# COMMISSION OF THE EUROPEAN COMMUNITIES <br> SEC(90) 2243 final 

[^0]ACP African, Caribbean and Pacific countries (signatories to the Lomé Convention)

BO Butteroil
CAP Common Agricultural Policy
CIF Cost Insurance Freight
DG Directorate General
EC European Community
EAGGF European Agricultural Guidance and Guarantee Fund
EXQ Ex Quay
FAC Food Aid Commitee
FFW "Food-for-Work"
FOB Free on Board
IA Intervention Agency of European Member State
ICRC International Committee of the Red Cross
IO International Organization
LICROSS League of Red Cross and Red Crescent Societies
MECU Million ECU
NGO Non-governmental organization
SMP Skimmed milk powder
t Metric ton
TO Triangular Operation
UNHCR United Nations High Commission for Refugees
VGD Vulnerable Group Development
VO Vegetable Oil
WB World Bank (= International Bank for Reconstruction and development)

WFP World Food Programme (of the FAO)

## CONTENTS

Press
1.0 INTRODUCTION ..... 1
1.1 LEGAL FRAMEWORK AND POLICY DEVELOPMENTS ..... 1
1.2 THE 1987 AND 1988 FOOD AID BUDGET ..... 2
1.2.1 Introduction ..... 2
1.2.2 Execution of the 1987 and 1988 Budget; Values ..... 2
1.2.3 Quantities and Commodity Prices ..... 3
2.0 PRINCIPAL REASONS FOR FOOD AID ..... 5
Structural deficits; drought/natural disasters and conflict in 1987 and 1988
2.1 DIRECT FOOD AID ..... 5
2.1.1 Normal Direct Food Aid in 1987 ..... 5
2.1.2 Normal Direct Food Aid in 1988 ..... 6
2.2 UTILIZATION OF FOOD AID ..... 7
2.2.1 Free Distribution, Food for Work and Sales in 1987 ..... 7
2.2.2 Free Distribution, Food for Work and Sales in 1988 ..... 8
2.3 FOOD AID AS AN INSTRUMENT FOR DEVELOPMENT ..... 9
2.3.1 Multiannual Programmes ..... 9
2.3.2 Management and utilization of counterpart funds ..... 11
2.3.3 Substitution operations ..... 12
2.3.3.1 Substitution Operation in 1987 ..... 12
2.3.3.2 Substitution Operation in 1988 ..... 12
3.0 INDIRECT FOOD AID ..... 13
3.1 FOOD AID ALLOCATED TO NON GOVERNMENTAL ..... 13 ORGANIZATIONS
3.2 THE 1987 NGO FOOD AID ALLOCATION ..... 13
3.3 THE 1988 NGO FOOD AID ALLOCATION ..... 14
3.4 FOOD AID ALLOCATED TO OTHER ORGANISATIONS IN ..... 16 1987 AND 1988
3.5 EC FOOD AID VIA WFP, UNHCR, ICRC, LICROSS AND ..... 17 UNRWA
4.0 EMERGENCY FOOD AID AND EXCEPTIONAL RESERVE ..... 20
4.1 EXCEPTIONAL RESERVE ..... 20
4.2 EMERGENCY ALLOCATIONS IN 1987 ..... 20
4.3 EMERGENCY ALLOCATIONS IN 1988 ..... 21
5.0 COMPLEMENTARY ACTIONS ..... 22
5.1 STORAGE PROGRAMMES AND EARLY WARNING SYSTEMS ..... 22 (Budgetline 9281)
5.1.1 Guidelines and Activities ..... 22
5.1.2 Actions financed under Budget Line 9281 in 1987 ..... 23
5.1.3 Actions financed under Budget Line 9281 in 1988 ..... 24
5.2 CO-FINANCING OF FOOD AID PRODUCTS ..... 25
5.2.1 Co-financing of Aid Purchases by NGOs in 1987 ..... 25
5.2.2 Co-financing of Aid Purchases by NGOs in 1988 ..... 26
6.0 INTRODUCTION TO THE NEW COMMISSION REGULATION ..... 27 (EEC) N0 2200/87
6.1 THE NEW REGULATION ..... 27
6.1.1 Main objectives achieved by Regulation 2200/87 ..... 27
6.1.2 Quality control ..... 30
6.1.3 Abolition of CIF - Stage at port of landing delivery ..... 30
6.1.4 Sanctions ..... 31
6.2 ASSESSMENT OF THE EXPERIENCES MADE WITH THE ..... 31 NEW SYSTEM
6.2.1 Changes in delivery stage ..... 31
6.2.2 Monitoring ..... 31
6.3 THE MOBILIZATION OF THE 1987 PROGRAMME ..... 32
6.4 THE MOBILIZATION OF THE 1988 PROGRAMME ..... 33
6.5 CONCLUDING REMARKS REGARDING MOBILIZATION IN ..... 37 1987 AND 1988
7.0 TRIANGULAR OPERATIONS ..... 38
7.1 TRIANGULAR OPERATIONS IN 1987 ..... 38
7.2 TRIANGULAR OPERATIONS IN 1988 ..... 39
8.0 EVALUATIONS ..... 40
9.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ..... 43

### 1.0 INTRODUCTION

Member States of the European Community began cooperation in development assistance in 1958 after the Treaty of Rome. The EC's development approach advanced from individual project financing towards integrated programmes which linked food aid with financial aid and technical assistance.

EC food aid itself, which started in 1968/69 has steadily moved away from agricultural policies towards an independent role and has evolved into an integrated development instrument, independent of EC market interests and committed to the needs of the beneficiary.

The principal aim of EC food aid is to promote global food security by covering existing food deficits and developing sufficient food production in recipient countries.

Special emphasis is placed on the necessity of integrating food aid policies into the development policies of the beneficiary countries.

### 1.1 LEGAL FRAMEWORK AND POLICY DEVELOPMENTS

Food aid is not explicitly envisaged in the treaty establishing the EEC. Thus it was based on Article 235 and Article 43 of the treaty of Rome. Until December 1986 when the Council Regulation (EEC) No 3972/86 was adopted, the framework regulation used to be (EEC) No 3331/82. Regulation (EEC) No 1755/84, which concerns alternative food aid operations remains in force; the operations it refers to constitute a step towards a more flexible approach in food aid.

The aim of this change of the framework regulations was to render more efficient food aid management and to increase the conformity between the needs of the recipient and the aid provided.

The particular objectives stated in the new regulation were:

- to promote food security
- to raise the standard of nutrition
- to provide assistance in emergencies
- to contribute towards balanced social and economic development
- to support efforts by recipient countries to improve their own food production.

Further innovations were:
The Commission would decide upon the yearly quantities of each food aid item. It would also establish a list specifying food aid items to be mobilized.

Elimination of any reference to Article 43 of the Treaty of Rome (CAP), leaving Article 235 as the basis of the regulation. In connection with this, triangular operations take place in a greater number of circumstances.

Special reference was made to the importance of facilitating multi-annual allocations in support of development programmes financed by counterpart funds. In justified cases food aid can be used to provide stocks for food security in beneficiary countries.
The procedures for emergency aid remained the same, however the beneficiary category widened to include refugees and other vulnerable groups facing unforeseen difficulties. Previously only entire nations were eligible. The
maximum duration of emergency food aid was extended from three to four months.

The Food Aid Committee, one of the elements of the existing system, was reestablished by the article 8 of the new Regulation (EEC) No 3972/86. It is composed of representatives of the member states and is chaired by a representative of the Commission. This committee was developed into an important forum for the exchange of information and news between the member states and the services of the Commission concerned with food aid. In 1987 the FAC met eleven times and examined 61 draft decisions concerning normal food aid ${ }^{1}$. 55 of these were accepted unanimously, 6 were accepted by the necessary majority. In 1988 there were 9 FAC meetings, 36 decisions were unanimously accepted, 3 were accepted by the necessary majority.

Following the reform of the regulations on food aid policy and management in December 1986, the Council passed the regulation (EEC) No 1420/87 in May $1987^{2}$. The Commission followed suit with regulation (EEC) No 2200/87, adopted on the 8th July 1987, which established the general rules for the mobilization of Community products to be supplied as food aid. The responsibility for the mobilization of food aid has been transferred from the intervention boards of the member states to the Commission. Regulation (EEC) No 2200/87 also introduces a quality control system by means of independent monitoring agencies, the implications of this will be dealt with in further detail under point 6.

In August 1988, the Council adopted the regulation (EEC) No 2507/88 on the implementation of storage programmes and early warning systems. The Council also adopted regulation (EEC) No $2508 / 88$ on the implementation of cofinancing operations for the purchase of food product or seed. Both regulations provide for Community support of actions by international and non-governmental organizations. The intention is to integrate development operations and to enhance efficiency of European Community development aid.

### 1.2 THE 1987 AND 1988 FOOD AID BUDGET

### 1.2.1 Introduction

The Food Aid Programme financed by the Budget of the European Communities is based on annual allocations. It constitutes an important part of the overall community budget representing about $20 \%$ of the total amount spent on cooperation with developing countries, including Lomé.

### 1.2.2 Execution of the 1987 and 1988 Budget; Values

The 1987 and 1988 budgets were substantially lower than 1986 (693.3 MECU). The 1987 Food Aid Programme started on the twelfth provision of the 1986 programme until the overall Community Budget was passed on 19th February 1987. The approved credits of chapter 92 totalled 604.1 MECU , which was

1 Emergency food aid decisions are taken following special procedures
2 This is the regulation rg . implementation of food aid incl. the list of countries eligible and the criteria rg. delivery beyond port of shipment stage
$13 \%$ less than the 1986 budget. Out of this sum, the non-dissociated credits amounted to $203.06 \mathrm{MECU}^{3}$, and the dissociated credits to $401.04 \mathrm{MECU}^{4}$.

The 1988 programme also began on the twelfth provision, the overall budget having been decided upon late in August. The subsequent price rises for important food items however, made higher commitments than foreseen necessary.

Total approved credits amounted to 567 MECU . This constitutes a further reduction of the budget by $7.1 \%$ compared to 1987 and a reduction of $18.2 \%$ compared to the 1986 budget. 114 MECU originally foreseen non-dissociated credits were reduced by transfer amounting to 33.118 MECU to a definite total of $80.88 \mathrm{MECU}^{5}$.

Initial dissociated credits of 307.8 MECU were raised by transfers of 91.3 MECU credits and 87.3 MECU released and adjusted engagement credits. The definitively approved total of dissociated credits thus amounted to 486.4 $M E C U^{6}$. Before the reform of the financing system, the major part of the expenses were covered by the Intervention Agencies of the member states. The Commission paid monthly advances to the Intervention Agencies. The new system led to a decrease of the member states expenses by $38.3 \%$ ( 1987 compared to 1986). A new budget line 9281 was created in 1987 to cover the costs of storage programmes and early warning systems set up by IOs, NGOs ): (ieveloping countries. The credits for this line amounted to 9.89 MECU in 1987 and 4.5 MECU in $1988^{7}$. (See Annex pg.1,2, tab. 1 \& 2)

### 1.2.3 Quantitice and Commodity Prices

Cereal quantities of the 1987 Programme were slightly larger than those of its ; 986 predecessor. The exceptional reserve constituted a significant amount of i60, 000 t cereal. The overall cereal allocation increased by $17.2 \%$ to $1,360,000$ $t$ quantities for dairy products remained the same as in 1986 , so did the other mat: food itoms. Glocal quantities adopted the 16 th March 1988 were somewhat wwer than in 1987. Cereals $1,360,000 \mathrm{t}$ remained at the same level but butteroil was reduced by $7.5 \%$ to $25,000 \mathrm{t}$. Compared to 1986 the estimated prices for food commodities decreased remarkably. (Tab 3, Annex pg. 4)

As a consequence, commodity prices were underestimated in the 1988 budget planaing and subsequent price rises in the world market were not covered by the available credits. The estimates were based on the record low levels of the

[^1]beginning of 1987 , but prices for most products rose from $17 \%$ to $72 \%$ from autumn 1987 on.

Apx. prices in ECU/t

| Food item | spring 1987 | autumn 1987 | autumn 1988 |
| :--- | :---: | :---: | :---: |
| Cereals | 70 | 103 | 150 |
| SMP | 735 | 1,266 | 1,900 |
| BO | 1,495 | 1,750 | 2,000 |
| VO | 706 | 501 | 800 |
| Sugar | 210 | 175 | 300 |

These price rises led to deficits of 87.5 MECU just to cover the quantities allocated (Tab. 4, Annex Budget).

A possible solution was the transfer of credit surpluses from 1987 budget to counterbalance the deficits (Tab. 5, Annex Budget). These measures were, however, not sufficient to cope with the rising prices which reached record levels in autumn 1988.

Food aid operations fall within two budget headings:

1. Title 2 ("EAGGF Guarantee"), i.e. chapter 29 (Art. 292) regarding export refunds for most of the EC food products exported.
2. Title 9 ("Cooperation with developing countries"), i.e. Chapter 92 for the world market price equivalent plus the special expenditure associated with the provision of food products.

Products supplied as Community food are usually bought in the internal market. The price of food aid exported to third countries is broken into two elements: the world market price (lower than internal price) and the refund paid amounting to the price difference (i.e. internal price paid - world market price). The Commission concludes its purchase contracts at world market price and suppliers receive export refunds from national bodies in the Member States. The world market price paid by the Commission is financed by Chapter 92, the refund, however is financed by Article 292.

The increase of the world market price referred to earlier, led to shortages of funds under Chapter 92. On the other hand, the savings made under Article 292 due to reduction of export refunds mean that the Community does not face extra costs of food aid.

### 2.0 PRINCIPAL REASONS FOR FOOD AID

## Structural deficits; drought/natural disasters and conflict in 1987 and 1988

Countries that do not produce sufficient food-stuffs to cover their consumption at normal harvest yields have structural deficits. Cereal imports by developing countries have risen from 100 mio $t$ in $1980 / 81$ to 120 mio.t in 1988/89. The deterioration of terms of trade effect most seriously the countries dependent on food imports. Undernourished groups within developing countries have no food security, because of their extreme poverty and their low nutritional education; therefore they require special support. Economic adjustments introduced in many countries can have negative short term consequences for their food security. While emergency food aid is aimed at victims suffering the immediate effects of drought, natural disaster and conflict, large quantities of direct aid ameliorate the medium term effects of the same causes.

Often several of the principal reasons coincide, as in the case of Bangladesh, whose populations growth approaches the carrying capacity of its agricultural lands. Besides being one of the major food aid recipients because of structural deficits, the country suffered floods in 1987 and 1988. The Community made direct aid allocations of $150,000 \mathrm{t}$ cereal to Bangladesh in 1987 and the same amount in 1988, besides substantial emergency aid quantities. $(100,000 \mathrm{t}$ )

Ethiopia was affected by severe drought in 1987 and received an allocation of $65,000 \mathrm{t}$ cereal direct aid plus $50,000 \mathrm{t}$ cereals exceptional not including 60,000 $t$ cereal emergency food aid.

