</u>	<u>320</u>	<u>903</u>					
Bénin	-	100	-	-	-	-	-
Côte D'Ivoire	-	60	-	-	-	-	-
Ghana	-	520	-	-	-	-	-
Guiné Bissau	286	158	-	-	-	-	-
Togo	34	65	-	-	-	-	-
<u>CENTRAL AFR.</u>	<u>2,649</u>	<u>743</u>	<u>120</u>	<u>15</u>	<u>30</u>	<u>33</u>	<u>30</u>
Centrafrique	170	-	-	-	-	-	-
Congo	-	125	-	-	-	-	-
Sao Tomé	-	-	-	15	-	18	-
Zaire	2,479	618	120	-	30	15	30
<u>HORN OF AFR.</u>	<u>19,441</u>	<u>3,217</u>	<u>75</u>	<u>240</u>	<u>400</u>	<u>89</u>	<u>20</u>
Ethiopia	-	100	-	-	-	-	-
Ethiopia	17,722	1,040	30	15	30	44	-
Somalia	240	78	-	40	20	-	-
Sudan	1,279	1,999	45	185	350	45	20
<u>EAST AFRICA</u>	<u>1,233</u>	<u>921</u>	<u>40</u>	<u>20</u>	<u>105</u>	<u>15</u>	
Burundi	172	130	-	-	-	-	-
Kenya	-	195	-	-	-	-	-
Ruanda	172	130	-	-	-	15	-
Tanzania	116	30	15	-	15	-	-
Uganda	773	436	25	20	90	-	-
<u>INDIAN OCEAN</u>	<u>480</u>	<u>570</u>				<u>90</u>	
Comores	-	100	-	-	-	-	-
Madagascar	380	470	-	-	-	90	-
Mauritius	100	-	-	-	-	-	-
<u>SOUTHERN AFR.</u>	<u>17,340</u>	<u>2,860</u>	<u>175</u>	<u>15</u>	<u>60</u>	<u>476</u>	<u>65</u>
Angola	985	1,158	20	-	20	123	15
Moçambique	16,049	1,249	90	15	20	353	50
Swaziland	-	20	-	-	-	-	-
Zambia	306	383	35	-	20	-	-
Zimbabwe	-	50	30	-	-	-	-
<u>TOTAL AFRICA</u>	<u>46,897</u>	<u>13,111</u>	<u>480</u>	<u>350</u>	<u>645</u>	<u>854</u>	<u>229</u>

contd.

Table 3a contd.

COUNTRY	CEREALS	SMP	BUTTEROIL	VEG.OIL	SUGAR	BEANS	DRIED FISH
<b>MEDITERRANEAN</b>	<b>4,700</b>	<b>2,445</b>	<b>80</b>		<b>60</b>	<b>30</b>	<b>30</b>
Algérie	695	1,015	40	-	20	30	30
Egypte	420	540	-	-	15	-	-
Jordanie	-	80	15	-	-	-	-
Liban	2,580	770	25	-	15	-	-
Maroc	1,005	-	-	-	-	-	-
Tunisie	-	40	-	-	-	-	-
<b>LATIN AMERICA</b>	<b>29,624</b>	<b>10,999</b>	<b>550</b>	<b>120</b>	<b>200</b>	<b>820</b>	<b>166</b>
Bolivia	-	72	15	-	-	-	-
Brasil	452	150	-	-	-	-	-
Chile	3,533	4,345	260	-	185	110	50
Colombia	802	695	-	20	-	-	-
Dominica	53	64	-	-	-	15	36
Dominican Rep.	290	435	-	-	-	20	-
Ecuador	-	445	-	-	-	-	-
El Salvador	3,520	430	-	40	-	397	-
Guatemala	5,140	1,408	135	15	-	97	30
Haiti	6,640	985	40	30	-	100	20
Honduras	-	30	-	-	-	-	-
Nicaragua	3,447	-	-	15	-	-	-
Paraguay	-	102	-	-	-	-	-
Pérou	845	1,082	20	-	-	-	-
Uruguay	37	182	15	-	15	-	-
<b>ASIA</b>	<b>4,249</b>	<b>4,750</b>	<b>240</b>	<b>30</b>	<b>105</b>	<b>71</b>	
India	-	2,983	150	-	90	15	-
Indonesia	-	581	20	-	-	40	-
Kampuchea	1,449	-	-	15	-	-	-
Népal	-	86	30	-	-	-	-
Pakistan	2,766	412	-	15	-	-	-
Sri Lanka	34	330	-	-	-	-	-
Thailand	-	25	-	-	-	16	-
Vietnam	-	333	40	-	15	16	-
<b>TOTAL NON-ACP</b>	<b>38 573</b>	<b>18,194</b>	<b>870</b>	<b>150</b>	<b>355</b>	<b>921</b>	<b>196</b>
<b>TOTAL ALL COUNTRIES</b>	<b>85 470</b>	<b>31,305</b>	<b>1,350</b>	<b>500</b>	<b>1,000</b>	<b>1,775</b> (2.06 M.ECU)	<b>425</b>
<b>1986 NGO CREDITS</b>	<b>90 000</b>	<b>32,110</b>	<b>1,350</b>	<b>500</b>	<b>1,000</b>	<b>2.16 M.ECU</b>	
<b>BALANCE</b>	<b>4,530(1)</b>	<b>803(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1 M.ECU(2)</b>	

(1) Allocated in early 1987 for 1987 NGO programmes

(2) Allocated as 50,000 ECU each to Vietnam and Sudan for "other products"

