

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 248 final

Brussels, 4 June 1975

RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of the Agreement amending the Agreement of
18 December 1974 between the
European Economic Community and the Republic of Chad

(submitted to the Council by the Commission)

COM(75) 248 final

Commission communication to the Council

Under the 1973/74 food aid programme for the Sahel countries, the Community had decided to grant 10 000 metric tons of cereals to the Republic of Chad.

These products were to be distributed free of charge, and the transportation costs to the distribution centres were payable by the Community.

Because of congestion at the ports of unloading and of other shipments in progress¹, delivery of these amounts was delayed at the request of the Chad authorities, and was made in several instalments between October 1974 and January 1975. These cereals were distributed in the deficit areas with the exception of 5 500 metric tons² which are currently held in stock at N'Djamena pending transportation to these areas. It should be noted in this connection that these areas were better supplied this year because of a larger millet and sorghum crop, of which approximately 10 000 metric tons were bought in the South and transported to the North as part of an operation organized with the assistance of the WFP.

There are increased difficulties, on the other hand, in supplying the areas with imported cereals, particularly wheat, because of chronic transport difficulties between Nigeria or Cameroon and Chad. As a result, although orders were placed with foreign suppliers several months ago, stocks of flour will soon be exhausted.

¹In particular 6 000 metric tons from the EEC under the 1972/73 programme.

²Including 3 600 metric tons of wheat, 570 metric tons of maize and 1 250 metric tons of sorghum.

For these reasons the Chad authorities have requested authorization from the Community to sell the 3 600 metric tons of wheat from the EEC at present held in stock in N'Djamena, instead of distributing them free of charge as provided for in the supply agreement, in order to guarantee normal supplies of flour on the Chad market. It should be pointed out that General Malloum, President of the Conseil Supérieur Militaire, personally approached the Commission's Delegate in Chad to stress the importance which he attached to this request in view of the circumstances described above.

The Chad authorities proposed the following arrangements for this operation ;

The wheat will be sold at the official prices ruling in Chad, i.e. CFAF 50/Kg. The proceeds are expected to amount to CFAF 150 million (approximately 530 000 u.a.), which will be held in a special blocked account and used for a development project, the details of which will be forwarded to the Community in the very near future.

In view of the particularly difficult situation with which the Chad authorities are faced, and as it is understood that food supplies from other sources are guaranteed for those sections of the population affected by the crisis, the Commission considers that the Community should grant this request.

This operation would have the added advantage that the Community's responsibility would not extend beyond N'Djamena, thus avoiding additional storage and transport costs in the country.

Accordingly, the Commission proposes that the Council :

- authorize the sale of 3 600 metric tons of wheat from the 10 000 metric tons of cereals delivered to the Republic of Chad under the 1973/74 food aid programme (cereals);
- amend to this effect, by an exchange of letters¹, the supply agreement signed with that country;
- authorize the advance implementation of this operation.

¹The draft of which is annexed.

Recommendation for a
COUNCIL DECISION

on the conclusion of the Agreement amending the Agreement of 18 December 1974 between the European Economic Community and the Republic of Chad.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas the European Economic Community has concluded the second Food Aid Convention (1);

Whereas an Agreement (2) between the European Economic Community and the Republic of Chad on the supply of 10 000 metric tons of cereals for free distribution to needy sections of population was signed on 18 December 1974;

Whereas the Republic of Chad has requested that, in view of the difficulties in the supply situation of wheat flour in Chad, the 3 600 metric tons of wheat supplied as part of this gift may be sold;

Whereas in order to grant this request certain Articles of the Agreement of 18 December 1974 must be amended,

HAS DECIDED AS FOLLOWS :

Article 1

The Agreement in the form of an exchange of letters between the European Economic Community and the Republic of Chad, the text of which is annexed to this Decision, is hereby concluded on behalf of the Community.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement and to confer on them the powers required to bind the Community.

Done at Brussels,

For the Council

The President

(1) OJ No. L 219, 9.8.1974, p. 24

(2) OJ No. L 62, 7.3.1975, p. 28

AGREEMENT

in form of an exchange of letters between the European Economic Community and the Republic of Chad modifying certain articles in the Agreement reached.

A. Letter from the European Economic Community

Sir,

With reference to the Agreement of 18 December 1974 between the European Economic Community and the Republic of Chad on the supply of 10 000 metric tons of cereals for free distribution to needy sections of population, and the request by the Republic of Chad that in view of the difficulties in the supply situation of wheat flour in Chad on the local market the European Economic Community authorize the sale of 3 600 metric tons of wheat included in this gift, I have the honour to propose to you the following amendments to the abovementioned Agreement :

1. The following shall be substituted for Article V :

The country of destination undertakes to use the products received as aid for purposes of consumption and to distribute them free to people in need, with the exception of 3 600 metric tons of soft wheat which may be sold on the market of the recipient country at prices comparable with those normally charged for products of similar quality.

The proceeds from this sale, less the cost of sea transport, insurance and the normal cost of selling the product on the recipient country's market, will be paid into a special account and allocated to the financing of one or more development schemes which have already been proposed by the recipient country and approved by the European Economic Community.

2. The following shall be substituted for Article VIII :

The recipient country undertakes to inform the European Economic Community how this Agreement is being implemented. To this end it shall provide the Commission of the European Communities with the following information :

- 1) Every three months until the quantities received as aid have been fully used :
 - a) number and description of recipients, the quantities distributed, and where and how they were distributed.
 - b) quantities sold, how they have been sold, selling prices; normal selling costs on the recipient country's market;

- 2) On 15 January every year until the special account has been fully used :
- a) State of this account (incomings and outgoings) on 31 December of the preceding year;
 - b) Progress achieved in the project or projects, with an indication of the total amount of financing undertaken at that stage.

I shall be obliged if you will inform me whether your Government can agree to the above.

Please accept, Sir, the assurance of my highest consideration.

For the Council
of the European Communities

B. Letter from the Republic of Chad.

Sir,

I have the honour to acknowledge of your letter of reading as follows :

With reference to the Agreement of 18 December 1974 between the European Economic Community and the Republic of Chad on the supply of 10 000 metric tons of cereals for free distribution to needy sections of population, and the request by the Republic of Chad that in view of the difficulties in the supply situation of wheat flour in Chad on the local market the European Economic Community authorize the sale of 3 600 metric tons of wheat included in this gift, I have the honour to propose to you the following amendments to the abovementioned Agreement :

1. The following shall be substituted for Article V :

The country of destination undertakes to use the products received as aid for purposes of consumption and to distribute them free to people in need, with the exception of 3 600 metric tons of soft wheat which may be sold on the market of the recipient country at prices comparable with those normally charged for products of similar quality.

The proceeds from this sale, less the cost of sea transport, insurance and the normal cost of selling the product on the recipient country's market, will be paid into a special account and allocated to the financing of one or more development schemes which have already been proposed by the recipient country and approved by the European Economic Community.

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- 2) On 15 January every year until the special account has been fully used :
 - a) State of this account (incomings and outgoings) on 31 December of the preceding year;
 - b) Progress achieved in the project or projects, with an indication of the total amount of financing undertaken at that stage.

I shall be obliged if you will inform me whether your Government can agree to the above.

I have the honour to inform you that the Government of the Republic of Chad agrees to the amendments proposed in your letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government
of the Republic of Chad