

United States Treaties and Other International Agreements



VOLUME 29

IN FIVE PARTS

Part 4

1976-77

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by authority of law (1 U.S.C. § 112a)
under the direction
of the Secretary of State*

The Act approved September 23, 1950, Ch. 1001,
§ 2, 64 Stat. 979, 1 U.S.C. § 112a, provides in part
as follows:

“... United States Treaties and Other International Agreements shall be legal evidence of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and agreements, therein contained, in all the courts of the United States, the several States, and the Territories and insular possessions of the United States.”

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ISRAEL

Economic Assistance: Loan

*Agreement signed at Washington December 5, 1977;
Entered into force December 5, 1977.*

Agreement No. 271-K-145

LOAN AGREEMENT

between

THE GOVERNMENT OF ISRAEL

and

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

acting through

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Date: DEC 5 1977

TIAS 9028

LOAN AGREEMENT dated the day of , 1977, between
the Government of Israel ("Borrower") and the Government of the
United States of America, acting through the Agency for International
Development ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. In accordance with the Technical Cooperation Agreement between the United States of America and Israel entered into force on February 26, 1951, [¹] and upon the terms and conditions stated herein, A.I.D. agrees to lend to the Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, [²] an amount not to exceed Seventy Eight Million United States Dollars (\$78,000,000) (the "Loan"), to be made available for disbursement in four installments the first upon the signing of this Agreement in the amount of Twenty-One Million United States Dollars (\$21,000,000) and, thereafter, on or about January 1, 1978, April 1, 1978 and July 1, 1978 in equal amounts of Nineteen Million United States Dollars (\$19,000,000) each for the purpose of financing the foreign exchange costs of certain commodities, commodity-related services and other related expenditures to promote the economic and political stability of Israel. Such commodities, services and expenses authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursement under the Loan is hereinafter referred to as "Principal".

¹ TIAS 2401; 3 UST 379.

² 75 Stat. 424; 22 U.S.C. § 2151 note.

ARTICLE II

Loan Terms

SECTION 2.01. Interest. The Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 6.03) and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 2.02. Repayment. The Borrower shall repay to A.I.D. the Principal within thirty (30) years from the date of the first disbursement hereunder in forty-one (41) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency and Place of Payment.

All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Office of Financial Management, Agency for International Development, Washington, D. C. 20623, U.S.A., and shall be deemed made when received by the Office of Financial Management.

SECTION 2.04. Prepayment. Upon payment of all interest and refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

SECTION 2.05. Renegotiation of the Terms of the Loan. The Borrower agreed to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of Israel.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent. Except as A.I.D. may otherwise agree in writing, prior to the issuance of the first disbursement authorization, the Borrower shall furnish in form and substance satisfactory to A.I.D.:

- (a) An opinion of the Borrower's Ministry of Justice or other counsel satisfactory to A.I.D. that this Agreement has been duly authorized

or ratified by, and executed on behalf of the Borrower and constitutes a valid and legally binding obligation of the Borrower in accordance with its terms;

(b) The name of the person or persons who will act as the representative or representatives of the Borrower pursuant to Section 8.02 hereunder together with evidence of his or their authority and a specimen signature of each person certified as to its authenticity.

SECTION 3.02. Terminal Date for Meeting Conditions Precedent to Disbursement. If all the conditions specified in Section 3.01 shall not have been met within ninety (90) days after the date of this Agreement or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to the Borrower.

SECTION 3.03. Notification of Meeting Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Section 3.01 have been met.

ARTICLE IV

General Covenants

SECTION 4.01. Commissions, Fees, and Other Payments. Borrower warrants and covenants that in connection with obtaining the assistance to be furnished hereunder or any action under this Agreement it has not paid and will not pay or agree to pay nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any

other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or other comparable services. Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or other comparable services to which it is a party or of which it has knowledge and if the amount of any such payment is deemed unreasonable by A.I.D., Borrower shall cause a reduction satisfactory to A.I.D. to be made therein.

SECTION 4.02. Marine Insurance. If in connection with the placement of marine insurance on shipments eligible for reimbursement hereunder, Borrower by statute, decree, rule or regulation discriminates against any marine insurance company authorized to do business in any state of the United States, during the continuance of such discrimination commodities otherwise eligible for reimbursement thereunder shall not be so reimbursed unless they have been insured against marine risk in the United States with a company or companies authorized to do a marine insurance business in any state of the United States.

SECTION 4.03. Ocean Shipment.

(a) At least 50% of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) for which reimbursement is requested, which may be transported on ocean vessels shall have been transported on privately-owned U.S. flag commercial vessels.

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(b) Reimbursement will not be made for commodities which have been transported on any ocean vessel which A.I.D. has designated as ineligible.

SECTION 4.04. U.S. Treasury Department Regulations. Procurement transactions shall comply with the requirements of the Foreign Assets Control Regulation and Cuban Assets Control Regulation of the U.S. Treasury Department.

ARTICLE V

Procurement, Utilization and Eligibility of Commodities

SECTION 5.01. Source Requirement. The authorized A.I.D. Geographic Code for purposes of determining Eligible Items is Code 000 (United States) as defined in the A.I.D. Geographic Code Book. Eligible Items shall meet the "source" requirements set forth in A.I.D. Regulation 1, Section 201.11(b). "Source" is defined in A.I.D. Regulation 1, Section 201.01(q).

SECTION 5.02. Date of Procurement. No commodities or commodity-related services may be financed hereunder for which delivery to the importer or his agent was made prior to the Eligibility Date, which shall be October 1, 1977.

SECTION 5.03. Eligible Items. Unless otherwise agreed by A.I.D. in writing, Eligible Items for financing under this Loan shall consist of new and unused commodities listed as eligible in the A.I.D. Commodity Eligibility Listing dated December 16, 1974, as amended (provided as an attachment of the Commodity Procurement Instruction transmitted with the first of the Implementation Letters which shall be issued to the

Borrower) and of those commodity-related services as defined in paragraphs (i), (l), (o) of Section 201.01 of A.I.D. Regulation 1. A.I.D. may decline to finance any specific commodity or commodity-related services when in its judgment such financing would be inconsistent with the purposes of this Loan or the Foreign Assistance Act of 1961, as amended.

SECTION 5.04. Utilization of Commodities. Borrower shall use its best efforts to prevent the use of commodities financed under this Agreement to promote or assist any project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such projected use, except with the prior written consent of A.I.D. Borrower shall use its best efforts to restrict the purchase of Eligible Items to purchases for use within the geographic areas which were subject to State of Israel Administration prior to June 5, 1967.

SECTION 5.05. Minimum Value of Transactions. Except where authorized by A.I.D. in writing, no transaction financed under this Agreement shall be in an amount less than five thousand dollars (\$5,000). Individual procurements of less than five thousand dollars may be combined and treated as one transaction to satisfy this requirement if they involve procurements from the same supplier and total of such procurements equals or exceeds five thousand dollars and the documentation is submitted simultaneously. The supplier must identify each transaction by separate invoice number and date in the "Certificate to A.I.D." attached to this Agreement or in AID Form 282.

SECTION 5.06. Prices, Commissions. Reimbursement will not be made for purchase of any commodity purchased at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality and terms of payment.

SECTION 5.07. Eligible Suppliers. Commodities financed under this Loan shall be purchased from the eligible suppliers as described in paragraph (j), Section 201.11 of A.I.D. Regulation 1.

SECTION 5.08. Effective Use of Commodities. The Borrower shall ensure that the Eligible Items financed under this Agreement shall be effectively used for the purpose for which the assistance is made available. Such effective use shall include the prompt processing of commodity imports through customs at ports of entry and the removal from customs of such commodities by the importer.

ARTICLE VI

Procedures

SECTION 6.01. Disbursements. To obtain disbursements hereunder, Borrower may from time to time submit to A.I.D. or its designee, documentation of the foreign exchange costs of and importation of Eligible Items. Such documentation shall consist of:

- (a) Supplier's invoice with evidence of payment;
- (b) Bill of Lading, or delivery receipt, or such other document evidencing delivery and which is acceptable to A.I.D.;
- (c) (1) A "Certificate to A.I.D.", a copy of which is attached hereto as Exhibit A, or "Certificate to A.I.D. for Agricultural

"Commodities" which is hereto attached as Exhibit B, executed by the supplier; or

(2) A.I.D. Form 282 Supplier's Certificate, executed by the supplier.

Such documentation shall be reviewed by A.I.D. prior to making disbursement hereunder.

SECTION 6.02. Additional Information. Should A.I.D. require any information in addition to that submitted under Section 6.01 above concerning the purchase price or other information relevant to any given transaction, the Borrower agrees to secure such information and furnish the same to A.I.D.

SECTION 6.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower, to its designee or to a banking institution pursuant to a Letter of Commitment.

SECTION 6.04. Terminal Date of Disbursement. Except as A.I.D. may otherwise agree in writing, no disbursements shall be made against documentation received after October 1, 1979.

ARTICLE VII

Cancellation and Suspension

SECTION 7.01. Cancellation by Borrower. The Borrower may by prior written notice to A.I.D., cancel any part of the Loan which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or which has not than been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 7.02. Events of Default; Acceleration. If any one or more of the following events ("Events of Default") shall occur;

- (a) The Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) The Borrower shall have failed to comply with any other provision of this Agreement;
- (c) The Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and A.I.D. or any of its predecessor agencies; then A.I.D., at its option, may give the Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days, (i) such unrepaid Principal and any accrued interest hereunder shall be due and payable immediately, and (ii) the amount of any subsequent disbursements made under then outstanding Disbursement Authorizations shall become due and payable as soon as made.

SECTION 7.03. Suspension of Disbursement. In the event that at any time:

- (a) an Event of Default has occurred;
- (b) an event occurs that A.I.D. determine makes it improbable either that the purposes of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement;

(c) any disbursement would be in violation of the legislation governing A.I.D.; or

(d) the Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies;

then A.I.D., at its option, may: (i) suspend or cancel any outstanding Disbursement Authorization to the extent that A.I.D. has not made direct reimbursement to the Borrower, giving notice to the Borrower promptly thereafter; (ii) decline to make disbursements other than under outstanding Letters of Commitment; (iii) decline to issue additional Disbursement Authorization; and (iv) at A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D., if the goods are from a source outside Israel, in a deliverable state, and have not been offloaded in ports of entry of Israel. Any disbursement made under the Loan with respect to such transferred goods shall be deducted from Principal in the manner of prepayment of Principal.

SECTION 7.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 7.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

SECTION 7.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect (as to any funds disbursed under this Loan) until the repayment in full of all Principal and any accrued interest hereunder.

SECTION 7.06. Refunds. If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is a violation of U.S. law, or that the commodities financed under this Agreement are not financed or used in accordance with the terms of this Agreement, A.I.D. may at its option either: (1) authorize the Borrower to present valid documentation to cover the amount found to be ineligible; or (2) require the Borrower to pay to A.I.D., within 90 days of receipt of notification by A.I.D., an amount not to exceed the amount of ineligible disbursements. Except as A.I.D. may otherwise agree in writing, refunds paid by the Borrower to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement and shall not be available for reuse under the Agreement.

SECTION 7.07. Expenses of Collection. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 7.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 7.08. Nonwaiver of Remedies. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D.

under this Agreement shall be construed as a waiver of any of such rights, powers, or remedies.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Reports. The Borrower shall furnish A.I.D. with such information and reports relating to this Loan, and permit such inspection, review of records, or audit, as A.I.D. may reasonably request.

SECTION 8.02. Use of Representatives.

(a) All actions required or permitted to be performed or taken under this Agreement by Borrower or A.I.D. may be performed by their respective duly authorized representatives.

(b) The Borrower hereby designates the Economic Minister, Embassy of Israel, as its representative with the authority to designate in writing other representatives of Borrower in its dealings with A.I.D. Borrower's representatives designated pursuant to the preceding sentence, unless A.I.D. is given notice otherwise, shall have authority to agree on behalf of Borrower to any modification of this Agreement which does not substantially increase Borrower's obligations hereunder. Until receipt by A.I.D. of written notice of revocation by Borrower of the authority of any of its representatives, A.I.D. may accept the signature of any of its representatives, A.I.D. may accept the signature of such representatives on any instrument as conclusive evidence that any action effected by such instrument is authorized by Borrower.

SECTION 8.03. Communications. Any notice, request, or other communication or any document given, made or sent by Borrower or A.I.D. pursuant to this Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable, or radiogram to such party at the following address:

To Borrower:

Economic Minister
Embassy of Israel
641 Lexington Avenue
New York, New York 10022

To A.I.D.:

Director
Office of Commodity Management
Agency for International Development
Department of State
Washington, D. C. 20523

Other addresses may be substituted for the above upon giving of notice as provided herein. All communications or documents submitted to A.I.D. hereunder shall be in English and all technical and engineering specifications therein shall be in terms of U.S. standards, except as A.I.D. may otherwise agree in writing.

GOVERNMENT OF ISRAEL

By: E. Raff [¹]
Title: ECONOMIC COUNSELOR
Date: DEC 5 1977

UNITED STATES OF AMERICA

By: Alfred D. White [²]
Title: ACTING ASSISTANT ADMINISTRATOR
Date: DEC 5 1977

¹ E. Raff

² Alfred D. White

**CERTIFICATE TO A.I.D.
FOR COMMODITIES OTHER THAN AGRICULTURAL**

Invoice Number/s

Invoice Date/s

The undersigned, an official of

(Company)

authorized to execute this certificate, hereby certifies to the Agency for International Development (A.I.D.), an agency of the United States, that:

1. The commodities identified in the attached invoice/s, referenced above, are accurately described therein, are new and unused, and do not contain any rebuilt or rehabilitated components, and have not been declared surplus by a U.S. Government agency; and
2. Such commodities have been mined, grown, or through manufacturing, processing or assembly produced in the United States; and
3. Upon the request of A.I.D., information will be promptly furnished to A.I.D. in such form as A.I.D. may request, concerning the prices charged in the attached invoice/s or the prices charged in other sales of the same or similar commodities.

The undersigned acknowledges that A.I.D., in reliance upon the truth, accuracy, and undertakings of this certification, may reimburse the Government of Israel with A.I.D. funds for payments made to the supplier in connection with the purchase of the commodities identified in the attached invoice/s referenced above.

Signature _____

Title _____

Date _____

EXHIBIT B

CERTIFICATE TO A.I.D.
FOR AGRICULTURAL COMMODITIES

Invoice Number/s

Invoice Date/s

The undersigned, an official of

(Company)

authorized to execute this certificate, hereby certifies to the Agency for International Development (A.I.D.), an agency of the United States Government, that:

1. The commodities identified in the attached invoice/s referenced above are accurately described therein, and their quality and specifications are in conformance with the requirements of the governing contract.
2. Such commodities have been grown or raised in the United States or have been processed from agricultural commodities grown or raised in the United States.
3. Upon the request of A.I.D., information will be promptly furnished to A.I.D. in such form as A.I.D. may request, concerning the prices charged in the attached invoice/s or the prices charged in other sales of the same or similar commodities.

The undersigned acknowledges that A.I.D., in reliance upon the truth, accuracy and undertakings of this certification, may reimburse the Government of Israel with A.I.D. funds for payments made to the supplier in connection with the purchase of the commodities identified in the attached invoice/s referenced above.

Signature _____

Title _____

Date _____

NETHERLANDS

Cooperation in Transportation

*Memorandum of understanding signed at Washington and
The Hague September 28 and October 6, 1977;
Entered into force October 6, 1977.*

MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF TRANSPORTATION
OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF TRANSPORT AND PUBLIC WORKS
OF THE NETHERLANDS
CONCERNING COOPERATION
IN THE FIELD OF TRANSPORTATION

I. This Memorandum of Understanding between the Department of Transportation of the United States of America and the Ministry of Transport and Public Works of the Netherlands (hereinafter referred to as the parties) outlines a program to achieve mutually advantageous cooperation in transportation research and development. The aim of the program will be to promote cooperation between the transportation specialists of the parties in finding solutions to problems of mutual concern, and to improve transportation systems and techniques without the costly and wasteful duplication of parallel national efforts.

II. To realize the benefits of cooperation pursuant to this Memorandum of Understanding the parties agree that:

(a) They will undertake to exchange information and develop cooperation projects in such fields of transportation as are identified in Paragraph III below or as may subsequently be agreed.

(b) Each cooperation project will be the subject of a project agreement describing the information and experience to be exchanged, and setting forth the details of any cost-sharing or task-sharing involved. Such project agreements will become Addenda to this Memorandum.

(c) Specific activities in connection with this program will be contingent upon the availability of funds.

(d) To administer and facilitate this program, each party will designate an appropriate official as its Program Coordinator. The Program Coordinators will be authorized by each party to:

(1) Provide a point of contact for the other party in making detailed arrangements for program activity;

(2) Conclude project agreements;

(3) Make amendments by agreement to the areas of mutual interest listed in Paragraph III below; and

(4) Arrange for regular reviews of the status and achievements of the overall program and its component projects.

(e) Any conditions relating to technical documents, patents and other technical data and experience which restrict their use by the receiving party or restrict their delivery to a third party shall be respected by the parties.

III. The following have been identified as the initial areas of mutual interest:

(a) Urban transportation, including the planning, development, and management of transit systems;

- (b) Highway traffic safety;
- (c) Vessel traffic management, including vessel traffic systems and services;
- (d) Civil aviation, including air traffic control, airport planning and development, and safety aspects of aircraft systems;
- (e) Offshore facilities;
- (f) Transportation economics, including cost/benefit analysis and freight and passenger demand models;
- (g) Railroad transportation (managerial, organizational, and technical aspects);
- (h) Intermodal transportation (containers, piggy-back, LASH, etc.).

IV. This Memorandum of Understanding will become effective upon signature and will remain in force until terminated on written 90 days notice by either Party.



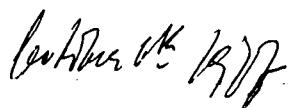
For the Department of Transportation [1]

of the
United States of America

Sept 28, 1977



For the Ministry of Transport [2]
and Public Works
of the Netherlands



¹Brock Adams
²T. Westerterp

CANADA
Natural Gas Pipeline

*Agreement signed at Ottawa September 20, 1977;
Entered into force with respect to certain provisions September 20,
1977; and with respect to the remaining provisions July 24,
1978.*

*And amending agreement
Effectuated by exchange of notes
Signed at Washington June 6, 1978;
Entered into force June 6, 1978.*

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA
AND CANADA ON PRINCIPLES APPLICABLE TO A
NORTHERN NATURAL GAS PIPELINE

The Government of the United States of America
and the Government of Canada,

DESIRING to advance the national economic and
energy interests and to maximize related industrial
benefits of each country, through the construction and
operation of a pipeline system to provide for the trans-
portation of natural gas from Alaska and from Northern
Canada,

Hereby agree to the following principles for the
construction and operation of such a system:

1. Pipeline Route

The construction and operation of a pipeline for
the transmission of Alaskan natural gas will be along the
route set forth in Annex I, such pipeline being herein-
after referred to as "the Pipeline". All necessary action
will be taken to authorize the construction and operation
of the Pipeline in accordance with the principles set out
in this Agreement.

2. Expeditious Construction; Timetable

(a) Both Governments will take measures to ensure
the prompt issuance of all necessary permits, licenses,
certificates, rights-of-way, leases and other authorizations
required for the expedited construction and commencement
of operation of the Pipeline, with a view to commencing
construction according to the following timetable:

- Alaska - January 1, 1980
- Yukon - main line pipe laying January 1, 1981
- Other construction in Canada to provide for
timely completion of the Pipeline to enable
initial operation by January 1, 1983

(b) All charges for such permits, licenses, certi-
ficates, rights-of-way, leases and other authorizations will
be just and reasonable and apply to the Pipeline in the same
non-discriminatory manner as to any other similar pipeline.

(c) Both Governments will take measures necessary to facilitate the expeditious and efficient construction of the Pipeline, consistent with the respective regulatory requirements of each country.

3. Capacity of Pipeline and Availability of Gas

(a) The initial capacity of the Pipeline will be sufficient to meet, when required, the contractual requirements of United States shippers and of Canadian shippers. It is contemplated that this capacity will be 2.4 billion cubic feet per day (bcfd) for Alaska gas and 1.2 bcfd for Northern Canadian gas. At such time as a lateral pipeline transmitting Northern Canadian gas, hereinafter referred to as "the Dempster Line", is to be connected to the Pipeline or at any time additional pipeline capacity is needed to meet the contractual requirements of United States or Canadian shippers, the required authorizations will be provided, subject to regulatory requirements, to expand the capacity of the Pipeline in an efficient manner to meet those contractual requirements.

(b) The shippers on the Pipeline will, upon demonstration that an amount of Canadian gas equal on a British Thermal Unit (BTU) replacement value basis will be made available for contemporaneous export to the United States, make available from Alaska gas transmitted through the Pipeline, gas to meet the needs of remote users in the Yukon and in the provinces through which the Pipeline passes. Such replacement gas will be treated as hydrocarbons in transit for purposes of the Agreement between the Government of Canada and the Government of the United States of America concerning Transit Pipelines,^[1] hereinafter referred to as "the Transit Pipeline Treaty". The shippers on the Pipeline will not incur any cost for provision of such Alaska gas except those capital costs arising from the following provisions:

(i) the owner of the Pipeline in the Yukon will make arrangements to provide gas to the communities of Beaver Creek, Burwash Landing, Destruction Bay, Haines Junction, Whitehorse, Teslin, Upper Liard and Watson Lake at a total cost to the owner of the Pipeline not to exceed Canadian \$2.5 million;

(ii) the owner of the Pipeline in the Yukon will make arrangements to provide gas to such other remote communities in the Yukon as may request such gas within a period of two years following commencement of operation of the Pipeline at a cost to the owner not to exceed the product of Canadian \$2500 and the number of customers in the communities, to a maximum total cost of Canadian \$2.5 million.

¹TIAS 8720; *ante*, p. 7449. [Footnote added by the Department of State.]