Table 3b

## 1986 NGO FOOD AID

## 1986 PROGRAMME

NGO	BENEFICIARY	CEREALS	SMP	BUTTEROIL	SUGAR	VEG. OIL	BEANS	DRIED FISH
ABBE PIERRE'S CHILDREN AID (DK)	India	-	150	-	-	-	-	-
ALIMENTATION ET DEVELOPEMENT DE L'ENFANT (F)	Ethiopia	570	-	-	-	-	-	-
	Indonesia	-	60	20	-	-	40	-
ASSOCIATION AIDE AU TIERS MONDE (F)	Burkina Faso	-	100	-	-	-	-	-
	Central African Republic	170	-	-	-	-	-	-
	Chile	325	25	15	-	-	-	-
	Ivory Coast	-	60	-	-	-	-	-
	Madagascar	150	155	-	-	-	-	-
	Peru	30	162	-	-	-	-	-
	Senegal	104	125	-	-	-	-	-
	Sri Lanka	34	30	-	-	-	-	-
Togo	34	65	-	-	-	-	-	
ASSOCIATION FRANCAISE POUR LA STE. ENFANCE (F)	Madagascar	144	210	-	-	-	37.5	-
CARITAS BELGICA (B)	Algeria	-	20	-	-	-	-	15
	Burundi	172	130	-	-	-	-	-
	Djibouti	-	40	-	-	-	-	-
	Guatemala	4,640	1,166	135	-	-	-	30
	Haiti	-	260	-	-	15	-	20
	Jordan	-	30	-	-	-	-	-
	Paraguay	-	109	-	-	-	-	-
	Peru	-	95	-	-	-	-	-
	Rwanda	172	130	-	-	-	15	30
	Sao Tome & Principe	-	-	-	-	15	18	-
	Tunisia	-	40	-	-	-	-	-
	Zaire	740	520	120	30	-	15	30
CARITAS GERMANY (D)	Chile	8,033	4,260	230	185	-	110	50
	Egypt	420	230	-	-	-	-	-
	Ethiopia	11,460	650	30	15	15	44	-
	India	-	891	-	-	-	-	-
	Kenya	-	130	-	-	-	-	-
	Lebanon	-	225	25	15	-	-	-
	Mozambique	2,304	440	55	20	-	65	15
	Niger	-	185	-	15	20	-	-
	Uganda	581	206	25	15	-	-	-
	Zambia	251	293	-	20	-	-	-

Table 54 (continued)  
2

NGO	BENEFICIARY	CEREALS	SMP	BUTTER/OIL	SUGAR	VEG. OIL	BEANS	DRIED FISH
CARITAS ITALIANA (I)	Guinea Bissau	-	130	-	-	-	-	-
	Senegal	30	415	-	-	20	45	25
	Somalia	240	78	-	20	-	-	-
	Sudan	195	165	15	50	-	-	-
	Uruguay	37	182	15	15	-	-	-
	Ghana	-	210	-	-	-	-	-
CARITAS NEEZANDECA (NL)	Angola	507	97	-	20	-	26	-
	Bolivia	-	72	15	-	-	-	-
	Cape Verde	43	173	-	-	-	-	-
	Colombia	802	650	-	-	20	-	-
	Dominican Rep.	-	330	-	-	-	-	-
	Haiti	4,250	100	-	-	15	60	-
	Peru	815	750	20	-	-	-	-
	Ecuador	-	240	-	-	-	-	-
CATHOLIC RELIEF SERVICES (CH)	Burkina Faso	-	-	-	-	-	15	36
	Dominica	53	64	-	-	-	15	-
	Ecuador	-	205	-	-	-	-	-
	El Salvador	3,520	430	-	-	40	397	-
	Gambia	961	258	-	-	-	-	-
	Ghana	-	310	-	-	-	-	-
	Guatemala	500	195	-	-	-	97	-
	India	-	890	-	-	-	-	-
	Indonesia	-	506	-	-	-	-	-
	Jordan	-	50	15	-	15	-	-
	Morocco	1,005	-	-	-	-	-	-
	Pakistan	2,766	412	-	-	-	-	-
	Senegal	450	-	-	-	-	-	-
CIVIL SOCIETY INTERNATIONAL (I)	India	454	-	-	-	-	-	-
	Colombo	-	45	-	-	-	-	-
	Egypt	-	310	-	-	15	-	-
	Guatemala	-	47	-	-	-	-	-
	India	-	300	60	-	15	-	-
	Madagascar	86	60	-	-	-	-	52
Nepal	-	86	30	-	-	-	-	
CHRISTIAN AID (UK)	Kenya	65	-	-	-	-	-	-
CINTERAD (B)	Mauritius	100	-	-	-	-	-	-
COMIDE (B)	Zaire	-	65	-	-	-	-	-
CONCERN (IRL)	Ethiopia	2,530	-	-	-	-	-	-
DEUTSCHE WELT-HUNGERHILFE (D)	Chile	-	60	15	-	-	-	-
	Nicaragua	680	15	-	-	-	-	-
DEVELOPMENT AID FROM PEOPLE TO PEOPLE (DK)	Angola	120	33	-	-	-	-	-
	Guinea Bissau	286	28	-	-	-	-	-
	Mozambique	573	20	-	-	-	-	-
DIARONISCHES WERK (D)	Angola	135	33	-	-	-	-	-
	Brazil	-	150	-	-	-	-	-
	Ethiopia	172	-	-	-	-	-	-
	Mozambique	1,172	149	15	-	15	268	35
	Nicaragua	100	-	-	-	-	-	-
	Sudan	289	35	15	50	-	-	-
	Swaziland	-	20	-	-	-	-	-
	Tanzania	116	30	15	-	-	-	-
	Uganda	50	95	75	-	20	-	-
	Zimbabwe	-	50	30	-	-	-	-

Table 3b (continued)

3

NGO	BENEFICIARY	CEREALS	SMP	BUTTER/OIL	SUGAR	VEG. OIL	BEANS	DRIED FISH
DUTCH INTER- CHURCH AID	Indonesia	-	15	-	-	15	20	30
	Nicaragua	520	140	-	-	-	-	-
	Peru	-	75	-	-	-	-	-
	Sudan (Eritrea)	710	350	-	-	25	45	20
FRERES DES HOMMES (B)	Zaire	1,739	-	-	-	-	-	-
FRERES DES HOMMES (F)	Senegal	660	-	-	-	-	-	-
GEMEINSCHAFT ZUR FODERUNG SOZ.-MED. STIFTUNGEN (D)	India	-	87	20	15	-	15	-
INTERNATIONAL ASSOCIATION OF CO-WORKERS OF MOTHER TERESA (B)	India	-	250	-	-	-	-	-
INTERNATIONAL CHRISTIAN RELIEF (UK)	Sudan	-	-	-	-	-	-	-
	Thailand	-	-	-	-	-	-	-
	Uganda	142	15	-	-	-	-	-
OXFAM BELGIQUE (B)	Algeria	405	260	15	-	-	-	-
	Angola	208	130	20	-	-	-	-
	Cape Verde	475	93	-	-	-	-	-
	Dominican Republic	290	105	-	-	-	-	-
	Mozambique	-	130	20	-	-	-	-
	Nicaragua	1,410	412	65	-	-	-	-
	Sudan (Eritrea)	84	240	15	15	-	-	-
	Vietnam	-	185	40	15	-	-	-
OXFAM (UK)	Ethiopia	1,190	390	-	15	-	25	-
	Sudan (Eritrea)	-	1,111	-	190	-	130	-
	Tigray)	-	-	-	-	-	-	-
	Mozambique	-	510	-	-	-	-	37.5
PROTOS	Haiti	2,390	625	40	-	-	40	-
ROYAL COMMON- WEALTH SOCIETY FOR THE BLIND (UK)	India	-	150	170	-	-	-	-
SAVE THE CHILDREN FUND (UK)	India	-	135	-	-	-	-	-
	Sri Lanka	-	300	-	-	-	-	-
	Uganda	-	40	-	-	-	-	-
	Mozambique	6,000	-	-	-	-	-	-
SECOURS CATHO- LIQUE FRANCAIS (F)	Benin	-	100	-	-	-	-	-
	Burkina Faso	-	145	-	-	-	-	-
	Chad	-	120	-	-	-	-	-
	Comores	-	100	-	-	-	-	-
	Congo	-	125	-	-	-	-	-
	Djibouti	-	60	-	-	-	-	-
	Mali	-	195	-	-	-	-	-
	Senegal	-	640	-	-	-	-	-
SECOURS POPU- LAIRE FRANCAIS (F)	Cape Verde	-	-	99	-	-	-	-
	Senegal	-	-	165	-	-	-	-
	Vietnam	-	-	148	-	-	-	-
	Lebanon	-	-	100	-	-	-	-
SOCIETE DE ST VINCENT DE PAUL (F)	Lebanon	80	-	-	-	-	-	-
	Madagascar	-	45	-	-	-	-	-
SOLIDARITE SOCIALISTE	Cape Verde	137	-	-	-	-	-	-
	Nicaragua	771	1,255	-	-	-	25	-

