

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1215 final)

Brussels, 25 July 1974

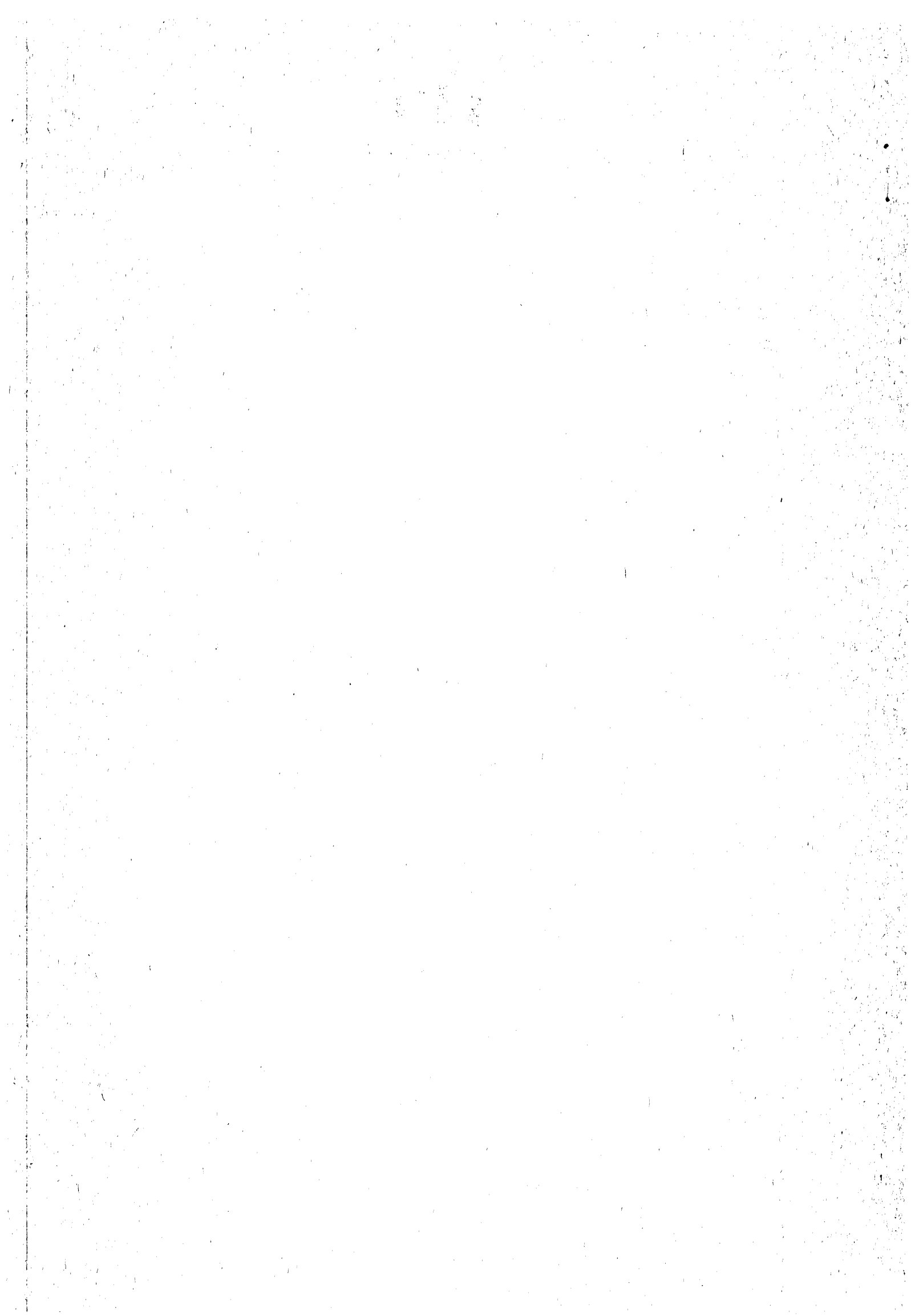
RECOMMENDATION FOR A

COUNCIL DECISION

on the conclusion of an agreement between the European
Economic Community and the Republic of Indonesia for the supply of cereals
as food aid

