COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 339 final

Brussels, 26.07.1994

Proposal for a

COUNCIL REGULATION (EC)

an actions for a free supply of agricultural products destined to the population of certain countries in the Caucasus and in Central Asia

(presented by the Commission)

EXPLANATORY MEMORANDUM

Subject: **Action for a free supply of agricultural products destined to the populations of certain countries in the Caucasus and in Central Asia**

1. Numerous appeals have been addressed to the EU by Heads of States or Governments of Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tajikistan addressing the dramatic situation as regards food supplies in these countries and requesting the EU for urgent assistance.

2. Member States have requested the Commission to come up with a factual analysis of the situation, quantifying the needs and indicating possible financial resources. This document is annexed to the present communication.

3. The Commission has preceded with an analysis of the question and has arrived to the following conclusions:

   a) the food supply situation in all countries concerned is dramatic. The uncovered balance of the most imminent needs amounts to some 414 MECU for the coming six months winter period (mid-November to mid-May). This figure takes into account contributions by other donors and in particular the US.

   b) in view of the massive engagement of the US in the region concerned, the EU could be expected to assume some 50% of the remaining gap of 414 MECU, while the remainder should be covered by other donors.

   c) the Commission has engaged in a detailed scrutiny of all available budgetary resources and came with the conclusion that the following amounts could be mobilised from existing budgetary lines of rubric 4 and other resources:

   - 20 MECU out of the budget line B7/511 (humanitarian food aid) can be mobilised right away for food aid to the countries in question. In anticipation of the substantial efforts that the Union would be obliged to undertake the Commission decided on 11th July to mobilise the amounts which have been earmarked for the region (13 MECU for Caucasus and 7 MECU for Tajikistan and Kyrgyzstan). This decision allows the immediate implementation of the operation.

   - 5 MECU will be mobilised from budget line B7/515 (humanitarian aid in the FSU). This amount shall be taken out of a package of 16 MECU foreseen for the Caucasus in the form of energy, shelters and medicines and shall be devoted to food aid only.

   - 10 MECU could be mobilised out of budget line B7/91 (emergency reserve) of 212 MECU.

   - 4 MECU could be mobilised from the 1994 Tacis budget in order to assure the proper implementation of the operation (monitoring, distribution, supervision of counterpart funds etc.).

   - In order to meet the objective to provide some 50% of the needs, it is unavoidable to resort to FEOGA funds for an amount of 165 MECU.

   Thus the total package for the action would amount to 204 MECU.

4. There is scope for immediate action given that:

   - supplies would have to be distributed already in October due to the severe fuel and transport problems resulting from the harsh climatic conditions prevailing in winter in the area.
   - for the use of savings in the 1994 FEOGA budget it would be essential that a decision is taken by the Council already in July, as the 1994 FEOGA budget expires on the 15th October and there is absolutely no scope in the 1995 FEOGA budget for an action of this type. Carry overs need to be considered for credits which will not be engaged.
   - an operation of this kind would necessitate the adoption of regulations of applications along with the set up of a sophisticated organisational infrastructure.

5. In view of the urgency and taking into account that 39 MECU have been or may be mobilised from existing budgetary lines of rubric 4 (20 MECU from B7/511, 5 MECU from B7/515, 10 MECU from B7/91 and 4 MECU from 1994 Tacis), the Commission proposes to the Council to authorise the supply of food products from intervention stocks for an amount of 165 MECU by approving the annexed draft regulation during its session on Monday 18th July.

   This regulation follows the lines of similar actions of free supplies of agriculture products.

   In conformity with the joint declaration of the three institutions of 20/02/1992, the Commission has invited the two branches of the Budgetary Authorities to hold a trilateral meeting.

   As regards implementation, the products will be sold on the local markets for a price which will take into account local conditions. The proceeds will be put into a counterpart fund which will be used for social purposes.

COUNCIL REGULATION (EEC) N° ....

an actions for a free supply of agricultural products destined to the

population of certain countries in the Caucasus and in Central Asia

THE COUNCIL OF THE EUROPEAN COMMUNITY,

having regard to the treaty establishing the European Economic Community,

having regard to Council Regulation (EEC) no. 1766/92 of 30 June 1992 on the common organisation of the market in cereals [1] and in particular Articles 5 and 6 thereof,

having regard to Council regulation (EEC) No. 136/66 of 22 September 1966 on the establishment of an organisation of the markets in the sector of fats and oils [2] and in particular Article 12 thereof,

having regard to Council Regulation (EEC) no. 804/68 of 27 June 1968 on the common organisation of the markets in milk and milk products [3] and in particular Articles 6 (6) and 7 (4) thereof,

having regard to Council Regulation (EEC) no. 805/68 of 27 June 1968 on the common organisation of the market in beef and veal [4] , and in particular Articles 6(5) and 7 (2) thereof,

having regard to the proposal from the Commission,

Whereas, the Community has agricultural products in stock following intervention measures and that, in view of the situation on the markets, these products should be sold;

Whereas conditions for supplying agricultural products to certain countries in the Caucasus and Central Asia should be improved;

Whereas, in supplying the population concerned with products from stocks, account should be taken of the diversity of local situations; whereas the move towards supplies according to market rules should not be compromised;

Whereas it is important to ensure that the agricultural products supplied as part of these actions reach their proper destination;

Whereas it is for the Commission to lay down the arrangements for application of these actions;

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[1] JO no L 181 du 1.07.1992, p. 21. Regulation as last amended by Regulation (CEE) 2193/1993 (JO no. L196 of 5/08/1993, p. 22).