Table 3b (continued)

SOS BOITES DE LAIT (B)	India Zaire	- -	- -	- -	- -	- -	- -	- -
SOS SAHEL INTERNATIONAL (F)	Burkina Faso	-	150	-	20	30	39	29
	Mali	757	107	-	-	-	20	15
	Mauritania	1,319	135	40	-	-	-	15
	Niger	-	228	30	15	-	17	30
	Senegal	498	564	-	-	-	-	-
EPOCAIRE (IRL)	Kampuchea	1,449	-	-	-	15	-	-
	Vietnam	-	-	-	ECU 50,000	-	-	-
WORLD COUNCIL OF CHURCHES (CH)	Algeria	290	735	25	20	15	-	-
	Angola	15	865	-	-	-	-	-
	Zambia	55	90	35	-	-	-	-
	Honduras	-	-	-	-	-	-	-
WORLD VISION OF BRITAIN (UK)	Mozambique	6,000	-	-	-	-	-	-
TOTAL		82,970	23,230	1,350	1,000	500	-	425
					PLUS OTHER PRODUCTS	ECU 100,000		

Table 3c

EC INDIRECT FOOD PRODUCT  
INTERNATIONAL ORGANIZATIONS  
QUANTITIES AND VALUES

5 PROGRAMME

<u>ORGANIZATION</u>	<u>Cereals</u> (t)	<u>SMP</u> (t)	<u>Butteroil</u> (t)	<u>Veg. Oil</u> (t)	<u>Sugar</u> (t)	<u>Other Products</u> (MECU)	<u>Total value of products</u> (MECU)	<u>Total Cost cost incl. transport</u> (MECU)
WFP Normal	144,190	21,600	11,740	500	-	1.2	67.17	93.56
Emerg.	-	-	-	-	-	-	-	-
UNHCR Normal	125,000	6,000	2,000	1,000	500	3.0	34.05	54.90
Emerg.	30,000	2,850	1,500	1,000	500	-	12.07	17.89
ICRC Normal	40,000	1,000	1,500	500	800	1.2	12.39	19.39
Emerg.	-	-	-	600	-	-	0.66	0.79
LICROSS Normal	20,000	870	1,040	-	100	1.0	7.24	10.87
Emerg.	3,750	-	-	100	-	-	0.69	1.24
UNRWA Normal	5,000	2,500	800	200	900	2.74	8.42	9.77
Emerg.	1,370	-	-	-	-	-	0.21	0.40
<b>TOTAL:</b>								
a. Normal	334,190	31,970	17,080	2,200	2,300	9.14	129.27	188.49
% of total 1986 Normal	28%	37%	67%	34%	67%	49%		
b. Emergency	35,120	2,850	1,500	1,700	500	-	13.63	20.32
% of total 1986 Emerg.	30%	35%	79%	81%	100%			
c. Total	369,310	34,820	18,580	3,900	2,800	9.14	142.90	208.81
% total 1986	29%	37%	68%	45%	72%	49%		



EC NORMAL FOOD AID : INTERNATIONAL ORGANISATIONS  
1986 PROGRAMME

via WORLD FOOD PROGRAMME

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS
ALGERIA		48				
ANGOLA			105			
BANGLADESH	30.000					
BENIN			192			
BHUTAN				10		
BOLIVIA			600	238		
BOTSWANA						
BRAZIL			134			
BURKINA FASO						
BURUNDI	2.466		5			
CAMEROUN			121			
CABO VERDE			900			
CENTRAFRICA			180			
CHINA	20.600		3.805	4.076		
COLOMBIA						
CONGO						
CUBA			2.635	1.200		
DJIBOUTI			50			
ECUADOR						
EGYPT	15.113		564			
ETHIOPIA	28.092		350	200		
GAMBIA			415			
GHANA						
GUINEA BIS.						
GUINEA CON.			133			
GUINEA EQ.						
GUAYANA						
HONDURAS						
INDIA						
INDONESIA	19.628					
JAMAICA						
JORDAN	6.164		515			
KENYA	1.642					
LEBANON				300		
LESOTHO	685					
LIBERIA						
MADAGASCAR			1.029	680		
MALAWI			22			
MALI	600		607			
MAURITANIA	200			42		
MAURITIUS						
MEXICO						
MOROCCO	5.050		120			
MOZAMBIQUE			875	170		

via WORLD FOOD PROGRAMME (cont'd)