4. Financing

(a) It is understood that the construction of the Pipeline will be privately financed. Both Governments recognize that the companies owning the Pipeline in each country will have to demonstrate to the satisfaction of the United States or the Canadian Government, as applicable, that protections against risks of non-completion and interruption are on a basis acceptable to that Government before proof of financing is established and construction allowed to begin.

(b) The two Governments recognize the importance of constructing the Pipeline in a timely way and under effective cost controls. Therefore, the return on the equity investment in the Pipeline will be based on a variable rate of return for each company owning a segment of the Pipeline, designed to provide incentives to avoid cost overruns and to minimize costs consistent with sound pipeline management. The base for the incentive program used for establishing the appropriate rate of return will be the capital costs used in measuring cost overruns as set forth in Annex III.

(c) It is understood that debt instruments issued in connection with the financing of the Pipeline in Canada will not contain any provision, apart from normal trust indenture restrictions generally applicable in the pipeline industry, which would prohibit, limit or inhibit the financing of the construction of the Dempster Line; nor will the variable rate of return provisions referred to in subparagraph (b) be continued to the detriment of financing the Dempster Line.

5. Taxation and Provincial Undertakings

(a) Both Governments reiterate their commitments as set forth in the Transit Pipeline Treaty with respect to non-discriminatory taxation, and take note of the statements issued by the Governments of the Provinces of British Columbia, Alberta and Saskatchewan, attached hereto as Annex V, in which those Governments undertake to ensure adherence to the provisions of the Transit Pipeline Treaty with respect to non-interference with throughput and to non-discriminatory treatment with respect to taxes, fees or other monetary charges on either the Pipeline or throughput.

(b) With respect to the Yukon Property Tax imposed on or for the use of the Pipeline the following principles apply:

(i) The maximum level of the property tax, and other direct taxes having an incidence exclusively, or virtually exclusively, on the Pipeline, including taxes on gas used as compressor fuel, imposed by the Government of the Yukon Territory or any public authority therein on or for the use of the Pipeline, herein referred to as "the Yukon Property Tax", will not exceed \$30 million Canadian per year adjusted annually from 1983 by the Canadian Gross National Product price deflator as determined by Statistics Canada, hereinafter referred to as the GNP price deflator.

(ii) For the period beginning January 1, 1980, and ending on December 31 of the year in which leave to open the Pipeline is granted by the appropriate regulatory authority, the Yukon Property Tax will not exceed the following:

1980--\$5 million Canadian

1981--\$10 million Canadian

1982--\$20 million Canadian

Any subsequent year to which this provision applies--\$25 million Canadian.

(iii) The Yukon Property Tax formula described in subparagraph (b)(i) will apply from January 1 after the year in which leave to open the Pipeline is granted by the appropriate regulatory authority until the date that is the earlier of the following, hereinafter called the tax termination date:

(A) December 31, 2008, or

(B) December 31 of the year in which leave to open the Dempster Line is granted by the appropriate regulatory authority.

(iv) Subject to subparagraph (b)(iii), if for the year ending on December 31, 1987, the percentage increase of the aggregate per capita revenue derived from all property tax levied by any public authority in the Yukon Territory (excluding the Yukon Property Tax) and grants to municipalities and Local Improvement Districts from the Government of the Yukon Territory, as compared to the aggregate per capita revenue derived from such sources for 1983, is greater than the percentage increase for 1987 of the Yukon Property Tax as compared to the Yukon Property Tax for 1983, the maximum level of the Yukon Property Tax for 1987 may be increased to equal the amount it would have reached had it increased over the period at the same rate as the aggregate per capita revenue.

(v) If for any year in the period commencing January 1, 1988, and ending on the tax termination date, the annual percentage increase of the aggregate per capita revenue derived from all property tax levied by any public authority in the Yukon Territory (excluding the Yukon Property Tax) and grants to municipalities and Local Improvement Districts from the Government of the Yukon Territory as compared to the aggregate per capita revenue derived from such sources for the immediately preceding year exceeds the percentage increase for that year of the Yukon Property Tax as compared to the Yukon Property Tax for the immediately preceding year, the maximum level of the Yukon Property Tax for that year may be adjusted by the percentage increase of the aggregate per capita revenue in place of the percentage increase that otherwise might apply.

(vi) The provisions of subparagraph (b)(i) will apply to the value of the Pipeline for the capacities contemplated in this Agreement. The Yukon Property Tax will increase for the additional facilities beyond the aforesaid contemplated capacity in direct proportion to the increase in the gross asset value of the Pipeline.

(vii) In the event that between the date of this Agreement and January 1, 1983, the rate of the Alaska property tax on pipelines, taking into account the mill rate and the method of valuation, increases by a percentage greater than the cumulative percentage increase in the Canadian GNP deflator over the same period, there may be an adjustment on January 1, 1983, to the amount of \$30 million Canadian described in subparagraph (b)(i) of the Yukon Property Tax to reflect this difference. In defining the Alaska property tax for purposes of this Agreement, the definition of the Yukon Property Tax will apply mutatis mutandis.

(viii) In the event that, for any year during the period described in subparagraph (iii), the annual rate of the Alaska property tax on or for the use of the Pipeline in Alaska increases by a percentage over that imposed for the immediate preceding year that is greater than the increase in percentage of the Yukon Property Tax for the year, as adjusted, from that applied to the immediately preceding year, the Yukon Property Tax may be increased to reflect the percentage increase of the Alaska property tax.

(ix) It is understood that indirect socio-economic costs in the Yukon Territory will not be reflected in the cost of service to the United States shippers other than through the Yukon Property Tax. It is further understood that no public authority will require creation of a special fund or funds in connection with construction of the Pipeline in the Yukon, financed in a manner which is reflected in the cost of service to U.S. shippers, other than through the Yukon Property Tax. However, should public authorities in the State of Alaska require creation of a special fund or funds, financed by contributions not fully reimbursable, in connection with construction of the Pipeline in Alaska, the Governments of Canada or the Yukon Territory will have the right to take similar action.

(c) The Government of Canada will use its best endeavors to ensure that the level of any property tax imposed by the Government of the Northwest Territories on or for the use of that part of the Dempster Line that is within the Northwest Territories is reasonably comparable to the level of the property tax imposed by the Government of the Yukon Territory on or for the use of that part of the Dempster Line that is in the Yukon.

6. Tariffs and Cost Allocation

It is agreed that the following principles will apply for purposes of cost allocation used in determining the cost of service applicable to each shipper on the Pipeline in Canada:

(a) The Pipeline in Canada and the Dempster Line will be divided into zones as set forth in Annex II. Except for fuel and except for Zone 11 (the Dawson-Whitehorse portion of the Dempster Line), the cost of service to each shipper in each zone will be determined on the basis of volumes as set forth in transportation contracts. The volumes used to assign these costs will reflect the original BTU content of Alaskan gas for U.S. shippers and Northern Canadian gas for Canadian shippers, and will make allowance for the change in heat content as the result of commingling. Each shipper will provide volumes for line losses and line pack in proportion to the contracted volumes transported in the zone. Each shipper will provide fuel requirements in relation to the volume of his gas being carried out to the content of the gas as it affects fuel consumption.

(b) It is understood that, to avoid increased construction and operating costs for the transportation of Alaskan gas, the Pipeline will follow a southern route through the Yukon along the Alaska Highway rather than a northern route through Dawson City and along the Klondike Highway. In order to provide alternative benefits for the transportation of Canadian gas to replace those benefits that would have been provided by the northern route through Dawson City, U.S. shippers will participate in the cost of service in Zone 11. It is agreed that if cost overruns on construction of the Pipeline in Canada do not exceed filed costs set forth in Part D of Annex III by more than 35 percent, U.S. shippers will pay the full cost of service in Zone 11. U.S. shipper participation will decline if overruns on the Pipeline in Canada exceed 35 percent; however, at the minimum the U.S. shippers' share will be the greater of either two-thirds of the cost of service or the proportion of contracted Alaskan gas in relation to all contracted gas carried in the Pipeline. The proportion of the cost of service borne by U.S. shippers in Zone 11 will be reduced should overruns on the cost of construction in that Zone exceed 35 percent after allowance for the benefits to U.S. shippers derived from Pipeline construction cost savings in other Zones. Notwithstanding the foregoing, at the minimum, the U.S. shippers' share will be the greater of either two-thirds of the cost of service or the proportion of contracted Alaskan gas in relation to all contracted gas carried in the Pipeline. Details of this allocation of cost of service are set out in Annex III.

(c) Notwithstanding the principles in subparagraphs (a) and (b), in the event that the total volume of gas offered for shipment exceeds the efficient capacity of the Pipeline, the method of cost allocation for the cost of service for shipments of Alaskan gas (minimum entitlement 2.4 bcf/d) or Northern Canadian gas (minimum entitlement 1.2 bcf/d) in excess of the efficient capacity of the Pipeline will be subject to

review and subsequent agreement by both Governments; provided however that shippers of either country may transport additional volumes without such review and agreement, but subject to appropriate regulatory approval, if such transportation does not lead to a higher cost of service or share of Pipeline fuel requirements attributable to shippers of the other country.

(d) It is agreed that Zone 11 costs of service allocated to U.S. shippers will not include costs additional to those attributable to a pipe size of 42 inches. It is understood that in Zones 10 and 11 the Dempster Line will be of the same gauge and diameter and similar in other respects, subject to differences in terrain. Zone 11 costs will include only facilities installed at the date of issuance of the leave to open order, or that are added within three years thereafter.

7. Supply of Goods and Services

(a) Having regard to the objectives of this Agreement, each Government will endeavor to ensure that the supply of goods and services to the Pipeline project will be on generally competitive terms. Elements to be taken into account in weighing competitiveness will include price, reliability, servicing capacity and delivery schedules.

(b) It is understood that through the coordination procedures in paragraph 8 below, either Government may institute consultations with the other in particular cases where it may appear that the objectives of subparagraph (a) are not being met. Remedies to be considered would include the renegotiation of contracts or the reopening of bids.

8. Coordination and Consultation

Each Government will designate a senior official for the purpose of carrying on periodic consultations on the implementation of these principles relating to the construction and operation of the Pipeline. The designated senior officials may, in turn, designate additional representatives to carry out such consultations, which representatives, individually or as a group, may make recommendations with respect to particular disputes or other matters, and may take such other action as may be mutually agreed, for the purpose of facilitating the construction and operation of the Pipeline.

9. Regulatory Authorities: Consultation

The respective regulatory authorities of the two Governments will consult from time to time on relevant matters arising under this Agreement, particularly on the matters referred to in paragraphs 4, 5 and 6, relating to tariffs for the transportation of gas through the Pipeline.

10. Technical Study Group on Pipe

(a) The Governments will establish a technical study group for the purpose of testing and evaluating 54-inch 1120 pounds per square inch (psi), 48-inch 1260 psi, and 48-inch 1680 psi pipe or any other combination of pressure and diameter which would achieve safety, reliability and economic efficiency for operation of the Pipeline. It is understood that the decision relating to pipeline specifications remains the responsibility of the appropriate regulatory authorities.

(b) It is agreed that the efficient pipe for the volumes contemplated (including reasonable provision for expansion), subject to appropriate regulatory authorization, will be installed from the point of interconnection of the Pipeline with the Dempster Line near Whitehorse to the point near Caroline, Alberta, where the Pipeline bifurcates into a western and an eastern leg.

11. Direct Charges by Public Authorities

(a) Consultation will take place at the request of either Government to consider direct charges by public authorities imposed on the Pipeline where there is an element of doubt as to whether such charges should be included in the cost of service.

(b) It is understood that the direct charges imposed by public authorities requiring approval by the appropriate regulatory authority for inclusion in the cost of service will be subject to all of the tests required by the appropriate legislation and will include only

(i) those charges that are considered by the regulatory authority to be just and reasonable on the basis of accepted regulatory practice, and

(ii) those charges of a nature that would normally be paid by a natural gas pipeline in Canada. Examples of such charges are listed in Annex IV.

12. Other Costs

It is understood that there will be no charges on the Pipeline having an effect on the cost of service other than those:

(i) imposed by a public authority as contemplated in this Agreement or in accordance with the Transit Pipeline Treaty, or

(ii) caused by Acts of God, other unforeseen circumstances, or

(iii) normally paid by natural gas pipelines in Canada in accordance with accepted regulatory practice.

13. Compliance with Terms and Conditions

The principles applicable directly to the construction, operation and expansion of the Pipeline will be implemented through the imposition by the two Governments of appropriate terms and conditions in the granting of required authorizations. In the event of subsequent non-fulfillment of such a term or condition by an owner of the Pipeline, or by any other private person, the two Governments will not have responsibility therefor, but will take such appropriate action as is required to cause the owner to remedy or mitigate the consequences of such non-fulfillment.

14. Legislation

The two Governments recognize that legislation will be required to implement the provisions of this Agreement. In this regard, they will expeditiously seek all required legislative authority so as to facilitate the timely and efficient construction of the Pipeline and to remove any delays or impediments thereto.

15. Entry Into Force

This Agreement will become effective upon signature and shall remain in force for a period of 35 years and thereafter until terminated upon 12 months' notice given in writing by one Government to the other, provided that those provisions of the Agreement requiring legislative action will become effective upon exchange of notification that such legislative action has been completed.

ACCORD ENTRE LES ETATS-UNIS D'AMERIQUE ET LE CANADA
SUR LES PRINCIPES APPLICABLES A UN PIPE-LINE
POUR LE TRANSPORT DU GAZ NATUREL DU NORD

Le Gouvernement des Etats-Unis d'Amérique
et le Gouvernement du Canada,
DESIREUX de promouvoir les intérêts économiques
et énergétiques de leurs deux pays, et de maximiser les
avantages industriels qui en découlent, par la construction
et l'exploitation d'un pipe-line destiné à transporter le
gaz naturel de l'Alaska et du Nord canadien,

Conviennent par les présentes des principes
suivants applicables à la construction et à l'exploitation
d'un tel pipe-line:

1. Tracé du pipe-line

La construction et l'exploitation d'un pipe-line
pour le transport du gaz naturel de l'Alaska, ci-après appelé
"le Pipe-line", s'effectueront le long du tracé décrit dans
l'Annexe I. Toutes les mesures nécessaires seront prises
pour autoriser la construction et l'exploitation du Pipe-line
conformément aux principes énoncés dans le présent Accord.

2. Construction expéditive: échéancier

(a) Les deux Gouvernements prendront les mesures
propres à assurer dans les plus brefs délais la délivrance de
tous les permis, licences, certificats, droits de passage,
baux et autres autorisations nécessaires à la construction
et à la mise en service expéditives du Pipe-line, afin de
commencer la construction selon l'échéancier suivant:

- Alaska - le 1er janvier 1980
- Yukon - pose de la canalisation principale,
le 1er janvier 1981
- Exécution des autres travaux au Canada
dans des délais permettant la mise en
service du Pipe-line le 1er janvier
1983.

(b) Toutes les charges relatives auxdits permis,
licences, certificats, droits de passage, baux et autres
autorisations seront justes et raisonnables et s'appliqueront
au Pipe-line de la même manière non discriminatoire que dans
le cas de tout autre pipe-line semblable.

(c) Les deux Gouvernements prendront les mesures
requises pour faciliter la construction expéditive et efficace
du Pipe-line, conformément aux exigences réglementaires de
chaque pays.

3. Capacité du Pipe-line et disponibilité du gaz

(a) La capacité initiale du Pipe-line suffira à répondre, dès que nécessaire, aux besoins contractuels des expéditeurs américains et canadiens. La capacité envisagée est de 2,4 milliards de pieds cubes par jour pour le gaz de l'Alaska et de 1,2 milliards de pieds cubes par jour pour le gaz du Nord canadien. Au moment de raccorder au Pipe-line un pipe-line latéral transportant du gaz du Nord canadien, ci-après appelé "la Ligne Dempster", ou à tout moment où il faudra augmenter la capacité du Pipe-line pour répondre aux besoins contractuels des expéditeurs américains ou canadiens, les autorisations nécessaires seront délivrées, sous réserve des exigences réglementaires, pour accroître de façon efficace la capacité du Pipe-line de manière à répondre à ces besoins contractuels.

(b) Quand il sera démontré qu'une quantité de gaz canadien équivalente selon un calcul de la valeur de remplacement en B.T.U. (British Thermal Unit) s'avérera disponible pour exportation simultanée vers les Etats-Unis, les expéditeurs utilisant le Pipe-line préleveront sur le gaz de l'Alaska transporté par le Pipe-line une quantité de gaz suffisante pour répondre aux besoins des consommateurs éloignés du Yukon et dans les provinces sur le territoire desquelles passe le Pipe-line. Ce gaz de remplacement sera considéré comme des hydrocarbures en transit aux fins de l'Accord entre le Gouvernement du Canada et le Gouvernement des Etats-Unis d'Amérique concernant les pipe-lines de transit, ci-après appelé "le Traité sur les pipe-lines de transit". Les expéditeurs utilisant le Pipe-line n'assumeront aucun frais pour fournir ce gaz de l'Alaska, sauf les coûts d'investissement découlant des dispositions suivantes:

(i) Le propriétaire du Pipe-line au Yukon prendra des dispositions pour approvisionner en gaz les collectivités de Beaver Creek, Burwash Landing, Destruction Bay, Haines Junction, Whitehorse, Teslin, Upper Liard et Watson Lake et en défraiera le coût jusqu'à concurrence de 2,5 millions de dollars canadiens au total;

(ii) Le propriétaire du Pipe-line au Yukon prendra des dispositions pour approvisionner en gaz les autres collectivités éloignées au Yukon qui en feront la demande dans les deux ans qui suivront la mise en service du Pipe-line, et, à cette fin, engagera des frais qui ne dépasseront pas le produit de 2,500 dollars canadiens par le nombre de clients des collectivités, jusqu'à concurrence de 2,5 millions de dollars canadiens au total.

4. Financement

(a) Il est entendu que la construction du Pipe-line sera financée par des capitaux privés. Les deux Gouvernements reconnaissent que les sociétés propriétaires du Pipe-line dans chacun des pays devront établir, à la satisfaction de l'un ou l'autre Gouvernement, selon le cas, que les dispositifs de protection contre les risques de non-achèvement et d'interruption sont acceptables au Gouvernement intéressé avant que soient agréés leurs titres de financement et autorisé le commencement de la construction.

(b) Les deux Gouvernements reconnaissent qu'il est important de construire le Pipe-line en temps opportun et selon un contrôle efficace des coûts. En conséquence, le rendement des participations sera fondé sur un taux de rentabilité variable, pour chaque compagnie possédant une portion du Pipe-line, qui incite à éviter les dépassements de devis et qui vise à minimiser les coûts, d'une façon compatible avec une saine gestion du Pipe-line. Les coûts d'investissement servant à calculer les dépassements de devis, établis à l'Annexe III, constitueront la base du programme d'incitation utilisé pour établir le taux de rentabilité approprié.

(c) Il est entendu que les titres débiteurs délivrés dans le cadre du financement du Pipe-line au Canada ne comportent aucune disposition qui, outre les habituelles restrictions en régime de contrat fiduciaire s'appliquant généralement dans l'industrie des pipe-lines, aurait pour effet d'interdire, de limiter ou d'empêcher le financement de la construction de la Ligne Dempster; il est de plus entendu que les dispositions relatives au taux de rentabilité variable prévues à l'alinéa (b) ne doivent pas continuer à s'appliquer au détriment de la Ligne Dempster.

5. Taxation et engagements des provinces

(a) Les deux Gouvernements réitèrent les engagements dont ils ont convenu dans le Traité sur les pipe-lines de transit, en ce qui concerne l'imposition non discriminatoire, et prennent note des déclarations constituant l'Annexe V ci-jointe dans lesquelles les Gouvernements des provinces de la Colombie britannique, de l'Alberta et de la Saskatchewan s'engagent à assurer le respect des dispositions du Traité sur les pipe-lines de transit en ce qui a trait à l'acheminement ininterrompu du débit et au traitement non discriminatoire en matière de taxes, de droits ou d'autres charges monétaires s'appliquant au Pipe-line ou au débit.

(b) En ce qui concerne l'impôt foncier du Yukon auquel est assujetti le Pipe-line ou l'utilisation du Pipe-line, les principes suivants s'appliquent:

(i) Le niveau maximal de l'impôt foncier et d'autres taxes directes, ayant une incidence exclusive ou presque exclusive sur le Pipe-line, y compris les taxes sur le gaz utilisé comme combustible pour compresseurs, auxquels le Gouvernement du territoire du Yukon ou toute autorité publique du Yukon assujettit le Pipe-line ou l'utilisation du Pipe-line, ci-après appelé l'impôt foncier du Yukon, ne dépassera pas un montant annuel de 30 millions de dollars canadiens indexé annuellement à partir de 1983 en fonction de l'indice des prix basé sur le produit national brut canadien, ci-après appelé l'indice d'ajustement au PNB, tel qu'établi par Statistique Canada.

(ii) Pour la période commençant le 1er janvier 1980 et se terminant le 31 décembre de l'année au cours de laquelle la permission de mettre le Pipe-line en service est accordée par l'autorité réglementaire appropriée, l'impôt foncier du Yukon ne dépassera pas les montants suivants:

1980 - 5 millions de dollars canadiens

1981 - 10 millions de dollars canadiens

1982 - 20 millions de dollars canadiens

Pour toute année subséquente à laquelle s'applique cette disposition, le montant applicable sera de 25 millions de dollars canadiens.

(iii) La formule de l'impôt foncier du Territoire du Yukon décrite au sous-alinéa (i) s'appliquera à partir du 1er janvier de l'année suivant celle au cours de laquelle la permission de mettre le Pipe-line en service est accordée par l'autorité réglementaire appropriée jusqu'à celle des dates suivantes qui surviennent la première, ci-après appelée la date de fin d'imposition.