Droughts in 1987 and hurricanes in 1988 affected several countries in Central America, giving rise to allocations of $5,000 \mathrm{t}$ cereals to both Honduras and Nicaragua in 1987 and $7,000 \mathrm{t}$ cereals to each of the countries in 1988. Over and above the 1988 allocation Nicaragua also benefited from an emergency allocation of $5,000 \mathrm{t}$ cereals.

Food aid achieves its mentioned goals through direct food aid, which is mainly sold and indirect food aid, which is mostly distributed.

### 2.1 DIRECT FOOD AID

### 2.1.1 Normal Direct Food Aid in 1987

All quantities of normal direct food aid increased in 1987, excepting other food items, the value of which remained relatively stable. Cereals quantities in 1987 increased by $114,800 \mathrm{t}(+15.5 \%)$ to $854,800 \mathrm{t}$ in order to cover rising demands for food aid in developing countries. Normal direct food aid in form of cereals accounted for $63 \%$ of the total quantity of the product allocated in 1987. SMP quantities rose by $88 \%$ to $41,340 \mathrm{t}$ in 1987 from $22,000 \mathrm{t}$ in 1986. VO quantities were increased by $15,600 \mathrm{t}$ to $20,300 \mathrm{t}$ in 1987 ( $+33.2 \%$ ) and BO quantities grew by $133.5 \%$ to $2,300 \mathrm{t}$ in 1987.

|  | 1986 | 1987 | 1988 |
| :--- | :---: | :---: | :---: |
|  |  |  |  |
|  |  |  |  |
| CEREALS | 740,000 | $854,800^{1}(+15.5 \%)$ | $857,000^{8}$ |
| SMP | 22,000 | 41,340 | $(+88 \%)$ |
| BO | 7,000 | 16,346 | $(+133.5 \%)$ |
| VO | 4,700 | 20,300 | 10,037 |
| SUGAR | 100 | 2,300 | 14,250 |
| OTHER | 8.56 MECU | 8.4 MECU | 1,000 |
|  |  |  | 8.73 MECU |

### 2.1.2 Normal Direct Food Aid in 1988

Rising food prices and budgetary limitations led to a stagnation of quantities in spite of increased demands. Whereas cereals and SMP ${ }^{9}$ quantities remained much the same as in 1987, BO quantities fell by some $6,300 \mathrm{t}$ to $10,037 \mathrm{t}$. VO quantities decreased by $6,050 \mathrm{t}$ to $14,250 \mathrm{t}$ and sugar quantities were reduced by $1,300 \mathrm{t}$ to $1,000 \mathrm{t}$ on account of budgetary shortcomings. There was a slight increase in other food items in 1988.

### 2.2 UTILIZATION OF FOOD AID

Given that normal food aid is granted to cover shortages affecting a country, a population or a section of it, there are several possibilities to utilize it:

- Food for free distribution can be used in food for work projects where food is given in exchange for labour or for vulnerable group feeding, i.e. children, pregnant women, old people and refugees.
- Sales: Food aid for sale is generally channelled through a government ministry or agency. The receipts of sale, counterpart funds, are used to finance development projects, mainly in rural areals. These can support agricultural production, food crops, fisheries, forestry or dairy development. Also land development projects, for example soil conservation, irrigation, drainage and flood control. Another category are rural infrastructural projects, roads, cooperatives and rural settlement.


### 2.2.1 Free Distribution, Food for Work and Sales in 1987

Quantities of direct aid intended for free distribution ${ }^{\mathbf{1 0}}$ were relatively small compared with the total amount.

| Cereals | $37,220 \mathrm{t}$ | $(5.2 \%)$ |
| :--- | ---: | :--- |
| BO | $9,080 \mathrm{t}$ | $(20.2 \%)$ |
| VO | $4,000 \mathrm{t}$ | $(19.7 \%)$ |

Besides the direct aid quantities, all of the emergency aid and a substantial quantity NGO aid were distributed free.

Food for work constitutes a further application of food aid well suited for integration into development projects. The Community only supports a few of these undertakings because they require a great deal of organization and a follow-up quite difficult to ensure. The Community participates however, in projects organized by the WFP. In 1987, two FFW allocations of direct food aid were made and carried on in 1988. The EC contribution to the one in Bangladesh amounted to 30,000 t cereals used for FFW and VGD with an additional $3,000 \mathrm{t}$ intended for sales to provide funds for management and material costs. The WFP also monitored $25,000 \mathrm{t}$ EC emergency aid ${ }^{11}$.
The other action monitored by WFP took place in Ethiopia, 40,000t cereals and $16,000 \mathrm{t}$ VO were exchanged for labour.

Sales: large quantities of normal direct aid were used for sales by beneficiary governments:

| Cereals | $588,980 \mathrm{t}$ | $(82 \%)$ |
| :--- | ---: | :--- |
| SMP | $36,260 \mathrm{t}$ | $(80 \%)$ |
| BO | $12,246 \mathrm{t}$ | $(79.8 \%)$ |
| VO | $14,700 \mathrm{t}$ | $(72.4 \%)$ |
| Sugar | $2,300 \mathrm{t}$ | $(100 \%)$ |

10 Excluding FFW

Cereals were mostly delivered to government agencies running ration shops. Milk products were delivered to dairy industries for recombination purposes (see multiannual programmes).

### 2.2.2 Free Distribution, Food for Work and Sales in 1988

Food aid for free distribution was mainly channelled through NGOs and IOs. All emergency aid and a smaller amount of direct aid was also distributed free of charge, mainly

| Cereals | $58,000 \mathrm{t}$ |
| :--- | ---: |
| SMP | $4,750 \mathrm{t}$ |
| BO | $1,150 \mathrm{t}$ |
| VO | 500 t |

to vulnerable groups specified by beneficiary governments. The overall amounts for free distribution were more important than those for sale excepting cereals quantities (see table).

FOOD FOR FREE DISTRIBUTION COMPARED TO OVERALL AMOUNT
CEREALS ( $t$ SMP ( $t$ ) BO ( $t$ )

| 1988 PROGRAMME | 1,387,247 | 111,465 | 27,329 |
| :---: | :---: | :---: | :---: |
| (overall amounts) | (1,360,000 + | (110,000 + | (25,000 + |
|  | 27,247 | 1,465 | 2,309 |
|  | 1987 reserve) | 1987 reserve) | 1987 reserve) |


| DIRECT | 58,000 | 4,750 | 1,150 |
| :--- | ---: | ---: | ---: |
| INDIRECT | 477,535 | 62,900 | 15,100 |
| EMERGENCIES | 152,712 | 1,250 | 500 |
| TOTAL + \% OF | 630,247 | 68,900 | 16,750 |
| Global allocation | $(49.6 \%)$ | $(61.8 \%)$ | $(61,3 \%)$ |

VO (t) SUGAR (t) OTHER PRODUCTS

|  |  |  |  |
| :--- | :---: | :---: | :---: |
| 1988 PROGRAMME <br> (overall amounts) | 34,000 | 11,000 | 30.00 |
| DIRECT | 500 |  |  |
| INDIRECT | 16,450 | 9,100 | 19.37 |
| EMERGENCIES | 3,000 | 800 | 1.9 |
| TOTAL + \% OF 19,950 9,000 23,25 <br> Global allocation $(58.7 \%)$ $(90.0 \%)$ $(77.50 \%)$ |  |  |  |

### 2.3 FOOD AID AS AN INSTRUMENT FOR DEVELOPMENT

### 2.3.1. Multiannual programmes

Multiannual programmes are a good way to integrate food aid into development, guaranteeing continuation of projects over a period of time, enhancing longer term cooperation in planning, implementation and evaluation.

The 1982 Council Framework Regulation ${ }^{12}$ already foresaw multiannual operations. The 1986 framework regulations ${ }^{13}$ laid the legal foundations for multiannual programmes ${ }^{14}$, on the basis of which procedures for approving allocations and concluding agreements have been developed. The prerequisites for multiannual programmes are as follows:

- a structural need for imports and
- a need for funds to finance a development programme lasting several years.

These facts given, difficulties to bring together different objectives remain, such as the stimulation of local food production and the implementation of food aid which could boost competitive food imports replacing local products. While local production should always have priority, imports can be used to supplement food supplies over a transitional period.

It is necessary to integrate multiannual programmes into development policies jointly negotiated and agreed upon by the Community, other donors and the recipient. . Policies need to be planned well in advance of implementation, interlinking various instruments and retaining sufficient flexibility to react to unforeseen events. Forward planning must lay down provisions such as:

- guidelines for price and marketing policies
- desired balance between imports and local production
- regulation of ratio and roles of food imports and food aid grants
- determination of the exact objects of food for sale and free distribution etc.

Outstanding examples for multiannual operations are the agreements on the supply of dairy products to China and India. In both cases, the objective was to contribute to bridge the gap between demand and current production. Counterpart funds resulting from sales of the products are used to finance development of the dairy sector.

In India, the programme Flood III intends to promote viable cooperatives owned and managed by producers; in these cooperatives, milk from rural hinterland is collected, processed and marketed. The ultimate aim is to increase rural incomes by providing stable quantities in the lean season until local fresh milk production has reached self sufficiency level.

The Flood III India 7-year quantities allocated were 75,000 SMP and 25,000 BO.
(EEC) No 3331/82
(EEC) No 3972/86
Art. 2(5) "where food aid is provided as backing for a development programme spread over a number of years, it may be supplied on a multiannual basis linked to the programme in question

Flood III 1987-1993

| YEAR | SMP (t) | $\mathrm{BO}(\mathrm{t})$ |
| :---: | :---: | :---: |
| 1987 | 12,000 | 4,000 |
| 1988 | 18,000 | 6,000 |
| 1989 | 15,000 | 5,000 (*) |
| 1990 | 12,000 (**) | 4,000 (**) |
| 1991 | 9,000 (**) | 3,000 (**) |
| 1992 | 6,000 (**) | 2,000 (**) |
| 1993 | 3,000 (**) | 1,000 (**) |

${ }^{*}$ ) foreseen but none required
(**) planned amounts

The Multiannual Dairy Programme in China shows the interlinkage of different development instruments: financial and technical assistance with food aid. It started in 1988 and shall continue till 1992. The total quantities allocated are $45,000 \mathrm{t}$ SMP and $15,000 \mathrm{t}$ BO. The programme assists the Chinese government's development of the dairy sector in 20 cities. Six of the cities received assistance under a WFP programme which the Community will take over. The 14 extra cities represent an expansion of the programme made possible by Community assistance. The counterpart funds generated by the sale of Community food aid are used to finance improvements in milk production and distribution.

China Dairy Programme 1988-1992

| YEAR | SMP $(\mathbf{t})$ | BO $(\mathbf{t})$ |
| :--- | ---: | :--- |
| 1988 | 7,760 | 2,587 |
| 1989 | 15,230 | 5,076 |
| 1990 | 10,800 | 3,600 |
| 1991 | 5,000 | 1,667 |
| 192 | 6,200 | 2,070 |

In 1988 an agreement was concluded with Kenya, to support a cereal sector reform programme also receiving finance from the sixth EDF.
With this programme the government of Kenya intends to reinforce food security. Counterpart funds generated by sale are used to support a crop procurement fund. $45,000 \mathrm{t}$ cereals will be supplied over three years at $15,000 \mathrm{t}$ a year.

Cape Verde received stable food aid quantities since 1984. To overcome certain problems of delivery resulting from negativ development of terms of trade, an agreement on a three-years programme was made in 1987. Food aid amounting to $9,000 \mathrm{t}$ cereal, 300 t SMP and 200 t VO is delivered yearly. Funds resulting from sales of above food items are used to finance labourintensive rural development projects, such as island reforrestation.

### 2.3.2 Management and utilization of Counterpart Funds

Counterpart funds (CFs) are generated by sales of EC food aid ${ }^{15}$, the receipts of which are used to finance development projects.

- Revision of the general conditions: The general conditions signed by a beneficiary as a prerequisite to receiving aid were reformulated at the end of 1986.

The new text established precise, realistic and transparent conditions which were put into practice from beginning of 1988. Documentation regarding the constitution of funds must be provided within six months.
The practice of deducting substantial amounts as import taxes, transport or administration costs is not permitted.

- Calculation of Funds: Previously CFs were established at local market prices without specification of key dates. Values were quite uncontrollable due to large variation in prices over time and from place to place.

Under the new dispositions, the Fund is established on the basis of the commercial value of the product at world market price based on the the date and place of delivery ${ }^{16}$.

- Administration of the values:

In the past, transactions could be made unilaterally and most countries only kept records of the deposit of funds from sales, but no information as to interest during deposit or final usage, etc.. A few years ago, CFs were generally included in the national budget accounts, rendering assessment of any sort impossible.

Countries are conforming to the new dispositions, but accounts of counterpart funds are mostly kept in national banks, though commercial banks pay interests on deposits which gives some protection against loss of value of funds deposited due to high inflation rates.

Now all transactions need a signature from both partners in development, i.e. the resp. representatives of the $E C$ and the appointed ministry of the beneficiary government. The EC has now the right to monitor the accounts. Not only the development projects financed by CFs are decided upon jointly but also the exact amounts to be transferred to the projects. Most countries now keep separate CFs accounts. Some keep accounts for each year, others open new accounts for each project, which facilitates the assessment of progress of projects.

### 2.3.3 Substitution operations

Substitution operations are useful development instruments in countries where production fluctuales from year to year and may be particularly appropriate in connection with multiannual programmes. Budget line 929 covers the cost of such actions.

### 2.3.3.1 Substitution Operations in 1987

In 1987 7,96 MECU were forseen for Substitutions: Senegal was allocated 1,09 MECU instead of a cereal amount of $10,000 \mathrm{t}$. The funds were intended for projects supporting local cereal production and related measures. Among others, projects supporting artisans and small-scale industries concerned with local cereal processing were financed. The creation of storage capacities aimed at covering $10 \%$ of the national production also received support, stess was laid on construction of multifunctional units.

Chad was allocated 1,64 MECU instead of $15,000 \mathrm{t}$ cereals. With this sum, intervention purchases in the local market in the zone of production were made. The aim was to stabilize producers prices and to transport cereals to areas of scarcity.

1,6 MECU was allocated to Mali in support of the government's efforts to improve food security by contributing to storage actions on farm, village, regional and national levels. Transport, distribution and transformation of cereals was also financed.

Haiti was allocated 662,356 ECU for an integrated rural development programme.

Sudan was allocated 3,07 MECU to purchase $23,200 \mathrm{t}$ fertilizer instead of $20,000 \mathrm{t}$ cereals granted October 1986 which were not needed at date due to a better harvest situation and massive imports from the US.

### 2.3.3.2 Substitution Operations in 1988

Tanzania received financial support for an alternative food operation reinforcing efforts to provide smallholder farmers with inputs and services at village level. An allocation of $0,76 \mathrm{MECU}$ was made to that effect.

An allocation of 615,971 ECU for Zambia was provided to support a project decided in the 1986 programme which was not completed with 1986 funds.
$13 \%$ less than the 1986 budget. Out of this sum, the non-dissociated credits amounted to $203.06 \mathrm{MECU}^{3}$, and the dissociated credits to $401.04 \mathrm{MECU}^{4}$.