(submitted to the Council by the Commission)

COM(74) 1215 final



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 deposited a Declaration for
provisional application of the 1971 Food Aid Convention; whereas that
Convention has been applicable since 1 July 1971;

Whereas the Republic of Indonesia , by its letter of 17 October 1973,
has requested food aid;

Whereas in view of the cereal supply situation in Indonesia that country
should be accorded, by way of gift, 21000 metric tons of soft wheat under the
Community Food Aid Programme for 1973/74;

DECIDES :

Article 1

On behalf of the European Economic Community an Agreement, the text whereof
is annexed hereto, shall be concluded between the European Economic Community
and the Republic of Indonesia for supply of soft wheat as food aid.

Article 2

The President of the Council is hereby authorized to designate those who
are to sign the Agreement and to confer on them the requisite powers to
bind the Community.

Done at Brussels,

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For the Council

The President

AGREEMENT

BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE REPUBLIC OF INDONESIA ON
THE SUPPLY OF FOOD AID IN THE FORM OF
CEREALS.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part;

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

of the other part,

HAVE DECIDED to conclude this Agreement and to this end have designated as their plenipotentiaries :

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

THE GOVERNEMENT OF THE REPUBLIC OF INDONESIA

WHO HAVE AGREED AS FOLLOWS :

ARTICLE I

The European Economic Community shall supply by way of gift to the Republic of Indonesia (hereafter referred to as "the recipient country") a quantity of 21000 tonnes of soft wheat under the Community's food aid program in cereals for 1973/74.

ARTICLE II

Deliveries will be made in bulk FOB in accordance with the details laid down in the Annex which forms an integral part of the present Agreement.

ARTICLE III

The recipient country undertakes to make all necessary arrangements for the transport and insurance of the products from point of delivery to places of destination.

It undertakes to exercise the greatest care to ensure that the tendering arrangements for sea transport do not prejudice the free play of fair competition. Any problems arising in this connection shall be the subject of consultations under Article VIII of the present Agreement.

ARTICLE IV

The recipient country undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality. The proceeds from this sale, less the cost of sea transport and insurance and the normal cost of selling the product on the market, shall be paid into a special account at the Central Bank until the entire quantity has been sold. The proceeds shall then be transferred to the Development Budget of the country for the financing of development schemes.

ARTICLE V

The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of national production and international trade. To this end they shall take any measures required to ensure that supplies as aid are in addition to and do not replace business transactions which might reasonably be expected in the absence of such supplies. In particular, the recipient country undertakes to import commercially from whatever source between 1 July 1974 and 30 June 1975 a minimum quantity of 92500 tonnes of soft wheat or its equivalent in flour of soft wheat.

ARTICLE VI

The recipient country shall take all steps required to prevent :

- (i) the re-export of the product received as aid and also of any products and by-products resulting therefrom;
- (ii) the export, commercially or otherwise, within a period of six months commencing from the final delivery, either of any product procured locally of the same nature as that received as aid, or of any products and by-products resulting therefrom.

ARTICLE VII

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

- (i) Immediately after the unloading of each cargo : ports and dates of arrival of vessel; nature, quantity and any observations as to the quality of the products unloaded; date on which unloading was completed; costs of sea transport and of insurance relating thereto;
- (ii) Every three months until the quantities received as aid have been fully used : quantities sold; manner of sale; actual selling prices; normal selling costs on the recipient country's market

(iii) Following the transfer of the sale proceeds to the Development Budget :
the progress and degree of completion of one or more development projects
undertaken with the help of Member States on the 1974/75 list of
projects to be furnished by the recipient country, the cost of such
project or projects to correspond approximately to the proceeds of sale
of the amounts received as aid.

