

- (b) a gift of grain or a monetary grant to be used to purchase grain for the importing country; or
 - (c) sales on credit with payment to be made in reasonable annual amounts over periods of twenty years or more and with interest at rates which are below commercial rates prevailing in world markets,* on the understanding that food aid in the form of grains shall be supplied to the maximum extent possible on the terms indicated in sub-paragraphs (a) and (b) above.
- (6) Grain purchases shall be made from participating countries.
- (7) In the use of grant funds, special regard shall be had to facilitating grain exports of developing member countries. To this end priority shall be given so that not less than 35 per cent of the cash contribution to purchase grain for food aid or that part of such contribution required to purchase 200,000 metric tons of grain shall be used to purchase grains produced in developing member countries.
- (8) Contributions in the form of grains shall be placed in f.o.b. forward position by donor countries.
- (9) Countries parties to this Convention may, in respect of their contribution to the food aid programme, specify a recipient country or countries.
- (10) Countries parties to this Convention may make their contribution through an international organization or bilaterally. However, in accordance with the recommendation made in paragraph (3) or resolution 2682 (XXV) of the United Nations General Assembly, they shall give full consideration to the advantages of directing a greater proportion of food aid through multilateral channels and shall place special emphasis on using the World Food Programme.

ARTICLE III

Food Aid Committee

- (1) There shall be established a Food Aid Committee whose membership shall consist of the countries listed in paragraph (2) of Article II of this convention and of the other countries that become party to this Convention. The Committee shall appoint a Chairman and a Vice-Chairman.
- (2) The Committee may, when appropriate, invite representatives of the secretariats of other international organizations whose membership is limited to Governments that are also Members of the United Nations or its specialized agencies to attend as observers.
- (3) The Committee shall:
- (a) Receive regular reports from member countries on the amount, content, channelling and terms of their food aid contributions under this Convention;
 - (b) Keep under review the purchase of grains financed by cash contributions with particular reference to the obligation in paragraph (7) of Article II concerning purchase of grain from developing participating countries.

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