The 1988 programme also began on the twelfth provision, the overall budget having been decided upon late in August. The subsequent price rises for important food items however, made higher commitments than foreseen necessary.

Total approved credits amounted to 567 MECU . This constitutes a further reduction of the budget by $7.1 \%$ compared to 1987 and a reduction of $18.2 \%$ compared to the 1986 budget. 114 MECU originally foreseen non-dissociated credits were reduced by transfer amounting to 33.118 MECU to a definite total of $80.88 \mathrm{MECU}^{5}$.

Initial dissociated credits of 307.8 MECU were raised by transfers of 91.3 MECU credits and 87.3 MECU released and adjusted engagement credits. The definitively approved total of dissociated credits thus amounted to 486.4 $M E C U^{6}$. Before the reform of the financing system, the major part of the expenses were covered by the Intervention Agencies of the member states. The Commission paid monthly advances to the Intervention Agencies. The new system led to a decrease of the member states expenses by $38.3 \%$ (1987 compared to 1986). A new budget line 9281 was created in 1987 to cover the costs of storage programmes and early warning systems set up by 10 s , NGOs () developing countries. The credits for this line amounted to 9.89 MECU in 1987 and 4.5 MECU in $1988^{7}$. (See Annex pg.1,2, tab. 1 \& 2)

### 1.2.3 Quantitics and Commodity Prices

Cereal quantities of the 1987 Programme were slightly larger than those of its ; 986 predecessor. The exceptional reserve constituted a significant amount of $160,000 \mathrm{t}$ cereal. The overall cereal allocation increased by $17.2 \%$ to $1,360,000$ $t$, quantities for dairy products remained the same as in 1986, so did the other main food items. Global quantities adopted the 16 th March 1988 were somewhat iower than in 1987. Cereals $1,360,000$ t remained at the same level but butteroil was reduced by $7.5 \%$ to $25,000 \mathrm{t}$. Compared to 1986 the estimated prices for food commodities decreased remarkably. (Tab 3, Annex pg. 4)

As a consequence, commodity prices were underestimated in the 1988 budget planning and subsequent price rises in the world market were not covered by the available credits. The estimates were based on the record low levels of the

Compte de Gestion et Bilan Financier 1987, pg 76
4 Compte de Gestion et Bilan Financier 1987, pg 251
5 Compte de Gestion et Bilan financier 1988, pg 124
$5 \quad$ Compte de Gestion et Bilan financier 1988, pg 222
$7 \quad$ Actions financed by 9281 are described in Chapter 4.1

In 1987, the food aid allocated to NGOs reached a record level in quantitative and in monetary terms. The budget estimate for 1987 was 109.4 MECU which was an increase of $51.9 \%$ compared with 1986 (see tables 12-19, Annex p. 1632). The increases do not simply reflect the needs of the beneficiaries but also the capacity of NGOs to distribute successfully those increased quantities.

## Difficulties encountered in 1987:

Difficulties were experienced at the import stage or at delivery in Brazil, Cameroon, Ghana, Haiti, India, Sudan, Uganda and Zaire. The five main causes were:

- Delays experienced by the consignee in acquiring the relevant import licence.
- Attempts by the local authorities to impose import duties and taxes on food aid intended for free distribution.
- Refusal to permit importation of the food aid because of concern related to the radiation content of the products concerned.
- As a result of the lapse of time between programming and delivery, the product became readily available locally as harvests were brought in and importation is refused.
- The security situation in the beneficiary country.


## Increase of NGO responsibility

Taking into account the past difficulties NGOs had, the Commission tried to increase their responsibility by introducing a catalogue of measures to that effect in the official letter. NGOs were encouraged to make more objective appraisals of their proposed projects and there was additional monitoring by Commission delegates in 1987.

## NGO Seminar

1987 was the year of the first seminar organized by Euronaid on behalf of the Commission in Mombassa. Participants came from NGOs in Ethiopia, Kenya, Somalia, Sudan, Tanzania and Uganda, all of whom cooperated in Community food aid. Objectives promoted in the seminar included clarification of policy and procedures, improved relations and communications as well as strengthening of local NGOs.

### 3.3 The 1988 NGO Food Aid Allocation

Although the quantity ${ }^{17}$ of food aid allocated to NGOs was reduced, the budget remained stable (109.3 MECU) (see table 20-26, Annex p. 33-43).

The sharp rise in prices for cereals and milk products explain why the monetary value remained the same though quantities decreased.
Reasons for the reduction in quantities were the following:

- No food aid was allocated to Ethiopia in the latter half of the year because of the very large stocks available in the country itself and because of the good harvest experienced.
- A provisional postponement of food aid to Lebanon took place at the end of the year because total demands for food aid were out of proportion to the size of the population. Food aid allocated was not reaching the intended beneficiary population and the suitability of various food aid items was in doubt.

These experiences emphasize the need for on-going assessment of NGO activities on the ground after programming has taken place.

## DEVELOPMENT ACTIONS CARRIED OUT 1988 BY NGOs



In comparison to 1987, development actions increased by 11 percentage points while emergency actions reduced by 12.1 percentage points. Refugee and welfare activities remained approximately stable at $68.3 \%$.

## NGO Seminar

In 1988 Euronaid organized a second seminar, this time in Senegal for West Africa. Participants came from Benin, Burkina Faso, Guinea Bissau, Mali, Mauritania, Niger, Rwanda, Senegal and Zaire.

Result of the discussions and negotiations were:

- clarification of policy and procedures
- improved relations between the Commission, its delegations, European and African NGOs
- exchange of experiences and views
- improved communication and information
- strengthening local NGOs

Increased contacts between all parties concerned provide information necessary for assessments, and form the basis by which the efficiency of NGO aid can be enhanced. Consequently, the increased cooperation resulting from the contacts established will be of benefit to all parties concerned.

### 3.4 Food Aid allocated to other Organizations in 1987 and 1988

As in previous years, the EC allocated food aid for further distribution to beneficiaries to following five Organizations: The World Food Programme (WFP), the United Nations High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International League of Red Cross Societies (LICROSS) and the United Nations Relief Works Agency for Palestinian Refugees (UNRWA). 1987 normal food aid quantities for IOs appear in the table below.

QUANTITIES ALLOCATED TO IOs 1986-1988

| TOTALS (t) | $\mathbf{1 9 8 6}$ (apx) | 1987 | $\mathbf{1 9 8 8}$ |
| :--- | :---: | ---: | ---: |
| CEREALS | 334,000 | 383,455 | 257,561 |
| SMP | 32,000 | 32,055 | 35,800 |
| VO | 2,200 | 8,700 | 7,876 |
| BO | 7,000 | 8,154 | 7,471 |
| SUGAR | 2,300 | 4,800 | 5,490 |

## CEREALS 1986-88 <br> via International Organizations

SMP 1986-88
Via International Organizations


VO - BO - SUGAR 1986-88
Via International Organizations


### 3.5 EC Food Aid via WFP, UNHCR, ICRC, LICROSS and UNRWA

1. The WFP was the largest recipient of EC indirect food aid distributed via IOs ${ }^{1}$. The WFP's share of cereals, $279,060 \mathrm{t}$, amounted to $72,8 \%$ of the total quantity distributed in $1987(383,455 \mathrm{t})$. In 1988 the WFP remained the largest recipient with $170,000 \mathrm{t}, 66 \%$ of the total I0 cereal allocation $(257,561 \mathrm{t})$.

The importance of cooperation between the WFP and the EC is not only manifest in the over 200\% growth of cereal quantities distributed (1986: $114,000 \mathrm{t}$ ), the WFP's engagement in transport and monitoring distribution of EC direct food aid has also increased.

In 1987 the WFP received $24,000 \mathrm{t}$ SMP, $75 \%$ of the total of $32,055 \mathrm{t}$. In 1988 the SMP quantity was $30,000 \mathrm{t}, 84 \%$ of the total quantity $(35,800 \mathrm{t})$. The allocation of BO was slightly increased from $5,654 \mathrm{t}$ in 1987 to $6,171 \mathrm{t}$ in 1988. The VO allocation, however, nearly doubled from $2,320 \mathrm{t}$ in 1987 to $4,000 \mathrm{t}$ in 1988 , which was $53.5 \%$ of the total quantity via $\operatorname{IOs}(7,760 \mathrm{t})$.

The reason for the growth of quantities via WFP is the joint agreement between the EC, the WFP and the UNHCR of 6th November 1987. In order to improve planning and delivery of multilateral food aid for refugees, it was agreed between WFP and UNHCR to combine deliveries intended for the same group of beneficiaries. In this fashion, duplication of efforts, additional costs and coordination problems would be avoided. The agreement was to channel refugee-food aid though WFP alone to three countries as a trial run in 1988: Iran, Pakistan and Somalia.

Reacting to the request of the Commission and other donors, the WFP decided to create a separate category of contributions called "Direct Refugee Contributions", apart from normal projects and the IEFR.

In order to maintain flexibility to meet the needs of constantly changing refugee situations, the UNHCR was to continue to supply food aid to countries apart from the three mentioned. The UNHCR would also, in case of need, take charge of unforeseen aid actions, including to the three countries mentioned.

Food Aid allocated to WFP under regular pledges was distributed in development projects, such as the multiannual dairy development projects, the rural infrastructure projects, erosion-control projects, rural works in drought-prone areas or projects aimed at improving social structure. EC food aid via WFP went to 46 different countries in 1987 and 40 countries in 1989. (See tab. 30-32, Annex pg. 46-48).
2. In 1987 the UNHCR distributed its EC food aid allocation in 15 countries with large refugee population. The largest actions took place in Thailand, Malawi, Ethiopia and Somalia. The quantities received by UNHCR in 1987 were $55,322 \mathrm{t}$ cereals, $3,500 \mathrm{t}$ SMP, $4,000 \mathrm{t}$ VO, 2,000 $t$ sugar and 3 MECU's worth of other food items. (Tab. 33, Annex p 49).

In 1988 EC food aid via UNHCR went to refugee populations in two countries, Ethiopia and Thailand. 20,000 t cereal, 500 t SMP, 300 t VO, 100 t sugar and 180,000 ECU of other food items were allocated. (Tab. 34, Annex pg; 49).

The reduced quantities allocated to UNHCR in 1988 were due to the fact that this organisation carried over stocks from previous allocations.
3. The ICRC mainly works in countries and regions having internal conflicts. It executes actions of immediate relief as well as nutritional programmes. In 1987 the annual allocation was for $8,000 \mathrm{t}$ cereals, 330 t VO and one MECU other products. This relativly low allocation was due to carry over of quanties from the 1986 allocation. The allocation, distributed in 6 countries, went mainly to Ethiopia. An emergency decission regarding Ethiopia was made to the effect of $15,000 \mathrm{t}$ cereals, $1,500 \mathrm{t} \mathrm{VO}$ and 1.2 MECU other products. The cereal allocation was reduced to $10,000 \mathrm{t}, 5,000 \mathrm{t}$ of which were redirected to Sudan when the ICRC could no longer operate in Ethiopia.

In 1988 the ICRC was allocated 40,000 t cereals, 300 t SMP, 3,500 t VO, 400 t sugar and three MECU in other products. Following the exclusion of the ICRC from Ethiopia, the allocations of cereals, vegeatble oil and other products were reduced to $35,000 \mathrm{t}, 1,500 \mathrm{t}$ and 1.5 MECU respectively. (See tab. 35, 36, Annex pg. 50)
4. The main field of action of LICROSS is in countries suffering effects of disasters. Actions are mainly feeding programmes and food for work projects.

In 1987 allocations were utilized for actions in 23 countries, the main quantities had been distributed in Ethiopia, Malawi, Mauritania and India. Allocations amounted to $20,000 \mathrm{t}$ cereals, $1,500 \mathrm{t}$ SMP, 500 t VO, $1,000 \mathrm{t} \mathrm{BO}$ and 800 t sugar. Furthermore, other food items to the value of 1.5 MECU .

In $198830,000 \mathrm{t}$ cereals, $1,300 \mathrm{t}$ SMP, $1,500 \mathrm{t}$ VO, 800 t sugar and 1.5 ECUs worth of other products were allocated to LICROSS. The other food items consisted mainly of different types of beans, purchased and distributed as triangular operations. $1,200 \mathrm{t}$ millet from triangular purchases was distributed in Niger. In 1988, actions took place in 26 counties, the largest food aid quantities were distributed in Malawi, Ethiopia, Mauritania and Algeria. (Tab. 37, 38, Annex pg. 51, 52)
5. UNRWA executes nutritional and educational programmes to the benefit of Palestinian refugees. In 1987 food aid allocations were increased compared to 1986 ( 1986 quantities in brackets). Cereals quantities amounted to $6,073 \mathrm{t}(5,000 \mathrm{t})$, SMP grew to $3,055 \mathrm{t}(2,500 \mathrm{t})$, BO quantities increased by 700 t to $1,500 \mathrm{t}(800 \mathrm{t}$ ), sugar increased by over $100 \%$ to $2,000 \mathrm{t}(900 \mathrm{t})$. Only VO allocations decreased to $50 \mathrm{t}(200$ t). A total of $2,570 \mathrm{t}$ other food items were also allocated.

In 1988 food aid allocations were increased due to the difficult situation of refugees in connection with the Intefada-movement. Actions took place in Israel, the occupied territories and three neighbouring countries. Total allocations surpassed the previous year amounting to $9,350 \mathrm{t}$ cereals, $3,800 \mathrm{t}$ SMP, 600 t VO, $1,200 \mathrm{t}$ BO, $2,200 \mathrm{t}$ sugar and $3,246 \mathrm{t}$ other food items such as corned beef, tomato paste and sardines. (Tab. 39, 40, Annex pg. 53).

### 4.0 EMERGENCY FOOD AID AND EXCEPTIONAL RESERVE

Events or circumstances rendering beneficiaries eligible for emergency food aid in 1987 and 1988 are specified under Article 6 of the Council Framework Regulation (EEC) No. 3972/86.

The procedures for emergency aid remained the same as in previous years, the beneficiary category, however, widened to include refugees and vulnerable groups facing unforeseen difficulties. The maximum duration of emergency aid was extended from three to four months.

After the African food crisis of $1984 / 1985$ the Council decided to set up a Budget Line 928 Exceptional Reserve, to cover the costs of rapid reaction to food crises.

### 4.1 EXCEPTIONAL RESERVE

Appropriations from the budget line 9280 covered the cost of 160.600 t of cereals allocated to following countries:

Mozambique: $95,000 \mathrm{t}$ cereal was allocated to support populations in various parts of the country suffering the effects of civil war and drought.

Ethiopia: $50,000 \mathrm{t}$ of cereal were allocated to Ethiopia. Out of this amount 25,000 were distributed via $\operatorname{RRC}^{18}$ and 25,000 via the CRDA ${ }^{19}$.

Angola: 15,600 t cereals were allocated to support populations suffering from drought and the conditions of civil war in Angola.