ARTICLE VIII

The Contracting Parties shall at the request of either consult each other
on any questions concerning the implementation of this Agreement.

ARTICLE IX

This Agreement is drawn up in duplicate in the Danish, Dutch, English,
French, German and Italian languages, each of these texts having equal force.

General provisions

Article 1

Delivery shall be effected and risks shall pass from the European Economic Community, hereinafter referred to as the EEC, to the recipient country at the moment at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the recipient country or its agent referred to in Article 3 and under the terms specified in the following articles. Without prejudice to Articles 8 and 9 the EEC shall bear all costs up to delivery and the recipient country those beyond delivery.

Article 2

On delivery a tolerance of 5 % less than the quantity of the product to be supplied in accordance with article I of the Agreement shall be admissible.

Article 3

The EEC shall appoint an agent to implement the provisions of the present Annex - or for each consignment - whose name and address it shall make known to the recipient country immediately following his appointment.

The recipient country shall appoint an agent in the port or ports of shipment, whose name and address it shall make known to the EEC with all despatch and if possible before the appointment of agent of the EEC.

Article 4

Before implementing the procedures for appointing the agent of the EEC referred to in Article 3, the Commission of the European Communities and the recipient country shall jointly establish the period during which delivery must begin.

Obligations of the European Economic Community

Article 5

Should the EEC not be in a position to carry out delivery on the date and (if applicable) on the schedule as provided in Article 7, all costs arising for the recipient country - for example demurrage void freight and dead freight - shall be borne by the EEC.

The charges and the arrangements relating to demurrage laid down in the contract between the recipient country and the carrier must have been agreed in advance by the recipient country and the agent of the EEC.

The other costs referred to in the first paragraph shall only be refunded by the EEC if they have been paid by the recipient country with the approval of the EEC.

Article 6

Should it prove impossible for the EEC to supply all or part of the goods on the date and within the time-limits provided for in Article 7 and without prejudice to the provisions of Article 5, a new date and a new time-limit shall be agreed between the agents of the EEC and of the recipient country for the delivery of all the goods or of the undelivered part thereof.

Obligations of the recipient country

Article 7

After contacting the EEC, the recipient country shall procure one or more vessels to transport all the quantities provided for in Article 1 of the Agreement, of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 4.

The agent of the recipient country shall inform the EEC of this date immediately on learning it, and also that for commencement of delivery, if possible twenty days in advance and in any case ten days before the date for commencement of delivery.

He shall establish with the agent of the EEC the schedule to which delivery shall take place.

Article 8

Should the recipient country be unable to begin loading on the date provided for in Article 7, paragraph 1, the agent of the recipient country shall inform the agent of the EEC without delay.

In this event a new date for the commencement of delivery and (if applicable) a new schedule could be agreed between the agents of the EEC and of the recipient country. The costs arising from this delay shall in all cases except force majeure be borne by the recipient country.

Should the new date provided for in paragraph 2 be more than 30 clear days after the date for loading provided for in Article 7, paragraph 1, the EEC may dispose of the goods without prejudice to its commitment under Article 1 of this Agreement.

Article 9

If the quantity made available for loading on a vessel cannot be put on board in its entirety, the recipient country shall inform the EEC as soon as possible and no later than fifteen clear days after loading has been completed whether it intends to accept or to renounce the balance.

In the former case the provisions of Article 8, paragraphs 2 and 3, shall apply to the balance, if delivery has not yet taken place.

In the latter case the EEC may consider that it has discharged its commitment to the recipient country under Article 1 of this Agreement and shall bear the costs resulting from such renunciation.

In any event after the expiry of an interval of fifteen clear days and in the absence of any notice on the part of the recipient country, the renunciation shall be deemed to have taken place.

Article 10

Upon delivery of the goods, the recipient country shall hand to the agent of the EEC a certificate of acceptance stating the port of shipment, date of acceptance, the nature and quantity of the goods accepted and including any comments on the quality of the goods.