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS	
NEPAL				315			
NICARAGUA				1.411			
NIGER			115				
PAKISTAN			562	1.747	421		
PARAGUAY			500				
SAO TOME & P.			55				
SOMALIA			460				
SUDAN			1.256				
SWAZILAND	493		360		77		
SYRIA	5.551		1.540	289			
TANZANIA			100	240			
TUNISIA			450				
UGANDA	3.967		1.600	780			
YEMEN A.R.			270				
YEMEN P.D.R.	3.891		925	42			
ZAMBIA			50				
<b>TOTAL ALLOCATION</b>	<b>144.142</b>	<b>48</b>	<b>21.600</b>	<b>11.740</b>	<b>498</b>		

via UNHCR

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS	
ANGOLA	2.031		50		50		
ETHIOPIA	7.390		650		350		
HONDURAS					50		
IRAN	8.000						
MALAWI	2.653				100		
MEXICO	1.356		100		150		
PAKISTAN	60.000		2.500	3.500	600		
SOMALIA	37.720		5.550		700		
THAILAND	30.000						
ZAIRE	1.895						
<b>TOTAL ALLOCATION</b>	<b>151.045</b>		<b>8.850</b>	<b>3.500</b>	<b>2.000</b>		

via UNRWA

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS	
JORDAN	1.731		625	155			
CIS JORDAN/GAZA	2.747		1.112	990			
LEBANON			448	180			
SYRIA	522		315	75			
<b>TOTAL ALLOCATION</b>	<b>6.370</b>		<b>2.500</b>	<b>800</b>			

via LICROSS

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS	
ALGERIA	100			50			
BANGLADESH	200		50				
BOLIVIA			50				
BURKINA	2.500			50			
BURMA			50				
CHILE			50				
ETHIOPIA	12.200			250			
GUYANA			50				
HAITI	600		100	100			
INDIA	200		50	100			
INDONESIA	300			50			
MADAGASCAR	50		50				
MALAWI	3.500						
MALI				200			
MAURITANIA	3.300		100				
MAURITIUS			50				
MOROCCO	150			50			
MOZAMBIQUE			145	40			
PERU			50				
PHILIPPINAS	100						
RWANDA	50			50			
SENEGAL	100		75	50			
TUNISIA	150			50			
TOTAL ALLOCATION	23.500		870	1.040			

via ICRC

RECIPIENT COUNTRY	CEREALS	CEREALS I.E.F.R.	MILK POWDER	BUTTER OIL	VEGETABLE OIL	OTHER PRODUCTS	
ALGERIA					100		
ANGOLA	10.770			250	200		
CHILI			200				
CIS JORDAN/GAZA	1.096						
ETHIOPIA	13.435			350			
HONDURAS			100				
ISRAEL	1.096						
KENYA			20				
LEBANON	580						
MOZAMBIQUE	1.356				200		
NICARAGUA	4.397		280	100	180		
PERU			70				
SALVADOR	290				200		
SUDAN	6.980			100	150		
UGANDA			30		70		
URUGUAY			20				
TOTAL ALLOCATION	40.000		720	800	1.100		

Table 4a

## FC EMERGENCY FOOD AID ALLOCATIONS : BY BENEFICIARY

1986 PROGRAMME

COUNTRY/ ORGANIZATION	Decision Date	Circum- stances	QUANTITIES (in tonnes)					BUDGETARY VALUE (thousand USD)						TOTAL	
			Cereals	vit	SMP non-vit	Butteroil	Veg. Oil	Sugar	Cereals	SMP	BO	VO	Sugar		Transport <sup>a</sup>
<u>SUB-SAHARAN AFRICA</u>			<u>35,440</u>	<u>670</u>					<u>5,438</u>	<u>706</u>				<u>5,155</u>	<u>11,299</u>
Botswana	6.6	Drought	4,000 <sup>T</sup>	400	-	-	-	-	614	422	-	-	-	676	1,712
Ethiopia NGO	2.5	Drought	2,740	170	-	-	-	-	420	179	-	-	-	432	1,031
Ethiopia NGO	10.7	Drought	20,000	-	-	-	-	-	3,070	-	-	-	-	3,000	5,870
Madagascar NGO	2.5	Cyclone	200	100	-	-	-	-	30	105	-	-	-	59	192
Malawi LICROSS	28.11	Refugees	3,500	-	-	-	-	-	537	-	-	-	-	490	1,027
Sudan NGO	12.5	Drought	5,000 <sup>T</sup>	-	-	-	-	-	767	-	-	-	-	700	1,467
<u>MEDITERRANEAN</u>			<u>16,370</u>		<u>4,500</u>	<u>400</u>	<u>100</u>		<u>2,511</u>	<u>4,205</u>	<u>853</u>	<u>110</u>		<u>3,745</u>	<u>11,674</u>
Algerie ICRC	30.4	Refugees	-	-	-	-	100	-	-	-	-	110	-	21	131
Egypte	30.12	Drought	-	-	4,000	-	-	-	-	3,738	-	-	-	1,160	4,898
Liban UNRWA	23.10	Conflict	1,370	-	-	-	-	-	210	-	-	-	-	191	401
Liban	16.12	Conflict	5,000	-	-	-	-	-	767	-	-	-	-	700	1,467
Syrie	30.5	Drought	5,000	-	-	400	-	-	767	467	853	-	-	973	3,060
Tunisie	22.4	Drought	5,000	-	-	-	-	-	767	-	-	-	-	700	1,467
<u>LATIN AMERICA</u>			<u>250</u>				<u>500</u>		<u>38</u>			<u>550</u>		<u>140</u>	<u>728</u>
El Salvador	6.6	Conflict	-	-	-	-	400 <sup>T</sup>	-	-	-	-	440	-	84	524
" LICROSS	12.11	Earthquake	250	-	-	-	100	-	38	-	-	110	-	56	204
<u>ASIA</u>			<u>66,500</u>	<u>2,500</u>		<u>1,500</u>	<u>500</u>		<u>10,200</u>	<u>2,643</u>	<u>3,201</u>	<u>550</u>	<u>(45)</u>	<u>10,623</u>	<u>27,267</u>
China	13.8	Cyclone	27,000	-	-	-	-	-	4,144	-	-	-	-	3,780	7,924
Kampuchea	2.5	Conflict	-	-	-	-	-	(16RL)	-	-	-	-	(45)	3	48
Nepal	23.9	Drought	5,000	-	-	-	-	-	767	-	-	-	-	700	1,467
Pakistan UNHCR	5.9	Refugees	-	2,500	-	1,500	-	-	-	2,643	3,201	-	-	1,205	7,049
Philippines ICRC	28.2	Conflict	-	-	-	-	500	-	-	-	-	550	-	105	655
" NGO	27.5	(Other)	3,000	-	-	-	-	-	460	-	-	-	-	420	880
Thailand UNHCR	20.2	Refugees	15,000	-	-	-	-	-	2,302	-	-	-	-	2,100	4,402
" "	22.12	"	15,000	-	-	-	-	-	2,302	-	-	-	-	2,100	4,402
Vietnam NGO	24.10	Typhoon	1,500	-	-	-	-	-	230	-	-	-	-	210	440
<u>UNHCR</u>				<u>350</u>			<u>1,000</u>	<u>500</u>		<u>370</u>		<u>1,100</u>	<u>153</u>	<u>406</u>	<u>2,029</u>
Mexico, Iran, Honduras and Ethiopia	5.9	Refugees	-	350	-	-	1,000	500	-	370	-	1,100	153	406	2,029
TOTAL			118,560	8,020		1,900	2,100	500	18,192	7,924	4,054	2,310	153	20,069	52,747