All above mentioned amounts were used to cover exceptionally large deficits which could not be met by credits forseen for normal or emergency food aid.

### 4.2 EMERGENCY ALLOCATIONS IN 1987

In 1987 emergency allocations amounted to $157,753 \mathrm{t}$ of cereals, $2,320 \mathrm{t}$ of VO, 405 t SMP and other food items with the value of 2.4 MECU .

Major allocations: Ethiopia suffered the worst drought since 1984/1985. It affected the 1987 harvest and led to a deficit of $1,325,000 \mathrm{t}$ of cereals. The EC allocated 60,000 t of cereals via the RRC and 350 t SMP for distribution in the affected areas by NGOs and IOs.

An allocation of $4,000 \mathrm{t}$ of beans and $1,500 \mathrm{t}$ of VO were sent via ICRC for populations in Eritrea and Tigray provinces. These people were facing serious food shortages due to the failure of the "mehr" harvest.

Asia suffered the effects of major natural catastrophies which made emergency allocations necessary for a number of countries:
$18 \quad$ Relief and Rehabilitation Committee
19 Christian Relief and Development Association

- An allocation of $25,000 \mathrm{t}$ cereals was made for Bangladesh, which was suffering from the effect of floods.
- Laos was allocated $20,000 \mathrm{t}$ of cereals to support the population of drought-afflicted areas.
- $15,000 \mathrm{t}$ cereal was allocated to Vietnam to ameliorate conditions following drought and typhoons.
- Kampuchea suffering from effects of the drought on the rice harvest received an emergency allocation of $14,000 \mathrm{t}$ cereals.

Other emergency operations were decided in favour of Malawi, Uganda, Niger and Palestinian refugees. (See tab. 41, Annex pg 54)

### 4.3 EMERGENCY ALLOCATIONS IN 1988

In 1988 152,712 t of cereal were allocated for emergency food aid actions. Furthermore 1,250 t SMP, $500 \mathrm{t} \mathrm{BO}, 3,000 \mathrm{t}, 800 \mathrm{t}$ sugar and other food items worth 1.9 MECU . All food products were delivered free at destination.

Again in 1988 Asia was seriously struck by drought, floods and typhoons:

- Bangladesh suffered the worst floods for years, causing grievous loss of life and material goods as well as extreme infrastructural damage. Consequently the beneficiary received the largest quantity of aid, $100,000 \mathrm{t}$ wheat immediately drawn from stocks already delivered from the Community's normal programme: The costs amounting to 12 MECU
, were covered by the budget for exceptional reserve. In addition $1,800 \mathrm{t}$ + VO was allocated.
- $20,000 \mathrm{t}$ of cereals were allocated to Vietnam supporting apx. 300,000 people suffering food shortage caused by drought, typhoons and insect infestation.
- An allocation of $5,000 \mathrm{t}$ cereals was made to support population of the province of Fujian in the southeast of China. This region was struck by typhoons which caused severe damage to harvest, houses and roads as well as claiming many human lives.
- Among others Nicaragua received an allocation amounting to $5,000 \mathrm{t}$ cereals, to cover immediate food needs of persons in drought-affected areas. (See Annex pg. 54, tab. 42)


### 5.0 COMPLEMENTARY ACTIONS

The new instruments of food aid, storage programmes and early warning systems ${ }^{20}$, as well as co-financing operations ${ }^{21}$ for the purchase of food aid products or seed, are in accordance with the spirit of the recently reformed framework regulation. The experience of the African crisis of 1984-1985 gave the impetus for the creation of these new elements.

The problems were mainly related to the following constraints:

- lack of information to make a realistic assessment of the prevailing situation
- inadequate logistic facilities which hinder food aid shipments.

The European Parliament introduced budget line 9281 and budget article 951 to help alleviate both these constraints. These changes provide extra funds for food storage and the co-financing of food items with NGOs.

### 5.1 STORAGE PROGRAMMES AND EARLY WARNING SYSTEMS (budgetline 9281)

### 5.1.1 Guidelines and Activities

The following principles are applied when considering storage programmes:

- actions should to the greatest degree possible complement food aid programmes
- actions should aim to benefit nutritionally vulnerable groups.
- actions should be integrated with the cereals market policies of the beneficiary countries.

Concrete projects in support of food storage programmes, which aim at preventing deterioration or loss of food stored, are:

- rehabilitation of storage facilities
- construction of storage facilities
- provision of prefabricated storage units and equipment for storage facilities and handling and unloading cargo.

Chemicals for fumigation of cereal, bags and tarpaulins can be supplied to improve the storage situation. Technical assistance to improve food storage, training for better management of grain stores and programmes to reduce storage losses at farm or central level can also form a part of a comprehensive package.

When setting up early warning systems, it is preferable to focus on upgrading and strengthening existing statistical research institutions rather than commissioning separate short-term studies. The statistical institutions should be capable of collecting, processing and disseminating basic information on the food situation. The data collection effort should cover the entire nature of the problem which is determined by physical and human geography, climatic and seasonal factors. The results should be made available to national policy makers as well as to donors.

### 5.1.2 Actions financed under Budget Line 9281 in 1987

In 1987 implementation of storage programmes took place on an experimental basis. 9.89 MECU were committed from the 10 MECU made available in the budget.

## Chad

The government wanted to further strengthen its capacity to monitor and follow the food situation after the drought and relief operations of 1984-1985. 460,000 ECU were committed to financing the continuation of the early warning actions started in 1986 by the rehabilitation and revival plan set up by the Community to help restoring normal production following the drought and famine of 1984-1985.

## Burkina Faso

1.2 MECU was allocated to repair the warehouses of the Office National de Céréales (OFNACER). The storage operation followed a substitution operation with OFNACER in 1986. This need for improved storage was a result of the government policy of guaranteeing an incentive price to the farmers, combined with the good harvests of 1985 and 1986.

## Bangladesh

After devastating floods, the storehouses were in desperate need of repair in many parts of the country. A storage programme costing 2.35. MECU worked out in collaboration with the Ministry of Food was decided upon. This action had made it possible to extend an ongoing EC storage project. The additional resources increased the number of rehabilitated warehouses from 114 to 138.

## Ethiopia

An allocation of 2.55 MECU was made for food storage programmes to compliment Community food aid. These programmes were undertaken by the Ethiopian government as well as IOs and NGOs. The finance has covered prefabricated emergency warehouses which enabled storage of the massive emergency food aid shipments that were necessary to cope with the situation. Support was also provided to improve handling in ports.

## Tanzania

After the record harvest of the 1986-1987 season in the Southern Highlands, weaknesses in the post-harvest procedures led to considerable losses. This situation prompted the government to appeal for urgent support to cope with some of the storage problems. An allocation of 1.2 MECU was made to cover the costs of import of materials to construct 15 new godowns (total capacity 24.000 t ) as well as an import of chemicals for the protection of 100.000 t grain.

## Sudan

Though Sudan has become one of the largest recipients of food aid in Africa, the available food aid did not always reach the target population on schedule. The reasons for this are to be found in the immense distances and lack of logistic facilities in a number of key regions. An allocation of 2 MECU was made to cover the costs of the necessary material imports for the construction of warehouses (capacity 70.000 t ) in the sorghum-surplus area. The government agreed to finance the site preparation and construction works from counterpart funds resulting from past food aid. The flood of the Nile in summer 1988 affected the implementation of the programmes.

## World Food Programme

There has been a considerable increase in the need for non-food items in WFPprojects. This need stems from severe budgetary constraints in developing countries. There are problems with the provision of complimentary non-fooditems related to food storage. An allocation of $130,000 \mathrm{ECU}$ was made to provide prefabricated storage units to serve the neds of about 300,000 Mozambican refugees in Malawi.(See tab. 43, Annex pg. 55)

### 5.1.3 Actions financed under Budget Line 9281 in 1988

The Council Regulation 2507/88 on the implementation of storage programmes and early warning systems was passed in August 1988. It provides the legal basis for the execution of the budget item 9281. Decisions on storage programmes were postponed until the new regulation was adopted and the 1988 budget was decided.

## Chad

A continuation of support for the early warning system was decided in August 1988. The amount ( 220,000 ECU only covered 8 months of operation till March 1989. The reason for this short extension was to have time to carry out an evaluation. The report should help to decide on further continuation.

## Mozambique

The food supply and logistics situation of Mozambique remained very precarious. A proposal to support storage rehabilitation and improvement (amount 2.75 MECU ) received a favourable opinion in the Food Aid Committee meeting on the 16th November 1988.

## Mozambican refugees in Malawi

The situation of Mozambican refugees in Malawi continued to deteriorate throughout 1988. WFP participated with relief operations for the more than 600,000 refugees and requested further support for emergency food storage. A decision upon 340,000 ECU was made for this purpose.

## Bangladesh

A preparatory study on the improvement of grain transport and storage facilities was commissioned for 50,000 ECU.

## East Africa

A study on the improvement on maize storage by eradication of insect infestation by Larger Grain Borer was financed for 100,000 ECU.

## Afghanistan (refugee repatriation operation)

Two separate requests were received: one from UNHCR requesting prefabricated warehouses and tarpaulins and another from WFP requesting support to cover the cost of renting warehouses in Pakistan to store arriving food aid. These storage needs arose within the overall refugee repatriation operation to which the EC contributes in several forms. In relation to storage programmes, a decision was taken to allocate 335,000 ECU to UNHCR for use in Iran and to allocate $380,000 \mathrm{ECU}$ and $290,000 \mathrm{ECU}$ for storage programmes in Peshawar and Quetta respectively. (Tab. 44, Annex pg. 56)

### 5.2 CO-FINANCING OF FOOD AID PRODUCTS

Co-financing of food aid products with NGOs was introduced in 1986: The EC contribution covers up to $75 \%$ of the purchase price of the product. Whereas co-financing was limited to emergency situations in 1986 and 1987, the Council Regulation (EEC) No 2508/88 currently permits co-financing of both food products and seeds, as well à non-emergency actions. Co-financing under Article 951 is available to International Organizations and NGOs.

### 5.2.1 Co-financing of Food Aid Purchases by NGOs in 1987

The 1987 total commitments $6,993,160 \mathrm{ECU}^{22}$ amounted over double the amount of 1986 ( 3 MECU ). Co-financing was restricted to emergency actions in the following countries and regions:

## Africa

Humanitarian support was given to victims of civil wars in Angola ${ }^{23}$, Mozambique ${ }^{24}$, Ethiopia (Eritrea ${ }^{25}$, Tigray ${ }^{26}$ ).
Populations of arid regions of Benin ${ }^{27}$, Burkina Faso ${ }^{28}$ and Niger ${ }^{29}$ suffering from malnutrition facing starvation were given nutritional support.

## Lebanon

A coordination of activities related to the normal food aid programme 1987 was undertaken by three $\mathrm{NGOs}^{30}$. The beneficiaries were victims of the civil war.

Asia
In Afghanistan ${ }^{31}$. as well as Sri Lanka ${ }^{32}$ support was given to victims of civil war. (See tab. 45, Annex pg. 57)

| 22 | The approved budget amounted to $5,5 \mathrm{MECU}$, to which 1,493,160 ECU were carried over from preceding years |
| :---: | :---: |
| 23 | 435,696 ECU |
| 24 | 443,509 ECU |
| 25 | 2 actions : 1,500,000 ECU |
| 26 | 4 actions by 3 NGOs; 2,420,687 ECU |
| 27 | 70,018 ECU |
| 28 | 84,941 ĖCU |
| 29 | 134,028 ECU |
| 30 | 750,000 ECU |
| 31 | 737,107 ECU |
| 32 | 104,214 ECU |

### 5.2.2 Co-financing of Food Aid Purchases by NGOs in 1988

The Council Regulation 2508/88 provided the necessary legal base and considerably widened the practice of co-financing. Food products can now be purchased both in the Community and in the developing countries. The total amount committed to NGOs in 1988 was $4,781,414 \mathrm{ECU}^{33}$. Because the regulation was adopted only in August, the experience made was limited to emergency actions.

## Actions in ACP countries

Actions in Ethiopia (Eritrea, Tigray), Mozambique, and Uganda were in favour of populations suffering the conditions of civil war. In Eritrea drought added to the severity of the situation. The nutritional aid supplied by the NGOs was in form of lentils, soya oil and sorghum ${ }^{34}$. In Mozambique displaced persons in the Tete-province received maize, beans and white mealymeal ${ }^{35}$. In Tigray a famine occurred as a result of the conflict. Famine victims received lentils and soya oil ${ }^{36}$. Soya oil was also purchased for victims of civil war in northern Uganda ${ }^{37}$. In Senegal, sorghum, millet and rice ${ }^{38}$ was delivered to the population suffering from a flood. In Afghanistan the action taken was in favour of displaced victims of the civil war in rural areas. The nutritional support given was in form of wheat, flour, sugar, beans and ghee (BO) ${ }^{39}$. (See tab. 46, Annex pg. 58)

[^2]
### 6.0 INTRODUCTION TO THE NEW COMMISSION REGULATION (EEC) No 2200/87

The reform of the framework regulation of EC food aid in December 1986 separated food aid from the C.AP and integrated it into development policy. Little consideration was given to the quality of the products transferred. Transactions were executed under complicated, lengthy and costly procedures. The responsibility for implementation lay with the intervention agencies ${ }^{40}$ of the member states and the risks during transport were taken by the beneficiary. These facts, combined with the prevailing CIF stage of shipment, put the beneficiary in position in which he had little chance to protect his interests. Weaknesses of the old procedures were frequently criticized by the beneficiaries, the press, the European Parliament and the Court of Auditors.

### 6.1 THE NEW REGULATION

The new regulation $2200 / 87$ has altered the competence for handling the operations and changed the conditions of delivery. The reform which has had far-reaching consequences, is a direct result of the decision taken by the Commission on the 14th December 1985, which had the intention of:

- Responding to successive inquiries of the Parliament regarding the modification of the framework regulations.
- Creating an autonomous regulation regarding mobilization of all food aid products.
- Evaluating administrative and legal changes necessary to this effect.

The matter was taken in charge by a task force composed of representatives from General Directorates concerned. These representatives, known as the ad-hoc-group, saw the necessity to concentrate responsibility for ailocation and implementation of food aid in one service, i.e. DG VIII Dl with DG VI Ci as associated service. especially for launching the tender. receiving and examining quotations as well as for export refunds (art. 292 of the budget).

### 6.1.1 Main objectives achieved by Regulation 2200/87

1. Concentration of responsibility for allocation and mobilization in one service: The Commission now monioors the food market and deals directly with the suppliers. Previously intervention agencies carried out the latter tasks.
2. Simplification of procedures: The large number of agencies and actors invoived complicated the flow of information and the decision taking. Consequently, unnecessary delays between demands of countries in need of aid and the final delivery of aid at destination.

The following diagramme illustrates the chain of demand, information and action under the old regulation.

