

- (b) sales for the currency of the recipient country which is not transferable and is not convertible into currency or goods and services for use by the donor members;¹
- (c) sales on credit, with payment to be made in reasonable annual amounts over periods of 20 years or more and with interest at rates which are below commercial rates prevailing in world markets;²

on the understanding that such aid shall be supplied to the maximum extent possible by way of gifts, especially in the case of least developed countries, low *per capita* income countries and other developing countries in serious economic difficulties.

ARTICLE V

Channelling of contributions

1. Members may, in respect of their contributions under this Convention, specify a recipient country or countries.
2. Members may make their contributions bilaterally or through intergovernmental organizations and/or non-governmental organizations.
3. Members shall give full consideration to the advantages of directing a greater proportion of food aid through multilateral channels, in particular the World Food Programme.

ARTICLE VI

Wheat equivalents

1. The Committee shall establish Rules of Procedure for the purposes of evaluating a member's contribution shipped in grain other than wheat, or in grain products, taking into account, where appropriate, the grain content of products and the commercial value of the grain or product relative to wheat.
2. For the purposes of evaluating a member's contribution, cash provided for the purchase of grain shall be evaluated at prevailing international market prices for wheat. For the purposes of this paragraph, the Committee shall annually determine the prevailing international market price for the following year on the basis of the average monthly price of wheat for the preceding calendar year. The Committee shall establish a rule of Procedure for the determination of the average monthly price of wheat.

¹ Under exceptional circumstances an exemption of not more than 10 per cent may be granted. This limitation may be waived for transactions which are to be used for the expansion of economic development activity in the recipient country, provided that the currency of the recipient country is not transferable or convertible in less than 10 years.

² The credit sales agreement may provide for payment of up to 15 per cent of principal upon delivery of the grain.