(A) le 31 décembre 2008; ou

(B) le 31 décembre de l'année au cours de laquelle la permission de mettre la Ligne Dempster en service est accordée par l'autorité réglementaire appropriée

(iv) Sous réserve du sous-alinéa (iii) de l'alinéa (b) si, pour l'année se terminant le 31 décembre 1987, l'augmentation exprimée en pourcentage des recettes globales par habitant tirées de tous les impôts fonciers prélevés par toute autorité publique sur le Territoire du Yukon (à l'exclusion de l'impôt foncier du Yukon) et des subventions octroyées par le Gouvernement du territoire du Yukon à des municipalités et à des districts d'amélioration locale, comparée au revenu global par habitant tiré de ces sources pour 1983, est supérieure à l'augmentation exprimée en pourcentage de l'impôt foncier du Yukon pour 1987 comparativement à l'impôt foncier du Yukon pour 1983, le niveau maximum de l'impôt foncier du Yukon pour 1987 peut être majoré de façon à équivaloir au montant qu'il aurait atteint s'il avait augmenté au cours de ladite période au même taux que le revenu global par habitant.

(v) Si, pour toute année de la période commençant le 1er janvier 1988 et se terminant à la date de fin d'imposition, l'augmentation annuelle exprimée en pourcentage du revenu global par habitant tiré de tous les impôts fonciers prélevés par toute autorité publique sur le territoire du Yukon (à l'exclusion de l'impôt foncier du Yukon) et des subventions octroyées par le Gouvernement du territoire du Yukon à des municipalités et à des districts d'amélioration locale, comparée au revenu global par habitant tiré de ces sources pour l'année précédente, dépasse l'augmentation exprimée en pourcentage de l'impôt foncier du Yukon pour cette année comparativement à l'impôt foncier du Yukon pour l'année précédente, le niveau maximum de l'impôt foncier du Yukon pour cette année peut être rajusté en fonction de l'augmentation exprimée en pourcentage du revenu global par habitant plutôt qu'en fonction de l'augmentation exprimée en pourcentage qui pourrait autrement s'appliquer.

(vi) Les dispositions du sous-alinéa (i) ci-dessus s'appliqueront à la valeur du Pipe-line pour les capacités prévues dans le présent Accord. L'impôt foncier du Yukon augmentera pour des installations en sus de la capacité

prévue susmentionnée de façon directement proportionnelle à l'augmentation de la valeur d'actif brute du Pipe-line.

(vii) S'il advenait qu'entre la date du présent Accord et le 1er janvier 1983, l'impôt foncier de l'Alaska applicable aux pipe-lines, compte tenu du taux d'imposition foncière et de la méthode d'évaluation, augmente d'un pourcentage supérieur à l'augmentation, exprimée en pourcentage, cumulative de l'indice d'ajustement des prix du produit national brut canadien pour la même période, un rajustement de l'impôt foncier du Yukon pourra être fait le 1er janvier 1983, jusqu'à concurrence du montant de 30 millions de dollars canadiens mentionné au sous-alinéa (i), afin de refléter cette différence. Aux fins du présent Accord, la définition de l'impôt foncier du Yukon s'appliquera mutatis mutandis à l'impôt foncier de l'Alaska.

(viii) S'il advenait qu'au cours de toute année de la période décrite au sous-alinéa (iii), le taux annuel de l'impôt foncier de l'Alaska auquel sont assujettis le Pipe-line en Alaska ou l'utilisation du Pipe-line augmente, par rapport à celui imposé l'année précédente, d'un pourcentage supérieur à l'augmentation exprimée en pourcentage de l'impôt foncier du Yukon pour l'année, tel qu'ajusté par rapport à l'augmentation qui a eu lieu l'année précédente, l'impôt foncier du Yukon peut être majoré de façon à refléter l'augmentation exprimée en pourcentage de l'impôt foncier de l'Alaska.

(ix) Il est entendu que les coûts socio-économiques indirects sur le territoire du Yukon ne se refléteront pas dans les frais de service défrayés par les expéditeurs américains autrement que par le truchement de l'impôt foncier du Yukon. Il est également entendu qu'aucune autorité publique ne demandera la création d'un ou de plusieurs fonds spéciaux, relativement à la construction du Pipe-line au Yukon, dont le financement serait assuré de façon à se refléter dans les frais de service défrayés par les expéditeurs américains autrement que par le truchement de l'impôt foncier du Yukon. Toutefois, si des autorités publiques de l'Alaska devaient demander l'établissement d'un ou de plusieurs fonds spéciaux, dont le financement serait assuré au moyen de contributions qui ne seraient pas entièrement remboursables, relativement à la construction du Pipe-line en Alaska, les Gouvernements du Canada ou du Territoire du Yukon auraient le droit de prendre des mesures similaires.

(c) Le Gouvernement du Canada fera de son mieux pour faire en sorte que le niveau de tout impôt foncier auquel le Gouvernement des Territoires du Nord-Ouest assujettit la portion de la Ligne Dempster ou l'utilisation de ladite portion qui est sur son territoire se compare raisonnablement au niveau de l'impôt foncier auquel le Gouvernement du Territoire du Yukon assujettit la portion de la Ligne Dempster ou l'utilisation de ladite portion qui est sur son territoire.

6. Tarifs et répartition des coûts

Il est convenu que les principes suivants régiront les modalités de répartition des coûts servant à déterminer les frais de service applicables à chaque expéditeur utilisant le Pipe-line au Canada:

(a) Le Pipe-line au Canada et la Ligne Dempster seront divisés en zones telles que décrites à l'Annexe II. Sauf en ce qui concerne le combustible et à l'exception de la Zone 11 (le tronçon Dawson - Whitehorse de la Ligne Dempster), les frais de service de chaque expéditeur dans chaque zone seront déterminés en fonction de volumes établis dans des contrats de transport. Les volumes utilisés dans la répartition de ces frais refléteront le contenu initial en B.T.U. du gaz de l'Alaska pour les expéditeurs américains, et du gaz du Nord canadien pour les expéditeurs canadiens, ce qui tiendra compte des changements calorifiques résultant du mélange des deux gaz. Chaque expéditeur fournira des volumes pour les pertes en ligne et la pression de transport proportionnellement aux volumes établis par contrat transportés dans la zone. Chaque expéditeur contribuera aux besoins en combustible en fonction du volume de son gaz qui est transporté et du contenu du gaz tel qu'il affecte la consommation de combustible.

(b) Il est entendu, que pour éviter des dépenses accrues de construction et d'exploitation pour le transport du gaz de l'Alaska, le Pipe-line suivra une route vers le sud en passant par le Yukon le long de l'autoroute de l'Alaska plutôt que de suivre une route au nord en passant par Dawson City le long de l'autoroute du Klondike. Afin de faire profiter le gaz du Nord canadien des avantages qui auraient découlé du tracé de Dawson City, les expéditeurs américains participeront aux frais des services dans la Zone 11. Il est convenu que, si les dépassements de devis pour les coûts de construction du Pipe-line au Canada n'excèdent pas les coûts déposés, tels qu'établis dans la Partie D de l'annexe III, de plus de 35 pour-cent, les expéditeurs américains défrayeront le coût entier des services dans la Zone 11. La participation des expéditeurs américains diminuera si les excédents afférents au Pipe-line au Canada dépassent 35 pour-cent; toutefois, ladite participation équivaudra au minimum à la plus élevée de deux sommes, soit deux tiers des frais de service, soit la proportion du gaz de l'Alaska prévu par contrat en fonction de tout le gaz devant par contrat être transporté dans le Pipe-line. La part des frais de service défrayée par les expéditeurs américains dans la Zone 11 sera réduite si les dépassements de devis pour les coûts de construction dans cette zone excèdent 35 pour-cent après ajustement en fonction des avantages dont bénéficient les expéditeurs américains en raison des économies réalisées dans la construction du Pipe-line dans d'autres zones. Nonobstant ce qui précède, la part des expéditeurs américains équivaudra au minimum à la plus élevée de deux sommes, soit deux tiers des frais de service, soit la proportion du gaz de l'Alaska prévu par contrat en fonction de tout le gaz devant par contrat être transporté dans le Pipe-line. Les détails de cette répartition des frais de service sont énoncés à l'Annexe III.

(c) Nonobstant les principes énoncés aux sous-alinéas (a) et (b), si le volume total de gaz que l'on veut expédier excède la capacité d'exploitation efficace du Pipe-line, la méthode de répartition des coûts servant à déterminer les frais de service pour le transport du gaz de l'Alaska (droit minimum de 2,4 milliards de pieds cubes par jour) ou de gaz du Nord canadien (droit minimum de 1,2 milliards de pieds cubes par jour) excédant ladite capacité pourra faire l'objet d'une révision par les deux Gouvernements et d'un accord subséquent entre les deux Gouvernements, pourvu, toutefois, que les expéditeurs de l'un ou l'autre pays puissent transporter des volumes additionnels sans une telle révision et un tel accord, mais, sous réserve de l'approbation réglementaire appropriée, si un tel transport entraîne des frais de service plus élevés ou une

portion plus élevée des exigences du Pipe-line en matière de combustible imputables aux expéditeurs de l'autre pays.

(d) Il est convenu que les frais de service dans la Zone 11 imputés au expéditeurs américains n'incluront pas les frais en sus des coûts occasionnés pour une conduite d'un diamètre de 42 pouces. Il est convenu que, dans les Zones 10 et 11, la Ligne Dempster aura la même jauge et le même diamètre et sera semblable à tous autres égards, sous réserve des différences de terrain. Les coûts dans la Zone 11 ne couvriront que les installations en place à la date à laquelle sera délivrée l'ordonnance autorisant la mise en service du Pipe-line ou les installations ajoutées dans les trois années qui suivront.

7. Fourniture de biens et services

(a) Eu égard aux objectifs du présent Accord, chaque Gouvernement cherchera à faire en sorte que les biens et services pour le projet du Pipe-line soient fournis sur une base généralement concurrentielle. A cet égard, on tiendra compte notamment des prix, de la fiabilité, de la capacité d'entretien et des échéanciers de livraison.

(b) Il est entendu qu'aux termes des procédures de coordination énoncées au paragraphe 8 ci-dessous, chaque Gouvernement peut entrer en consultation avec l'autre dans des cas particuliers où il peut sembler que les objectifs mentionnés à l'alinéa (a) ne sont pas atteints. Les solutions éventuelles comprendraient la renégociation des contrats ou le lancement de nouveaux appels d'offres.

8. Coordination et consultation

Chaque Gouvernement désignera un haut fonctionnaire chargé des consultations périodiques sur la mise en œuvre des principes ayant trait à la construction et à l'exploitation du Pipe-line. Les hauts fonctionnaires désignés pourront désigner à leur tour, pour mener ces consultations, d'autres représentants qui, individuellement ou en groupe, pourront faire des recommandations sur des différends spécifiques ou sur d'autres questions, et prendre toute mesure mutuellement acceptable afin de faciliter la construction et l'exploitation du Pipe-line.

9. Consultations entre autorités réglementaires

Les autorités réglementaires des deux Gouvernements se consulteront périodiquement sur des questions pertinentes soulevées par le présent Accord, notamment les questions concernant les paragraphes 4, 5 et 6 relatifs aux tarifs applicables au transport du gaz par le Pipe-line.

10. Groupe d'étude technique sur les canalisations

(a) Les Gouvernements créeront un groupe d'étude technique afin de mettre à l'épreuve et d'évaluer des canalisations de 54 pouces sujettes à une pression de 1,120 livres au pouce carré, de 48 pouces sujettes à une pression de 1,260 livres au pouce carré et de 48 pouces sujettes à une pression de 1,680 livres au pouce carré ou toute autre combinaison de pression et de diamètre qui assurerait la sécurité, la fiabilité et le rendement économique dans l'exploitation du

Pipe-line. Il est entendu que la décision concernant les spécifications du Pipe-line appartient aux autorités réglementaires appropriées.

(b) Il est entendu que la canalisation efficace pour les volumes envisagés (y inclus une marge d'expansion raisonnable) sera installée, sous réserve des autorisations réglementaires appropriées, à partir du point de jonction du Pipe-line avec la Ligne Dempster près de Whitehorse jusqu'à un point situé près de Caroline en Alberta, où le Pipe-line se divise en tronçons ouest et est.

11. Charges directes imposées par les autorités publiques

(a) Des consultations auront lieu à la demande de l'un ou l'autre Gouvernement afin de considérer les charges directes auxquelles les autorités publiques assujettiront le Pipe-line là où il y a doute quant à l'opportunité d'inclure de telles charges dans les frais de service.

(b) Il est entendu que les charges directes imposées par les autorités publiques, dont l'inclusion dans les frais de service requiert l'approbation de l'autorité réglementaire appropriée, seront soumises à tous les critères prévus par la législation appropriée et ne comprendront que (i) les charges que l'autorité réglementaire juge être justes et raisonnables sur la base des pratiques réglementaires reconnues et (ii) les charges dont des exemples figurent à l'Annexe IV, telles qu'elles seraient normalement défrayées par un pipe-line de gaz au Canada.

12. Autres coûts

Il est entendu que le Pipe-line ne sera assujetti à aucune charge se répercutant sur les frais de service, autre que celle:

(i) imposée par une autorité publique selon les dispositions du présent Accord ou en conformité du Traité sur les pipe-lines de transit; ou

(ii) occasionnée par des cas de force majeure ou d'autres circonstances fortuites; ou

(iii) normalement défrayée par des pipe-lines de gaz au Canada conformément à la pratique réglementaire acceptée.

13. Respect des modalités

Les principes applicables directement à la construction, à l'exploitation et à l'expansion du Pipe-line seront mis en oeuvre par le biais de l'imposition, par les deux Gouvernements, de modalités appropriées dans l'octroi des autorisations requises. Avenant l'inobservance de ces modalités par un propriétaire du Pipe-line, ou par tout autre particulier, les deux Gouvernements n'assumeront aucune responsabilité à cet égard, mais prendront les mesures appropriées, tel que requis, pour faire en sorte que le propriétaire corrige la situation ou atténue les effets d'une telle inobservance.

14. Législation

Les deux Gouvernements reconnaissent que la mise en oeuvre des présentes dispositions requiert des mesures législatives. A cet effet, ils demanderont sans délai à leurs législatures tous les pouvoirs requis pour faciliter la construction efficace du Pipe-line en temps opportun et pour supprimer tout obstacle ou retard qui pourrait survenir.

15. Entrée en vigueur

Le présent Accord entrera en vigueur au moment de sa signature et demeurera en vigueur pour une période de 35 ans, ainsi que par la suite à moins que l'un des Gouvernements ne le dénonce en donnant un préavis de douze mois par écrit à l'autre Gouvernement, sous réserve que les dispositions de l'Accord requérant des mesures législatives entrent en vigueur lors de l'échange de notifications de l'adoption desdites mesures par les deux Gouvernements.

IN WITNESS WHEREOF the undersigned representatives,
duly authorized by their respective Governments, have
signed this Agreement.

DONE in duplicate at Ottawa in the English and
French languages, both versions being equally authentic,
this twentieth day of September 1977.

EN FOI DE QUOI, les représentants soussignés, dû-
ment autorisés par leur Gouvernement respectif, ont signé
le présent Accord.

FAIT en double exemplaire à Ottawa en français
et en anglais, chaque version faisant également foi, ce
vingtième jour de septembre 1977.

James R. Schlesinger [¹]
For the Government of the
United States of America
Pour le Gouvernement des
Etats-Unis d'Amérique

Allan J. McEachen [²]
For the Government of Canada
Pour le Gouvernement du Canada

^¹ James R. Schlesinger

^² Allan J. McEachen

[Footnotes added by the Department of State.]

ANNEX IThe Pipeline RouteIn Alaska:

The Pipeline constructed in Alaska by Alcan will commence at the discharge side of the Prudhoe Bay Field gas plant facilities. It will parallel the Alyeska oil pipeline southward on the North Slope of Alaska, cross the Brooks Range through the Atigun Pass, and continue on to Delta Junction.

At Delta Junction, the Pipeline will diverge from the Alyeska oil pipeline and follow the Alaska Highway and Haines oil products pipeline passing near the towns of Tanacross, Tok, and Northwest Junction in Alaska. The Alcan facilities will connect with the proposed new facilities of Foothills Pipe Lines (South Yukon) Ltd. at the Alaska-Yukon border.

In Canada:

In Canada the Pipeline will commence at the Boundary of the State of Alaska and the Yukon Territory in the vicinity of the towns of Border City, Alaska and Boundary, Yukon. The following describes the general routing of the Pipeline in Canada:

From the Alaska-Yukon border, the Foothills Pipe Lines (South Yukon) Ltd. portion of the Pipeline will proceed in a southerly direction generally along the Alaska Highway to a point near Whitehorse, Yukon, and thence to a point on the Yukon-British Columbia border near Watson Lake, Yukon where it will join with the Foothills Pipe Lines (North B.C.) Ltd. portion of the Pipeline.

The Foothills Pipe Lines (North B.C.) Ltd. portion of the Pipeline will extend from Watson Lake in a southeasterly direction across the northeastern part of the Province of British Columbia to a point on the boundary between the Provinces of British Columbia and Alberta near Boundary Lake where it will interconnect with the Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline.

The Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline will extend from a point on the British Columbia - Alberta boundary near Boundary Lake in a southeasterly direction to Gold Creek and thence parallel to the existing right-of-way of The Alberta Gas Trunk Line Company Limited to James River near Caroline.

From James River a "western leg" will proceed in a southerly direction, generally following the existing right-of-way of The Alberta Gas Trunk Line Company Limited to a point on the Alberta-British Columbia boundary near Coleman in the Crow's Nest Pass area. At or near Coleman the Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline will interconnect with the Foothills Pipe Lines (South B.C.) Ltd. portion of the Pipeline.

The Foothills Pipe Lines (South B.C.) Ltd. portion of

the Pipeline will extend from a point on the Alberta-British Columbia boundary near Coleman in a southwesterly direction across British Columbia generally parallel to the existing pipeline facilities of Alberta Natural Gas Company Ltd. to a point on the International Boundary Line between Canada and the United States of America at or near Kingsgate in the Province of British Columbia where it will interconnect with the facilities of Pacific Gas Transmission Company.

Also, from James River, an "eastern leg" will proceed in a southeasterly direction to a point on the Alberta-Saskatchewan boundary near Empress, Alberta where it will interconnect with the Foothills Pipe Lines (Sask.) Ltd. portion of the Pipeline. The Foothills Pipe Lines (Sask.) Ltd. portion of the Pipeline will extend in a southeasterly direction across Saskatchewan to a point on the International Boundary Line between Canada and the United States of America at or near Monchy, Saskatchewan where it will interconnect with the facilities of Northern Border Pipeline Company.

ANNEX IIZones for the Pipeline and the Dempster Line
in Canada

Zone 1 Foothills Pipe Lines (South Yukon) Ltd.

Alaska Boundary to point of interconnection with the
Dempster Line at or near Whitehorse.

Zone 2 Foothills Pipe Lines (South Yukon) Ltd.

Whitehorse to Watson Lake.

Zone 3 Foothills Pipe Lines (North B.C.) Ltd.

Watson Lake to point of interconnection with Westcoast's
main pipeline near Fort Nelson.

Zone 4 Foothills Pipe Lines (North B.C.) Ltd.

Point of interconnection with Westcoast's main pipeline
near Fort Nelson to the Alberta-B.C. border.

Zone 5 Foothills Pipe Lines (Alta.) Ltd.

Alberta-B.C. border to point of bifurcation near Caroline,
Alberta.

Zone 6 Foothills Pipe Lines (Alta.) Ltd.

Caroline, Alta. to Alberta-Saskatchewan border near Empress.

Zone 7 Foothills Pipe Lines (Alta.) Ltd.

Caroline to Alberta-B.C. border near Coleman.

Zone 8 Foothills Pipe Lines (South B.C.) Ltd.

Alberta-B.C. border near Coleman to B.C.-United States
border near Kingsgate.

Zone 9 Foothills Pipe Lines (Sask.) Ltd.

Alberta-Saskatchewan border near Empress to
Saskatchewan-United States border near Monchy.

Zone 10 Foothills Pipe Lines (North Yukon) Ltd.

Mackenzie Delta Gas fields in the Mackenzie
Delta, N.W.T., to a point near the junction of
the Klondike and Dempster Highways just west of Dawson,
Yukon Territory.

Zone 11 Foothills Pipe Lines (South Yukon) Ltd.

A point near the junction of the Klondike and Dempster
Highways near Dawson to the connecting point with the
Pipeline at or near Whitehorse.

ANNEX IIICost Allocation in Zone 11

The cost of service in Zone 11 shall be allocated to United States shippers on the following basis:

- (i) There will be calculated, in accordance with (iii) below, a percentage for Zones 1 - 9 in total by dividing the actual capital costs by filed capital costs and multiplying by 100. If actual capital costs are equal to or less than 135% of filed capital costs, then United States shippers will pay 100% of the cost of service in Zone 11. If actual capital costs in Zones 1 - 9 are between 135% and 145% of filed capital costs, then the percentage paid by United States shippers will be adjusted between 100% and 66 2/3% on a straight-line basis, except that in no case will the portion of cost of service paid by United States shippers be less than the proportion of the contracted volumes of Alaskan gas at the Alaska-Yukon border to the same volume of Alaskan gas plus the contracted volume of Northern Canadian gas. If the actual capital costs are equal to or exceed 145% of filed capital costs, the portion of the cost of service paid by United States shippers will be not less than 66 2/3% or the proportion as calculated above, whichever is the greater.
- (ii) There will be calculated a percentage for the cost overrun on the Dawson to Whitehorse lateral (Zone 11). After determining the dollar value of the overrun, there will be deducted from it:
 - (a) the dollar amount by which actual capital costs in Zones 1, 7, 8 and 9 (carrying Alaskan gas only) are less than 135% of filed capital costs referred to in (iii) below;
 - (b) in each of Zones 2, 3, 4, 5 and 6 the dollar amount by which actual capital costs are less than 135% of filed capital costs referred to in (iii) below, multiplied by the proportion that the U.S. contracted volume bears to the total contracted volume in that Zone.

If the actual capital costs in Zone 11, after making this adjustment, are equal to or less than 135% of filed capital costs, then no adjustment is required to the percentage of the cost of service paid by United States shippers as calculated in (i) above. If, however, after making this adjustment, the actual capital cost in Zone 11 is greater than 135% of the filed capital cost, then the proportion of the cost of service paid by

United States shippers will be a fraction (not exceeding 1) of the percentage of the cost of service calculated in (i) above, where the numerator of the fraction is 135% of the filed capital cost and the denominator of the fraction is actual capital cost less the adjustments from (a) and (b) above.