DG VI : General Directorate for Agriculture, Mobilization services, EAGGF
DG VIII D1: Food aid service, General Directorate for Development
IA: . Intervention Agency of Member State
BC: Beneficiary Country
S:



Each arrow represents an interaction. Illustrated is the chain of actions from the demand of a beneficiary country (1) forwarded by the food aid service (allocation section). DG VIII to the mobilization service of DG VI, to an intervention agency. The IA would launch a tender (2) or a direct award procedure and receive offers (3). These would be discussed with the Commission. The Food Aid Service would then contact the beneficiary to obtain a response. After the formal response was received, clearance passed down the chain and the shipment could be made (4).
The example given is an ideal one. In case of further questions, blockages of payments; the flow of actions would be rather difficult to illustrate. The complicated and lengthy procedures that prevailed created difficult situations unbearable to the beneficiaries and the European public opinion.

In the previous system, the Commission had already had the political responsibility towards public opinion and beneficiaries, as well as financial responsibility for operations. At the same time, the Commission had no legal responsibility and hence no means of control whatsoever because of absence of contracts, as the tenders were awarded by the intervention agencies. The result was regular problems with beneficiaries and tenderers and inefficient food aid.


Under the new regulations, a request from a beneficiary country or organization received by DG VIII DI (1) is launched as a tender (2) by DG VI C1. Suppiers forward quotations (3) to DG VI CI responsible for their examination. These are then considered by the Food Aid
Management Interservice Group (FAMIG) better known under its French abbreviation GIGA (Groupe Interservice de Gestion de l'aide Alimentaire). The lowest offer is selected, the beneficiary is notified. Finally, the shipment is cleared (4) and made, the quantity and quality of the cargo is controlied by independent monitors.

Since Juily 1987, a round table group, composed of representatives of the commission services dealing with food aid ${ }^{41}$ meet every Wednesday to compare tenders. On the basis of the comparative analysis, the best offer regarding product and transport is selected. Presently the Interservice group is a forum for exchange of information between specialists where rapid decisions are made.

[^3]
### 6.1.2 Quality control

Past criticism, which contained an element of justification, saw food aid as a means of disposing unwanted surpluses. These surpluses do not, of course, improve their quality with storage. Monitoring of quality by independent specialized agencies ${ }^{42}$ was introduced to meet earlier criticism. Previously, quality checks were only made at demand of the recipient. The present regulation enforces quality controls at loading and at landing. It is now possible for a beneficiary to refuse a cargo on quality reasons before sailing and after anchorage of the ship at port of destination in the case where substantial reasons are provided.

The specialized monitoring agency appointed by the Commission executes these controls, supervises the operations at loading and delivers the taking-over certificate to the supplier in case of absence of the beneficiary. Both the beneficiary and the tenderer are invited to be present at loading, both have the right to contest the results of the monitors analysis. In this case a new analysis would be made by a third party.

### 6.1.3 Abolition of CIF - Stage at port of landing delivery

With regulation $2200 / 87$, the legal situation of the supplier has changed regarding responsibility for quantity and quality of goods.
Previously, suppliers shipped goods on a cost-insurance-freight-basis (CIF). Though the supplier paid in advance the freight and insurance of the cargo, the transfer of title and risks took place at port of shipment.

The insurance was of ten only a light coverage and the supplier was under no obligation that the merchandise should confirm to the stage it was at loading. The result was in many cases, damage or total loss of the goods.

Beneficiaries were seldom in a position to exercise their rights vis-à-vis the owner of a vessel, or a third party, or the insurance company. A consideration was to adapt a regulation transferring the risks from the beneficiary to the tenderer.

The supplier assumes full responșibility for the goods. Transport problems were reduced by introducing delivery free at port of landing at one of the EXQ stages ${ }^{43}$, of the incoterms of $1980^{44}$. The recipient's interests are now well protected: The supplier's responsibilities are not discharged until the goods have reached the port of landing and these goods are accepted by the beneficiary. He is not paid until after the goods have been delivered to the point of destination agreed upon. Since the change of rules, no food aid has been lost.
-ex ship; -ex quay

### 6.1.4 Sanctions

Individuals or enterprises, which commit a serious breach in their obligations, are excluded from further tender competitions. Should a delivery not be effectuated within sixty days, a new tender will be launched and newly formulated quotations accepted.

### 6.2 ASSESSMENT OF THE EXPERIENCES MADE WITH THE NEW SYSTEM

The application of the new rules began slowly in September 1987, against the resistance of certain professional associations of operators. They were suspicious of the regulations, especially of those regarding transfer of risks from port of shipment to port of landing. Initially, the tenderers' apprehension was reflected in the pricing of quotations. Eventually, this opposition was overcome, attitudes changed and the results of present cooperation are positive.

### 6.2.1 Changes in delivery stage

Though condemned by the operators in July 1987, the EXQ stages are now acknowledged as well suited to food aid delivery.
The breakdown of quotations detailing the price at FOB-stage and of seatransport improve the transparency of the tenders. This overview enabled the Commission to organize transports ${ }^{45}$ through IOs or NGOs when the financial conditions of the contractor's quotations were unacceptable. There had never been a pilot regarding this sort of undertaking before, nevertheless the transactions were economic and successful. On the other hand, the efforts to rationalize fobbing costs were not rewarded in the expected degree. At least the reason is well known: the lack of rapid decisions of the beneficiaries receiving shipments at FOB stage.

### 6.2.2 Monitoring

Following the invitation to tender published in the Official Journal in May 1987, 32 candidates sought and obtained their preselection. 27 participated in the subsequent competition out of which 16 emerged eligible. The three companies ${ }^{46}$ having the best classification were then designated as intermediaries between the designated beneficiary and the suppliers of food aid. The monitors have no competence of decision whatsoever. They supervise loading and unloading, control the quality and quantities of the products and formulate their reports. Fears of operators to this regard were soon dispelled. In the first quarter of 1990 , two more Monitors out of the eligible group will be appointed by the Commission.

In the near future the Commission foresees monitoring of storage programmes. These controls will lead to maintenance of the quality of food products delivered. Bad storage conditions are a source of deterioration of food stocks. All parties concerned will benefit from supplementary missions of monitors in the recipient countries. The local authorities, the delegations and the donors will be better informed about the storage situation at hand.

### 6.3 THE MOBILIZATION OF THE 1987 PROGRAMME

## Cereals

The mobilization-rate of the 1987 allocation of cereals, $49.5 \%$ was slightly lower than the preceding years. (1985: $63 \%$; 1986: 67\%) To see this in perspective, one must take into consideration that the new regulation was not adopted until after the middle of the year. And mobilization was frozen completely during July to September.

## Skimmed milk powder and butteroil

The percentage of skimmed milk powder and butteroil remained about the same with a small increase of butteroil mobilized by the end of the year.
(SMP 1987 ${ }^{47}$ : 60.8\%; 1986: 52\%; 1985: 59\%) (BO $1987: 44.3 \%, 1986: 47 \%$; 1985: 44\%) The amount of BO and SMP allocated in 1987 remained the same as in the preceding two years.

MOBILIZATION 1987 (in metric tons)

|  | Quantities <br> foreseen <br> $(t)$ | Quantities <br> mobilized by | Quantities <br> mobilized by <br> $31.12 .87(t)$ |
| :--- | :--- | :--- | :--- |
|  |  |  |  |
|  |  |  |  |
| Cereals | $1,520,600$ | 752,147 | $1,493,353$ |
| SMP | 94,100 | 57,200 | 92,135 |
| BO | 27,300 | 12,083 | 24,871 |

Nearly the total amounts allocated were mobilized by 31.12 .1988 , the remainder being small reserve amounts transferred to the 1988 programme ${ }^{48}$. Apart from procedures of mobilization itself, several external factors play a retarding role delaying mobilization of food aid:

- It is a required that the beneficiary government accepts the conditions attached ${ }^{49}$ to the Commission's allocation by means of a formal response. The Commission follow suit with implementation only after this action is taken.
$47 \quad$ Key-date : 31.12.1987
48 See Annex table Mobilizations
49 Food aid intended for sale must be in accordance with pricing policies; management of counterpart funds; exact amount of normal food aid, etc...
- Global allocations, such as to the WFP, are mobilized progressively in separate shipments to various destinations.

Taking the special carry-over conditions of the innovation into consideration, mobilizations took place at a normal pace. (See tab. 47, Annex pg. 59)

### 6.4 THE MOBILIZATION OF THE 1988 PROGRAMME

1988 was actually the first complete year of mobilization following the new regulations. The results illustrate clearly the superiority of the new procedures applied:

## Cereals

$81 \%$ of the cereals allocated were mobilized by the end of the year.

CEREALS MOBILIZED BY 31.12.88 PERCENTAGE


This constitutes an unprecedented increase of $18 \%$ compared to $1985 .(63 \%)$

## CEREALS MOBILIZED BY 31.12.88

This growth of cereals mobilized reflects quite clearly the increase of efficiency achieved by carrying
remaining out the new procedures.


19\%
INCREASE OF EFFICIENCY COMPARED TO 1985

The considerable increase of efficiency due to the new procedures is even more evident when comparing the mobilization of skimmed milk powder and butteroil with the preceding years.

## Butteroil

$80.7 \%$ of the year's allocation of butteroil was mobilized by 31.8.1988. This constitutes a considerable increase compared with the 1985 percentage.


INCREASE END 1988

## Skimmed milk powder

By the end of the year $90.4 \%$ of the allocation of SMP had been mobilized. Compared to 1985 mobilization, the increase is 31.4 percentage points.


## MOBILIZATION 1988

|  | Quantities <br> foreseen $(t)$ | Quantities <br> mobilized $(t)$ | Remain to be <br> executed $(t)$ |
| :--- | :---: | :--- | :--- |
| Cereals | $1,387,247$ | $1,125,670$ | 261,577 |
| SMP | 111,465 | 100,745 | 10,720 |
| BO | 27,329 | 22,058 | 5,271 |

The remarkable increase of efficiency in mobilizing the quantities allocated serve as a quantitative basis for a positive assessment of the regulation 2200.

## MOBILIZATION 1985-1988 TENDENCY



The graph above shows the increase of the percentage of each of the three major food aid items mobilized by Dec. 31st. during the past four years. Whereas there is a more constant movement in the years 1985-1987, a remarkable increase can be seen in 1988.

| in \% | 1985 | 1986 | 1987 | 1988 |
| :--- | ---: | :---: | :---: | :---: |
| SMP |  |  |  |  |
| BO | 59 | 52 | 62 | 95 |
| Cereals | 63 | 47 | 48 | 86 |
| Total | 166 | 67 | 51 | 81 |
|  | 166 | 161 | 262 |  |

(Tab. 47, Annex pg. 59)
The significant increase in quality of food aid however, is evident only when the new quality control systems by independent monitors is taken into consideration and the benefits resulting from the transfer of risks of losses and delay during transport are added.

### 6.5 CONCLUDING REMARKS REGARDING MOBILIZATION IN 1987 AND 1988

The new system of mobilization combined with monitoring of deliveries ensures the quality of food aid. There were no substantial complaints at all in 1987 and 1988. (Excepting inquiries regarding the level of radioactivity which were unfounded). No beneficiary was compelled to receive bad commodities. Considerable sums were saved when ships were prevented from taking large and costly detours from their foreseen route. As every year, bankruptcies interfered. These, however, were not to the burden of the Commission and the beneficiary was not deprived of his aid. Generally speaking, mobilization of food aid was carried out under more favourable conditions than in the past. Now the blocking factors of the long chain of command do not exist any more. There are no more costs of indemnification for delays due to lengthy interoffice communication.

### 7.0 TRIANGULAR OPERATIONS

Triangular Operations (TOs) are EC-financed food aid purchases in developing countries, which are delivered to developing countries in need of food aid. These operations can be executed directly by the Commission or indirectly via IOs or NGOs.

Though purchases are generally made in third countries, local purchases are quite possible, in the case of regional disparity, purchases are made in a region having surpluses of food items which are then supplied to the region of need. The current idea behind TOs is in accordance with the growth of the development aspect in EC-cooperation with developing countries.

Originally the purpose was to create a "safety net" to be able to meet the needs of beneficiaries when the product requested was unobtainable on the ECmarket ${ }^{50}$. Further intention was that TOs should take place at greater speed than good mobilized from Europe on account of the shorter distances between the place of purchase and the destination. TOs were therefore mainly utilized for exceptional emergency actions. The general perception, however, was to see TOs as competing against community commodities.

The current practice based on Council Regulation 3972/86 implements TOs as a development instrument achieving benefits for both supplying and recipient countries as well as the region. The main aims are the following:

1. Suitability for beneficiaries needs by supplying food items traditionally consumed in the country.
2. Reduction of transport-time.
3. Development of local production and marketing and creation of local income.
4. Stabilization of local prices for food items by absorbing surpluses.
5. Stimulation of exports, thus leading to increase of national income.

The results of TOs lead to regional stability by absorption of regular food surpluses and their distribution to areas of chronic deficits.
At the same time storage and import costs are reduced. The capital gained can be used for building up trade infrastructure within the region.

### 7.1 Triangular operations in 1987

The total sum spent on triangular operations in 1987 amounted to $43,855,578$ ECU spent on 158 actions of purchase and transport ${ }^{51}$. The following example serves to illustrate the complexity of implementation of triangular operations. Mozambique is the largest recipient of EC food aid by means of triangular operations. In 1987 a decision was taken to supply $60,000 \mathrm{t}$ of cereal, 30,000 $t$ of which were to be white maize furnished by triangular operations.

5114 operations were undertaken directly by the Commission, EURONAID : 80; LICROSS : 8; ICRC : 12; WFP : 23; UNRWA: 6; Trocaire : 5; UNHCR : 10

Deliveries were to be made to Maputo. Because of extremely slow procedures at Maputo (deliveries taking a year or more) the Food Aid Service consulted various sources. The EC-Delegation in Maputo presented following alternate possibilities:

1) In case of purchase from Tanzania, deliveries were to be made to following ports:

- Maputo: 10,000 t
- Beira: 15,000 t
- Nacalla: 5,000 t

2) In case of purchase from Zimbabwe, the whole amount was to be delivered to Beira.
3) A combined purchase from Zimbabwe and Kenya would have the Zimbabwan contingency ( 20,000 t) via Beira and the Kenyan part via Maputo.

The EC delegation in Dar Es Salaam, however, informed the Commission that Tanzanian surpluses had already been sold. Likewise, the WFP sent a message reporting sufficient stocks in Maputo. Taking the information into account, the Commission decided to send $20,000 \mathrm{t}$ from Zimbabwe to Beira and $5,000 \mathrm{t}$ from Kenya to Nacalla. A tender to this purpose was launched. After further communication with the delegations in Maputo and Zimbabwe, the remaining $5,000 \mathrm{t}$ could be mobilized. Triangular operations are complicated but necessary in order to achieve the expressed aims. Mozambique represents extreme problems mainly of transport and security nature due to the civil war. Zimbabwe is the most attractive producer in organizational and quality respects. The commission seeks to involve other producers such as Kenya and Tanzania. Beneficiaries interests, however, restrict the endeavours of the Commission to enbance agricultural production and trade within the region.