A : All delivered FAD, except Egypt delivered FOB  
T : Purchased under triangular operations  
R : "rizine lactée"

Table 4b

EC EMERGENCY FOOD AID ALLOCATIONS BY FACTORS1986 PROGRAMME

Factors	QUANTITIES (in tonnes)						VALUE (in thousand ECU)
	Cereals	SMP	BO	VO	Sugar	RL	
Disasters	28,950	100	-	100	-	-	7,727
Drought Conflict/	46,740	5,070	400	-	-	-	9,761
Refugees	39,870	2,850	1,500	2,000	500	16	14,730
Other	3,000	-	-	-	-	-	460
TOTAL	118,560	8,020	1,900	2,100	500	16	32,678

Table 4c

EC EMERGENCY FOOD AID ALLOCATIONS; BY CHANNEL1986 PROGRAMME

Channel	QUANTITIES (in tonnes)						VALUE (in thousand ECU)
	Cereals	SMP	BO	VO	Sugar	RL	
DIRECT	31,000	4,900	400	400	-	-	13,746
INDIRECT of which:	87,560	3,120	1,500	1,700	500	16	18,932
- NGOs	32,440	270	-	-	-	16	5,306
- UNHCR	30,000	2,850	1,500	1,000	500	-	12,071
- Other	5,120	-	-	700	-	-	1,555
TOTAL	118,560	8,020	1,900	2,100	500	16	32,678

Table 5a

## TRIANGULAR OPERATIONS

Purchases by the EC Commission of Food Aid From And For Developing Countries (1)

1986 PROGRAMME

Beneficiary	Product	Quantity (Tonnes)	Origin	Decision date (1986)	Delivery date (month/year)	Delivery terms	Total Value ('000 ECU)	Type of Aid
<u>SAHEL</u>								
Cabo Verde	white maize	9,000	Zimbabwe	10.2	7/86	CIF	1,568.6	Direct
Cabo Verde	beans	2,000	Sénégal	10.2	2-3/86	CIF	1,232.6	Direct
<u>HORN OF AFR</u>								
Djibouti	lentils	200	China	3.7	10/86	CIF	84.1	Direct
Ethiopia	white sorghum	20,000	Sudan	10.2	9/86	CIF	4,463.7	Direct
Somalia	white maize	4,300	Zimbabwe	10.12	5-6/87	Ex-quay	572.6	UNHCR
Sudan	white maize	5,000	Kenya	12.5	2/87	FAD	1,896.3	Oxfam-UK Emergency
<u>SOUTHERN AFR</u>								
Angola	white maize	10,000	Zimbabwe	18.7	4/87	Ex-quay	1,309.7	Direct
Botswana	white maize	4,000	Zimbabwe	6.6	12/86	FAD	480.0	Emergency
Lesotho	white maize	2,000	Zimbabwe	27.10	5/87	FAD	279.9	Direct
Mozambique	white maize	18,000	Zimbabwe	24.4	9/86	CIF	2,286.0	Direct
Mozambique	beans	2,000	Kenya	24.4	9/86	CIF	872.0	Direct
Mozambique	white maize	10,000	Zimbabwe	27.10	4/87	Ex-quay	1,350.0	Direct
Mozambique	beans	2,000	Kenya	27.10	4/87	Ex-quay	779.4	Direct
<u>LATIN AMERICA</u>								
El Salvador	palm oil	400	Honduras	17.6	12/86	FAD	324.0	Emergency
Nicaragua	white maize	5,000	Zimbabwe	18.7	3/87	Ex-quay	694.9	Direct
Nicaragua	beans	3,500	Argentina	18.7	12/86	Ex-quay	1,778.0	Direct
							19,971.8	

(1) Excludes most normal indirect food aid purchases (by the International Organizations or Cebemo/Euroaid for NGOs).

Table 5b

TRIANGULAR OPERATIONS  
PRODUCTS BY COUNTRY OF ORIGIN (T)  
1986 PROGRAMME

ARGENTINA	3,500	Beans
CHINA	200	Lentils
HONDURAS	400	Palm Oil
KENYA	5,000	White maize
	4,000	Beans
SENEGAL	2,000	Beans ("Niébé")
SUDAN	20,000	Sorghum
ZIMBABWE	62,300	White maize

Table 5c

TRIANGULAR OPERATIONS  
TOTAL QUANTITIES BY PRODUCT  
1986 PROGRAMME

White Maize	67,300
Sorghum	20,000
Beans	9,500
Palm Oil	400
Lentils	200

## OPERATION FLOOD II (1978-85)

### 1 Introduction

By far the largest development project assisted by EC food aid has been the development of the Indian dairy industry. "Operation Flood" (OF) was started in 1970, with the EC contributing dairy aid totalling 124,000t SMP and 40,000t butteroil, via the WFP, until the end of OF Phase I in 1977. The aim OF I was to create the basic infrastructure necessary to provide domestically produced milk, collected from producer cooperatives, to the four metropolitan cities of Bombay, Calcutta, Delhi and Madras. The EC SMP and BO were mixed with locally produced raw milk and the reconstituted liquid milk was sold on the urban markets. The CPF generated were invested in improving dairy inputs and infrastructure.

OF Phase II (1978-85) intended to extend these activities throughout India by setting up producer cooperatives in each state. However, before launching into a discussion of OF II, a quick look at the structure of the Indian dairy sector will help to put OF II's aims and achievements into clearer perspective.

### 2 The Indian Dairy Sector

The main objectives in cattle raising in India are draught-power and the production of dung for fuel, with that of milk for family consumption as a secondary aim. This subordinate position of milk production is common to most LDCs, but what distinguishes India from other LDCs is that the consumption of milk and milk products is traditional and widespread among all population groups. Unfortunately, in the years since Independence, the increase in demand has increasingly outstripped production for three reasons: the high rate of population growth, increasing urbanisation, with fewer consumers possessing their own means of producing milk, and the high income elasticity of demand for milk products, especially among low income population groups.\* On the other hand, until at least 1970, milk production expanded only very slowly, even stagnating in some States.

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\* That is, as their income rises, they spend a more than proportionate amount on milk products.