Notwithstanding the adjustments outlined above, in no case will the percentage of the actual cost of service borne by United States shippers be less than the greater of 66 2/3% or the proportion of the contracted volumes of Alaskan gas at the Alaska-Yukon border to the same volume of Alaskan gas plus the contracted volume of Northern Canadian gas.

- (iii) The "filed capital cost" to be applied to determine cost overruns for the purpose of cost allocation in (i) and (ii) above will be:

"Filed Capital Cost"
Estimates for the
Pipeline in Canada
(millions of Canadian
dollars)

The Pipeline in Canada (Zones 1 - 9) 1/

48" - 1260 lb. pressure pipeline -	3,873
or 48" - 1680 lb. pressure pipeline -	4,418
or 54" - 1120 lb. pressure pipeline -	4,234

"Filed Capital Cost"
Estimates for the
Pipeline in Canada
(millions of Canadian
dollars)

Zone 11 of the Dempster Line 2/

30" - Section of Dempster line from Whitehorse to Dawson -	549
or 36" - Section of Dempster line from Whitehorse to Dawson -	585
or 42" - Section of Dempster line from Whitehorse to Dawson -	705

Details for Zones 1 - 9 are shown in the following table:

1/ These filed capital costs include and are based upon (a) a 1260 psi, 48-inch line from the Alaska-Yukon border to the point of possible interconnection near Whitehorse; (b) a 1260 psi, 48-inch; or 1680 psi, 48-inch; or 1120 psi, 54-inch line from the point of possible interconnection near Whitehorse to Caroline Junction; (c) a 42-inch line from Caroline Junction to the Canada-United States border near Monchy, Saskatchewan; and (d) a 36-inch line from Caroline Junction to the Canada-United States border near Kingsgate, British Columbia. These costs are escalated for a date of commencement of operations of January 1, 1983.

2/ The costs are escalated for a date of commencement of operations of January 1, 1985.

Filed Capital Costs for the Pipeline in Canada

<u>Zone</u>	<u>48"</u> 1260 psi \$ million (Canadian)	<u>48"</u> 1680 psi \$ million (Canadian)	<u>54"</u> 1120 psi \$ million (Canadian)
1	707	707	707
2	721	864	805
3	738	850	803
4	380	488	456
5	677	859	813
6	236	236	236
7	126	126	126
8	83	83	83
9*	<u>205</u>	<u>205</u>	<u>205</u>
Total Zones 1-9	3,873	4,418	4,234

* The last compression station in Zone 9 includes facilities to provide compression up to 1440 psi.

It is recognized that the above are estimates of capital costs. They do not include working capital, property taxes or the provision for road maintenance in the Yukon Territory (not to exceed \$30 million Canadian).

If at the time construction is authorized, both Governments have agreed to a starting date for the operation of the Pipeline different from January 1, 1983, then the capital cost estimates shall be adjusted for the difference in time using the GNP price deflator from January 1, 1983. Similarly at the time construction is authorized for the Dempster Line, if the starting date for the operation agreed to by the Canadian Government is different from January 1, 1985, then the capital cost estimate shall be adjusted for the difference in timing using the GNP price deflator from January 1, 1985. The diameter of the pipeline in Zone 11, for purposes of cost allocation, may be 30", 36" or 42", so long as the same diameter pipe is used from the Delta to Dawson (Zone 10).

The actual capital cost, for purposes of this Annex, shall be the booked cost as of the date "leave to open" is granted plus amounts still outstanding to be accrued on a basis to be approved by the National Energy Board. Actual capital costs shall exclude working capital, property taxes, and direct charges for road maintenance of up to \$30 million Canadian in the Yukon as specifically provided herein.

For purposes of this Annex, actual capital costs will exclude the effect of increases in cost or delays caused by actions attributable to the U.S. shippers, related U.S. pipeline companies, Alaskan producers, the Prudhoe Bay deliverability or gas conditioning plant construction and the United States or State Governments. If the appropriate regulatory bodies of the two countries are unable to agree upon the amount of such costs to be excluded, the determination shall be made in accordance with the procedures set forth in Article IX of the Transit Pipeline Treaty.

The filed capital costs of facilities in Zones 7 and 8 will be included in calculations pursuant to this Annex only to the extent that such facilities are constructed to meet the requirements of U.S. shippers.

ANNEX IVDirect Charges by Public Authorities

- *1. Crossing damages (roads, railroad crossings, etc.; this item is usually covered in the crossing permit).
- *2. Road damages caused by exceeding design load limits.
- *3. Required bridge reinforcements caused by exceeding design load limits.
4. Airfield and airstrip repairs.
5. Drainage maintenance.
6. Erosion control.
7. Borrow pit reclamation.
8. Powerline damage.
9. Legal liability for fire damage.
10. Utility system repair (water, sewer, etc.).
11. Camp waste disposal.
12. Camp site reclamation.
13. Other items specified in environmental stipulations.
14. Costs of surveillance and related studies as required by regulatory bodies or applicable laws.

* In the case of these items and all other road-related charges by public authorities, total charges in the Yukon Territory shall not exceed \$30 million Canadian.

ANNEX VStatement by the Government of the Province of Alberta

The Government of the Province of Alberta agrees in principle to the provisions contained in the Canada-United States Pipeline Treaty of January 28, 1977, and furthermore, Alberta is prepared to cooperate with the Federal Government to ensure that the provisions of the Canada-United States Treaty, with respect to non-interference of throughput and non-discriminatory treatment with respect to taxes, fees, or other monetary charges on either the Pipeline or throughput, are adhered to. Specific details of this undertaking will be the subject of a Federal-Provincial Agreement to be negotiated when the Canada-United States protocol or understanding has been finalized.

Statement by the Government of the Province of Saskatchewan

The Government of Saskatchewan is willing to cooperate with the Government of Canada to facilitate construction of the Alcan Pipeline through southwestern Saskatchewan and, to that end, the Government of Saskatchewan expresses its concurrence with the principles elaborated in the Transit Pipeline Agreement signed between Canada and the United States on January 28, 1977. In so doing, it intends not to take any discriminatory action towards such pipelines in respect of throughput, reporting requirements, and environmental protection, pipeline safety, taxes, fees or monetary charges that it would not take against any similar pipeline passing through its jurisdiction. Further details relating to Canada-Saskatchewan relations regarding the Alcan Pipeline will be the subject of Federal-Provincial agreements to be negotiated after a Canada-United States understanding has been finalized.

Statement by the Government of the Province of British Columbia

The Government of the Province of British Columbia agrees in principle to the provisions contained in the Canada-United States Pipeline Treaty of January 28, 1977, and furthermore British Columbia is prepared to co-operate with the Federal Government to ensure that the provisions of the Canada-United States Treaty, with respect to non-interference of throughput and non-discriminatory treatment with respect to taxes, fees or other monetary charges on either the Pipeline or throughput, are adhered to. Specific details of this undertaking will be the subject of a Federal-Provincial Agreement to be negotiated at as early a date as possible. Such agreement should guarantee that British Columbia's position expressed in its telex of August 31 is protected.

ANNEXE ILe tracé du Pipe-lineEn Alaska:

Le Pipe-line construit en Alaska par Alcan commencera au point de décharge des installations du gisement de gaz de Prudhoe Bay. Il suivra parallèlement l'oléoduc Alyeska en direction sud, sur le North Slope de l'Alaska, traversera la chaîne de Brooks par le col Atigun et continuera jusqu'à Delta Junction.

A Delta Junction, le Pipe-line s'écartera de l'oléoduc Alyeska et suivra l'autoroute de l'Alaska et le pipe-line Haines pour produits pétroliers, passant près des villes de Tanacross, Tok et Northway Junction en Alaska. Les installations de l'Alcan seront reliées aux nouvelles installations projetées de la Foothills Pipe Lines (South Yukon) Ltd. à la frontière entre l'Alaska et le Yukon.

Au Canada:

Au Canada, le Pipe-line commencera à la frontière entre l'Etat de l'Alaska et le Territoire du Yukon à proximité des villes de Border City, en Alaska et de Boundary, au Yukon. Ce qui suit décrit le tracé général du Pipe-line au Canada:

De la frontière entre l'Alaska et le Yukon, le tronçon du Pipe-line de la Foothills Pipe Lines (South Yukon) Ltd. suivra une direction sud qui longera sur sa plus grande partie l'autoroute de l'Alaska jusqu'à un point près de Whitehorse, au Yukon, et de là, jusqu'à un point de la frontière entre le Yukon et la Colombie britannique près de Watson Lake, au Yukon, où il se raccordera au tronçon du Pipe-line de la Foothills Pipe Lines (North British Columbia) Ltd.

Le tronçon du Pipe-line de la Foothills Pipe Lines (North British Columbia) Ltd. s'étendra de Watson Lake dans une direction sud-est à travers le nord-est de la province de la Colombie britannique jusqu'à un point de la frontière entre les provinces de la Colombie britannique et de l'Alberta, près de Boundary Lake, où il se raccordera au tronçon du Pipe-line de la Foothills Pipe Lines (Alberta) Ltd.

Le tronçon du Pipe-line de la Foothills Pipe Lines (Alberta) Ltd. s'étendra d'un point de la frontière entre la Colombie britannique et l'Alberta, près de Boundary Lake, dans une direction sud-est jusqu'à Gold Creek et de là parallèlement au droit de passage existant de l'Alberta Gas Trunk Line Company Limited jusqu'à James River près de Caroline.

A partir de James River, un "tronçon ouest" suivra une direction sud qui empruntera sur sa plus grande partie le droit de passage existant de l'Alberta Gas Trunk Line Company Limited jusqu'à un point de la frontière entre l'Alberta et la Colombie britannique, près de Coleman dans la région du col de Crow's Nest. A ou près de Coleman, le tronçon du Pipe-line de la Foothills Pipe Lines (Alberta) Ltd. se raccordera au tronçon du Pipe-line de la Foothills Pipe Lines (South British Columbia) Ltd.

Le tronçon du Pipe-line de la Foothills Pipe Lines (South British Columbia) Ltd. s'étendra d'un point de la frontière entre l'Alberta et la Colombie britannique près de Coleman dans une direction sud-ouest à travers la Colombie britannique, parallèlement sur sa plus grande partie aux installations du Pipe-line de l'Alberta Natural Gas Company Ltd. jusqu'à un point

de la frontière internationale entre le Canada et les Etats-Unis d'Amérique à ou près de Kingsgate dans la province de la Colombie britannique, où il se raccordera aux installations de la Pacific Gas Transmission Company.

En outre, à partir de James River, un "tronçon est" suivra une direction sud-est jusqu'à un point de la frontière entre l'Alberta et la Saskatchewan près d'Empress (Alberta) où elle se raccordera au tronçon du Pipe-line de la Foothills Pipe Lines (Saskatchewan) Ltd. Le tronçon du Pipe-line de la Foothills Pipe Lines (Saskatchewan) Ltd. s'étendra dans une direction sud-est à travers la Saskatchewan jusqu'à un point de la frontière internationale entre le Canada et les Etats-Unis d'Amérique à ou près de Monchy, en Saskatchewan, où il se raccordera aux installations de la Northern Border Pipeline Company.

ANNEXE IIZones pour le Pipe-line et la Ligne Dempster
au Canada

Zone 1 Foothills Pipe Lines (South Yukon) Ltd.

De la frontière de l'Alaska au point de raccordement de la Ligne Dempster à Whitehorse ou à proximité de Whitehorse.

Zone 2 Foothills Pipe Lines (South Yukon) Ltd.

De Whitehorse à Watson Lake.

Zone 3 Foothills Pipe Lines (North B.C.) Ltd.

De Watson Lake au point de raccordement de la canalisation principale de la Westcoast, à proximité de Fort Nelson.

Zone 4 Foothills Pipe Lines (North B.C.) Ltd.

Du point de raccordement de la canalisation principale de la Westcoast, à proximité de Fort Nelson, à la frontière entre l'Alberta et la Colombie britannique.

Zone 5 Foothills Pipe Lines (Alta) Ltd.

De la frontière entre l'Alberta et la Colombie britannique au point de bifurcation à proximité de Caroline (Alberta).

Zone 6 Foothills Pipe Lines (Alta) Ltd.

De Caroline (Alberta) à la frontière entre l'Alberta et la Saskatchewan, à proximité d'Empress.

Zone 7 Foothills Pipe Lines (Alta) Ltd.

De Caroline à la frontière entre l'Alberta et la Colombie britannique, à proximité de Coleman.

Zone 8 Foothills Pipe Lines (South B.C.) Ltd.

De la frontière entre l'Alberta et la Colombie britannique, à proximité de Coleman, à la frontière entre la Colombie britannique et les Etats-Unis, à proximité de Kingsgate.

Zone 9 Foothills Pipe Lines (Sask.) Ltd.

De la frontière entre l'Alberta et la Saskatchewan, à proximité d'Empress, à la frontière entre la Saskatchewan et les Etats-Unis, à proximité de Monchy.

Zone 10 Foothills Pipe Lines (North Yukon) Ltd.

Des gisements de gaz du delta du Mackenzie, dans le delta du Mackenzie, Territoires du Nord-Ouest, à un point situé à proximité du carrefour des autoroutes du Klondike et de Dempster, à l'ouest de Dawson (Territoire du Yukon).

Zone 11 Foothills Pipe Lines (South Yukon) Ltd.

D'un point à proximité du carrefour des autoroutes du Klondike et de Dempster, à proximité de Dawson, au point de raccordement du Pipe-line à Whitehorse ou à proximité de Whitehorse.

ANNEXE IIIRépartition des coûts dans la Zone 11

Les coûts de service dans la Zone 11 seront imputés aux expéditeurs américains sur la base suivante:

- (i) on calculera, conformément au sous-alinéa (iii) ci-dessous, un pourcentage pour les Zones 1 à 9 globalement en divisant les coûts réels d'investissement par les coûts d'investissement déposés et en multipliant le résultat par 100. Si les coûts réels d'investissement sont égaux ou inférieurs à 135% des coûts d'investissement déposés, les expéditeurs américains paieront 100% des coûts de service dans la Zone 11. Si les coûts réels d'investissement dans les Zones 1 à 9 représentent entre 135% et 145% des coûts d'investissement déposés, le pourcentage des coûts défrayés par les expéditeurs américains sera ajusté entre 100% et 66 2/3%, sur la base d'une ligne droite, sauf que la portion des coûts de service défrayés par les expéditeurs américains ne sera en aucun cas inférieure à la proportion des volumes de gaz de l'Alaska à la frontière entre le Yukon et l'Alaska établie par contrat par rapport au même volume de gaz de l'Alaska ajouté au volume de gaz du Nord canadien établi par contrat. Si les coûts réels d'investissement sont égaux ou supérieurs à 145% des coûts d'investissement déposés, la portion des coûts de service défrayés par les expéditeurs américains sera d'au moins 66 2/3% ou la proportion calculée ci-dessus, le taux le plus élevé étant retenu.
- (ii) On calculera le pourcentage du dépassement de devis pour le raccordement de Dawson à Whitehorse (Zone 11). Après avoir déterminé le montant du dépassement, on en déduira:
 - (a) pour les Zones 1, 7, 8 et 9 (transportant le gaz de l'Alaska seulement), le montant en dollars par lequel les coûts réels d'investissement sont inférieurs à 135% des coûts d'investissement déposés mentionnés à l'alinéa (iii) ci-dessous;
 - (b) dans chacune des Zones 2, 3, 4, 5 et 6, le montant en dollars par lequel les coûts réels d'investissement sont inférieurs à 135% des coûts d'investissement déposés mentionnés à l'alinéa (iii) ci-dessous, multiplié par le rapport entre le volume prévu par contrat pour les Etats-Unis et le volume total prévu par contrat pour cette zone. Si les coûts réels d'investissement dans la Zone 11, après ce rajustement, sont égaux ou inférieurs à 135% des coûts d'investissement déposés, il n'y a pas lieu de rajuster le pourcentage des frais de service défrayés par les expéditeurs américains selon le calcul mentionné à l'alinéa (i) ci-dessus. Si, toutefois, après rajustement, les coûts réels d'investissement dans la Zone 11 sont supérieurs à 135% des coûts d'investissement déposés, la part des coûts de services défrayés par les expéditeurs américains sera une fraction (n 'excédant pas 1) du pourcentage des frais de services calculés en vertu de l'alinéa (i) ci-dessus, où le numérateur est 135% des coûts d'investissement déposés et le dénominateur est constitué des coûts réels

d'investissement moins les ajustements prévus aux sous-alinéas (a) et (b) ci-dessus. Nonobstant les ajustements mentionnés ci-dessus, le pourcentage des coûts de service réels imputables aux expéditeurs américains ne sera en aucun cas inférieur à 66 2/3% ou au rapport entre les volumes de gaz de l'Alaska à la frontière entre le Yukon et l'Alaska établis par contrat et le même volume de gaz de l'Alaska ajouté au volume de gaz du Nord canadien par contrat, le plus élevé de ces deux pourcentages étant retenu.

- (iii) Les "coûts d'investissement déposés" qui serviront à calculer les dépassements de devis aux fins de la répartition des coûts prévue aux alinéas (i) et (ii) ci-dessus seront:

Estimations des "coûts d'investissement déposés" pour le Pipe-line au Canada (en millions de dollars canadiens).

Le Pipe-line au Canada 1/ (zones 1 à 9)

48 pouces - pression manométrique de 1,260 livres - 3,873
 ou 48 pouces - pression manométrique de 1,680 livres - 4,418
 ou 54 pouces - pression manométrique de 1,120 livres - 4,234

Estimations des "coûts d'investissement déposés" pour le Pipe-line au Canada (en millions de dollars canadiens)

Zone 11 de la Ligne Dempster 2/

30 pouces - Tronçon de la Ligne Dempster de Whitehorse à Dawson	-	549
ou 36 pouces - Tronçon de la Ligne Dempster de Whitehorse à Dawson	-	585
ou 42 pouces - Tronçon de la Ligne Dempster de Whitehorse à Dawson	-	705

Les détails pour les Zones 1 à 9 figurent dans le tableau suivant:

- 1/ Ces coûts d'investissement déposés comprennent et sont fondés sur (a) une canalisation de 48 pouces (pression manométrique de 1,260 livres au pouce carré) à partir de la frontière entre l'Alaska et le Yukon jusqu'au point éventuel de raccordement à proximité de Whitehorse à Caroline Junction; (b) une canalisation de 48 pouces (pression manométrique de 1,260 livres au pouce carré); ou de 48 pouces (pression manométrique de 1,680 livres au pouce carré); ou de 54 pouces (pression manométrique de 1,120 livres au pouce carré) à partir du point éventuel de raccordement à proximité de Whitehorse; (c) une canalisation de 42 pouces de Caroline Junction à la frontière canado-américaine à proximité de Monchy en Saskatchewan; et (d) une canalisation de 36 pouces de Caroline Junction à la frontière canado-américaine à proximité de Kingsgate en Colombie britannique. Ces coûts sont indexés en fonction de la date du début de l'exploitation du Pipe-line, le 1^{er} janvier 1983.
- 2/ Les coûts sont indexés à la date du début de l'exploitation, le 1^{er} janvier 1985.

Coûts d'investissement déposés pour le Pipeline au Canada

<u>Zone</u>	48 pouces 1260 livres au pouce carré (en millions de dollars Canadiens)	48 pouces 1680 livres au pouce carré (en millions de dollars Canadiens)	54 pouces 1120 livres au pouce carré (en millions de dollars Canadiens)
1	707	707	707
2	721	864	805
3	738	850	803
4	380	488	456
5	677	859	813
6	236	236	236
7	126	126	126
8	83	83	83
9 *	<u>205</u>	<u>205</u>	<u>205</u>
Total	3,873	4,418	4,234
Zones 1 à 9			

Il est reconnu que les coûts d'investissement mentionnés ci-dessus sont des estimations. Ils ne comprennent pas le capital d'exploitation, les impôts fonciers ou les fonds nécessaires à l'entretien des routes dans le Territoire du Yukon (ne devant pas dépasser 30 millions de dollars canadiens).

Si, au moment où la construction est autorisée, les deux Gouvernements ont convenu d'une date pour le début de l'exploitation du Pipe-line autre que le 1^{er} janvier 1983, les estimations des coûts d'investissement seront ajustées en fonction de cette nouvelle date au moyen de l'indice d'ajustement au PNB à compter du 1^{er} janvier 1983. De même, lorsque sera donnée l'autorisation de construire la Ligne Dempster, si la date de début d'exploitation acceptée par le Gouvernement du Canada n'est pas le 1^{er} janvier 1985, l'estimation des coûts d'investissement sera rajustée pour la même raison, au moyen de ce même indice à compter du 1^{er} janvier 1985. Aux fins de la répartition des coûts, le diamètre du pipe-line dans la Zone 11 pourra être de 30, 36 ou 42 pouces, pourvu que le diamètre du pipe-line entre le Delta et Dawson (Zone 10) soit le même.

Aux fins de cette Annexe, les coûts réels d'investissement seront les coûts arrêtés à la date d'autorisation de mise en service, plus les montants en souffrance devant être calculés sur une base qu'approuvera l'Office national de l'énergie. Les coûts réels d'investissement ne comprendront pas le capital d'exploitation, ni les impôts fonciers, ni les charges directes au titre de l'entretien des routes dans le Territoire du Yukon jusqu'à concurrence de 30 millions de dollars canadiens, en conformité des dispositions expresses dans les présentes.

* La dernière station de compression dans la Zone 9 inclut des installations pour fournir une compression jusqu'à 1440 livres au pouce carré.