The Argentine is a suurce of beans. $1000 t$ were purchased for the benefit of Bolivia and 3,500 for Nicaragua. Several competitive suppliers in Argentina reacted to the tenter launched by the Commission.
Purchase and transport were executed smoothly and transport costs to Nicaragua were only $100 \mathrm{ECU} / \mathrm{t}$. Even intercontinental operations were possible as the shipping of 5000 t white maize from Zimbabwe to Nicaragua shows.

### 7.2 Triangular operations in 1988

There were 130 actions of purchase and transport amounting to $82,616,052$ $E C \cup^{52}$. An outstanding example was the operation of purchasing and delivering $20,000 \mathrm{t}$ of cereal (mainiy sorghum and millet) to South and Western Sudan.

Due to floods which occurred in August 1988 , the Commission encountered difficulties in purchasing and transporting the cereals: therefore this operation suffered some delay but was finalised in 1989.

Special mention should be made of the action undertaken in cooperation with the EC Delegation in Bangiok: $14,755 \mathrm{t}$ of rice was distributed to refugees in Thailand. The contracts made provided throughout the year by local suppliers.

The quantities negotiated were kept flexible dependent on the varying number of people in the refugee camps. The UNHCR organized the distribution. These actions have been executed successfully the last three years, they are to be continued as long as the situation prevails.

## Maiawi

The transport and distribution of $16,311 \mathrm{t}$ of white maize bought directly by the Commission in Zambia was organized by the WFP. Further $15,000 \mathrm{t}$ were purchased from Zimbabwe by the Commission for another action in Malawi. The Commission and the WFP concerted their actions to prevent shortages and transport problems and to promote trade in the region. Though transport ran smoothly, there were some difficulties in obtaining sufficient storage capacities in Malawi for the Zambian shipment.

## Mozambique

Fullowing the difficulties of the previous year, $5,000 \mathrm{t}$ white maize purchased in Zimbabwe were sent to 5 destinations. Originally 8 destinations were foreseen, but 3 were cancelled and the goods diverted to other destinations. The towns being inaccessible due to military operations. Three destinations were reached by train, the others by road. Despite difficulties, the action was a success. This can be attributed to the experience of the previous years and the excellent cooperation of the parties concerned. (Tab. 48, Annex pg. 60)

### 8.0 EVALUATIONS

In accordance with article 11 of Council Regulation (EEC) No 3972/86 of 22nd December 1986, the following evaluation exercises were undertaken in 1987 and 1988.

## Nicaragua

The subject of the evaluation was the EC food aid given in the form of dairy products (skimmed milk powder and butter oil). The evaluation took into consideration both direct and indirect aid. The final report delivered in August 1988 came to the following conclusions:

- The current situation of malnutrition of large sections of the population justified the reinforcement of EC food aid. This reinforcement should be of direct and indirect aid. The EC should concentrate its direct food aid to the benefit of rural aid projects and continue utilization of counterpart funds for agricultural projects, especially cereals production.
- A permanent representation in Nicaragua is necessary.
- Direct food aid should apply the same formulas for BO and SMP as the WFP.
- Vegetable oil is suited better to NGO - distribution than butterfat. At the same time, some vitaminized full-cream milk powder should be included in small packages for distribution in certain regions where child malnutrition is common.
- The coordination of NGO - actors should be reinforced.


## Senegal

An evaluation of the EC food aid via non-governmental organizations was carried out. The final report of the evaluation was delivered in October 1988. The experience of NGOs proved useful and interesting: assistance to vulnerable groups was an indispensable stimulant to certain agricultural tasks. The principle of free distribution was accepted (except the NGO PADEC).

Problems
Certain commodities were inadequate, viability merits discussion as well as insufficient coordination amongst the NGOs and other organizations.

## Recommendations and objectives

- encouragement of development actions such as food for work, revolving funds.
- reduction of free distribution to the minimum caritative degree possible.
- support of cooperation of NGOs and coordination of their actions.
- information of the NGOs about the possibilities of access to other sources of financ in order to diversify their activities and increase their field of action.


## Tunisia

The aim of the mission launched is to evaluate the utilization of EC food aid milk products. The study is in progress.

## Triangular Operations

A draft report was presented to the Commission in December 1988 on the findings of the consultants on EC triangular food aid transactions. The study focussed on the extent to which triangular operations are an appropriate instrument in the pursuit of development objectives.

The following recommendations figured prominently:

- necessity of regional concentration including analysis of the regional market.
- forward contracting to increase import demands and to reduce market risks.
- consideration of the possibility of barter or swapping triangular actions.
- decentralization of triangular food aid administration to regional or national levels.
- use of complementary indirect triangular food aid transactions in order to score on marketing and supply objectives.

The importance of evaluations with regard to improving the suitability of the food aid, particularly in relation to the eating habits and needs of the beneficiaries, cannot be stressed stronghly enough. The Commission, having taken careful note of the recommendations formulated, took the appropriate steps to allocate its food aid accordingly.

### 9.0 CONCLUSIONS

The innovation introduced with the new framework regulations constituted a decisive step towards efficient food aid management and its usage as an instrument of development. A further result was intensive cooperation between the beneficiary and the Commission.

The rise in world market food prices in 1988 seriously disturbed the management of the budget and made it difficult to honour the commitments made to partners in development. At the same time refunds under Article 292 dropped and savings were made.

Multiannuai programming is a good way to integrate food aid into development, and the identification of new possible actions should be pursued further. Multiannual projects have the positive side effects of enabling successive evaluations which in turn increase viability. Multiannual agreements with IOs should be considered favourably, because they enable efficient resource planning.

Under new dispositions, caunterpart fund-values are established on world market price basis. Though old practices continue in some countries, there is a tendency towards full accord to the new dispositions agreed upon. Separate accounts increase transparency and allow better management of funds.

Implementation of food aid has become more effective as a result of the new regulation 2200/87. This regulation was adopted the 8th July 1987.
Presently the Commission monitors the market and deals with the successful tenderer, so responsibility is concentrated in the Commission's food aid service. The new procedure overcomes unecessary and costly delays resulting from the complicated chain of information, advice and action of the past. The harmful consequences of these delays which the beneficiaries had to bear, are now prevented. The Ex Quay conditions of delivery to port of destination relieve beneficiaries from sole responsibility for tisks of transport. The quality of food aid has also increased on account of the introduction of strict monitoring by independent agencies. Flexibility, quick decisions and actions characterize food aid programming and implementation.

Apart from quick reaction, imaginativeness and a positive attitude towards innovation is a must. Present procedures should not rigidly be taken as ultimate solutions, but as steps towards increasing appropriate and individual solutions. Greater flexibility in allocation and increased support for projects showing positive results are steps in the right direction.

ANNEXES


## ANNEX

Pres
Key to French Statistics ..... 1
Tab. 1: EC Food Aid Budget 1987 ..... 2
Tab. 2 : EC Food Aid Budget 1988 ..... 3
Tab. 3 : Estimated Commodity Prices and Transport Costs ..... 4
1984-1988
Tab. 4 : Commitment Credits Necessary to Finance the Quantities ..... 5
Proposed for 1988
Tab. 5: Covering the deficit ..... 5
Tab. $6: \quad$ Subdivision of Food Aid 1986,1987 ..... 6
Tab. 7 : $\quad$ Food Aidby Regions 1986,1987 ..... 7
Tab. 8 : Food Aid by Regions/Countries ..... 8/10
Tab. 9 : $\quad$ Subdivision of Food Aid 1988 ..... 11
(Normal, Emergency, Exceptional)
Tab. 10 : Food Aid by Regions 1988 ..... 12
Tab. 11 : Food Aid by Regions/Countries 1988 ..... 13/15
Tab. 12: 1987 NGO Food Aid Allocations/Regions ..... 16
Tab. 13 : 1987 NGO Food Aid Allocations ACP Countries ..... $17 / 24$
Tab. 14 : 1987 NGO Food Aid Allocations Machrak Countries ..... 25
Tab. 15 : 1987 NGO Food Aid Allocations Maghreb Countries ..... 26
Tab. 16 : 1987 NGO Food Aid Allocations Central America ..... 27
Tab. 17 : 1987 NGO Food Aid Allocations South America ..... 28,29
Tab. 18 : 1987 NGO Food Aid Allocations Caribbean ..... 30
Tab. 19 : 1987 NGO Food AId Allocations Asia ..... 31/32
Tab. 20 : 1988 Indicative NGO Food Aid Programme Regional ..... 33
Summary
Tab. 21 : 1988 Indicative NGO Food Aid Programme Allocations ..... $34 / 37$ACP Countries
Tab. 22 : 1988 Indicative NGO Food Aid Programme Allocations ..... 38Maghreb Countries
Tab. 23 : 1988 Indicative NGO Food Aid Programme Allocations ..... 39
Tab. 24 : 1988 Indicative NGO Food Aid Programme Allocations ..... 40
Central America
Tab. 25 : 1988 Indicative NGO Food Aid Programme Allocations ..... $41 / 2$
South America
Tab. 26 : 1988 Indicative NGO Food Aid Programme Allocations ..... 43
Tab. 27 : Indirect Food Aid via Ios 1986, 1987 ..... 44
Tab. 28 : Emergency Actions via Ios 1987 ..... 44
Tab. 29 : Indirect Food Aid via Ios 1988 ..... 45
Tab. 30 : Organization : WFP (1987) ..... 46
Tab. 31 : Organization : WFP (1988) ..... 47
Tab. 32 : WFP 1987-1988 Biennum ..... 48
Tab. 33 : Organization : UNHCR (1987) ..... 49
Tab. 34 : Organization : UNHCR (1988) ..... 49
Tab. 35 : Organization : ICRC (1987) ..... 50
Tab. 36 : Organization : ICRC (1988) ..... 50
Tab. 37 : Organization : LICROSS (1987) ..... 51
Tab. 38 : Organization : LICROSS (1988) ..... 52
Tab. 39 : Organization : UNRWA (1987) ..... 53
Tab. 40 : Organization : UNRWA (1988) ..... 53
Tab. 41 : Emergency Allocations in 1987 ..... 54
Tab. 42 : Emergency Allocations in 1988 ..... 54
Tab. 43 : $\quad$ Summary of Commitments of budget post 9281/87 ..... 55
Tab. 44 : Summary of Commitments of budget post $9281 / 88$ ..... 56

Tab. 45 : 1987 - Article 951 Cofinanced Actions 57
Tab. 46 : 1988 - Article 951 Cofinanced Actions 58
Tab. 47 : $\quad$ Mobilization 1987, 1988
58
Tab. 48: Triangular Operations 1987 and 1988 60

## KEY TO FRENCH STATISTICS



ANNEX BUDGET

## 1987 PROGRAMME VALUE APPROPRIATIONS

 AND QUANTITIESTABLE 1


951 Cofinanced actions $5,500,000$
(purchase of food aid
items and seed by IOs or
NGOs )
: Inciuding funds carried over from previous year programme

## 1988 PROGRAMME VALUE APPROPRIATIONS

AND QUANTITIES
TABLE 2

| ARTICLE |
| :--- | :--- | :--- | :--- |
| ITEM | HEADING | COMMITMENT |
| :--- |
|  |

Chapter $92 \quad 557,254,991$


| 951 Cofinanced actions |  |
| :--- | :--- |
|  | (purchase of food aid |
| items and seed by IOs or |  |
|  |  |

T Including funds carried over from previous year programme
ESTIMATED COMMODITY FRICES AND TE:ANSPORT COSTS 1984-1988

|  | 1984 |  | 1985 |  | 1986 |  |  | 1987 |  |  | 1988 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCT | Proouct | TRANS PORT | PRODUCT | TRANSFORT | PRODUCT | $\begin{aligned} & \text { TRANS } \\ & \text { CIF } \end{aligned}$ | $\begin{gathered} \text { SPQRT } \\ \text { FRCI } \end{gathered}$ | PRODUCT | TRAN CIF | PRT FAO | PROCUCT | CIRA | $\begin{aligned} & \text { SPORT } \\ & \text { FRO } \end{aligned}$ |
| Cereal | 157 | 54 | 142 | 57 | 153.5 | 40 | 140 | 109 | 55 | 140 | 103 | 55 | 140 |
| SMP | 1000 | 190 | 923 | 200 | 943.6 | 160 | 290 | 837.4 | 160 | 290 | 1050 | 160 | 280 |
| SMP <br> vitaminized | + 1077 | 190 | 1046 | 200 | 1057.4 | 160 | 290 | 964.7 | 160 | 290 | 1150 | 160 | 280 |
| BO | 2600 | 235 | 2442 | 247 | 2134.1 | 180 | 320 | 1584.9 | 200 | 320 | 1750 | 200 | 320 |
| Sugar | 293 | 128 | 271 | 134 | 307.4 | 75 | 190 | 210 | 75 | 190 | 210 | 75 | 190 |
| vo | 1100 | 110 | 1100 | 116 | 1100 | 120 | 210 | 700 | 120 | 210 | 501 | 120 | 210 |
| Beans | 800 | 120 | 800 | 126 | 801 | 130 | 180 | 600 | 75 | 180 | 500 | 75 | 180 |
| Dried Fist, | 2000 | 200 | 1500 | 210 | 15010 | 180 | 3201 | 1500 | 180 | 320 | 1200 | 180 | 320 |

ANNEX
BUDGET COMMITMENT CREDITS NECESSARY TO FINANCE
THE QUANTITIES PROPOSED FOR 1988
TABLE 4


TABLE 5 COVERING THE DEFICIT (APB COREPER)


Annex Tab. 6, Subdivision of Food Aid 1986, 1987


Tab. 7, Food Aid by Regions 1986, 1987

(1) transferred to 1988

Tab. 8, Food Aid by Regions/Countries 1986, 1987


Tab. 8


Tab. 8
(3)

Annex $\quad$ Tab. 9 Subdivision of Food Aid 1988
$($ Normal, Emergency, Exceptional )

Tab. 10, Food Aid by Regions 1988

Tab. 11, Food Aid by Countries/Regions 1988


Tab. 11,
(2)



Tab. 12, 1987 NGO Food Aid Allocations
1987 NGO FOOD AID ALLOCATIONS


Tab.13, NGO Food Aid Allocation ACP Countries


Tab． 13

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$\stackrel{0}{2}$


1987 Ngo food aid allocations
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CEREALS
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\begin{aligned}
& \text { European ngo } \\
& \text { Caritas neemlandica } \\
& \text { oxfam delgique } \\
& \text { secours rorilaide } \\
& \text { francals } \\
& \text { to tal }
\end{aligned}
$$

$\varepsilon レ$
Tab．
CAPE VERDE
（2）

| CHAD | secours catholioue francals | － | 90 | － | － | － | － | － |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| COMORES | secours catholidue francals | － | 90 | － | － | － | － | － |
| CONGO | secours catioligue francals | － | 125 | － | － | － | － | － |
| equatorial GUINEA | prosalus | 48 | 20 | 15 | － | 15 | 18 | 12 |
|  | catholic relief services | 12650 | 726 | － | － | 300 | － | － |
| （1）EMERGENCY DECISION FOR CRDA | Concern Euronaid（1） | 2940 25000 | － | － | － | 118 | － | － |