[2] JO no 172 of 30/9/1966, page 3025. Regulation as last amended by Regulation (CEE) 3179/1993 (JO no. L285 of 10/11/1993 p. 9).

[3] JO no L 148 du 28.6.1968, p. 13. Regulation as last amended by Regulation (CE) no 230/1994 (JO no L 30 of 3/2//1994, p. 1)

[4] JO no L148 du 28/06/1968, p. 24. Regulation as last amended by Regulation (CE) no 1096/94 (JO no L121 of 12/05/1994, p. 9).

Whereas, in view of the pressing needs, the products must arrive in the populations concerned as soon as possible; whereas the operations should be started immediately and the expenses relating to them should be borne by the EAGGF Guarantee,

HAS ADOPTED THIS REGULATION:

Article 1

It is proceeded, under the conditions laid down by this regulation, to actions of free supply of agricultural products destined to the populations of certain countries in the Caucasus and in Central Asia to be determined, available as a result of intervention measures.

Article 2

1. The products may be supplied unprocessed or in processed form.

2. The actions may also relate to food stuffs available or which may be obtained on the market by payment with products coming from intervention stocks and belonging to the same group of products.

3. The supply costs, including transport and, where applicable, of processing shall be determined by invitation to tender or, for reasons connected with urgency or with difficulties of transportation, by direct agreement procedure.

4. If the supply comprises targeted distribution to the beneficiaries, corresponding expenses shall be borne according to the usual procedures of emergency aid.

5. Products consigned pursuant to this Regulation shall not qualify for export refunds applicable for the agricultural products.

6. The transport costs shall be borne by the Community, in as far as the recipients do not take over themselves the products in the Community.

7. The products could be sold, by agreement between the local Commission and the local authorities at a price not allowing to disturb the market and a counterpart funds in order to help the neediest ones will be constituted.

Article 3

The expense of these actions shall be limited to ECU 165 million entered in the general budget of the European Community.

Article 4

1. The Commission shall be responsible for the execution of these actions as well as for controlling the delivery operations.

2. The detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 23 of Regulation (EEC) no. 1766/92 or, as in case may be, in the corresponding Articles in the other Regulation on the common organisation of the markets.

Article 5

The accounting value of the given agricultural products originating from intervention stocks shall be fixed according to the procedures laid down in Article 13 of Regulation (EEC) no. 729/70.

Article 6

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

This regulation shall be binding in its entirety and directly applicable in any Member States.

Done in Brussels

For the Council,
The president

FICHE FINANCIERE

[redacted]

DATE : [redacted]

1. **LIGNE BUDGETAIRE** : B1-189 — **CREDITS** : 165 Mio ECU

2. **INTITULE DE LA MESURE** :
Projet de règlement (CE) du Conseil relatif à des actions de fourniture gratuite de produits agricoles destinés aux populations du Caucasse et d'Asie Centrale

3. **BASE JURIDIQUE** : Règlements (CEE) du Conseil 1766/92, 136/66, 804/68 et 805/68

4. **OBJECTIFS DE LA MESURE** :
Apporter une fourniture gratuite de produits agricoles composée de céréales, d'huile d'olive, de produits laitiers et de viande bovine à des populations ciblées menacées de famine.

5. INCIDENCES FINANCIERES	PERIODE DE 12 MOIS (Mio ECU)	EXERCICE EN COURS (94) (Mio ECU)	EXERCICE SUIVANT (95) (Mio ECU)
5.0 DEPENSES A LA CHARGE - DU BUDGET DES CE (RESTITUTIONS/INTERVENTIONS) - DES BUDGETS NATIONAUX - D'AUTRES SECTEURS		165	néant
5.1 RECETTES - RESSOURCES PROPRES DES CE (PRELEVEMENTS/DROITS DE DOUANE) - SUR LE PLAN NATIONAL	néant	néant	néant

	1996	1997	1998	1999
5.0.1 PREVISIONS DES DEPENSES 5.1.1 PREVISIONS DES RECETTES	néant	néant	néant	néant

5.2 **MODE DE CALCUL** :
Les produits désignés (cf. point 4) seront fournis en l'état ou après transformation à concurrence du montant fixé par le Conseil dans le cadre du présent règlement à à partir des stocks d'intervention FEOGA. Ils seront, lors de leur sortie de stocks, valorisés conformément à la procédure prévue à l'article 13 du règlement (CEE) n° 729/70. Les frais de fourniture , y compris de transport, seront également pris en charge.

6.0 FINANCEMENT POSSIBLE PAR CREDITS INSCRITS AU CHAPITRE CONCERNE DU BUDGET EN COURS D'EXECUTION — OUI (NON)

6.1 FINANCEMENT POSSIBLE PAR VIREMENT ENTRE CHAPITRES DU BUDGET EN COURS D'EXECUTION — (OUI) NON

6.2 NECESSITE D'UN BUDGET SUPPLEMENTAIRE — OUI (NON)

6.3 CREDITS A INSCRIRE DANS LES BUDGETS FUTURS — OUI (NON)

OBSERVATIONS :

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DOCUMENTS

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