Aux fins de cette Annexe, on exclura du calcul des coûts réels d'investissement l'effet des hausses de prix ou des retards attribuables aux expéditeurs américains, aux sociétés de pipe-lines américaines qui leur sont liées, aux producteurs de l'Alaska, à la capacité de livraison ou à la construction d'une usine de traitement du gaz à Prudhoe Bay et aux Gouvernements des Etats-Unis ou de l'Etat. Si les organismes réglementaires appropriés des deux pays ne peuvent s'entendre sur le montant des coûts à exclure, le montant sera fixé en vertu des procédures énoncées à l'Article IX du Traité sur les pipe-lines de transit. Les coûts d'investissement déposés des installations dans les Zones 7 et 8 seront inclus dans les calculs conformément à cette Annexe seulement dans la mesure où de telles installations sont construites pour satisfaire les exigences des expéditeurs des Etats-Unis.

ANNEXE IVCharges directes imposées par les autorités publiques

- *1. Dommages causés par les croisements (routes, voies ferrées, etc.). Ce point figure habituellement dans le permis de croisement.
- *2. Dommages aux routes causés par un dépassement des limites techniques de poids.
- *3. Renforcement nécessaire de ponts entraîné par un dépassement des limites techniques de poids.
4. Réparations aux terrains et pistes d'atterrissage.
5. Entretien du système de drainage.
6. Contrôle de l'érosion.
7. Récupération de ballastières.
8. Dommages causés aux lignes à haute tension.
9. Responsabilité juridique pour les dommages causés par le feu.
10. Réparations des services d'utilité publique (eau, égouts, etc.).
11. Evacuation des déchets des campements.
12. Régénération du site des campements.
13. Autres points régis par des dispositions réglementaires ayant trait à l'environnement.
14. Coût de la surveillance et des études connexes telles que requises par les organismes réglementaires ou les lois pertinentes.

* Pour ces points et toute autre charge imposée par les autorités publiques et liée à la voirie, la somme des charges totales dans le Territoire du Yukon ne dépassera pas 30 millions de dollars canadiens.

ANNEXE VDéclaration du Gouvernement de la province de l'Alberta

Le Gouvernement de la province de l'Alberta souscrit en principe aux dispositions contenues dans le Traité canado-américain sur les pipe-lines signé le 28 janvier 1977 et est disposé de plus à coopérer avec le Gouvernement fédéral pour assurer le respect des dispositions dudit Traité en ce qui a trait à la non-interférence avec la continuité du débit et au traitement non discriminatoire en matière de taxes, de droits ou d'autres charges monétaires s'appliquant au Pipe-line ou au débit. Les modalités de cet engagement feront l'objet d'un accord fédéral-provincial qui sera négocié après la conclusion du protocole ou de l'entente entre le Canada et les Etats-Unis.

Déclaration du Gouvernement de la province de la Saskatchewan

Le Gouvernement de la province de la Saskatchewan est disposé à coopérer avec le Gouvernement du Canada afin de faciliter la construction du pipe-line Alcan sur la partie sud-ouest de son territoire et, à cette fin, le Gouvernement de la Saskatchewan souscrit aux principes énoncés dans l'Accord sur les pipe-lines de transit signé par le Canada et les Etats-Unis le 28 janvier 1977.

Ce faisant, le Gouvernement de la Saskatchewan entend ne prendre à l'égard dudit pipe-line aucune mesure discriminatoire concernant le débit, les exigences en matière de rapport, la protection de l'environnement, la sécurité du pipe-line, les taxes, droits ou autres charges monétaires qu'il ne prendrait à l'égard de tout autre pipe-line semblable traversant son territoire. Les autres modalités régissant les relations entre le Canada et la Saskatchewan relatives au pipe-line Alcan feront l'objet d'accords fédéraux-provinciaux qui seront négociés après la conclusion d'une entente entre le Canada et les Etats-Unis.

Déclaration du Gouvernement de la province de la Colombie britannique

Le Gouvernement de la province de la Colombie britannique souscrit en principe aux dispositions contenues dans le Traité canado-américain sur les pipe-lines signé le 28 janvier 1977 et est disposé de plus à coopérer avec le Gouvernement fédéral pour assurer le respect des dispositions dudit Traité en ce qui a trait à la non-interférence avec la continuité du débit et au traitement non discriminatoire en matière de taxes, de droits ou d'autres charges monétaires s'appliquant au Pipe-line ou au débit. Les modalités de cet engagement feront l'objet d'un accord fédéral-provincial qui sera négocié dans les meilleurs délais. Un tel accord devrait garantir la protection de la position exprimée par la Colombie britannique dans son télégramme du 31 août.

[AMENDING AGREEMENT]

The Canadian Ambassador to the Secretary of State

Canadian Embassy



Ambassade du Canada

1746 Massachusetts Ave. N.W.
Washington, D.C. 20036

June 6, 1978

No. 255

Sir,

I have the honour to refer to the Agreement between Canada and the United States of America on Principles Applicable to a Northern Gas Pipeline, signed at Ottawa on September 20, 1977. The National Energy Board, as the appropriate Canadian regulatory authority under Paragraph 10 of the Agreement, has recommended approval by the Government of Canada of 56-inch pipe for the section of the Northern Natural Gas Pipeline between Whitehorse, Yukon and Caroline Junction, Alberta. In light of this decision, I have the honour to propose that Annex III of the Agreement be amended by adding the following:

Addendum

"The filed capital costs specified in Annex III shall be deemed to include all normal pipeline costs incurred in constructing the gas pipeline facilities in Canada, except those specifically excluded in the provisions of the Annex,

The Honourable Cyrus R. Vance,
Secretary of State,
Washington, D.C.

and include such items as an allowance for funds used during construction. The filed capital costs in Annex III shall also be deemed to include an allowance on and recovery of regulatory monitoring costs.

The following additions shall be made to the tabulations contained in Part (iii) of Annex III:

- (A) To the table captioned: "'Filed Capital Costs' Estimates for the Pipeline in Canada (millions of Canadian dollars): The Pipeline in Canada (Zones 1-9)", insert as line four the following phrase: "or 56" - 1080 lb. pressure pipeline - 4,325".
- (B) Footnote 1, subpart (b) to the said table shall be modified to read in its entirety:
"(b) a 1260 psi, 48-inch; or 1680 psi, 48-inch; or 1120 psi, 54-inch; or 1080 psi, 56-inch line from the point of possible interconnection near Whitehorse to Caroline Junction;"
- (C) To the table captioned: "Filed Capital Costs for the Pipeline in Canada", add an additional column as follows:

56"
1080 psi
\$ million
(Canadian)

707
817
874
427
850
236
126
83
205
4,325 "

It is further proposed that in Paragraph 6(b) of the Agreement, the reference in the third sentence to "Part D of Annex III" be amended to read "Part (iii) of Annex III".

If these proposals are acceptable to the Government of the United States, I have the honour to propose that this Note, which is authentic in English and French, and your reply to that effect shall constitute an agreement between our two Governments to add a technical addendum to Annex III and correct Paragraph 6(b) of the Agreement on Principles Applicable to a Northern Natural Gas Pipeline, which shall enter into force on the date of your reply and shall be considered an integral part of the said Agreement.

Accept, Sir, the renewed assurances of my highest consideration.



Peter M. Towe
Ambassador

French Text of the Canadian Note

Canadian Embassy



Ambassade du Canada

1746 Massachusetts Ave., N.W.
Washington, D.C. 20036

June 6, 1978

No 255

Monsieur le Secrétaire d'Etat,

J'ai l'honneur de faire référence à l'Accord entre les Etats-Unis d'Amérique et le Canada sur les principes applicables à un Pipe-line pour le transport du gaz naturel du Nord, signé à Ottawa le 20 septembre 1977. En sa qualité d'autorité réglementaire appropriée pour le Canada, l'Office national de l'énergie a, en vertu du paragraphe 10 de l'Accord, recommandé au Gouvernement du Canada d'approuver le choix d'une conduite de 56 pouces de diamètre pour le tronçon du gazoduc devant relier Whitehorse (Yukon) et Caroline Junction (Alberta). En conséquence de cette décision, j'ai l'honneur de proposer que l'annexe III de l'Accord soit amendée par l'ajout de ce qui suit:

"Addendum"

Les coûts d'investissement déposés précisés à l'annexe III sont réputés comprendre tous les frais pipelineurs normaux engagés dans la construction d'installations

M. Cyrus R. Vance
Secrétaire d'Etat
Secrétariat d'Etat
Washington, D.C.

de pipe-lines de gaz au Canada, sauf ceux expressément exclus dans les dispositions de l'annexe, et comprennent des articles tels qu'une allocation au titre des fonds utilisés pendant la construction. Les coûts d'investissement déposés de l'annexe III sont aussi réputés comprendre une allocation au titre des frais d'inspection réglementaire et de leur récupération.

Les ajouts suivants sont apportés aux tableaux que renferme la Partie (iii) de l'annexe III:

- A) Au tableau intitulé: "Estimations des 'coûts d'investissement déposés' pour le Pipe-line au Canada (en millions de dollars canadiens): Le Pipe-line au Canada (zones 1 à 9)", s'ajoute en quatrième ligne le passage suivant:
"ou 56 pouces - pression manométrique de 1 080 livres-4 325"
- B) La partie (b) de la note infrapaginale 1 à laquelle renvoie ledit tableau se lit maintenant en entier comme suit:
"(b) une canalisation de 48 pouces (pression manométrique de 1 260 livres au pouce carré); ou de 68 pouces (pression manométrique de 1 680 livres au pouce carré); ou de 54 pouces (pression manométrique de 1 120 livres au pouce carré); ou de 56 pouces

(pression manométrique de 1 080 livres au pouce carré) à partir du point éventuel de raccordement à proximité de Whitehorse jusqu'à Caroline Junction;"

- C) Au tableau intitulé: "Coûts d'investissement déposés pour le Pipe-line au Canada", s'ajoute la colonne suivante:

56 pouces
1 080 livres au pouce carré
(en millions de dollars canadiens)

707
817
874
427
850
236
126
83
<u>205</u>
<u>4 325"</u>

Il est proposé en outre de remplacer, dans la troisième phrase du sous-paragraphe b du paragraphe 6 de l'Accord, "Partie D de l'annexe III" par "Partie (iii) de l'annexe III".

Si ces propositions agréent au Gouvernement des Etats-Unis, j'ai l'honneur de proposer que la présente Note, dont les versions anglaise et française font également foi, et votre réponse à cet effet constituent

entre nos deux Gouvernements un accord ayant pour effet d'ajouter un addendum technique à l'annexe III et de corriger le paragraphe 6 de l'Accord sur les principes applicables à un Pipe-line pour le transport du gaz naturel du Nord, lequel entrera en vigueur à la date de votre réponse et sera considéré comme une partie intégrante dudit Accord.

Je vous prie de croire, Monsieur le Secrétaire d'Estat, à l'assurance de ma très haute considération.

L'Ambassadeur,



Peter M. Towe

The Secretary of State to the Canadian Ambassador

DEPARTMENT OF STATE
WASHINGTON

June 6, 1978

Excellency:

I have the honor to acknowledge your note No. 255 of today's date, proposing to add a technical Addendum to Annex III of the Agreement between the United States of America and Canada on Principles Applicable to a Northern Natural Gas Pipeline and to effect a rectification of Paragraph 6(b) of that Agreement.

The Government of the United States accepts the proposals contained in your note under acknowledgement, and agrees that your note, together with this reply, shall constitute an Agreement between the United States and Canada to add a technical Addendum to Annex III of the Agreement on Principles and to rectify Paragraph 6(b) of that Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

His Excellency

Peter M. Towe,

Ambassador of Canada.



[¹]

¹ Julius L. Katz
[Footnote added by the Department of State.]

CANADA

Aeronautical Research: Augmentor Wing System

*Agreement extending the agreement of October 19 and
November 10, 1970, as extended.*

Effectuated by exchange of notes

Signed at Ottawa May 31 and July 18, 1977;

Entered into force July 18, 1977.

(3629)

TIAS 9031

*The Canadian Secretary of State for External Affairs to the American
Ambassador*



The Secretary of State for External Affairs
Canada

Secrétaire d'Etat aux Affaires extérieures

Canada

OTTAWA, May 31 , 1977

No. ECS-756

Excellency,

I have the honour to refer to discussions which have taken place within the International Joint Working Group for the Augmentor Wing Project and between Canadian and United States officials concerning the extension of the Agreement concerning joint participation in an Augmentor Wing Flight Test Project, effected by an Exchange of Notes between the Government of Canada and the Government of the United States of America done at Ottawa on October 19 and November 10, 1970, as extended by an Exchange of Notes done at Ottawa on December 5, 1974 and March 24, 1975. [¹]

As a result of the above discussions our two Governments have arrived at an understanding concerning the extension of the Augmentor Wing Agreement for a further period of four years, until July 1, 1981, in order to complete the evaluation of the project.

Accordingly, I have the honour to propose that this Note, which is authentic in English and French, and your Excellency's reply to that effect shall constitute an Agreement between our two Governments to extend,

His Excellency

The Honourable Thomas O. Enders,
Ambassador of the United States of America,
OTTAWA.

¹ TIAS 6982, 8109; 21 UST 2433; 26 UST 1293.

under the same terms and conditions, the Augmentor Wing Agreement constituted by the Exchange of Notes of October 19 and November 10, 1970, for a further period of four years, that is, until July 1, 1981, and to propose that such Agreement take effect on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.


[1]
Secretary of State
for External Affairs

¹ Don C. Jamieson

French Text of the Canadian Note

The Secretary of State for External Affairs
Canada



Secrétaire d'Etat aux Affaires étrangères

Canada

OTTAWA, le 31 mai 1977

No. ECS-756

Monsieur l'Ambassadeur,

J'ai l'honneur de me référer aux entretiens qui ont eu lieu au sein du groupe de travail mixte chargé du projet d'essai en vol d'un avion muni d'un augmentateur alaire, ainsi qu'entre les représentants du Canada et des Etats-Unis, relativement à la prorogation de l'accord concernant une participation commune à ce projet, tel que convenue par un échange de notes opéré à Ottawa entre le gouvernement canadien et le gouvernement des Etats-Unis d'Amérique les 19 octobre et 10 novembre 1970, tel que prorogé par la suite à Ottawa par un nouvel échange de notes les 5 décembre 1974 et 24 mars 1975.

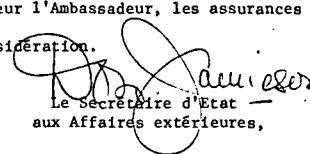
A la suite des entretiens mentionnés ci-haut, nos deux gouvernements ont convenu de proroger l'accord sur l'augmentateur alaire pour une période supplémentaire de quatre ans, c'est-à-dire jusqu'au 1er juillet 1981, afin de terminer l'étude du projet.

Conséquemment, j'ai l'honneur de proposer que la présente note, dont les versions anglaise et française font également foi,

Monsieur l'Ambassadeur
L'Honorable Thomas O. Enders
Ambassadeur des Etats Unis d'Amérique
OTTAWA.

ainsi que votre réponse à cet égard, constituent un accord entre nos deux gouvernements en vue de proroger, aux mêmes termes et conditions, l'accord sur l'augmentateur alaire établi en vertu de l'échange de notes du 19 octobre et du 10 novembre 1970, et ce, pour une période supplémentaire de quatre ans, c'est-à-dire jusqu'au 1er juillet 1981, ledit accord entrant en vigueur à la date de votre réponse.

Veuillez agréer, Monsieur l'Ambassadeur, les assurances renouvelées de ma très haute considération.


Le Secrétaire d'Etat —
aux Affaires extérieures,

*The American Ambassador to the Canadian Secretary of State for
External Affairs*



EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, July 18, 1977

No. 161

Sir:

I have the honor to refer to your Note No. ECS-756 of May 31, 1977, concerning a further extension of the agreement concerning joint participation in an Augmentor Wing Flight Test Project, effected by an exchange of notes between the Government of the United States of America and the Government of Canada done at Ottawa on October 19 and November 10, 1970, as extended by an exchange of notes at Ottawa on December 5, 1974 and March 24, 1975.

I have the honor to confirm that it is the desire of my Government to extend this Agreement for a further period of four years, that is until July 1, 1981. Accordingly, I have the further honor to confirm that your note of May 31, 1977, and this reply shall constitute an Agreement to that effect between our two Governments which shall enter into force as of the date of this note.

Accept, Sir, the renewed assurances of my highest consideration.

[¹]
Thomas O. Enders
07/18.

The Honorable

Donald C. Jamieson, P.C., M.P.,
Secretary of State for External Affairs,
Ottawa.

¹ Thomas O. Enders

SWITZERLAND

Offset for F-5 Aircraft Purchases

*Memorandum of understanding signed at Washington
and Bern July 2 and 9, 1975;*

Entered into force July 9, 1975.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE GOVERNMENT OF THE SWISS CONFEDERATION
AND THE GOVERNMENT OF THE UNITED STATES
CONCERNING THE F-5 PROGRAM

1. The Government of the Swiss Confederation, acting through the Federal Military Department (hereinafter called the FMD) intends to purchase a quantity of F-5E and F-5F aircraft, with associated supporting defense articles and services, from U.S. sources through the United States Department of Defense (hereinafter called the DOD) under Foreign Military Sales procedures.
2. The goal of the Memorandum of Understanding (MOU) is to offset to the maximum extent possible the amount to be paid by the Swiss Government for the aircraft and supporting equipment set out in paragraph 1 by placing contracts on a competitive basis with Swiss industries, but in no event will the goal be less than 30%.
3. The United States Government, acting through the DOD, and the Government of the Swiss Confederation, acting through the FMD, in seeking to attain this goal, will look to those U.S. firms benefiting substantially from the Swiss purchase to carry the primary burden of offset implementations. It will be the basic responsibility of industry in each country to identify and define their capabilities and to carry out the supporting action to facilitate the industrial participation envisioned herein. During the first two years the primary burden of offset implementation will be upon Northrop, General Electric and related contractors. However, if during that period Swiss industry offers items which can meet valid U.S. defense procurement on a competitive basis, the provisions of para 5 will be applicable. After such two year period representatives of the parties hereto, with appropriate representatives from the industrial sectors, will meet to review progress hereunder. Should it be apparent that the offset objectives may not be reached before the expiration of the MOU, the DOD will augment industry efforts to reach that objective by offering to Swiss industry the opportunity to provide defense articles and services under competitive solicitation procedures and in accordance with paragraph 5.
4. (A) In order to achieve the goal the DOD, contingent on the sale of the above quantities of aircraft to the Government of the Swiss Confederation, agrees to use its best efforts to have Northrop, General Electric, and other companies associated

with the F-5E and F aircraft program provide Swiss industry with the opportunity to compete, on an equal basis with U.S. industry and other sources for sub-contracts. In addition, the DOD will encourage the prime contractors (Northrop and GE) to implement their plans for expansion of Swiss products in the U.S. and third-country markets.

(B) Swiss items purchased by U.S. sources (including municipalities) and Swiss items purchased by third-country sources as a result of the efforts of Northrop, GE and other U.S. contractors associated with the F-5 program will be recognized in any computation of offset amounts. The primary test will be a mutual accord as to whether or not a given sale occurred as a result of efforts arising from this offset agreement. To facilitate these computations the DOD will look primarily to the contractor to keep records adequate for this purpose.

5. The DOD agrees that in seeking to attain this goal, it will:

(A) Provide for waiver of the cost of import duties in evaluating defense prime contracts and sub-contract solicitations from Swiss industry and for the necessary duty-free entry certificates and related documentation.

(B) Emphasize that in inviting submission of selected tenders, special consideration should be given to those items for which Swiss industry can bid on a competitive basis.

(C) Use its best efforts to have technical data required for production provided to Swiss contractors on a reasonable cost basis.

(D) Facilitate the necessary export licenses required for the provision of bid package and related technical data to accomplish the above.

(E) Provide for waiver to the extent permitted under "Buy National" legislation and regulations.

6. The FMD and its organizations will use their good offices and authority to achieve the established procurement objectives. This will include, in addition to the purchase of the F-5 aircraft, the following:

(A) Direction to Swiss industry on steps to be taken by Swiss industrial firms to make known their capabilities and

products which might qualify for competitive procurement by U.S. industry and, to the extent necessary, by the DOD;

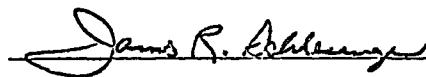
(B) Advice to Swiss industry on the necessary steps they must take to coordinate their efforts in responding to U.S. offers;

(C) Assistance to Swiss industry in meeting handling requirements for classified U.S. information.

7. The FMD and the DOD will appoint project officers to monitor progress toward the objective of this MOU. These project officers will meet periodically, but not less than annually, to review the progress of this understanding and recommend such action as may appear necessary to carry out its objective.

8. At the end of every two years, representatives of the parties hereto with appropriate representatives from the industrial sectors will meet to review progress under this MOU.

9. This Memorandum of Understanding is effective on the date on which it is signed, and shall remain in effect for eight years, subject to the respective laws of the Government of the Swiss Confederation and the Government of the United States.



[¹]

The Secretary of Defense
of the United States of America



[²]

The Chief of the Federal
Military Department of the
Swiss Confederation

2 July 1975
(Date)

9 July 1975
(Date)

¹ James R. Schlesinger
² Rudolf Gnagi

**UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND**

Defense Equipment

*Memorandum of understanding signed at London September 24,
1975;*

Entered into force September 24, 1975.

With implementing procedures

Signed April 2, 1976.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE UNITED STATES AND THE GOV-
ERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND RELATING TO THE
PRINCIPLES GOVERNING COOPERATION IN R&D, PRO-
DUCTION, AND PROCUREMENT OF DEFENSE EQUIPMENT**

The Government of the United States (USG) and the Government of the United Kingdom of Great Britain and Northern Ireland (HMG), hereinafter referred to as the Governments, are developing high technology weapons systems and other advanced items of defense equipment and are seeking to achieve greater cooperation in research, development, production and procurement in these areas in order to make the most rational use of their respective industrial, economic and technological resources, to achieve the greatest attainable military capability at the lowest possible cost, and to achieve greater standardization and interoperability of their weapons systems.

The Governments already have an Arrangement dated May 1963 for Joint Military Development and the USG has certain offset arrangements with HMG against purchases by HMG of major weapons systems and items of defense equipment.