Indian dairy production has the following characteristics: (1) Most milk-producing animals (cows and buffaloes) are owned by small farmers (51%) or landless peasants (21%), and each owner rarely possesses more than 1 or 2 head of cattle. (2) The animals can survive on a very poor diet. However, as buffaloes usually yield greater quantities of milk than cows in similar circumstances, they produce two-thirds of Indian milk. (3) Production varies sharply between regions, seasons and years; aggregate supply can fluctuate by 30% to 50% between lean and flush seasons. (4) Prices fluctuate accordingly, sometimes disproportionately, in regions where producers depend on middlemen to purchase their production. (5) Middlemen, rather than Government - or State owned or cooperative plants, dominate the marketing of liquid milk.

### 3 Objectives and Overall Achievements

Operation Flood II had ambitious objectives: on the supply side it aimed at improving the standard of living of no less than 10 million milk producers in 6 to 7 years, by establishing both producer cooperatives for processing capacity and creating a supply of dairy production inputs through CPF investment. On the demand side, its objective was to create a milk distribution network covering 142 cities with more than 100,000 inhabitants, thereby raising the nutritional well being of the Indian urban population.

Total cost was estimated at US\$ 550 million, to be financed by dairy products donations (49%), World Bank IDA "soft" loans (36%) and reflows from OF I (15%).

EC aid took the form of supplying the required dairy products directly. Following an official request by the Indian Government the Commission's proposal was supported by a Resolution of the European Parliament and adopted by the Council in April, 1978. Community food aid was provisionally fixed at 186,000t SMP and 76,000t BO over the period 1978-85, with annual allocations subject, as usual, to Food Aid Committee approval. The dairy aid was intended mainly to expand the market for milk and milk products by ensuring supplies of reconstituted liquid milk during lean seasons and by generating CPF for investment in dairy infrastructure. Other (minor) uses of the dairy aid were (a) to help fill the gap between domestic production and consumption of edible oil, with some butteroil sold in the form of "ghee" and (b) to manufacture, together with cereals and sugar, infant food for free distribution to vulnerable groups. It should be added that because of the Indian Government's restrictive commercial import programme (for balance-of-payments reasons), permitted imports of dairy products were small, making dairy aid all the more necessary for the successful implementation of OF II.

The following allocations were made by the EC:

Table 1

Year	SMP (t)	Butteroil (t)	Value, including transport (at world prices, MECU)
1978	31,000	12,700	30.4
1979	31,000	12,700	33.4
1980	31,000	12,700	36.1
1981	36,000	12,700	72.3
1982	31,000	12,700	64.6
1983	35,000	11,200	64.1*
1984	27,000	7,000	52.8*
1985	20,000	5,000	35.9
TOTAL	242,000	86,000	389.6

\* includes 500t and 1,000t vegetable oil respectively

Compared with the original estimate, 30% more SMP and 14% more butteroil were supplied, because OF II requirements proved greater than expected and sufficient reserves were available in the EC Budget. At world prices total quantities were worth about 390 MECU, while at the Indian Dairy Corporation internal selling prices, EC food aid constituted 60% of OF II funds.

OF II did not fully reach its objectives, even after they had been scaled down following a World Bank Report in 1978. Nevertheless, its success in almost quadrupling the number of cooperatives and their members, as well as milk output through these organizations, in only 7 years; may be considered a remarkable achievement in view of the delays in starting the project in several Indian States. It is therefore worth examining the structure and organization of the project in some detail.

#### 4 The Operation Flood II Model

##### 4.1 The Anand Model

The organizational model for OF II was not new to India, being based on the "Anand Model", a milk producers' cooperative set up in the Kaira District of Gujerat, shortly after Independence. The cooperative was established by small milk producers wishing to lessen their dependence on middlemen, in order to supply directly the local modern (private) dairy. After a short while, the cooperative set up its own industrial processing facilities with the help of top political leaders and well-trained, top level management.

The problem of seasonal milk production variation was solved by processing surplus milk in the flush season into SMP and BO and storing these for recombination back into liquid milk during the lean season. By involving directly a large number of milk producers, the cooperative organized not only the production and marketing of milk and milk products, but also the provision of inputs such as improved fodder, veterinary services, etc.

The Anand model evolved over the years into a 3-tiered pyramidal structure: (1) the Village Cooperative, whose members agreed to market all surplus (non auto-consumed) milk through it; (2) the District Cooperatives' Union for collecting, processing and marketing the cooperatives' milk; and (3) the State Cooperatives' Federation, for setting up the cooperatives and providing them with inputs and technical and marketing services. Distinguishing features of the Anand-type cooperatives are that their membership is open to all milk producers, whatever their caste or economic status, and their democratic voting system (one person - one vote).

##### 4.2 The Indian States, the NDDB and the IDC

India is a federal country, in which the planning and implementation of rural sector policies falls to the respective States. However, the Central Government allocates all development resources, both domestic and foreign, essentially as loans. OF enjoys the status of a "project of national importance", which, among other advantages, allows it to be funded wholly through foreign aid. The States are individually responsible for dairy legislation and, above all, the fixing of prices. They also guarantee loans granted by the Indian Dairy Corporation (IDC) to their cooperatives.

The National Dairy Development Board (NDDB) was established in 1965 to provide technical advice and services to state agencies, cooperatives and private firms dealing with milk production, processing and marketing. In practice, its actions

have ranged from drawing up the initial OF Plans and assisting States in drafting their dairy plans, to training staff for and providing technical assistance to cooperatives, constructing dairy plants, R & D in dairy production, etc.

Finally, the Indian Dairy Corporation, established for OF I in 1970, operates as a specialist investment bank in the dairy sector, drawing on both domestic and foreign resources, financial and material. It awards low-interest loans as well as a few outright grants, to various projects; it also receives directly and markets food aid in dairy products for India together with domestic SMP production. The CPF generated are ploughed back into the fund for loans to cooperatives and enterprises directly owned by IDC and managed by NDDB.

Thus the NDDB helps planning and provides technical assistance, the IDC allocates funds for investment and working capital and the State creates the legislative framework, including the setting of prices.

#### 4.3 The Cooperatives

Cooperatives are the backbone of OF. If they did not collect milk twice a day, none of the above organizations would need to exist, nor could the sophisticated "National Milk Grid". The number of cooperatives and their members rapidly increased during OF II, quadrupling in 7 years.

