

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION COMMUNICATION TO THE COUNCIL
ON THE IMPLEMENTATION OF THE AGREEMENTS
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE WORLD FOOD PROGRAMME FOR THE
SUPPLY OF 30 000 TONNES OF CEREALS AND
15 000 TONNES OF BUTTEROIL TO DEVELOPING
COUNTRIES AS FOOD AID

EXPLANATORY MEMORANDUM

1. Under the food aid programmes for 1974, the European Economic Community (EEC) undertook to donate to the WFP a quantity of products equivalent to 30 000 t of unprocessed cereals and 15 000 t of butteroil for use in developing countries.

2. Pursuant to the supply agreements, the WFP undertakes to use the products received as aid for emergency measures or economic and social development and food aid projects that have received prior EEC approval. Accordingly, the WFP recently requested the Commission to:

allocate the whole of the Community's cereals contribution
- 30 000 t;

allocate the remainder of the Community's butteroil
contribution - 403 t;

reallocate 20 t of butteroil initially intended for Nepal.

(a) The request for the allocation of cereals

The 30 000 t of cereals would be allocated to six projects (see Annex A), only one of which has already been approved by the Council¹ in the context of a previous allocation of skimmed-milk powder. Further approval is required for the allocation of quantities of cereals to this project.

The other five projects are being submitted for the first time for Community approval (Pakistan 2198/q, Afghanistan 2053, Guinea Bissau 2225/q and 2225/q exp., Cape Verde Islands 2185/q and 2186/q).

Information on the nature of these projects, the method of distribution involved, the period fixed for their implementation and the safeguarding of trade is given in Annexes B, C, D and E.

¹This is the Sudan project 645, see Doc. S/805/75 COMER 225.

(b) The request for the allocation of butteroil

The WFP's request involves:

- i. the allocation of 403 t of products to four projects (see Annex A), thus using up the remainder of the total amount of aid in the form of butteroil (15 000 t) earmarked for 1974. One of these projects (Sri Lanka 2195/q) has already been agreed to by the Ad hoc Working Party on Food Aid¹, but a Council decision has to be taken on it. The three other projects are being submitted for the first time for Council approval (India 2177/q, 2178/q and 2181/q);

Information on the nature of these projects, the methods of distribution involved, the periods fixed for their implementation and the safeguarding of trade is given in Annexes F and G.

- ii. the reallocation to Sri Lanka project 2195/q of 20 t of butteroil initially allocated by the Council to Nepal for project 766 and which is already being supplied.

Annex H gives an overall view of the implementation of the agreement.

3. Finally, as has happened under previous agreements, the WFP may request a change in the quantities to be allocated to the projects covered by this communication (increase, decrease or cancellation of the Community's contribution). To ensure that the agreement is implemented as effectively as possible, the Commission requests the Council to authorize it to decide, on behalf of the Community, what action is to be taken in response to any requests by the WFP for changes. These decisions would consist in a redistribution of quantities - within the 30 000 t of cereals and 15 000 t of butteroil - among the projects approved by the Council.

¹ At the request of the WFP, the Ad hoc Working Party on Food Aid agreed to divert 200 t bound for India (project 618) and allocate it to the project in question. The WFP has since withdrawn this request and the 200 t is now destined, as originally planned, for the Indian project 618.

4. To sum up, the Commission recommends that the Council:

(a) approve the allocations to the various projects requested by the WFP involving:

30 000 t of cereals (Annex A);

423 t of butteroil, including the 20 t initially intended for Nepal and reallocated to the Sri Lanka project (Annex A);

(b) authorize the Commission to make any quantity changes (increase, reduction or cancellation of the Community's contribution) requested by the WFP for the projects which the Council has approved, within the agreed quantities of 15 000 t of butteroil and 30 000 t of cereals.

ANNEX A

Requests made by the WFP in connection
with the supply of 30 000 t of cereals and
15 000 t of butteroil by the EEC to that body

I. CEREALS

<u>Country</u>	<u>Project No</u>	<u>Quantities</u>	<u>Product</u>
Pakistan	2198/q	15 000	Wheat
Afghanistan	2053	2 400	Wheat
Sudan	645	3 860	Wheat
Guinea Bissau	2225/q 2225/q exp.	6 000	Maize
Cape Verde	2185/q	1 370	Maize
Islands	2186/q	1 370	Maize
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		30 000	

II. BUTTEROIL

India	2177/q	125
India	2178/q	125
India	2181/q	23
Sri Lanka	2195/q	150
		<hr/>
		423