Tab． 13
alp COUNTRIES（3）


Tab． 13
 gambia
catholic relief
services
100
5


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=
$$ 1987 neo food aid allocations

DRIED FISH
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$\simeq$

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Tab. 13
(4)


Tab. 13



Tab. 13
ACP COUNTRIES (6)

$$
\begin{aligned}
& \text { (1) caritas italiana } \\
& \text { (1) diakonisches herk } \\
& \text { (1) International } \\
& \text { christian reliet }
\end{aligned}
$$

1987 hgo food aid allocations

| SMP | OUTTEROIL |
| :---: | :---: |
| 150 | 30 |
| 30 | 10. |
| 45 | 15 |
| - | - |
| 225 | 55 |

CEREALS
-
-
-
-
-
EUROPEAN NGO
(1) oxfam uk
(1) sub total

Tab.
$\frac{\text { COUNTRY }}{\text { SUDAN }}$
(1) SUDAN


Tab. 13
(7)
ACP COUNTRIES (7)



Tab. 14, NGO Food Aid Allocations Machrak Countries

[^4]total

Tab. 15
Maghreb
MAGHREB COUNTRIES
MAGREBCOMTES


 | SUGAR |
| :---: |
| 18 |
| 18 |
| 94 |
| 90 | - - - -


1987 NGU FOOD AID ALLOCATIONS
Annex
Tab. 15
$\frac{\text { COUNTRY }}{\text { ALGERIA }}$
runisia
WORLD COUNCIL
OF CHURCHES
total
butrieroil
95
8
$\stackrel{\sim}{\sim}$
$-$
$\stackrel{n}{n}$
8
95
V
~
20
Caritas belgique
CEREALS
-
100
757
气
-
Tab. 1.6

Tab. 17



Tab. 18

| $\begin{aligned} & \text { Annex } \\ & \text { Tab. } 18 \end{aligned}$ |  |  | 1987 NGO FOOD AID |  | allocations | Caribbean |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| country | eurotean ngo | cerents | SMP | butteroil | SUGAR | VEG.01L | beans | DRIED FISH |
| dominican republic | caritas neerlandica | 517 | 300 | - | - | - | - | - |
|  | oxfam belgioue | 100 | 60 | - . | - | - | 18 | - |
|  | prosalus | 20 | 15 | 15 | - | 15 | - | - |
|  | 101AL | 637 | 375 | 15 | - | 15 | 18 | - |
|  |  |  |  |  |  |  |  |  |
| hatit | caritas belgioue | - | 180 | 15 | - | - | - | 12 |
|  | caritas neerlandica | 1897 | 500 | - | - | 21.0 | 198 | - |
|  | protos | 2865 | 14.5 | 60 | - | - | 36 | - |
|  | TOTAL | 4.762 | 1125 | 75 | - | 240 | 234 | 12 |
|  |  |  |  |  |  |  |  |  |
| dominican repuelic |  | 637 | 375 | 15 | - | 15 | 18 | - |
| HAIti |  | 4762 | 1125 | 75 | - | 240 | 234 | 120 |
| TOT^L |  | 5399 | 1500 | 90 | - | 255 | 252. | 120 |

Tab. 19, NGO Food Aid Allocations Asia


[^5]Tab. 19


1988- INDICATIVE NCO ROCD AID Programae allocations ACP CONIRIES


Tab. 21
ACP


-
18
18
18
VBGETABLE OLL BEANS
앙


BUTIEROLL $(1)$
DRIBD
CEREALS SMR

| 45 | - |
| :--- | :--- |
| 30 | - |
| 60 | - |
| 15 | - |



|  |  |  |  |  |  |  | (2) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ETHIOPIA | CATHOLIC RELIEF SERVICES | 2000 | - | . - | - | 165 | - | 氺 |
|  | CARE DEUISCILAND | 5000 | - | - | - | - | - |  |
|  | CONCERN | 4640 | 150 | 15 | - | 105 | - |  |
|  | DEUTSCHER CARITAS | 5272 | 75 | 15 | 40 | 15 | - |  |
|  | VERBAND |  |  |  |  |  |  | $\xrightarrow{\sim}$ |
|  | DIAKANI SCHES WERK | 43 | 15 | 15 | - | - | - |  |
|  | LUTHERAN WORLD | - | 500 | 500 | - | - | - |  |
|  | FEDERATIAN |  |  |  |  |  |  |  |
|  | PROSALUS | 60 | 30 | 15 | - | 15 | 18 | 12 |
|  | TEAR UK | - | - | 150 | - |  |  |  |
|  | WORID VISICN OF BRITAIN | 11680 | 1235 | 500 | - | 165 | - | - |
|  | COLAL | 28695 | 2005 | 1210 | 40 | 465 | 18 | 12 |
| GIIANA | CARITAS ITALIANA | - | 165 | - | - | - | - |  |
|  | PROSALUS | 27 | 30 | 15 | - | - | - | $12$ |
| $\cdots$ | TOTAL | 27 | 195 | 15 | - | - | - | 12 |
| GULNEA BISSAU | CARITAS ITALIANA | 140 | 90 | 15 | 18 | 15 | - | - |
| I WORY COAST | ASSOCIATICN AIDE AU | 21 | 15 | - | - | - | - | - |
|  | TIERS MONDE |  |  |  |  |  |  |  |
| LIAESIA | PBCSSALUS | 43 | 15 | 15 | 18 | 15 | 18 | $=$ |
| MADAGASCAR | ASSOCIATION AIDE AU | 62 | 30 | 15 | - | - | - | - |
|  | TIERS MONDE |  |  |  |  |  |  |  |
|  | CENIBO AIUTI MONOIALI | - | 90 | - | - | 15 | - | - |
|  | SOCIETE DE ST. VINCENI | - | 15 | - | - | - | - | - |
|  | DE PALK |  |  |  |  |  |  |  |
|  | TOTAL. | 62 | 135 | 15 | - | 15 | - | - |
| MALAWI | CARITAS ITALIANA | 525 | 60 | 30 | - | - | - | - |
|  | SAVE THE CHILDREN FLND | 10000 | - | - | - | - | - | - |
|  | TOTAL | 10525 | 60 | 30 | $=$ | - | - | - |
| MALI | SBCOURS CATHOLIQUE | - | 120 | - | - | - | - | - |
|  | FRANCAIS |  |  |  |  |  |  |  |



- 37 -

1988 INDICATIVE NCO ROOD AID PROGRAME ALLOCATIONS
MAGIREH OUNTRIES

|  | Annex <br> Tab. |
| :--- | :--- |
| GOLIRX |  |

Tab. 23

1988 INDICATIVE NGO BCOD AID PBOGRAMME ALLOCATIONS
CENORAL AAERICA.

| COUNTRY | N00 S | CEREALS | SMP | butteroil | SUSAR | VRGETABLE_OUL | heand | $\begin{aligned} & \text { DRIED } \\ & \text { EISH } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| El SAlvador | CATHILC RELIEP SERVICES | 864 | 240 | $=$ | $=$ | 105 | 252 | - |
| gutimala | CARITAS BEIGIQUE | 3400 | 1950 | - | - | 345 | 180 |  |
|  | CATHOLIC RELIEP SERVICES | 300 | 150 | - | - | 45 | 90 | - |
|  | CENREO AIUTI MONDIALI | 83 | 105 | - | 20 | 15 | 18 | - |
| TOTAL |  | 3783 | 2205 | - | 20 | 405 | 288 | - |
| NICARAGA | CEBPMD | 2555 | 700 | - | - | - | 2000 | - |
|  | DIAKONISOHES WERK | 2774 | 240 | 295 | 288 | 105 | 324 | - |
|  | DUTCH INTERCHURCH AID | 1632 | 465 | - | - | 75 | 144 | - |
|  | OXFAM BELGIQUE | 2472 | 290 | 45 | - | 127 | 140 | - |
|  | SOCLALISTISOHE SOLIDARITEIT | T 4896 | 630 | 435 | - | - | 198 | - |
| TOTAL |  | 14329 | 2325 | 375 | 288 | 302 | 2806 | - |
| TOLAL |  | 18976 | 4770 | 775 | 308 | 817 | 3346 | $=$ |

1988- INDICATIVE NCO HOOD AID PROGRAME ALIOCATIONSS
SOUTH AMERICA
$\underset{\text { DRIED }}{\text { EISH }}$
(1)

1988 INDICATIVE NOO BOOD AID PROGRAMA ALIOCATIONS

| COUNIRY | nen | CEREALS | SMP | BUITEROLL | SICAR | Vbgietable 0 IL | beand | $\begin{aligned} & \text { DRIED } \\ & \text { EISH } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| dominican republic | CARITAS NEERLANDICA | 517 | 195 | - | - | - | - | - |
|  | OXPAM BELGIQuE | 484 | 60 | - | - | - | 36 | - |
| TOCAL |  | 1001 | 255 | - | - | - | 36 | - |
| HAITI | CARITAS BELGIQUE | 331 | 435 | 45 | - | - | - | 84 |
|  | Caritas nerrlandica | 4179 | 915 | - | - | 210 | 108 | - |
|  | PROTOS | 2760 | 300 | 90 | - | - | 72 | - |
| Imal. |  | 2270 | 1650 | 135 | - | 210 | 180 | 84 |
| IOMAL |  | 8271 | 1905 | 135 | $=$ | 210 | 216 | 84 |

COUNRYY
Annex
Tab. 26

| COMNBPY | nc | Cerbals | SMR | BYITEROLL | SLCAR | Yegetarle OIL | heans | $\begin{aligned} & \text { DRIED } \\ & \text { EISH } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Abgianistan | Denmsaie welmhucierhule | 836 | - | $=$ | 12 | - | 120 | $\cdots$ |
| INDIA | ACTION OHILDREN AID | - | 420 | - | - | - | - | - |
|  | CATHOLIC RELIEP SERVICES | - | 3495 | - | - | - | 54 | - |
|  | CENTRO AUITI MONDIALI | - | 285 | - | 90 | 105 | 54 | - |
|  | Save the OHILDREN Fund | - | 105 | - | - | - | - | - |
|  | SOS BOITE DE LAIT BEIGIQUE | R | 45 | - | - | 15 | - | - |
|  | SOS BOITE DE LAIT FRANCE | - | 75 | - | - | - | - | - |
|  | Toral | - | 4425 | - | 90 | 120 | 108 | - |
| PAKISTAN | CATHOLIC Reliep Services | - | 225 | - | - | 75 | - | - |
|  | WORLD VISICN OF BRITAIN | - | 345 | - | - | S | - | - |
|  | TOTAL. | - | 570 | - | - | 75 | - |  |
| THAILAND | INTERNATIONAL OHRISTIAN RELIEP | - | 30 | 30 | - | - | 36 | 24 |
| VIETNAM | DUTOH INTERCHMBAM AID | 3360 | - | - | - | - | - | - |
|  | OXFAM BELGIQUE | 3360 | 135 | - | - | 45 | - | - |
|  | TROCAIRE | 3360 | 300 | - | 30 | - | - | - |
|  | TOTAL | 10107 | 435 | $=$ | 30 | 45 | - | $=$ |
| TOTAL |  | 10943 | 5460 | 30 | 132 | 240 | 264 | 24 |

Tab. 27, Tab. 28

Annex


| Beneficiary | Cereals | SMP | VO | BO | Sugar |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Country | $(t)$ | $(t)$ | $(t)$ | $(t)$ | $(t)$ |


| Algeria | 310 |  |
| :--- | ---: | ---: |
| Bangladesh | 21,345 |  |
| Benin |  | 190 |
| Bhutan |  | 60 |

Bolivia 1,097
Brazil
Burkina Faso

5,400
Camerun
670
540

Centrafrique
China
25,000 25 264

Cuba
Djibouti
5,750
204
2,000
2,316
Egypt
2,192
100
Ecuador
Ethiopia
23,337
150

## 300

Ghana 255
Guinea $B$. 107
Guinea $C$. 64
Jordan
64
$\begin{array}{ll}\text { Kampuchea } & 7,000 \\ \text { Kenya } & 1,940\end{array}$
Laos
10,000
Lebanon
$\begin{array}{rl}7,398 & 335\end{array}$
$\begin{array}{ll}\text { Madagascar } & 860\end{array}$
Mali
Morocco
Mauritius
Mauritania
Mozambique
Nicaragua
Niger
Uganda
Pakistan
3,400
277
2,250
225
$\begin{array}{lr}7,810 & 32\end{array}$
$421 \quad 284$
1,066
265
565
$5,000 \quad 693$
435
74
Paraguay
220
Somalia 971
Sudan
Swaziland
Tanzania
Chad
Tunisia
Vietnam
Yemen PDR
Yemen AR
310
190
60
097 443 50 4

49

445


| Beneficiary <br> Country | Cereals <br> $(t)$ | SM <br> $(t)$ | VO <br> $(t)$ | BO <br> $(t)$ | Sugar <br> $(t)$ |
| :--- | :---: | :---: | :---: | :---: | :---: |


$270,000 \quad 30,000 \quad 4,000 \quad 8,171 \quad 2,000$

## 1987-1988 WFP BIENNUM

## 1987 programme 1988 programme

a) Projects

| Cereals | 101,936 tonnes |
| :--- | :---: |
| SMP | 23,000 tonnes |
| Butteroil | 3,654 tonnes |
| Vegetables | ECU 0.75 million |

b) IEFR

| Cereals | 77,124 tonnes |
| :--- | ---: |
| Veg. Oil | 2,320 tonnes |
| SMP | 1,000 tonnes |
| Vegetables | ECU 1.25 million |

c) Article 9281
0.3 million for storage in Malawi
1987 total :
ECU 81 million
ECU. 1.7 million
a) Projects

Cereals $\quad 110,000$ tonnes
SMP 27,500 tonnes
Butteroil 6,171 tonnes
b) IEFR

Cereals $\quad 60,000$ tonnes
Veg. Oil $\quad 4,000$ tonnes
Sugar 2,000 tonnes
Vegetables ECU 3.5 million
c) Article 9281 .

