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90387 add-on

WASHINGTON

April 29, 1985

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NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 167

Declassified Released on 10/23/98
under provisions of E.O. 12958
by L. Salvetti National Security Council

F98-515

FOOD FOR PROGRESS PROGRAM IMPLEMENTATION (U)

NSDD-156 established the Food for Progress program as a new means to use American food resources to support key Third World countries that have made commitments to agricultural policy change based on free market principles. This NSDD defines the implementation measures for the Food for Progress program. (U)

Management

The Secretary of State will recommend, and the President will appoint, an individual of ambassadorial rank as Special Ambassador for Food for Progress.

- The Special Ambassador will represent the President to present the Food for Progress program to other donors and cooperating countries.
- The Special Ambassador will report to the Administrator of AID in the day-to-day conduct of the program.
- The Food Aid Subcommittee* of the Development Coordination Committee, in consultation with the Special Ambassador, or upon receipt of proposals from the Special Ambassador, will:
 - Recommend allocations of up to 500,000 tons per year of food among developing countries (initially in Africa) in accordance with Multi-Attribute Utility Theory (MAUT) principles and the country selection criteria established for this program;
 - Review proposals for participation in Food for Progress submitted by developing countries.

* Note: The Food Aid Subcommittee is composed of the Departments of State, Treasury, Agriculture, Commerce, OMB, NSC and AID.

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- Final decisions on country selection and program levels will be made by the Food Aid Subcommittee of the Development Coordination Committee in collaboration with the Special Ambassador.
- Unresolved issues regarding country selection or program levels will be decided through the interagency process in an expeditious manner.
- Negotiation of an agreement with a participating country will be carried out by the AID Mission in country in accordance with guidance from the Special Ambassador.
(U)

Country Selection Criteria

U.S. strategic and foreign policy interests must be served by the Food for Progress program. Once these interests are satisfied, the following criteria should be assessed for individual proposed country programs. The criteria should be considered in the following general order of importance.

Criterion of ABSOLUTE importance:

- Commitment to reform and implementation of policy decisions

Criteria of HIGH importance:

- Need for non-emergency food aid
- In-country capacity to carry out reform
- Evidence of policies conducive to improvement in agriculture

Criteria of LOWER importance:

- The potential for economic growth that will lead to the country's ability to participate in international trade and to import U.S. commodities.
- The potential for, or existence of, other donor support for agricultural programs and agricultural policy reform (as indicator of potential for co-financing). (C)

Funding

Food for Progress will provide up to 500,000 tons of farm products per year. This program will be funded from the Administration's 1986 budget request. To provide authority for the program, the Administration will propose legislation

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to restructure Title III of P.L. 480 to provide for the multi-year grant nature of the Food for Progress program. The program will begin in FY 1986. In future years, Food for Progress will be funded as part of the annual P.L. 480 budget process. The issue of separate funding for Food for Progress' transportation costs will be decided through the FY 1987 budget process. (U)

An interagency group, co-chaired by OMB and AID, will prepare all necessary changes in legislation or existing policy documents to enact the provisions of this NSDD and relevant sections of NSDD-156. (U)

Ronald Reagan

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