ANNEX BPAKISTAN: 2193/a

Nature of the project	Method of distribution	Trade safeguards	Cereals		Duration of WFP contribution
			Quantity proposed in the project	Quantity requested of the Community	
Construction of country roads and small reservoirs in Punjab province	The aid will be supplied to the workers as part of their remuneration	There is a serious food shortage and the supply of this aid will not therefore cause any deflection of trade	17 486 t	15 000 t	1 year

ANNEX CAfghanistan: 2 053

Nature of the project	Method of distribution	Trade safeguards	Cereals		Duration of WFP contribution
			Quantity proposed in the project	Quantity requested of the Community	
Creation of infrastructure to enable production and productivity to be increased (roads, wells, irrigation, etc.)	The food products will be distributed free and in kind to the workers and their families	Since the amount of aid is very small it will probably not cause any disruption of commercial imports	27 444 t	2 400 t	3½ years

ANNEX D

GUINEA-BISSAU: 2225 q
2295 q exp.

Nature of the project	Method of distribution	Trade safeguards	Quantity of cereals proposed in the project	Quantity requested of the Community	Duration of project
Resettlement of refugees and displaced persons (100 000 people)	The aid will form part of a basic ration which will be distributed every two weeks to the refugees and displaced persons	The refugees and displaced persons will be fed only during the time they are being resettled. The aid therefore represents an increase in consumption and the question of trade safeguards does not arise	6 000 t of maize	6 000 t	200 days

ANNEX E

CAPE VERDE ISLANDS: 2185 q
2186 q

Nature of the projects	Method of distribution	Trade safeguards	Quantities proposed in the project (t)			Quantities requested of the Community maize	Duration of WFP contribution
			maize	milk	butteroil		
2185 q Feeding the people in need	Free distribution of the aid to the people in need and to workers. A certain quantity could however be sold at subsidized prices by the Government. If this were done, the funds thus obtained would be used for transporting the products within the country or for reconstituting food stocks	In view of the emergency situation the question of trade safeguards does not arise	1 512	162	162	1 370 t	6 months
2186 q Distribution of the aid to workers employed in activities promoting the economic development of rural areas: agriculture, rice-growing, construction of roads and wells			3 600	-	180	1 370 t	6 months

ANNEX FSri Lanka: 2195 g

Nature of the project	Method of distribution	Trade safeguards	Quantities proposed in the project		Quantity requested of the Community	Duration of the WFP contribution
			cereals	butteroil	butteroil	
Programme of rural work in the drought-afflicted areas	The aid will be supplied to the workers as part of their remuneration	Since the WFP aid is being given during a period of serious food shortage, the question of trade safeguards does not arise	23 450 t (flour)	667 t	150 t	1 year

ANNEX GIndia: 2177 q, 2178 q, 2181 q

Nature of the projects	Method of distribution	Trade safeguards	Quantities proposed for each of the projects			Quantities requested of the Community	Duration of the WFP contribution
			cereals	butteroil	milk powder	butteroil	
Distribution of foodstuffs to children in the Gujarat, Rajasthan and Assam regions respectively	The aid combined with other foodstuffs will be used for the preparation of "Sukhadi", which will be distributed to the children	Since the amount of aid in question is very small it will not cause any deflection of trade but will represent an increase in consumption	1 500 t	125 t	125 t	125t-2177/q	90 days for each project
			or for the three projects together				
			4 500 t	375 t	375 t	125t-2178/q 23t-2181/q	
						273 t	

Quantities allocated to the projects proposed by the WFP

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(in tonnes)

ANNEX H

Projects	Approved by the Council on 9 August 1974	Approved by the Council on 17 December 1974	Approved by the Council on 3 March 1975	Hereby submitted for Council approval	Additional quantities approved by the Commission	Total
Cyprus 418			134			134
Cyprus 464			64			64
Upper Volta 462	8				5	13
India 618	4950				7650	12600
India 2177 q				125-		125
India 2181 q				23		23
Indonesia 648	116				160	276
Lebanon 524	44					44
Malaysia 444	30					30
Mali 378			21			21
Nepal 766		20			-20	0
Pakistan 263		130	40		100	270
Pakistan 385	20					20
Pakistan 505	40				-40	0
Pakistan 656		200	80			280
Egypt 534			60			60
Egypt 535ext.			278			278
Egypt 322ext.			327			327
Yemen PDR 497			20			20
Yemen PDR 608			15			15
Yemen PDR 688			85			85
Sri Lanka 2195 q				150		150
Somalia 497	20				20	40
India 2178 q					125	125
TOTAL	5228	350	1124	423	7875	15 000