In order to further the above aims, the Governments have decided to enter into an understanding and this Memorandum sets out the guiding principles governing mutual cooperation in defense equipment production and purchasing and associated offset arrangements. This Memorandum is intended to fit into the broader context of NATO Rationalization/Standardization and to be compatible with any NATO arrangement that might subsequently be negotiated.

SECTION A: PRINCIPLES GOVERNING RECIPROCAL DEFENSE PURCHASING

1. Each Government has established its policies for strengthening the mechanisms essential to increasing cooperation in research, development, and production and procurement of military systems. In keeping with these policies, and in the interests of enhancing their mutual security and to assist the Governments in discharging better their mutual defense obligations, it is understood that the Governments will cooperate in all respects practicable, to the end that defense equipment production and procurement efforts of the two countries be administered so as to assure the maintenance of a long term and equitable balance in reciprocal purchasing of defense equipment. This balance will be at levels to be mutually determined.

2. The following principles to facilitate these objectives have been decided upon by the Governments:

a. Both Governments will provide appropriate policy guidance and administrative procedures within their respective Defense procurement organizations to achieve and maintain the agreed-upon balance of reciprocal Defense purchases.

b. The Governments will identify and nominate for consideration by each other items of defense equipment believed suitable to satisfy their respective requirements. The Governments will decide between them, to which items of defense equipment purchases this Memorandum of Understanding (MOU) will apply and whether the items may be procured on a Government-to-Government or Government-to-Industry basis.

c. The detailed implementing procedures to be arranged will incorporate the following:

(i) Offers will be evaluated without applying price differentials under Buy-National laws and regulations consistent with national laws and regulations.

(ii) Offers will be evaluated without the cost of import duties, and provision will be made for duty free entry certificates and related documentation.

(iii) Full consideration will be given to all qualified sources in each other's country in accordance with the policies and criteria of the purchasing office.

(iv) Offers will be required to satisfy requirements for performance, quality, delivery, and cost.

d. To facilitate production programs set up in implementation of this MOU, the Governments understand that subject to their established policies, procedures, regulations and subject to privately owned proprietary rights, each Government will, so far as it is able, without incurring obligations to others, arrange for release to the other and to its agents of information and technology necessary for the purposes of such facilitation.

e. The Governments, through their appropriate representative,

will consult concerning any problems which may inhibit the efficient operation of this arrangement. Such consultations will be conducted on the basis of SECTION B of this MOU.

SECTION B: IMPLEMENTATION MACHINERY

1. Both Governments understand that detailed implementing procedures need to be considered and decided upon in order to carry out the provisions of this MOU. Representatives of the Governments will be appointed to develop a coordinated program of such implementing procedures, and to discuss procurement and production needs of the Governments. These representatives will meet as required.

2. The Director, Defense Security Assistance Agency, under the policy guidance of the Assistant Secretary of Defense (International Security Affairs), and in coordination with the Director, Defense Research and Engineering, the Assistant Secretary of Defense (Installations and Logistics) and other DOD offices will be the focal point in the US Government for the development of an overall coordinated program of implementing procedures under this MOU. The Director, Defense Research and Engineering will be responsible for matters under this MOU touching upon research, development, test and evaluation as they relate to bilateral arrangements for joint military development. The Assistant Secretary of Defense (Installations and Logistics) will be responsible for managing procurement and production matters under this MOU on a continuing basis, in coordination with OASD(ISA), DSAA and other appropriate DOD offices.

3. The Head of Defence Sales, MOD, under the policy guidance of the Minister of State for Defence, and in consultation, as appropriate with the Chairman and members of the MOD Defence Equipment Policy Committee, will be responsible on the UK side for the development of an overall coordinated program of implementing procedures under this Memorandum of Understanding.

SECTION C: INDUSTRIAL PARTICIPATION

1. Each Government will be responsible for bringing to the attention of the defense industries within its country, the basic understanding of this MOU, together with appropriate guidance on its implementation.

2. Implementation of this MOU will involve full industrial participation. Accordingly, the Governments will arrange that their respective procurement and requirements offices will be made familiar with the principles and objectives of this MOU. Notwithstanding the governmental procedures to facilitate implementation, it will be the basic responsibility of industry in each country to isolate, identify, and advise its Government of capabilities and to carry out the supporting actions to bring industrial participation to consummation.

SECTION D: TERMINATION

1. This MOU will be terminated on 1 January 1985 unless the Governments mutually decide otherwise.

2. If, however, either Government considers it necessary for compelling national reasons to discontinue its participation under this MOU before 1 January 1985, any proposal for termination will be the subject of immediate consultations with the other Government to enable the Governments fully to evaluate the consequences of such termination.

SECTION E: FURTHER COOPERATION

Annexes subsequently negotiated by the responsible offices and endorsed by appropriate Governmental authorities will form an integral part of this Memorandum of Understanding.

SECTION F: EFFECTIVE DATE

This Memorandum of Understanding will come into operation upon signature by the Governments.

Signed in duplicate at London this 24th day of September 1975

JAMES R. SCHLESINGER

ROY MASON

FOR THE GOVERNMENT OF
THE UNITED STATES

FOR THE GOVERNMENT OF
UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN
IRELAND

ANNEX I

Implementing Procedures for the "Memorandum of Understanding between the Government of the United States and the Government of Great Britain and Northern Ireland Relating to the Principles Governing Cooperation in R&D, Production and Procurement of Defense Equipment" of 24 September 1975.

I. INTRODUCTION

On 24 September 1975 the Governments of the United States (US) and the United Kingdom (UK) signed a Memorandum of Understanding (MOU) relating to "The Principles Governing Cooperation in R&D, Production and Procurement of Defense Equipment". The purpose of this document is to set forth the agreed implementing procedures for carrying out the MOU.

II. MAJOR PRINCIPLES

A. Both the US and the UK will consider for their defense requirements qualified defense items (and associated services included in a procurement contract) developed and produced in the other country. It will be the responsibility of government and/or industry representatives in each country to obtain information concerning the other

country's proposed developments and purchases and to respond to requests for proposals in accordance with the prescribed procurement procedures and regulations. However, the responsible governmental purchasing agencies in each country will assist sources in the other country to obtain information concerning proposed purchases, necessary qualifications and appropriate documentation. The responsible governmental purchasing agencies in each country will seek to inform themselves of the defense items which might be available from the other country to meet specific requirements.

B. Offers will be evaluated without applying price differentials under Buy-National laws and regulations.

C. Offers will be evaluated without consideration of the cost of import duties, and provision will be made for duty free entry certificates and related documentation.

D. Full consideration will be given to all qualified industrial and/or Government sources in both the US and UK consistent with the policies and criteria of the respective purchasing agencies.

E. Offers will be required to satisfy requirements for performance, quality, delivery, continued logistic support, and cost. In preparing Invitations for Bids and Requests for Proposals, and in evaluating Offers, where applicable and consistent with national laws and regulations full consideration will be given to potential NATO savings and/or increased NATO combat capability expected to result from the procurement of items that are standardized or interoperable with those of the Allies.

III. ACTION

In implementing the MOU both countries will review and, where considered necessary, revise defense policies, procedures and regulations to ensure that the principles and objectives of this MOU, which are intended to be compatible with the broad aims of NATO Rationalization/Standardization are taken into account. In addition both countries will:

A. Ensure that their respective requirement offices are familiar with the principles and objectives of this MOU.

B. Ensure that their respective research and development offices are familiar with the principles and objectives of this MOU, which are complemented by the "Arrangements for Joint Military Development by the US and the UK" of 1963.

C. Ensure that their respective procurement offices are familiar with the principles and objectives of this MOU.

D. Ensure wide dissemination of the basic understanding of this MOU to the respective defense industries.

E. Assist industries in their respective countries to identify and advise the other government of their capabilities and assist industries in carrying out the supporting actions to maximize industrial participation.

F. Review defense items submitted as candidates for respective requirements. Indicate requirements and proposed purchases in a timely fashion to ensure adequate time for their respective industries to qualify for eligibility.

G. Make best efforts to assist in negotiating licenses, royalties and technical information exchanges with their respective industries.

H. Ensure that those items excluded from consideration under this MOU for reasons of protecting National requirements (for the maintenance of a defense mobilization base) are limited to a small percentage of total annual defense procurement spending. It is intended that such defense items, as well as those items which would not be qualified as a defense item under this MOU because of legally imposed restrictions on procurement from nonnational sources, should be identified as soon as possible in lists drawn up by MOD and OSD for their respective countries, and that the position should be kept under review at this level.

I. Ensure that the balance of reciprocal purchasing within the areas of this MOU takes into consideration the levels of technology involved, as well as the contractual value.

IV. COUNTING PROCEDURES

The US and UK Governments will decide between them to which items of defense equipment this MOU will apply but in principle all defense items (and associated services included in a procurement contract) purchased by either country will be counted against the goals of this MOU as long as they meet the following criteria:

A. Direct purchases by either Government from the other, including its Agencies;

B. Direct purchases by either Government from the industry of the other country;

C. Purchases by Industry from the Government or Industry of the other country in aid of Government defense contracts;

D. Purchases by a third country government from either US or UK Government or industrial sources as a direct result of effort of the other (non-supplying) country.

E. Purchases resulting from common funded projects to which the US and/or UK are contributors, to be credited in proportion to each country's financial contribution to the project, and to work carried out in each country. The applicability of such purchases to this MOU will be agreed between MOD/OSD in each case.

F. License fees, royalties and other associated income resulting from orders placed by Industry and/or Government with a licensed company in the other country.

V. ADMINISTRATION

A. Each country will designate points of contact at the Ministry of Defense level and in each purchasing service/agency.

B. Country representatives will meet at agreed intervals to review progress in implementing the MOU. They will discuss development, production and procurement needs of each country and the likely areas of cooperation; agree to the basis of, and keep under review, the financial statement referred to below; and consider any other matters relevant to the MOU.

C. An annual US/UK Statement of the current balance, and long term trends, of purchases between the two countries will be prepared on a basis to be mutually agreed. Such statement will take account of any US-UK Offset agreements in force when the MOU was signed, and will be reviewed during the meetings referred to in B above.

HOWARD M. FISH

FOR THE GOVERNMENT OF
THE UNITED STATES

2 April 1976
Date

R. ANDERSON

FOR THE GOVERNMENT OF
THE UNITED KINGDOM OF
GREAT BRITAIN AND
NORTHERN IRELAND

2nd April 1976
Date

TIAS 9033

AUSTRALIA

Whaling: International Observer Scheme

*Arrangement effected by exchange of notes
Dated at Canberra October 25 and November 18, 1977;
Entered into force November 18, 1977.*

*The Australian Department of Foreign Affairs to the
American Embassy*



The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honour to propose that the two Governments, being parties to the International Convention for the Regulation of Whaling (hereinafter referred to as "the Convention") signed at Washington on 2 December 1946, [¹] co-operate in an observer scheme for the whaling station at Cheynes Beach in Western Australia. The Department would propose that the scheme operate on the following basis:

1. For the remainder of the 1977 whaling season in Australia, but not beyond 31 December 1977, the Government of the United States of America will nominate an observer, who will be appointed by the International Whaling Commission (hereinafter referred to as "the Commission"), for the land-based whaling station at Cheynes Beach in Western Australia.
2. (a) The observer will have the status of a senior official. Appropriate measures will be taken by the Government of Australia to provide every courtesy to the observer and to ensure his security and welfare in the performance of his duties.
(b) The observer is not invested with any administrative power in regard to the activities of the station, and will have no authority to intervene in any way in those activities.

¹ TIAS 1849, 4228; 62 Stat. 1716; 10 UST 952.

(c) The observer will at all times be responsible to the Commission, and will neither seek nor receive instructions from any authority other than the Commission. The observer will be given the necessary facilities for carrying out his duties, including cabling facilities.

(d) The Government of Australia will ensure that the observer may observe freely the operations of the station so that he may verify the observance of the provisions of the Convention and its Schedule in regard to the taking of whales and their utilisation. In particular the observer will be given facilities to ascertain the species, size, sex, and number of whales taken.

(e) The Government of Australia will ensure that all reports required to be made, and all records required to be kept or supplied in accordance with the Schedule of the Convention will be made freely and immediately available to the observer for examination, and that the observer will be given all necessary explanations as regards such reports, records and data.

(f) The manager or senior officials of the station or the national inspectors appointed in accordance with the provisions of the Convention will supply all information necessary for the discharge of the observer's function.

(g) Where the observer has reasonable grounds for believing that any infraction of the provisions of the Convention has taken place he shall immediately notify in writing the manager of the station and the senior national inspector. The observer will, if he considers it sufficiently serious, inform the Commission of the said infraction as soon as possible and will at the same time report the explanation or comments of the manager of the station and the senior national inspector.

(h) The observer will draw up a report covering his observations including possible infractions of the provisions of the Convention and the Schedule which have taken place during the season or part of the season in which he served as an observer, and will submit it both to the manager of the station and to the senior national inspector for information and such explanation or comments as they may wish to make. All such explanations and comments will be attached to the observer's report which will be transmitted to the Government of the United States of America.

The Government of the United States of America will immediately forward the report, with any comments it considers appropriate, to the Secretariat of the International Whaling Commission.

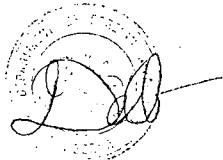
3. (a) The Government of the United States of America will pay the salary and other emoluments, travel and cable costs of the observer.

(b) The Government of Australia will provide to the observer subsistence and accommodation appropriate to the status of the observer together with medical care and assistance where necessary.

(c) The Government of Australia will also provide suitable local transport for the facilitation of the performance by the observer of his duties.

The Department of Foreign Affairs has the honour to propose that, if the foregoing is acceptable to the Embassy, this Note and the Embassy's reply should constitute an arrangement between the two Governments effective on the date of the Embassy's reply.

The Department of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.



CANBERRA.

25 October 1977

The American Embassy to the Australian Department of Foreign Affairs

No. 153

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs and refers to the Department of Foreign Affairs Note of October 25, 1977, which reads as follows:

"The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honour to propose that the two Governments, being parties to the International Convention for the Regulation of Whaling (hereinafter referred to as "the Convention") signed at Washington on 2 December 1946, co-operate in an observer scheme for the whaling station at Cheynes Beach in Western Australia. The Department would propose that the scheme operate on the following basis.

1. For the remainder of the 1977 whaling season in Australia, but not beyond 31 December 1977, the Government of the United States of America will nominate an observer, who will be appointed by the International Whaling Commission (hereinafter referred to as "the Commission"), for the land-based whaling station at Cheynes Beach in Western Australia.
2. (a) The observer will have the status of a senior official. Appropriate measures will be taken by the Government of Australia to provide every courtesy to the observer and to ensure his security and welfare in the performance of his duties.
(b) The observer is not invested with any administrative power in regard to the activities of the station, and will have no authority to intervene in any way in those activities.
(c) The observer will at all times be responsible to the Commission, and will neither seek nor receive instructions from any authority other than the Commission. The observer will be given the necessary facilities for carrying out his duties, including cabling facilities.
(d) The Government of Australia will ensure that the observer may observe freely the operations of the station so that he may verify the observance of the provisions of the Convention and its Schedule in regard to the taking of whales and their utilisation. In particular the observer will be given facilities to ascertain the species, size, sex, and number of whales taken.
(e) The Government of Australia will ensure that all reports required to be made, and all records required to be kept or supplied in accordance with the Schedule of the Convention will be made freely and immediately available to the observer for examination, and that the observer will be given all necessary explanations as regards such reports, records and data.

- (f) The manager or senior officials of the station or the national inspectors appointed in accordance with the provisions of the convention will supply all information necessary for the discharge of the observer's function.
- (g) Where the observer has reasonable grounds for believing that any infraction of the provisions of the Convention has taken place he shall immediately notify in writing the manager of the station and the senior national inspector. The observer will, if he considers it sufficiently serious, inform the Commission of the said infraction as soon as possible and will at the same time report the explanation or comments of the manager of the station and the senior national inspector.
- (h) The observer will draw up a report covering his observations including possible infractions of the provisions of the Convention and the Schedule which have taken place during the season or part of the season in which he served as an observer, and will submit it both to the manager of the station and to the senior national inspector for information and such explanation or comments as they may wish to make. All such explanations and comments will be attached to the observer's report which will be transmitted to the Government of the United States of America.
- The Government of the United States of America will immediately forward the report, with any comments it considers appropriate, to the Secretariat of the International Whaling Commission.
3. (a) The Government of the United States of America will pay the salary and other emoluments, travel and cable costs of the observer.
- (b) The Government of Australia will provide to the observer subsistence and accommodation appropriate to the status of the observer together with medical care and assistance where necessary.
- (c) The Government of Australia will also provide suitable local transport for the facilitation of the performance by the observer of his duties.

The Department of Foreign Affairs has the honour to propose that, if the foregoing is acceptable to the Embassy, this Note and the Embassy's reply should constitute an arrangement between the two Governments effective on the date of the Embassy's reply.

The Department of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration."

The Embassy of the United States of America has the honor to inform the Department of Foreign Affairs that the provisions of the

Department's Note are acceptable to the Government of the United States of America. The Embassy agrees that the Department's Note and this reply shall constitute an Arrangement between the Government of Australia and the Government of the United States of America, which shall enter into force on the date of this reply.

The Embassy of the United States of America avails itself of the opportunity to renew to the Department of Foreign Affairs the assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA
CANBERRA, *November 18, 1977*

PAKISTAN
Agricultural Commodities

*Agreement signed at Islamabad December 22, 1977;
Entered into force December 22, 1977.
With minutes.*

*And amending agreement
Effectuated by exchange of notes
Signed at Islamabad April 10, 1978;
Entered into force April 10, 1978.*

**AGREEMENT BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE
GOVERNMENT OF PAKISTAN
FOR THE SALES OF AGRICULTURAL COMMODITIES
UNDER THE PUBLIC LAW 480 TITLE I
PROGRAM**

The Government of the United States of America and the Government of Pakistan have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III of the Title I Agreement signed on November 23, 1974 [1] together with the following Part II:

PART II - PARTICULAR PROVISIONS

Item I. Commodity Table:

Commodity	Supply Period (U.S. Fiscal Year)	Approximate Maximum Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Wheat/Wheat Flour (Grain basis)	1978	200,000	\$22.4
Soybean/Cotton Seed oil	1978	80,000	\$35.2
TOTAL			\$57.6

Item II. Payment Terms: (Convertible Local Currency Credit)

1. Initial Payment - 5 percent
2. Currency Use Payment - None

¹ TIAS 7971; 25 UST 3091.

3. Number of installments Payments - 31
4. Amount of each installment Payment - Approximately equal annual amounts
5. Due Date of First Installment Payment - Ten years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate - 2 percent per annum
7. Continuing Interest Rate - 3 percent per annum

Item III. Usual Marketing Table:

Commodity	Import Period	Usual Marketing Requirements (Metric Tons)
	(U.S. Fiscal Year)	
Wheat/Wheat Flour (Grain equivalent basis)	1978	100,000
Edible Vegetable Oil and/or Oil-bearing seeds (Oil equivalent basis)	1978	145,000 (Of which at least 45,000 shall be from the United States of America)

Item IV. Export Limitations:

- A. The export limitation period shall be U.S. Fiscal Year 1978 or any other subsequent U.S. Fiscal Year during which commodities financed under this Agreement are being imported or utilized.

B. For the purpose of Part I, Article III A(4) of the Agreement, the commodities which may not be exported are: for wheat/wheat flour --- wheat, wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name) and for Soybean/Cottonseed oil --- all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, sesame oil, rapeseed oil, and any other edible vegetable oil or oil bearing seeds from which these oils are produced.

Item V. Self-Help Measures:

A. In implementing these self-help measures specific emphasis will be placed on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.

B. The Government of Pakistan agrees to implement a comprehensive oilseed strategy designed to increase domestic oilseed and vegetable oil production. As part of the overall strategy special attention shall be made to increase per acre production of indigenous oilseeds; introduce potential new oilseed crops for edible and industrial use; to improve the current handling and procurement facilities for both indigenous and new improved varieties of oilseeds; and provide adequate price incentives to farmers for key oilseed crops. In implementing the production strategy the Government of Pakistan further agrees to:

1. Substantially increase recovery of oils by modernizing and expanding the solvent extraction plants and obtain better utilization of existing extraction processes for mustard and rapeseed by using the Filtrex method.
2. Develop coordination capability by the National Agricultural Research Council for research on oilseed crops currently conducted at the various provincial research stations

which will (A) conduct studies on oil quality, the economics of oilseeds and production costs, etc. ; (B) carry out research on insect, pest and other factors relating to oilseeds; (C) conduct work on oilseeds and oil cake prices and procurement programs; (D) provide advisory and extension service to farmers and processors, including publicity, publications, etc.

3. Further promote the consumption and utilization of refined cooking oil to relieve the demand for higher priced hydrogenated oils (Vanaspatti) which would provide additional nutritional benefits, as well as lower costs to consumers.

4. Increase the availability of rural credit to the private oilseed sector to purchase fertilizer, to use improved and new seeds and for local levelling and other land improvements.

5. To strengthen oilseed prices by the establishment of a floor price for new oilseed crops and improved procurement prices for existing oilseeds in order to cover cost of production and provide the grower with production incentive.

6. Insure that adequate collaboration and coordination takes place among the various Government and private entities responsible for the different portions of an oilseed program.

Item VI. Economic Development Purposes For Which Proceeds Accruing to Importing Country Are To Be Used.

A. The proceeds accruing to the importing country from the sale of commodities financed under this Agreement will be used for financing the self-help measures set forth in the

Agreement and for the following agriculture and economic development sectors:-

Agriculture
Water Resources
Population Planning

B. In the use of proceeds for these purposes emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

DONE at Islamabad, in duplicate, this 22nd day of December, 1977.

FOR THE GOVERNMENT OF PAKISTAN

[SEAL]

By: Sarfraz Khan Malik
Name: Sarfraz Khan Malik
Title: Additional Secretary, Economic Affairs Division.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

[SEAL]

By: Arthur W. Hummel Jr.
Name: Arthur W. Hummel, Jr.
Title: Ambassador of the United States of America.

