

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 893 final

Brussels, 10 January 1983

Proposal for a
COUNCIL REGULATION (EEC)
on the supply of skimmed milk powder as food aid to Bolivia

Proposal for a
COUNCIL DECISION
on the grant of food aid in the form of cereals to Bolivia

(submitted to the Council by the Commission)

COM(82) 893 final

Explanatory memorandum

1. Bolivia is the second poorest Latin American country after Haiti. Its economy today, moreover, is in a parlous condition, both structural and cyclical. One needs only consider the following:
 - Bolivia is a landlocked country with a harsh terrain and a 70% rural population, most of whom are marginal farmers in the Andes, scraping a living from arid ground at 3 000-4 000 metres altitude and living in extreme poverty (annual income approx. US \$ 1000). The rest are miners, living in equally precarious circumstances.
 - The economy is based partly on a backward agricultural sector (cereal deficit of about 400 000 tonnes for a total population of 5.8m) and partly on mineral resources (tin is virtually the only export) which are not locally processed, and for which world prices are depressed (sale of US strategic reserves).
 - The economic indicators are disastrous: inflation at 200 %, 30 % unemployment, an external public debt of US \$ 4bn (Bolivia cannot even keep up the interest payments; debt servicing takes around 30 % of export earnings), and negative foreign currency reserves (US \$ 250m).

2. Since the military coup in 1980, Bolivia has received no direct aid from the Community, and the flow of international aid in general is much reduced. In the meantime, the country's situation both economic and social has gone from bad to worse. Natural disasters have exacerbated the problem, and the Community has been unable to provide any adequate relief.

3. In March and April this year north-east Bolivia - Beni, Cochabamba and Santa Cruz - suffered severe flooding. Bolivian Red Cross reports which have reached the Commission estimate that 30 000 people were rendered totally destitute, losing their houses, livestock (about 50 000 head in all) and crops (rice, sugar cane, cotton, bananas and yucca). According to the latest information, these people are still at bare subsistence level and threatened by disease and starvation.
4. In April the Community sent some emergency aid under Article 950 of the Budget (cut in the event from an initial 100 000 ECU to 45 000 ECU), which was used to provide urgently needed agricultural implements, mosquito nets, cooking utensils, blankets and tents, etc., distributed free of charge under the aegis of the Red Cross.
5. Bolivia has now sent the Commission a request for food aid in the form of cereals and skimmed-milk powder.

The food will be used in social relief programmes and sold to beneficiaries at nominal prices in order to generate counterpart funds to cover distribution and transport costs. It will be distributed by government action committees, working closely with representatives of the church (Caritas), the UNDP and the Bolivian Red Cross.

6. The Commission proposes that the Council decide to grant Bolivia 10 000 tonnes of cereals and 423 tonnes of milk as food aid from the reserves¹⁾ constituted under the 1982 food aid programmes, delivered free at destination.

This aid will be at no extra cost to the Community as it comes under appropriations already voted (Articles 920, 921 and 925 of the 1982 Budget).

Accordingly, the Commission proposes that the Council adopt the decision and regulation at annex.

¹ 48 500 tonnes of cereals and 923 tonnes of milk are currently still available.

PROPOSAL FOR A COUNCIL REGULATION (EEC)
ON THE SUPPLY OF SKIMMED MILK POWDER AS
FOOD AID TO BOLIVIA

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) n° 1037/82 of 26 April 1982 laying down general rules for the supply of skimmed-milk powder to certain developing countries and specialised bodies under the 1982 food aid programme (1), and in particular Article 7 thereof,

Having regard to the proposal from the Commission;

Whereas Council Regulation (EEC) n° 1038/82 of 26 April 1982 on the supply of skimmed milk powder to certain developing countries and specialised bodies under the 1982 food aid programme (2) provides for a reserve of 10.990 tonnes of skimmed milk powder; whereas certain quantities are still available under this reserve;

Whereas the Community has received from Bolivia a request for food aid in the form of skimmed milk powder; whereas this country's needs justify food aid from the Community,

(1) OJ N° L 120, 1.5.1982, p. 1.

(2) OJ N° L 120, 1.5.1982, p. 3.

HAS ADOPTED THIS REGULATION:

Article 1

Of the quantity of skimmed milk powder still available under the reserve provided for by Regulation (EEC) n° 1038/82, 423 tonnes shall be allocated to Bolivia as food aid.

Article 2

The transport of the quantity of skimmed-milk powder allocated to Bolivia shall be financed by the Community, including delivery to the place of destination.

Article 3

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,

The President

**Proposal for a
COUNCIL DECISION**

on the grant of food aid in the form of cereals to Bolivia

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 proposal from the Commission,

Whereas, by Decision 82/270/EEC (1), as amended by Decision (2), the Council made provision for setting aside within its 1982 cereals food-aid programme certain quantities for emergency operations and other unforeseen situations;

Whereas cereals are still available under that reserve;

Whereas the Community has received requests for food aid for Bolivia;

Whereas the Community should respond favourably to these requests,

HAS DECIDED AS FOLLOWS:

Sole Article

Food aid in the form of cereals from the reserve under the 1982 programme shall be allocated as follows :

Recipient	Quantity	Delivery terms
Bolivia	10 000 t	fr e at destination

Done at

For the Council

The President

(1) OJ No L 120, 1.5.1982, p. 27

(2) OJ No L