ECU 0.775 million
d) UNHCR-WFP refugees

| Cereals | 100,000 tonnes |
| :--- | ---: |
| SMP | 2,500 tonnes |
| BO | 2,000 tonnes |
|  |  |
| 1988 | ECU 126 million |
| $1987 / 88$ | ECU 207 million |

PRCIGRAMME: 1987


finnex
Table 37

| Beneficiar-y country | $\underset{\substack{\text { Cereal } \\ \text { ( })}}{\text { ct }}$ | $\underset{\text { (t) }}{\text { smp }}$ | ( y ( ${ }_{\text {c }}$ | ( ${ }_{\text {g }}^{\text {( })}$ | $\underset{\substack{\text { Sugar } \\(t)}}{\text { cter }}$ | Other Food |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\underset{\substack{\text { Pliger ia } \\ \text { Boi ivia }}}{ }$ | 150 150 | 100 |  | ${ }_{100}^{170}$ | 200 |  |
| Burkina Faso |  |  |  |  | 18 |  |
| coin |  | 50 50 |  |  |  |  |
| Ethiopia | 9,276, |  | 500 |  |  |  |
| Suayana | 2001 | -50 400 |  | 100 |  |  |
| ${ }_{\text {Madagasem }}^{\text {Malawi }}$ | 7,929 |  |  |  | ${ }_{363}^{18}$ |  |
| $\underset{\text { Mali }}{\text { Marocco }}$ | +250 | ${ }^{35}$ |  |  |  |  |
| (larocco | 705 | 475 50 |  | 375 | 115 |  |
| Mozambique | 250 | 50 |  |  |  |  |
| Paraguay Ruanday |  | 40 |  |  |  |  |
|  | ${ }_{345}$ | ${ }^{50}$ |  | $\begin{aligned} & 250 \\ & 50 \\ & 50 \end{aligned}$ | 50 |  |
| ¢ Sri Lanka | 150 | 30 |  |  | 18 |  |
| Uruguay |  | 50 |  |  |  |  |
| $\stackrel{\text { Toffl }}{=T-}$ | 20,0 | 1,500 | 500 |  | \%oo | 1.5 MECU |

RNNEX

| RNNEX |  | ORGANISATION: | LICROSS |  | MME: 1 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Table 38 |  |  |  |  |  |  |
| Beneficiary country | Cereal ( t ) | $\begin{aligned} & \text { SMP } \\ & (t) \end{aligned}$ | $\begin{aligned} & \text { vo } \\ & (t) \end{aligned}$ | $\begin{aligned} & 80 \\ & (t) \end{aligned}$ | Sugar ( $t$ ) | Other Food items ( $t$ ) |
| Algeria | 2,480 |  | 50 |  |  |  |
| Bolivia | 172.5 | 150 |  |  |  |  |
| Burkina Faso | 740 |  | 50 |  |  |  |
| Burundi |  |  |  |  |  | 30 beans* |
| Chile |  | 50 |  |  |  |  |
| Ethiopia | 9,294 |  | 665 |  | 500 | 1,995 beans* |
| Guayana |  | 50 |  |  |  |  |
| Haiti | 800 | 100 | 100 |  |  | 100 beans* and 864 peas |
| India | 240 | 385 | 100 |  |  |  |
| Madagascar |  | 50 | 20 |  |  |  |
| Malawi | 11,275 |  |  |  |  |  |
| Mali |  | 85 |  |  |  |  |
| Marocca | 240 |  | 50 |  |  |  |
| Mauretania | 2,400 | 100 | 135 |  |  |  |
| Mauricius |  |  |  |  |  | 50 beans* |
| Mozambique | 550 |  |  |  |  |  |
| Nepal |  | 50 |  |  |  |  |
| Niger | 1,200* |  |  |  |  |  |
| Paraguay |  | 50 |  |  |  |  |
| Peru |  | 50 |  |  |  |  |
| Senegal | 240 |  | 50 |  |  |  |
| Sr-i Larika | 68.5 | 120 | 100 |  |  |  |
| Tunesia | 300 |  | 100 |  |  |  |
| Uganda |  |  | 90 |  |  | 90 beans* |
| Uruguay |  | 60 |  |  |  |  |
| TOTAL | 301,000 | 1,300 | 1,500 |  | 800 | 1.5 MECU |

$$
\text { PROGRAMME: } 1987
$$



```
ANNEX EMERGENCY ALLOCATIONS IN 1987
Table 41
(in tonnes)
```

| COUNTRY | CEREALS | SMP | VO | OTHER |
| :--- | ---: | :--- | :---: | :---: |
| Ethiopia | 60,000 | 350 | 1,500 | 4,000 |
| Bangladesh | 25,000 |  |  |  |
| Laos | 20,000 |  |  |  |
| Vietnam | 15,000 |  |  |  |
| Kampuchea | 14,000 |  |  |  |
| Malawi | 13,000 |  |  |  |
| Niger | 5,000 |  |  |  |
| Uganda | 5,000 | 55 |  |  |
| Palestinian Refugees | 753 |  |  |  |

Table 42
EMERGENCY ALLOCATIONS IN 1988
(in tonnes)

| COUNTRY | CEREALS | SMP | VO | BO/SUGAROTHER <br> $($ MECU $)$ |  |
| :--- | ---: | :--- | :---: | :---: | :---: |
| Bangladesh | 100,000 |  | 1,800 |  |  |
| Vietnam | 20,000 |  |  | $(800$ |  |
| Algeria | 15,000 |  | 1,250 | $<(\operatorname{sugar}$ | 1,0 |
| China | 5,000 |  |  | $(500$ BO |  |
| Ethiopia | 5,000 | 500 |  |  | 1,8 |
| Nicaragua | 5,000 |  |  | 0,72 |  |

## ANNEX TABLE 43

## Summary of commitments of budget post 9281/87

| Country Organization | Type of action | Amount <br> (MECU) |
| :---: | :---: | :---: |
| Burkina Faso | Storage rehabilitation for the cereals marketing board | 1.200 |
| Chad | Continuation of early warning system started on revival and rehabilitation plan | 0.460 |
| Bangladesh | Extension of ongoing project to rehabilitate warehouses in areas with severe food security problems | 2.350 |
| Tanzania | Imported material for small co-operative warehouses, chemicals for fumigation | 1.200 |
| Sudan | Construction of storage facilities in sorghumproducing areas | 2.000 |
| Ethiopia | Emergency storage facilities to be sued at various locations in famine-prone areas | 2.550 |
| WFP | Emergency storage facilities for Mozambican refugees in Malawi | 0.130 |
| Total: |  | 9.890 |

## ANNEX TABLE 44

## Summary of commitments of budget post 9281/88

| Country/ <br> Organization | Type of action | Amount <br> (MECH) |
| :--- | :--- | :--- |
| Chad | Continuation of early warning system | 0.220 |
| Mozambique | Rehabilitation of warehouses in the interior, <br> equipment for port storage, communication <br> equipment | 2.750 |
| Malawi | Continuation of emergency storage for <br> Mozambican refugees (WFP) | 0.340 |
| FP | Food aid information system set up by WFP <br> Afghanistan Refugee repatriation: | 0.335 |
|  | via UNHCR <br> via WFP (Peshawar) <br> via WFP (Quetta) | 0.380 |
| East Africa | Preparatory study to improve maize storage <br> by eradication of larger grain borer | 0.100 |
| Bangladesh | Preparatory study on port storage systems <br> improvements | 0.050 |
| Total |  | 4.500 |

Annex Tab. 45

| 1987 - ARTICLE 951 COFINANCED ACCLIONS |  |  |  |
| :---: | :---: | :---: | :---: |
| Country/Region | N00 | Commonity Contribution BCU | Description |
| Afghanistan | Christian Aid | 737.107 | Victims of civil war |
| Angola | Cebermo | 435.697 | Victims of civil war |
| Benin | Cinterad | 70.018 | Nutritional support to famine victims |
| Burkina Faso | Cinterad | 84.941 | Nutritional support to famine victims |
| Eritrea (1) | Oxfam UK | 1.500 .000 (2 actions) | Victims of civil war |
| Lebanon (2) | Caritas Belgique <br> Deutscher Caritas Verband <br> Wrid Council of Churches | 750.000 | Victims of civil war |
| Mozambique | Oxfam UK | 443.509 | Victims of civil war |
| Niger | Deutscher Caritas Verband | 134.029 | Nutritional support to famine victims |
| Sri Lanka | Christian Aid | 104.214 | Victims of civil war |
| Surinam | Cebemo | 312.958 | Victims of civil war |
| Tigray (1) | Dutch Interchurch Aid Oxfam UK <br> Trocaire | $\begin{aligned} & \begin{array}{r} 750.000 \\ 1.473 .321 \\ 197.366 \\ \text { ECU } 2.420 .687 \end{array} \end{aligned}$ | Victims of civil war |
| TOTAL |  | 150.6 .993 .160 |  |
| Notes: (1) Non-government controlled areas |  |  |  |

Tab. 46, Article 951 Cofinanced Actions
1988-AKC 951 COFINANCED ACTIONS

| $\frac{\text { EEC Contribution }}{\text { (BCUS) }}$ | Description |
| :---: | :---: |
| 750.000 | Nutritional support to displaced people in rural areas. |
| 744.384 | Food aid assistance to people affected by drought. |
| 750.000 | Food aid assistance to people affected by drought. |
| 482.329 | Displaced people victims of war. |
| 494.306 | Nutritional support to famine victims in Tigray. |
| 750.000 | Nutritional support to famine victims in Tigray. |
| 91.454 | Displaced people in Tete province. |
| 261.637 | Flood victims. |
| 457.304 | War victims in Northern Uganda. |
| 4.781 .414 |  |


| Beneficiary | $N C O$ |
| :---: | :---: |
| Afghanistan | Christian Aid |
| Ethiopia (Eritrea) | Oxfam - UK |
| Ethiopia (Eritrea) | Oxfam - UK |
| Ethiopia (Eritrea) | Oxfam - Belgique |
| Ethiopia (Tigray) | Oxfam - UK |
| Ethiopia (Tigray) | Oxfam - UK |
| Mozambique | Dutch Interchurch Aid |
| Senegal <br> Uganda | Secours Catholique Oxfam - UK |

## 1. PROGRAMME 1987

| PROOUIT | : | QUANTITE prevue <br> (1) | : | TOTAL EN cours <br> /livae au <br> 31.12 .87 <br> (2) | : : : : | TOTAL EN COURS /livre au 31.12.88 (3) | : | $\begin{gathered} \text { MOBILISE } \\ 31.12 .87- \\ 31.12 .88 \\ (3-2) \end{gathered}$ | : | RESERVE 87 TRANSFERE > PROGRAMME 88 <br> (4) | : | RESTE A MOBILISER $31.12 .88$ $(1-3-4)$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| cereales | : | 1520800 | : | 752147 | : | 1493353 |  | 741206 |  | 27247 | : | 0 |
|  | : |  | : |  | : |  | : |  | : |  | : |  |
| L.E.P. | : | 94100 | : | 57200 | : | 92135 | : | 34935 |  | 1485 | : | 500 |
|  | : |  | : |  | : |  | : |  | : |  | : |  |
| BUTTEROIL | : | 27300 | : | 12083 | : | 24871 | : | 12788 | : | 2329 | : | 100 |
|  | : |  | : |  | : |  | : |  | : |  | : |  |
| huile vegetale | : | 34000 | : | 10847 | : | 33800 | : | 22753 | : | 300 | : | 100 |
|  |  |  | : |  | : |  | : |  | : | SOLDE |  |  |

2. PROGRAMME 1988

| PROOUIT | : QUANTITE <br> : PREVUE <br> (1) | : TOTAL EN <br> : COURS <br> : /LIVRE AU <br> : 31.12.87 <br> (2) | : TOTAL EN <br> : COURS <br> : /livRE au <br> : 31.12.88 <br> : (3) | $\begin{array}{cc} : & \text { MOBILISE } \\ : & 31.12 .87- \\ : & 31.12 .88 \\ : & \\ : & (3-2) \end{array}$ | $\begin{aligned} & : \text { RESTEA } \\ & : \text { MOBILISER } \\ & : 31.12 .88 \\ & : \\ & :(1-3) \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| cereales | $: \quad 1387247$ | $\begin{array}{ll}: & 0\end{array}$ | $:$ $:$ | $:$ $:$ | $:$ $:$ |
| L.E.P. | $\begin{array}{ll}: & 111485 \\ : & \end{array}$ | $\begin{array}{ll}: & 0\end{array}$ | $\begin{array}{ll}: & 100745 \\ : & \end{array}$ | $\begin{array}{ll}: & 100745 \\ : & \end{array}$ | $\begin{array}{ll}: & 10720 \\ : & \end{array}$ |
| BUTTEROIL | $\begin{array}{ll}: & 27329 \\ : & \end{array}$ | $\begin{array}{ll}: & 0\end{array}$ | $\begin{array}{ll}: & 22058 \\ : & \end{array}$ | $\begin{array}{ll}: & 22058 \\ : & \end{array}$ | $\begin{array}{ll}: & 5271 \\ : & \end{array}$ |
| huile vegetale | $: 34000$ | 0 | $\begin{array}{ll}: & 26725 \\ : & \end{array}$ | $\begin{array}{ll}: & 26725 \\ : & \end{array}$ | $:$ |



| ECU | ACTIONS |
| :---: | :---: |
| 31,219,050 | 14 |
| 4,782,507 | 7 |
| 860,462 | 10 |
| 14,146,882 | 70 |
| 20,083,663 | 21 |
| 3,368,600 | 3 |
| 1,285,430 | 2 |
| 6,869,458 | 3 |
| 82,616,052 | 130 |

TRIANGULAR OPERATIONS - URLUE 1987 AND 1988

##  <br> 1987


$\frac{\text { URLUES }}{-18,--159, ~} 385$ ECU
$\underset{\sim}{\square} \quad \infty \quad \underset{\sim}{\sim}$
$\stackrel{m}{N} \quad 0 \quad 0 \quad 9$
10
158
碃
 1,346, 824 ECU $1,471,725 \mathrm{ECU}$

$7,356,699 \mathrm{ECU}$
$155,568 \mathrm{ECU}$
$3,842,970 \mathrm{DM}$
$891,182 \mathrm{US} \$$
$5,990,661 \mathrm{US} \$$
 $\begin{array}{r}28,390,201 \mathrm{ECU} \\ +\quad 3,842,970 \mathrm{DM} \\ +15,670,381 \mathrm{USF} \\ 28,390,201 \mathrm{ECU} \\ 1,853,096 \mathrm{ECU} \\ 12,612,281 \mathrm{ECU} \\ \hline 42,855,578 \mathrm{ECU}\end{array}$ $+$
 $\square$


[^0]:    REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON COMMUNITY FOOD AID AND MANAGEMENT IN 1987 AND 1988
    (PRESENTED BY THE COMMISSION PURSUANT TO ARTICLE 12 OF COUNCIL REGULATION (EEC) NO 3972/86)

[^1]:    3 Compte de Gestion et Bilan Financier 1987, pg 76
    4 Compte de Gestion et Bilan Financier 1987, pg 251
    5 Compte de Gestion et Bilan financier 1988, pg 124
    6 Compte de Gestion et Bilan financier 1988, pg 222
    $7 \quad$ Actions financed by 9281 are described in Chapter 4.1

[^2]:    ${ }^{33}$ Approved budget 1988 : 5.0 MECU
    $34482,329 \mathrm{ECU}$ and $1,494,384$ (2 actions)
    35 91,454 ECU
    ${ }^{36} 1,244,306 \mathrm{ECU}$
    37 457,304 ECU
    ${ }^{38} 261,637$ ECU
    39 750,000 ECU

[^3]:    41 FAMIG $=$ Food Aid Management Interservice Group (GIGA) Presidency: DG VI C, Representatives: DG VIII, DG VI, DG XX. Occasional representatives: DG I, DG III, DG XIV and the Legal Service

[^4]:    jordan
    LEBANON

[^5]:    
    LAOS