Minutes of the Meeting held December 14, 1977
regarding the Fiscal Year 1978
P.L. 480 Title I Agreement of December 22, 1977.

The following subjects were discussed:

I. Policy Objectives With Regard to Wheat

The Government of Pakistan ("Pakistan") representatives confirmed that the Government's three major goals in connection with wheat production and distribution are:

Goal I : Pursue price and procurement policies which will effectively promote the goal of national "self-sufficiency" in wheat.

Goal II : Utilize the most cost-effective means of insuring that adequate supplies of quality wheat are available at "fair prices" to low income urban consumers.

Goal III : Create and efficiently operate storage and handling facilities necessary to the pursuit of Goals I & II above.

In support of these goals, the Pakistan representatives stated that the Government is committed to the following policies and actions:

Policies and Actions in Support of Goal I : Wheat Self-Sufficiency.

A. Procurement Price

A major Government objective in establishing the wheat procurement price is to insure that production incentives are adequate to meet national production targets. In view of the fact that the current wheat/fertilizer price

ratio has been in effect for two growing seasons, the Government will carefully review the adequacy of these prices and if any adjustments are necessary to preserve production incentives price revisions will be announced well in advance of the sowing of the 1978 crop.

B. Free Movement of Wheat

The Government reaffirmed its commitment to a general policy of permitting the unrestricted movement of wheat from surplus to deficit areas throughout the country during the 77/78 crop year. Exceptions to this policy pertain to areas contiguous to national borders and are intended to prevent smuggling.

C. Marketing

The Government also reaffirmed its commitment to a general policy of not imposing any restrictions on the storage and holding of wheat by farmers and intermediaries during the 1978/79 crop year.

Policies and Actions in Support of Goal II: Efficient Wheat Distribution System:

A. Wheat Distribution to Low Income Consumers

The Government regards the distribution of subsidized wheat exclusively to low income consumers as desirable. However, there are problems in developing operational definitions of this target group and effective mechanisms for channeling food aid to it. The Government is interested in improving methods of effectively targeting subsidized wheat to low income urban consumers.

B. Increase the Retail Price of Ration Shop Atta

The Government intends to review the feasibility of increasing the retail price of ration shop atta.

C. Sales of Public Sector Stocks on the Open Market

The Government regards the sale of public sector wheat stocks in the open market as a useful mechanism for stabilization of wheat prices. However, the Government's ability to do so hinges on the adequacy of public sector stocks.

D. A More Efficient Ration Shop System

The Provincial Governments have initiated action to reduce the number of duplicate and fraudulent ration cards. Data on the initial Provincial Government efforts in this regard will be made available to the USG by December 31, 1977 and on a continuing basis thereafter.

Policies and Actions in Support of Goal III : Efficient Storage and Handling System.**A. Establish a Special Storage Unit**

The Government has established a special unit on storage for all major agricultural commodities in the Food Division of the Ministry of Food and Agriculture. Four professional positions have been approved and efforts now are underway to recruit staff. The Government is committed to filling all of these positions prior to the commencement of Canadian Technical Assistance.

B. Master Plan for Storage Sector

With technical assistance from the Canadian Government, the Government is committed to the

preparation of a Master Plan which will serve as the basis for the development of a comprehensive national storage program for all major agricultural commodities.

C. Operational Plans for Procurement and Storage of the 1977-78 Wheat Crop

The Government will prepare detailed operational plans for the timely procurement, handling, transport and storage including emergency storage of the 1977/78 wheat crop and assign responsibility for efficient implementation of this plan to appropriate entities.

II. Policy Objectives with regard to Edible Oil

The Pakistan representatives agreed that the growing gap between domestic oil production and consumption represents an increasingly serious claim on scarce foreign exchange reserves. Accordingly, the following actions have been or will be taken pursuant to the May 1977 "Report on Oilseeds Production Strategy" and the June 1977 Aide Memoire "Pakistan's Requirements of Edible Oils/Fats for 1977/78".

A. Management of Oilseed Program

After the transfer of Pakistan Edible Oils Corporation (PEOC) and the Ghee Corporation of Pakistan (GCP) from the Ministry of Agrarian Management to the Ministry of Industries, the responsibility of PEOC towards promotion of oilseeds cultivation and increasing the production of indigenous edible oils would remain un-affected and the PEOC would make all possible efforts to promote and coordinate work in this field with the active collaboration of the Ministry of Agriculture, Provincial Agriculture Departments, Agriculture Research Council (ARC),

the nation's credit institutions, farmers and the private oil mills.

B. Organization of PECC

A separate Division has been established in the PEOC for implementing an effective Oilseed Production Strategy in collaboration with all concerned.

C. Procurement

Procurement centers for non-traditional oilseed crops (primarily sunflower, safflower and soybean) are being established by the PEOC and operated in conjunction with the National Bank of Pakistan and provincial food departments. Procurement prices for the non-traditional crops will be reviewed carefully prior to the next sowing season to assure that the price provide adequate incentive to farmers for production.

D. Seed

PEOC in collaboration with Ministry of Agriculture, Provincial Agriculture Departments, Agriculture Research Council (ARC), nation's credit institutions and private growers will continue to help provide the farmers with appropriate seed on a timely basis.

E. Processing

By providing market for their edible oils, PEOC accept to help the solvent extraction plants and oil expelling units to work properly and to expand/modernize their machinery. PEOC would also conduct studies to determine the economic/financial feasibility of establishment of new solvent extraction plants.

F. Research

Funding has been approved and work is now underway in ARC's oilseed research program. Appointment of a full time national oilseeds coordinator is expected in the near future. In addition specialists for each of the edible oil crop will be added to the Pakistan Agricultural Research Center (PARC) staff.

G. Consumption of Refined Oil

The Pakistan representatives agreed on the desirability of shifting consumption from hydrogenated Ghee to refined oil. In this connection, a substantially lower price on refined oil will be tested to stimulate the substitution of oil for Ghee.

III. Operational Aspects and Special Provisions**A. Periodic Meetings**

In order to keep better informed on progress in carrying out Government of Pakistan policies on wheat and edible oil stated in Parts I and II above, the USG and Pakistan representatives agreed that meeting every four months would be desirable. The format and participants for the initial meeting in April 1978 will be worked out by both parties.

B. Recent Changes in P. L. 480 Law^[1] and Regulations

The USG representatives advised that pursuant to new legislative and regulatory requirements:

- (a) Purchase authorizations will be issued under the Agreement only after the Secretary of Agriculture has determined that (i) adequate storage facilities

^[1] 68 Stat. 454; 7 U.S.C. § 1701 *et seq.*

are available in the recipient country at the time of exportation to prevent the spoilage or waste of the commodity, and (ii) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production.

(b) Purchases of food commodities under the Agreement must be made on the basis of invitations for bid (IFB) publicly advertised in the United States and on the basis of bid offerings which must conform to the IFB. Bid offering must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive, and responsive bid procedures.

(c) The terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager, United States Department of Agriculture, prior to issuance.

(d) Commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the Agreement.

(e) If the Government of Pakistan nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the Agreement the Government of Pakistan must notify the General Sales Manager, United States Department of Agriculture, in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's Office in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

C. Coordination with Pakistan Embassy/Washington

The Pakistan representatives assured the USG

representatives that suitable arrangements have been made to forward to its Embassy in Washington all instructions, information and authority necessary to enable timely implementation of the Agreement, including (a) commodity specifications, (b) contracting and delivery periods, (c) names and addresses of U.S. and foreign banks handling transactions (Letters of Credit for commodity and freight), (d) authority to request and sign purchase authorizations and other necessary documents, (e) complete instructions/information/authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable), and (f) instructions to contact Program Operations Division, Office of the General Sales Manager, United States Department of Agriculture, regarding the foregoing.

D. P.L. 480 Standard Provisions

The USG representatives distributed to the Pakistan representatives copies of the Preamble and Parts I and III of the Title I Agreement signed on November 23, 1974, pointing out that in accordance with the usual practice, these provisions are made a formal part of the Title I Agreement being negotiated. These standard provisions contain useful information relating to such matters as usual marketing requirements, export limitations, and definitions of delivery, import and utilization of commodities. Certain of the standard provisions were discussed - and the Pakistan representatives said they would refresh their recollection of these provisions.

E. Usual Marketing Requirements

The USG representatives called attention to Part II, Item III. of the Agreement which provides for Usual

Marketing Requirements (UMRs) of (a) 100,000 metric tons of wheat/wheat flour (on a grain equivalent basis) and (b) 145,000 metric tons (of which at least 45,000 metric tons shall be imported from the United States) of edible vegetable oil and/or oil bearing seeds for commercial import during fiscal year 1978.

F. Agricultural Disincentives, Storage and Transport

The USG representatives stressed that under new legislative changes (per paragraph B above) the U.S. Government is concerned that P. L. 480 programs do not become a disincentive to local agricultural production and that adequate storage and transport facilities will be available for the imported commodities. The USG representatives pointed out that should any additional P. L. 480 Title I commodities, i.e., in addition to those contained in this Agreement, be made available to the Government of Pakistan in FY 1978, it will be necessary in the administrative approval process to make a determination that the additional or new commodities will not cause a substantial disincentive to production in Pakistan and that adequate storage and transport facilities will be available for the imported commodities.

G. Identification and Publicity

Pakistan agrees to the identification of commodities and publicity of Agreement, arrivals, etc., as follows:

For the purpose of carrying out the intention of Section 103(1) of P. L. 480 and of Article III, Paragraph I of Part I of the Sales Agreement it is agreed that the two Governments will cooperate in effecting publicity and identification of the commodities as follows:

- (a) Full press coverage, including photographs where possible, in national languages as well as in English, will be given of (a) the signing of the Sales Agreement (b) issuances of Purchase Authorizations, (c) each major off-loading of commodities at Pakistan ports and (d) shipments of substantial quantities of commodities from main godowns at port to specific Division-level godowns.
- (b) To the extent practicable, bags and containers used in transporting the commodities within Pakistan will be marked as mutually agreed to show that the commodities were provided by the U.S. on a concessional basis.

H. Reporting

The USG representatives called attention to the Government of Pakistan's responsibilities for the timely submission of reports. The reports required under the Agreement include compliance, arrival and shipping information (ADP sheets), self-help and financial use of sales proceeds matters. The USG representatives mentioned that the monthly reports on wheat and edible vegetable oil requirements and supplies being submitted pursuant to earlier P. L. 480 agreed minutes are in addition to the standard quarterly P. L. 480 compliance reports presently being submitted to the U.S. Embassy's Agricultural Attaché.

I. Self-Help Measures and Use of Proceeds

Recent legislation affecting Section 106(b) and 109(a) of P. L. 480 requires (1) specific emphasis on implementation of self-help measures so as to contribute directly to development progress in

poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture, and (2) use of proceeds for purposes which directly improve the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country. These new requirements are reflected in Items V and VI of Part II of the Agreement.

J. Ocean Freight Charges

USG representatives pointed out that under P. L. 480 financing regulations the importing country is required to have operative Letters of Credit for 100 percent of ocean freight charges opened in favor of the supplier of ocean transportation not later than 48 hours prior to vessel's presentation for loading. The Pakistan representatives said that these requirements would be met.

K. Commodity and Funding Availabilities

The Pakistan representatives pointed out that there was "an inconsistency in the commodity and funding levels provided in the Agreement". They asserted that in order for Pakistan to be able to purchase 200,000 tons of wheat and 80,000 tons of edible oil at current prices, the dollar amounts in Part II of the Agreement should read \$25 million and \$42 million, respectively - instead of the contract figures of \$21.6 million and \$36 million. The USG representatives agreed that because of recent commodity price increases, the dollar amounts in the Agreement would not, at present prices, yield the commodity levels mentioned - but pointed out that the quantity column in the commodity table in Item I, Part II of the Agreement is headed "Approximate Maximum Quantity" and the value

column is headed "Maximum Export Market Value". Hence the 200,000 tons and 80,000 tons figures are only approximate whereas the \$21.6 million and \$36.0 million figures are maximum figures. This is further explained in Article I E. of Part I of the Agreement. The Pakistan representatives stated that they are familiar with this customary provision of P. L. 480 Agreements but they expressed the view that at the time of signature of the Agreement there should be a rough equivalency between the dollar level and commodities to be provided. The Pakistan representatives then enquired as to the feasibility of increasing the dollar funding in the Agreement so that the anticipated quantities could be purchased. The USG representatives explained that the dollar figures shown were the initial allocations to Pakistan of the worldwide total available for all P. L. 480 programs and that there might be adjustments within the global total that would enable Pakistan to seek a further dollar allocation at a later date. The USG representatives were doubtful that the dollar figures could be increased at this time, pointing out procedural difficulties, expected delays and probable lack of success in obtaining Washington approval at this time. After some discussion it was decided that the Agreement would be signed with the present commodity and funding levels, subject to Article E. of Part I of the Agreement. USG representatives agreed to report Pakistan's concern to Washington after signature of the Agreement and to enquire as to the possibility of further dollar allocations.

L. Food for Development

The Pakistan representatives expressed interest in the new "Food for Development" Title III of P.L. 480 and enquired whether the loan forgiveness

provisions of Title III could be made applicable to this Agreement. The USG representatives replied that they were still awaiting detailed implementation instructions on new Title III - but that the loan forgiveness authority, when implemented, could only be applied prospectively - and thus could not be applied to this Agreement. Both sides agreed that Title III represented a potentially important development resource for Pakistan - and that they will consult further on the design and carrying out of potential Food for Development projects.

The above sets forth the understanding between the Government of Pakistan and the United States Government.

FOR THE GOVERNMENT OF PAKISTAN

By: Sarifz Khan Malik

Name: Sarifz Khan Malik

Title: Additional Secretary, Economic Affairs Division.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

By: Arthur W. Hummel Jr.

Name: Arthur W. Hummel, Jr.

Title: Ambassador of the United States of America.

[AMENDING AGREEMENT]

*The American Minister-Counselor to the Pakistani Joint Secretary,
Economic Affairs Division*

EMBASSY OF THE
UNITED STATES OF AMERICA

ISLAMABAD April 10, 1978

SIR:

I have the honor to refer to the Public Law 480, Title I, Agricultural Sales Agreement signed by the representatives of our two Governments on December 22, 1977 and propose that this Agreement be amended as follows:-

(A) In Part II, Commodity Table—under appropriate columns:

- (i) For wheat/wheat flour delete “\$22.4 million” and insert “\$24.2 million”, and
- (ii) Under Maximum Export Market Value of line designated total delete “\$57.6 million” and insert “\$59.4 million.”

Except as amended hereby, all other terms and conditions of the December 22, 1977 Title I Agreement shall remain the same.

If the foregoing is acceptable to your Government, I propose that this note together with your reply concurring therein shall constitute an agreement between our two Governments effective on the date of your note in reply.

Please accept the renewed assurances of my highest consideration.

PETER D. CONSTABLE

Peter D. Constable
Minister-Counselor

Mr. K. M. CHIMA

Joint Secretary

Economic Affairs Division

Government of Pakistan

Islamabad

The Pakistani Joint Secretary, Economic Affairs Division, Ministry of Finance, Planning and Development, to the American Minister-Counselor

FROM: K. M. CHIMA
Joint Secretary



Telegram: ECONOMIC

No. 1(2)US-PL-480/77.
GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE, PLANNING
AND DEVELOPMENT
(ECONOMIC AFFAIRS DIVISION)

Islamabad, the 10th April, 1978.

Dear Mr. Constable,

I have the honour to acknowledge with thanks the receipt of your letter dated April 10, 1978, proposing to amend the PL-480 Title-I Agreement of December 22, 1977, to provide an additional amount of \$ 1.8 million to complete the purchase of the maximum quantity of 200,000 tons of wheat provided in the aforesaid Agreement.

2. The text of your letter under reference is reproduced below:-

"I have the honour to refer to the Public Law-480, Title I, Agricultural Sales Agreement signed by the representatives of our two Governments on December 22, 1977 and propose that this Agreement be amended as follows:-

(A) In Part II, Commodity Table --- under appropriate columns:

- i) For wheat/wheat flour delete "\$22.4 million" and insert "\$24.2 million" and
- ii) Under Maximum Export Market Value of line designated total delete "\$57.6 million" and insert "\$59.4 million".

Except as amended hereby, all other terms
and conditions of the December 22, 1977 Title I
Agreement shall remain the same.

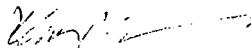
If the foregoing is acceptable to your Govern-
ment, I propose that this note together with your reply
concurring therein shall constitute an agreement between
our two Governments effective on the date of your note
in reply.

Please accept the renewed assurances of my
highest consideration."

3. I write to concur in the contents of your letter and to
confirm that this exchange of letters between us shall constitute
an agreement between our two Governments.

With kind regards,

Yours sincerely,


(K. M. CHIMA)

Mr. Peter D. Constable,
Minister-Counselor,
Embassy of the United
States of America,
Islamabad.

INDIA

Trade in Textiles and Textile Products

Agreement effected by exchange of notes

Signed at Washington December 30, 1977;

Entered into force December 30, 1977;

Effective January 1, 1978.

And amending agreements

Effectuated by exchange of notes

Signed at Washington April 18, 1978;

Entered into force April 18, 1978.

And exchange of letters

Signed at Washington June 19, 1978;

Entered into force June 19, 1978.

And exchange of notes

Signed at Washington May 9 and July 18, 1978;

Entered into force July 18, 1978.

And exchange of letters

Signed at Washington July 19 and 25, 1978;

Entered into force July 25, 1978.

*The Acting Secretary of State to the Indian Ambassador*DEPARTMENT OF STATE
WASHINGTON

December 30, 1977

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973.^[1] I have also the honor to refer to recent discussions between representatives of the Government of the United States of America and the Government of India concerning exports to the United States of cotton, wool, and man-made fiber textiles and textile products manufactured in India. As a result of these discussions and in conformity with Article 4 of the Arrangement, I have the honor to propose on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the United States and India:

1. The term of the Agreement shall be from January 1, 1978 through December 31, 1982.

2. Textiles and textile products covered by this Agreement will be classified in two groups, as follows:

<u>Group</u>	<u>Definition</u>
I	Yarns and fabrics of cotton, wool, and man-made fibers. (Categories 300-320, 400-429, 600-627)
II	Apparel, made-up goods and miscellaneous textile products of cotton, wool, and man-made fibers. (Categories 330-369, 431-469, 630-669)

His Excellency

N. A. Palkhivala,

Ambassador of India.

¹ TIAS 7840, 8939; 25 UST 1001; *ante*, p. 2287.

3. Each "agreement year" shall be a calendar year, with the first agreement year commencing on January 1, 1978 and ending on December 31, 1978.

4. The system of categories and the rates of conversion into square yards equivalent (SYE) listed in Annex A will apply in implementing this Agreement.

5. Commencing with the first agreement year, and during the subsequent term of this Agreement, the Government of India shall limit annual exports from India to the United States of cotton, wool, and man-made fiber textiles and textile products manufactured in India to the aggregate and group limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 7 and 8. The limits set out in Annex B do not include any adjustments permitted under paragraphs 7 and 8. The limits set out in Annex B include 7 percent growth from the first year.

6. All categories are subject to consultation levels and to the aggregate and applicable group limits. Designated consultation levels will be:

Group I Yarn and fabric

<u>Category</u>	<u>Consultation Level</u>
313 Sheeting	50,000,000 SYE
315 Printcloth	12,500,000 SYE
317 Twills and sateen	24,000,000 SYE
319 Duck	17,500,000 SYE
320 Other fabric	45,000,000 SYE

Man-made fiber fabric

610 Continuous cellulosic, woven	7,000,000 SYE
-------------------------------------	---------------

Group II Apparel, made-up goods and miscellaneous
textile products

<u>Category</u>	<u>Consultation Level</u>		
	<u>Units</u>	<u>Square Yards</u>	<u>Equivalent</u>
Cotton			
360 Pillowcases	8,181,818 pieces		
	9,000,000 SYE		
361 Sheets	1,612,903 pieces		
	10,000,000 SYE		
362 Bedspreads	333,333 pieces		
	2,300,000 SYE		
363 Terry and other pile			
towels	20,000,000 pieces		
	10,000,000 SYE		
369 Other manufacturer	2,608,696 pounds		
	12,000,000 SYE		
Man-made fibers			
666 Other furnishings	256,410 pounds		
	2,000,000 SYE		

All other categories will be subject to consultation levels as follows:

1,000,000 SYE for non apparel categories of cotton and man-made fibers, 700,000 SYE for apparel categories of cotton and man-made fiber, 100,000 SYE for all categories of wool.

In the event the Government of India wishes to export to the United States textile products in excess of the applicable consultation levels, the Government of India shall request the higher levels and the Government of the United States shall consider the request sympathetically and shall respond promptly. If, because of problems related to market disruption in the category subject to such request the United States is unable to comply fully, the United States will so inform the Government of India and will provide the Government of India with the data which form the basis of the position taken by the United States of America. If requested by the Government

of India, the Government of the United States of America will consult promptly. Until a mutually satisfactory change in the consultation level of the category in question is established, shipments shall not exceed the existing consultation level.

7. During any agreement year, and within the aggregate limit for such agreement year, the group limits set out in Annex B applicable to such agreement year may be exceeded by not more than 15 percent in the case of Group I and by not more than 10 percent in the case of Group II. Adjustments made pursuant to this paragraph are calculated on the limits set forth in Annex B and are in addition to those pursuant to paragraph 8.

8. (A) In any agreement year, exports may exceed by a maximum of 11 percent the aggregate and group limits by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carryover) or a portion of the applicable limit for the succeeding agreement year (carry forward).

(I) Carryover may be utilized as available up to 11 percent of the receiving year's applicable limits;

(II) Carry forward may be utilized up to 6 percent of the receiving year's applicable limits and charged against the next year's applicable limits;

(III) The combination of carryover and carry forward may not exceed 11 percent of the receiving year's applicable limits in any agreement year.

(B) For purposes of this Agreement a shortfall occurs when exports from India to the United States of America during an agreement year are below the aggregate limit. Carryover in group limits may be used only to the extent of shortfall in each limit.