Table 2

Operation Flood II	1978/79*	1985/86
1. Number of cooperatives (functional)	10,589	41,035
2. Number of members	1,212,550	4,523,810
3. Average number of members/coop	114	110
Procurements per day:		
4. - flush season average	2,693,000 L	10,260,000 L
5. - year round average	2,006,000 L	7,475,000 L
6. - average/coop (5. ÷ 1.)	189 L	182 L
7. - average/ member (5. ÷ 2.)	1.65 L	1.65 L

\* Include 12 IDA Projects

Source: Cingolani Report on OF II

The many roles of the cooperatives will be discussed in the following sections.

## 5 Operation Flood II: Procurement and Distribution System

The producers (usually women) carry their milk surpluses to the village collection centre operated by the cooperative, where the milk is collected twice a day and taken to the local chilling centre. Bulk milk tankers then transport it to the processing plant for pasteurisation and subsequently milk is distributed in urban centres.

### 5.1 Procurement

Procurement of fresh milk through QF II cooperatives has greatly increased from an average 2 million litres/day in 1978/79 to 7.5 million in 1985/86 from some 4.5 million producers. The State of Gujerat, where OF I originated, remains the largest single contributor; supplies grew at almost 9% p.a. 1983/86. All milk offered to the collection centre is accepted, thus guaranteeing producer independence from middlemen, especially in the flush season when the latter traditionally lower their prices. The cooperatives test the milk for quality, particularly for fat content, and pay a corresponding base price regularly, often even twice a day. Final price adjustments are made at the end of the year. Since all Indians boil milk before use, taste is not as important a factor as in the West. Given the multiplicity in types of milk (5 main ones) and the federal system of government, local producer prices are fixed by State authorities and District Unions. However, they are often determined by demand and the availability of sale outlets and few States pursue deliberate (rigid) pricing policies. Some observers have pointed out that producer prices rarely cover the costs of production i.e. of keeping a cow or buffalo; however, as these animals are kept mainly for draught power, milk production does not necessarily have to cover its cost. It is also interesting to note that "real" milk producer prices fell from 1970/71 to 1984/85, that is, nominal milk prices increased less than all commodities' prices:

Annual rate of price increases	1970/71 - 1984/85
Milk	7.3%
All Commodities	9.1%
Food Commodities	8.1%
Cereals	6.6%

This indicates that the incentives to joining the cooperatives were not merely prices per se, but also their stability, the guaranteed collection of all surplus milk, input services available to members etc.

## 5.2 Processing and Distribution

Although procurement has reached over 7.5 million litres, OF II does account for much of the processed milk production. An encouraging spin-off effect of OF has been the increase in domestic manufacturers of dairy equipment from 15 in 1970 to 140 in 1986, who now account for over 90% of the construction and equipment of plants. Another positive result has been that domestic SMP and butteroil production are almost sufficient to cover lean season requirements in a number of States, thus ensuring full capacity use of plants all year round. From 1986, the IDC introduced a new policy of subsidising procurements of internally-produced milk powder and interest-free working loan capital for building up stocks at the plant.

Liquid milk is sold in a number of ways in the cities, via retail outlets varying greatly in capacity and opening hours and with packaging varying from cartons to bottles to bulk vending in large containers. The latter are used in large cities to eliminate the need for packaging, which is a significant factor in operating costs. Outlets which still do not possess refrigerated capacity usually sell milk only in the early hours of the morning, i.e. before 7:30am.

Thus availability to consumers and consumer prices may vary greatly between cities, because types of milk and forms of sale differ greatly. However, despite the continuing role of the middleman, the increased urban supply of liquid milk due to OF trade and its falling real price have significantly benefitted the lowest income groups. These groups do not consume a large

proportion of total milk sold, so that price increases have relatively little effect on overall milk consumption. However, due to their high price elasticity of demand for milk, the poorest sections of the population quickly drop out of the market when real prices rise, thus creating a considerable distributional impact. This political element in consumer prices explains why state authorities have ensured their stability.

One remarkable form of urban supply is the National Milk Grid (NMG), which consists of long-distance inter-state rail transport of pasteurised milk on a regular basis. Liquid milk is delivered mostly once or twice a day, in broad gauge tankers of 43,000 litres from 11 regular supply regions to the 4 metropolitan cities: Calcutta, (over 2 million litres per week), Delhi (1.5 million litres), Bombay (600,000 litres) and Madras (100,000 l). In 1985/86, the Calcutta Mother Dairy depended on the National Milk Grid for 90% of its liquid milk supplies, the remainder coming from surrounding West Bengal; milk procured in this way accounted for 38% of total milk marketed in Calcutta. Five of the six NMG Calcutta suppliers are located over 1,000 kms away, adding considerably to the Dairy's transport costs, which were estimated at 12 million Rupees in 1985/86. In these circumstances the EC and other SMP and butteroil supplied by the IDC will remain the cheapest source of milk until the West Bengal cooperatives increase their production and urban supplies, which will depend mainly on an increase in local producer prices.

### 5.3 Yields and Extension Services

Increased procurement was due to the greatly increased number of new cooperatives rather than to increased milk yields. The main reason for low yield per milk animal was the slow growth in necessary extension services and fodder production, compared with the growth of procurement or cooperatives.

Input/extension services were the responsibility of the District Unions and their operating costs were met partially by charging a small amount per litre of milk procured, the remainder of the deficits being funded by the IDC. The services included: cattle feed/fodder production, veterinary services, cross-breeding services, R&D and agricultural training. In some cases, especially where producer prices were low, it was the availability of these services that induced producers to join the cooperative. Of the inputs provided, veterinary services proved most popular and were available in 27,000 Districts in 1985/86, an impressive figure. As regards cattle feed, only about half of potential demand was being satisfied, of which as little as 10% was produced by the organized sector. This last figure was increasing but capacity utilisation remained low in modern plants. Cross-breeding and artificial insemination began in earnest only recently, with 20% of Districts offering such services. The emphasis was increasingly on using indigenous cattle only and upgrading buffaloes, whose milk yields are, *ceteris paribus*, higher than cows' and who outnumber cows in

India by 4 to 1. In general, however, the poor or variable quality of extension and input services was a disappointment under both OF I and OF II. They are therefore on a priority list for emphasis in possible future Phases of OF.

#### 5.4 Costs and Efficiency

As elsewhere in the world, the major operating cost in the OF dairy industry remained that of milk collection, although some of the larger established cooperatives had been able to reduce collection costs in recent years of OF II. In addition, the Dairies of the 4 cities supplied by NMG had high total transport costs.

