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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

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COMMISSION OF THE EUROPEAN COMMUNITIES

. General Secretariat

COM(85) 558 final Brussels, 11 October 1985

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Recommendation for a COUNCIL DECISION

authorizing the Commission to participate in the negotiation of the extension or replacement of the Food Aid Convention 1980

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

Summary

- 1. The life of the Food Aid Convention (F.A.C.) 1980, as already extended, will expire on 30.6.86.
- 2. At its meeting in closed session on 25.6.85 the Food Aid Committee of the International Wheat Agreement gave some preliminary consideration as to the future of the Convention on its expiry next year.
- 3. It was agreed that a special meeting of the Food Aid Committee should be held on 21.10.85 to look at possible ways of improving the current Convention.
- 4. At its next regular meeting in December 1985, the Committee will need to agree on any changes in the text in order that the Convention, as amended, may come into effect on 1.7.86.
- 5. The attached draft Decision presented by the Commission to the Council is intended to authorize the Commission to participate, with the assistance of the 113 Committee, in the coming discussions of the Food Aid Committee regarding the negotiation of a further extension to or replacement of the Food Aid Convention 1980.

Introduction

- 1. The Food Aid Convention 1980 and the Wheat Trade Convention 1971 together comprise the International Wheat Agreement 1971. The linkage between the two Conventions should be retained.
- 2. A United Nations Conference to negotiate an International Arrangement to replace the International Wheat Agreement began in February 1978 and was adjourned sine die on 14.2.1979.
- 3. During the course of this Conference a wide measure of agreement was achieved on the terms of a new Food Aid Convention. This led to the elaboration of the text of a new Convention, which was formally established by the Conference open to all members of the Food Aid Committee at a meeting held on 6.3.1980.
- 4. The Food Aid Convention 1980, which came into operation on 1.7.80, had a duration of one year. Its life was, however, extended by protocol first until 30.6.83 and thereafter until 30.6.86.
- 5. Since its inception the Food Aid Convention 1980 has functioned to the satisfaction of its signatories (1). This being so, the Commission considers that it should be extended for a further period, and changes in the text should be kept to the minimum in order to avoid the risk of embarking on a fresh and prolonged negotiation.

International Food Aid - Article III of the Convention

- 6. Article III (3) sets out the minimum annual contributions of members of the Convention "towards the achievement of the objective of Article I", i.e. the provision "of at least 10 million tons of food aid annually to developing countries in the form of wheat and other grains suitable for human consumption".
- 7. Minimum contributions of members total 7,612,000 tonnes which includes 1,650,000 tonnes on the part of the Community.
- 8. Spain is a member of the Convention with a minimum annual contribution of 20,000 tonnes. Portugal is not a member.
- (1) Current signatories are: Argentina, Australia, Austria, Canada, E.E.C and its Member States, Finland, Japan, Norway, Spain, Sweden, Switzerland, U.S.A.

Food Aid Needs

- 9. Since the 1980 Convention came into effect not only has the 10 million tonne target, established by the World Food Conference in 1974, been superseded (the F.A.O. estimates global cereal food aid requirements now to be some 20 million tonnes p.a.), but there has also been an increasing trend in the needs of the Community's traditional beneficiaries.
- 10. Over the past 15 years cereal import requirements of low income food deficit countries (L.I.F.D.Cs), particularly those in Africa, have increased by approximately 10% per year on avereage. The rate of increase accelerated over the years and during the period 1980-85 it was about 20% per year.
- 11. Total cereal import requirements of L.I.F.D.Cs, excluding those which are not beneficiaries of cereals food aid (e.g. Afghanistan, China and India), amounted to some 20.2 million tonnes in 1981/82 and 29.7 million tonnes in 1983/4. Requirements for 1984/85 have been estimated by the F.A.O. to be 35.7 million tonnes.
- 12. Food aid as a proportion of total cereal imports by L.I.F.D.Cs fell from 33% in 1981/82 to 28% in 1983/84.

The Community's Food Aid

- 13. The Community's annual commitment of 1,650,000 is shared between Community and Member States on a 56 %/44 % basis: Community 927,663 tonnes and Member States 722,337 tonnes.
- 14. During the past years, however, both the Community and Member States have exceeded their respective obligations as follows:

(tonnes)

			,
Year	Community	Member States	Total
1980/81	927,663	762,693	1,690,356
1981/82	1,000,000	736,328	1,736,328
1982/83	1,001,369	826,131	1,827,500
1983/84	1,127,663 (1)	815,863 (1)	1,943,526
1984/85	(2) 1,160,000 (1)	1,011,106 (1)	2,171,106

- (1) Not yet delivered in full
- (2) Excluding additional aid supplied under the "Dublin Plan"

- 15. The figures above do not include aid supplied by Spain which has averaged about 25,000 tonnes per year between 1982/83 and 1984/85, i.e. some 5,000 tonnes more than its commitment under the Convention.
- 16. The totals in paragraph 14, which reveal a steadily rising trend, indicate that average food aid provided annually by the Community and Spain over the past 3 years has been approximately 2 million tonnes. In view of this the Commission is of the opinion that the Community should increase its minimum annual F.A.C. contribution to 2 million tonnes, provided other donors are also willing to increase theirs.
- 17. Such a gesture would fit very well into the Community policy on North South relations. Although its implementation would at present involve little or no additional budgetary costs since the Community as such and the majority of Member States are already supplying more aid than their present F.A.C. commitment, it would nevertheless constitute a firm undertaking to continue to supply aid at this level in the future. (1)
- 18. The proposed quantity of 2 million tonnes would, of course, include any increase, which could reasonably be expected to be made, on account of the Community's enlargement by the accession of Spain and Portugal.
- 19. In the light of the foregoing, the Commission recommends that the Council should adopt the attached draft Decision.

(1) Because of the difficulty in estimating future cereal prices, no financial statement can be usefully drawn up. However the quantities involved would not substantially increase, taking into account the amount of cereals aid at present being provided over and above the Food Aid Convention commitment.

COUNCIL DECISION

authorising the Commission to participate in the negotiation of the extension or replacement of the Food Aid Convention 1980.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the Recommendation from the Commission,

Whereas the Community is a party to the Food Aid Convention 1980,

Whereas this Convention expires on 30.6.1986,

Whereas it is in the Community's interest that the Convention be extended or replaced by a new Convention,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to take part in the negotiations for the extension or replacement of the Food Aid Convention 1980.

The Commission shall take part in the negotiations, in consultation with the Article 113 Committee, in accordance with the guidelines contained in the Annex.

Done at ...

For the Council

The President

- 1. The link between the Food Aid Convention and the Wheat Trade Convention should be retained.
- 2. As far as possible no changes should be made in the text of the present Convention.
- 3. The Community's existing contribution of 1,650,000 tonnes in Article III (3) should be increased to a figure not exceeding 2,000,000 tonnes depending on the response of other donors.
- 4. The present division of the Community's contribution between Member States (44 %) and Community (56 %) should be retained.
- 5. The Food Aid Convention 1980 should be further extended for such period as the Wheat Trade Convention 1971 is extended or for the duration of a new Wheat Trade Convention replacing it.