At one time capacity use of processing plants had been low, but this changed dramatically in the 1984/85 and 1985/86 flush seasons, when procurement rose respectively by 25% and 29% on previous years. In 6 states plants could not absorb all the quantities collected (between 1 and 1.6 million litres/day) and a number of "milk holidays" were declared. On a national basis (22 States), capacity use in the flush season had risen to 91% (January, 1985) and 104% (January, 1986) for liquid milk plants, while that for milk powder plants had risen to 61% and 77% respectively. India in 1986 was therefore producing sufficient quantities of SMP and butteroil to bridge the gap in lean seasons, thus reaching one of the goals of Operation Flood.

The efficiency of cooperatives varied according to a number of factors, including time since establishment, management quality and policies planned and implemented by the State authorities. Profits were highest (or losses lowest) in areas which had already benefitted under OF I, not simply because the infrastructure was already in place for OF II, but also because it was in these OF I areas that the conditions were most favourable to dairy development. In general, most OF II activities broke even or showed persistent annual losses, due to the high costs of raw materials and operations and despite increasing incomes for most Unions and cooperatives. Efficiency achieved across India therefore ranged from very good to disappointing.



## 6 Results

Table 3

Targets and Achievements of OF II:					
	Original 1978 target	World Bank appraisal report targets	Achievements at Sept. 85+	Achievements as % of (1) of (2)	
	(1)	(2)			
1. Number of cooperatives	30,000	27,743	39,490	132	142
2. Number of households	10,200,000	4-5,000,000	3,995,000	39	89
3. Av. procurement*	18.3	10.7	5.6	31	52
4. Rural processing capacity*	14	8.0	9.5	68	119
5. Urban marketing*	12.4	10.8	5.0	40	46

\* million litres per day

+ see also Table D.2

As noted earlier, the original OF II plan targets were too ambitious, except for the number of cooperatives, and even the scaled down targets set following the World Bank Report were too optimistic in many respects. However, the project should not be judged only in terms of paper plans; it is more instructive to look at actual quantitative and qualitative achievements for the five targets in the table above.

As already stated, the number of cooperatives created largely exceeded both targets, quadrupling during OF II. (Table 2). Two points should be borne in mind in connection with OF cooperatives:

(1) They had strong socio-political, as well as economic elements, at least for the State authorities; a cooperative breaks down some caste barriers and frees producers from their dependence on middlemen.

(2) Their establishment was strongly contested by the private dairy industry. However, since the demand for milk continued to rise rapidly, in practice the public sector complemented, rather than substituted for, the private sector.

An important aspect of OF grass-roots implementation which tends to be forgotten all too easily, is that it is mostly women who milk the animals and carry the surplus to the cooperative collection centre. Yet very few women are on management committees of the cooperatives, let alone on those of the District Unions or State Federations. This implies a break in the feedback of information to those with the power to modify local OF policy, especially in the provision of input services.

As compared with the original OF II targets, the rise in the number of households was disappointing. However, the WB targets were 90% fulfilled by September 1985 and fully reached in mid-1986. The original 10 million households targetted would have equalled the population of France or the UK, so that the 370% rise in members over 7 years can be considered a remarkable achievement, whatever the target. In qualitative terms, the emphasis, as planned, has been on the small producers: of the 4 1/2 million households in 1986, 21% had no land and another 66% owned less than 4 hectares. Almost three quarters of members

National production of SMP and butteroil could not provide sufficient quantities to bridge the gap between lean and flush seasons, in the dairy plants, that is, ensure capacity use all year round. However, subsidies would still be required for recombination and even then the increasing demand for milk is not being satisfied. However, as in all aspects of OF, one should be wary of generalising on the basis of national statistics; processing capacity and its use vary greatly between States, although quality is believed to be good or satisfactory for the most part. Thus, in some traditional milk surplus States, capacity was strained during the flush season towards the end of OF II, leading to "milk holidays" which are uneconomic. On the other hand, in other States where cooperatives were recently established the capital-output ratio was high, also leading to economic inefficiency.

Despite increases in OF marketing, the modern organized dairy sector controls only 11% of total Indian milk production, of which 5-6% is marketed as liquid pasteurised milk. On the other hand, OF producers now supply almost 50% of the 4 metro cities' liquid milk market, a main objective of OF I which was extended to OF II. Overall, the traditional raw milk trade still has the largest share of liquid milk marketing, but this should not be taken as a sign of OF failure. In the first place, middlemen frequently supply areas which a cooperative with its

large fixed costs could not afford to. Secondly, not only have total marketed milk quantities greatly increased, but so has the share of OF in these quantities. It would be unrealistic to expect such a project to dominate a traditionally strong middleman market within a few years. Indeed, there is no economic reason why the public and private dairy sectors cannot complement each other, as they do in many products elsewhere. From the consumption point of view, OF's activities have substantially increased the supply of good quality milk, as well as maintaining producer prices for milk and increasing producer incomes.

As for the part played by EC dairy product aid, this was successful in filling seasonal gaps and generating counterpart funds for investment purposes. OF II funds financed 52 dairy plants, 11 chilling centres and additional storage capacity, 600 road tankers, 86 rail tankers, 3 milk packaging factories, 3 cattle feed factories and an animal vaccine production unit. The investments in "heavy" infrastructure are generally considered of good quality, while extension and input services, being smaller scale projects and involving a number of different parties in planning and implementation, still have some way to go.

## 7 Conclusions

All rural development projects operate in a dynamic environment and consequently resource use, timing and even final objectives need modifying throughout the period of implementation. This clearly applies to a project which covers a vast country like India, with major economic, political, institutional and structural differences between and within its 22 states. Since different degrees of project achievement are inevitable, the results of Operation Flood II seem all the more noteworthy.

One constraint was time: a shift of emphasis in the production and marketing of a traditional product like milk, as well as laying down basic infrastructure takes more than 7 short years. It was not simply a question of encouraging production: it was often difficult to persuade a risk-averse small producer to market his or her surplus production - and to do so regularly. In addition, OF faced strong opposition not only from the private dairy trade but also from traditional village authorities who (naturally) objected to the disruption of their long-established socio-economic and religious order. These factors caused delays in project implementation and should not be forgotten.

OF's strengths lay in (1) strong political support by the Federal Government and State authorities, as well as India's protectionism for the domestic market, (2) the widespread consumption of milk by all population groups and ages, (3) having a product which could be imported as food aid, so that all

marketing of milk could be carried out by the same structure, (4) having a product which could not be stored by producers and (5) making use of food aid as a source of investment for a development project.

While one should not minimize OF II difficulties and unequal degrees of achievement, the project has shown that food aid can avoid the criticisms often levelled at it (increasing import dependency, depressing local prices etc)., and be fully integrated into national development strategies.

Indeed, the cooperative dairy sector can now be used as a foundation for further integrated rural development projects in India, illustrating the multiplier pattern of development.