(C) Carryover and carry forward shall not be used to exceed any category consultation level.

(D) The limits referred to in subparagraph (A) and (B) of this paragraph are without any adjustments.

Carryover and carry forward shall be in addition to the adjustments permitted by paragraph 7 and shall be calculated on the limits in Annex B.

9. (A) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(B) For the purposes of this Agreement, textile products shall be classified as cotton, wool, or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by sub-paragraph 9(A) but not in chief value of cotton, wool or man-made fiber shall be classified as:

(I) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;

(II) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and

(III) Man-made fiber textiles if neither of the foregoing applies.

10. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

11. (A) The Government of the United States of America shall promptly supply the Government of India with data on monthly imports of cotton, man-made fiber and wool textiles and textile products into the United States of America from India.

(B) The Government of India shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products from India to the United States of America.

(C) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other government.

12. The Government of India shall use its best efforts to space exports from India to the United States of America within each category evenly throughout each agreement year, taking into consideration normal seasonal factors.

13. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fiber textiles and textile products from India to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

14. The Government of India shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of India in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

15. The present administrative arrangement for a visa and certification system will be continued.

16. With reference to the provisions of Article 12, paragraph 3, of the Arrangement, handloom fabrics, hand-made handloom made-up articles and "India Items" are not subject to the limits of this Agreement. "India Items" are an agreed list of items that are uniquely and historically traditional Indian products and/or are cut, sewn or otherwise fabricated by hand in cottages, which are units of the cottage industry. The list of "India Items", with definitions in Annex C will serve as a basis for implementing this provision. Additional items may subsequently be added to this list by mutual agreement.

17. Exports of handloom apparel products shall not be subject to the limitations of this Agreement. The Government of India shall continue to visa these products according to the visa agreement of February 19, 1976. Either Government may request consultations in respect to the trade in such products whenever it considers such consultations necessary. Consultations will begin within 30 days of the request of such consultations. The Government of the United States may request the Government of India to restrain exports of such handloom apparel products. Upon receiving such a request, the Government of India will restrain exports of such products to the requested level which shall not be lower than the highest level of such imports in any agreement year prior to the date of this Agreement.

18. With regard to total exports of certain types of apparel, the Government of India agrees it will not depart substantially in any agreement year from the pattern of exports in the 1975-76 agreement year. If the Government of India wishes to depart from the previous trade patterns for any individual apparel product, it may request consultations with the Government of the United States, but will not depart from the pattern of trade pending a mutually satisfactory conclusion of these consultations.

19. The Government of the United States of America and the Government of India agree to consult, upon the request of either Government, on any question arising in the implementation of this Agreement.

20. The two Governments agree to undertake a major review of this Agreement between the second and third agreement years.

21. Either the Government of the United States of America or the Government of India may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

22. Either Government may terminate this Agreement, effective at the end of an agreement year, by written notice to the other Government, to be given at least 90 days prior to the end of such agreement year.

If the foregoing proposal is acceptable to the Government of India, this note and your Excellency's note of confirmation on behalf of the Government of India shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State:

William Barraclough

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
<u>YARN</u>			
-- Cotton			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
-- Wool			
400	Tops and yarn	2.0	Lb.
-- Man-made fiber			
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. noncellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun noncellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
<u>FABRIC</u>			
-- Cotton			
310	Gingham	1.0	SYD
311	Velveteens	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloths	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and Sateens	1.0	SYD
318	Yarn-dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other fabrics, n.k.	1.0	SYD
-- Wool			
410	Woolens and worsted	1.0	SYD
411	Tapestries and upholstery	1.0	SYD
425	Knit	2.0	Lb.
429	Other Fabrics	1.0	SYD

-- Man-made fiber

610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. noncellulosic, n.k.	1.0	SYD
613	Spun noncellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.

APPAREL

-- Cotton

330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and		
	B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (inc. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts, (inc. T- shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.

347	Trousers, slacks, and shorts (outer)		
	M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W,		
	G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, inc.		
	bathrobes, and beach robes, lounging gowns		
	house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
--- Wool			
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	3.0	No.
434	Other coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.
436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	1.5	No.
443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
445	Sweaters, M and B	36.8	Dz.
446	Sweaters, W, G and I	36.8	Dz.
447	Trousers, slacks, and shorts (outer)		
	M and B	1.5	No.

448	Trousers, slacks and shorts (outer)		
	W, G and I	1.5	No.
459	Other wool apparel	2.0	Lb.
	-- Man-made fiber		
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638	Knit shirts, (inc. T- shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	4.5	No.
644	Suits, W, G and I	4.5	No.
645	Sweaters, M and B	36.8	Dz.
646	Sweaters W, G and I	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassieres, Etc.	4.8	Dz.

650	Dressing gowns, inc.		
	bath and beach robes	51.0	Dz.
651	Pajamas and other		
	nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
	<u>MADE-UPS AND MISC.</u>		
	-- Cotton		
360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile		
	towels	0.5	No.
369	Other cotton		
	manufactures	4.6	Lb.
	-- Wool		
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	Lb.
	-- Man-made fiber		
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	Lb.
669	Other man-made		
	manufactures	7.8	Lb.

ANNEX BLimits
(In Square Yards Equivalent)

Aggregate	Group I	Group II
First Agreement		
Year 186,206,000	150,803,000	35,403,000
Second Agreement		
Year 199,240,420	161,359,210	37,881,210
Third Agreement		
Year 213,187,249	172,654,355	40,532,895
Fourth Agreement		
Year 228,110,357	184,740,160	43,370,197
Fifth Agreement		
Year 244,078,082	197,671,971	46,406,111

ANNEX CINDIA ITEMS

1. Kurtha A loose fitting tunic, almost straight, in short, medium and long sizes. Some typical examples of Kurtha are: Kathiawar mirrored Kurtha, wooden beaded Delhi Kurtha, Delhi embroidered Kurtha, Bandini Kurtha, Lucknow chikan Kurtha, Madras short Kurtha, Sanganer printed Kurtha, Phulkari Kurtha, etc.
2. Churidar Pyjama A pair of trousers, loose at waist, with either draw string or hooks and tapering to a tight fit at ankle. It is traditionally a Moghul costume worn by Indian women since the 16th century along with a Kurtha and Dupatta (an oblong scarf).
or
Churidar Set
3. Jawahar Jacket A loose fitting waist coat, with or without buttons, traditionally worn over Kurthas or Kameez by men and women.
4. Pherron A full length dress loose and longer than the Kurtha with long loose sleeves worn originally by Kashmiris. Intricate embroidery depicting floral designs is done around the neck of this costume.
5. Angharkha A traditional dress of Moghul times, open down the front with decorative string or ribbon used to tie at the sides or center. (This also includes Angharkha or ribbed cotton worn in Rajasthan).

6. Bagal Bendini A garment similar to Angharkha, short or long, with a wrap-around effect and tied at the sides.
7. Ghagras/Lahngas Long, wide skirt with draw strings or hooks. A garment usually reaching to or below ankles.
8. Pavadai A long wide shirt similar to Ghagras, often in two-piece ensemble, as an accessory worn with Saree or Dupatta.
9. Choli A short blouse worn on festive occasions by the tribal people of Kuch and Rajasthan.
10. Lungi or Lungi Set A long garment worn as a wrap around the lower half of the body, with or without a Kurtha, or a loose fit blouse or a Choli.
11. Salwar/Gararra Loose fit trousers, legs may be straight or baggy at the thighs. This also includes Gararra which is a straight trouser up to the knee, and below the knee shaped like a Ghagra, with frills etc.
12. Dupatta A scarf usually about 4 ft. long, wrapped by women along with Kurtha and Churidar. This also includes other types of scarves worn in varied sizes, the characteristics being the same as above.
13. Ohdhani An oblong cloth about 6 to 7 ft. long and 3 to 4 ft. wide with overall embroidery or a woven jacquard weave with traditional designs like himroo shawl or made-up of a fabric

	decorated with cotton/silk/zari or any other fibre yarn used to cover the body.
14. Chola	An ankle length, loose fit, long Kurtha traditionally worn by religious priests.
15. Safa	Headwear made up of printed or embroidered fabrics.
16. Aba	An over garment close fit at the upper part with a Ghagra type skirt touching the ankles.
17. Burka	Over garment worn by Muslim women which covers the head and extends to the ankles.
18. Jama	A long Kurtha traditionally worn by a special class of people.
19. Patka	A long traditional stole with Indian designs ornamented with art work of various types.
20. Tamba/Tambi	Loose fit trousers usually worn in North India.
21. Thailis	Totobags, purses, pouch bags and similar accessories to traditionally Indian dresses.
22. Toran	A long embroidered strip of cloth elegantly embroidered with plain or applique work embroidery, used for decorating the entrance doors of Indian residences. This represents a wide variety of fine embroidered pieces connected with folk art, particularly from Kathiawar in Gujarat (West Coast of India).

23. Phulkari Decorative, embroidered, rough-spun cotton fabric with close darning stitch employed with strands of un-twisted silk to make the flower-like embroidery.
24. Thombai Cylindrical hanging with hand-made applique work of hand-printed/hand-painted/hand-embroidered fabrics. These are traditionally used in South Indian temples as decorative hangings from ceilings or in doorways for gala affairs.
25. Puri Chatta Flat, highly decorative umbrella with applique work.
26. Gabba Embroidered floor covering using waste rags. Usually embroidered or made in applique work on old woolen blanket or jute base with cotton backing peculiar to Kashmir region.
27. Shamiana Canopy or awning used as ceiling decoration.
28. Kalamkari Hand painted/printed with wax resist wall pieces depicting mythological characters.
29. Chakla Wall hangings with folk embroidery, with or without mirror work, framed and unframed. The stitches are interspersed and interplaced.
30. Batik wall pieces Wall hangings made of cotton fabrics hand painted with batik technique. The designs are usually mythological narrations.

31. Chahdani Posh A protective covering used normally in rural areas to keep tea or coffee pots warm.
32. Takia Gilaf A cushion cover in oblong, square, round or other shape using indigenous materials and motifs.
33. Ghandni/Gaddiposh A decorative floor covering, also used sometimes as cover on wooden Takhat (sort of Divan).
34. Temple Hangings Made of hand woven, hand-painted/printed traditional textiles with Indian motifs.
35. Gulubahdk Traditionally decorative piece of cloth worn around the neck, with Indian traditional art work.
36. Kamarbandh Traditional decorative item worn round the waist.
37. Mathapatti A decorative piece used to decorate the forehead in varying lengths and widths.
38. Bazuband A decorative piece worn round the arm.

The Indian Ambassador to the Secretary of State



EMBASSY OF INDIA
WASHINGTON, D. C. 20008

December 30, 1977

No.COM./105/6/77

Excellency:

I have the honour to refer to your note dated December 30, 1977, regarding the arrangements relating to international trade in textiles done at Geneva on December 20, 1973, and the agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the United States of America and India for the period January 1, 1978 through December 31, 1982.

2. I am to confirm on behalf of the Government of India that the note mentioned above and the text of the annexures which are appended to this note correctly set out the terms of the Indo-U.S. Bilateral Textile Agreement for the period January 1, 1978 through December 31, 1982.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador of India

A handwritten signature in black ink, appearing to read "J. N. Dixit".
(J. N. Dixit)
Minister of the Embassy

His Excellency
Hon'ble Mr. Cyrus R. Vance
Secretary of State
Washington D.C.

[AMENDING AGREEMENTS]

The Acting Secretary of State to the Indian Ambassador

April 18, 1978

Excellency:

I have the honor to refer to the agreement between the United States of America and India done at Washington December 30, 1977 regarding trade in cotton, wool, and man-made fiber textiles and textile products, with Annexes (hereinafter referred to as the Agreement), and to the notes of April 14, 1978 from the Embassy of India to the Department of State. [1]

I have the honor to propose, on behalf of my government, the following new consultation levels for the current agreement year:

Category 342 1,500,000 square yards equivalent

Category 465 800,000 square yards equivalent

If the foregoing proposal is acceptable to the Government of India, this note and Your Excellency's note of confirmation on behalf of the Government of India shall constitute an agreement amending the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State:

William Barraclough

His Excellency

N. A. Palkhivala,

Ambassador of India.

¹ Not printed.

The Indian Ambassador to the Secretary of StateEMBASSY OF INDIA
WASHINGTON, D. C. 20008

No.COM./105/2/78

April 18, 1978

Excellency:

I have the honour to refer to your letter dated April 18, 1978 responding to the notes of the Embassy of India of April 14, 1978 concerning the Agreement between the United States of America and India on trade in cotton, wool and man-made fiber textiles and textile products. I note that as against the Government of India's request for a higher consultation level of 1.2 million SYE for Indian exports covered by category 465, you have suggested the consultation level of 800,000 SYE. I also note that as against the Government of India's interim request for a higher consultation level of 1,750,000 SYE for exports covered under category 342, you have suggested a consultation level of 1.5 million SYE.

This is to confirm that the proposals made by you are acceptable to the Government of India as an interim solution to the problems affecting trade flows from India to the United States of America in textiles which were discussed between the officials of the Embassy of India and the officials of the United States Government on April 14, 1978 and that your proposals constitute an agreement to amend the Bilateral Textile Agreement signed between the United States of America and India on December 30, 1977.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador of India

(J. N. Dixit)
Minister of the Embassy

His Excellency
Hon'ble Mr. Cyrus R. Vance
Secretary of State
Washington, D.C.

*The Indian Minister, Commerce and Supply, to the Chief
of the Textiles Division, Department of State*



J. N. DIXIT
MINISTER

CABLE: "INDPURMIS"
PHONE: (202) 265-5200

No.COM./105/5/78

EMBASSY OF INDIA
(COMMERCE & SUPPLY WING)
2336 Massachusetts Avenue, N.W.
Washington, D.C. 20008

June 19, 1978

Dear Mr. St. John,

I am writing with reference to the bilateral textile agreement effected by exchange of notes of December 30, 1977 (the Textile Agreement), and to the administrative arrangement set out in the letter of February 18, 1976, from Mrs. Susan Fouts of the Department of State to me [1] (the Administrative Arrangement).

2. Under the Textile Agreement, imports of hand tufted or knotted wool rugs of pile or tuft construction are presently charged against the consultation level for Category 465. I propose that such products, being traditional handicraft products, be hereby added to the list of India Items and not be subject to the limits set out in the Textile Agreement.

3. The Government of India shall certify exports of such floor coverings in accordance with paragraph 2 of the Administrative Arrangement.

4. If you agree with the above arrangement, this letter and your reply confirming its contents shall constitute an amendment to the bilateral Textile Agreement between India and USA effected by exchange of letters in December 1977.

Yours sincerely,

(J. N. Dixit)

Mr. John St. John
Chief
Fibers & Textiles Division
U.S. Department of State
Washington D.C.

¹ Not printed.

*The Chief of the Textiles Division, Department of State,
to the Indian Minister, Commerce and Supply*



DEPARTMENT OF STATE

Washington, D.C. 20520

June 19, 1978

J. N. Dixit, Esq.
Minister, Commerce and Supply
Embassy of India
2536 Massachusetts Ave. N.W.
Washington, D. C. 20008

Dear Mr. Dixit:

Thank you for your letter of June 19, 1978, concerning the treatment of hand knotted or hand tufted wool rugs as India Items. On behalf of the Government of the United States of America, I confirm that the arrangement set out in paragraphs 2 and 3 of your letter is acceptable and, hence, your letter and this letter shall constitute an amendment of the agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. St. John". Below the signature, there is a typed name and title.

John J. St. John
Chief
Textiles Division

The Indian Ambassador to the Secretary of State

EMBASSY OF INDIA
WASHINGTON, D. C. 20008

May 9, 1978

No. Com./105/2/78

Excellency:

I have the honour to refer to the agreement between India and the United States of America effected through an exchange of letters between our two Governments on December 30, 1977 regarding trade in cotton, wool, and man-made fiber textiles and textile products, with Annexures (hereinafter referred to as the Agreement).

2. Exports of other apparel covered under category 359 of the Agreement are likely to exceed the consultation level of 700,000 SYE specified for this category under paragraph 6 of the Agreement. Accordingly, I have the honour to propose on behalf of the Government of India that the consultation level in respect of this category be raised to 1.5 million SYE for the first Agreement year.

3. If the foregoing proposal is acceptable to the Government of the United States of America, this note and Your Excellency's note of confirmation on behalf of the two Governments shall constitute an agreement amending the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador of India
to the United States of America

A handwritten signature in black ink, appearing to read "J. N. Dixit".
(J. N. Dixit)
Minister of the Embassy

His Excellency:

Hon'ble Mr. Cyrus R. Vance

Secretary of State

Washington D.C.

The Acting Secretary of State to the Indian Ambassador

July 18, 1978

Excellency:

I have the honor to refer to the agreement between the United States and India done at Washington by exchange of notes on December 30, 1977, regarding trade in cotton, wool and man-made fiber textiles and textile products, with Annexes, as amended (hereinafter referred to as the Agreement) and to Your Excellency's note of May 9, 1978 to the Department of State, proposing on behalf of the Government of India that the consultation level for Category 359 be changed to 1.5 million square yards equivalent for the first Agreement Year.

This is to confirm that the proposal made on behalf of the Government of India in Your Excellency's note of May 9, 1978 is acceptable to the Government of the United States of America and that this note and Your Excellency's note constitute an agreement amending the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State:

William Barraclough

His Excellency

N. A. Palkhivala,

Ambassador of India.

*The Indian Minister (Economic) to the Chief of the
Textiles Division, Department of State*



भारतीय राजदूतावास
वासिंस्टन, डी॰ सी॰
EMBASSY OF INDIA
WASHINGTON, D. C.

No.COM./105/2/78

July 19, 1978

Dear Mr. St. John,

I am writing with reference to the bilateral textile agreement effected by exchange of notes of December 30, 1977 (the Textile Agreement), and to the administrative arrangement set out in the letter of February 18, 1976, from Mrs. Susan Fouts of the Department of State to Minister J. N. Dixit (the Administrative Arrangement), and to the June 19, 1978 exchange of letters regarding rugs between Minister J. N. Dixit and Mr. John J. St. John.

2. In addition to the handtufted or hand knotted wool rugs of pile or tuft construction recently added to the Textile Agreement's list of India Items, and the "Gabba" and "Ghandni/Gaddiposh" items contained in the list as it appears in Annexure C of the Textile Agreement, there are other hand crafted Indian rugs which being traditional handicraft products, should also be added to the list of India Items and not be subject to the limits set out in the agreement. Such rugs include:

- 1) Rugs with pile hand-inserted or hand-knotted during weaving having pile containing over 50 percent by weight of hair. (TSUSA 360.0500)
- 2) Woven cotton, wool or man-made fiber rugs, not made on a powerdriven loom. (TSUSA 361.4200, 4400, 5422, 5425)
- 3) The Government of India shall certify exports of such rugs in accordance with paragraph 2 of the Administrative Arrangement.

If the foregoing is acceptable to the Government of the United States of America, this letter and your reply confirming its contents will constitute an amendment to the Textile Agreement.

Yours sincerely,

J. S. Baijal

Mr. John J. St. John,
Chief
Textiles Division,
U. S. Department of State,
Room 3333,
2201, "C" ST. N.W.
Washington D.C.20520

*The Deputy Assistant Secretary of State for International
Trade Policy to the Indian Minister (Economic)*

July 25, 1978

Mr. J. S. Baijal
Minister (Economic)
Embassy of India
2107 Massachusetts Ave. N.W.
Washington, D.C. 20008

Dear Mr. Baijal:

I refer to your letter of July 19, 1978 to Mr. John J. St. John proposing that certain Indian rugs which are traditional handicraft products not be subject to the limits set out in our December 30, 1977 bilateral textile agreement.

My Government agrees to your proposal as set out in paragraph 2 of your letter and, therefore, your letter and this letter shall constitute an agreement amending our textile agreement.

Sincerely,

William Barracough

William Barracough
Deputy Assistant Secretary for
International Trade Policy

MULTILATERAL Safe Containers

*Convention done at Geneva December 2, 1972;
Ratification advised by the Senate of the United States of
America September 15, 1976;
Ratified by the President of the United States of America Octo-
ber 8, 1976;
Ratification of the United States of America deposited with the
Secretary-General of the Inter-Governmental Maritime Con-
sultative Organization January 3, 1978;
Proclaimed by the President of the United States of America
April 14, 1978;
Date of entry into force with respect to the United States of
America January 3, 1979.
With procès-verbal of rectification
Dated at London June 25, 1976.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The International Convention for Safe Containers (CSC) was done at Geneva on December 2, 1972, and was signed on behalf of the United States of America on December 5, 1972, a certified copy of which Convention is hereto annexed;

The Senate of the United States of America by its resolution of September 15, 1976, two-thirds of the Senators present concurring therein, gave its advice and consent to the ratification of the Convention;

The President of the United States of America ratified the Convention on October 8, 1976, in pursuance of the advice and consent of the Senate;

The United States of America deposited its instrument of ratification on January 3, 1978, in accordance with the provisions of Article VII of the Convention;

The Convention will enter into force for the United States of America on January 3, 1979;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Convention, to the end that it shall be observed and fulfilled with good faith on and after January 3, 1979, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this fourteenth day of April in the year of our Lord one thousand nine hundred seventy-[SEAL] eight and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

By the President:

WARREN CHRISTOPHER
Secretary of State

INTERNATIONAL CONVENTION FOR SAFE CONTAINERS (CSC) [1]**Preamble****THE CONTRACTING PARTIES,**

RECOGNIZING the need to maintain a high level of safety of human life in the handling, stacking and transporting of containers,

MINDFUL of the need to facilitate international container transport,

RECOGNIZING, in this context, the advantages of formalizing common international safety requirements,

CONSIDERING that this end may best be achieved by the conclusion of a Convention,

HAVE DECIDED to formalize structural requirements to ensure safety in the handling, stacking and transporting of containers in the course of normal operations, and to this end

HAVE AGREED as follows:

ARTICLE I*General Obligation under the present Convention*

The Contracting Parties undertake to give effect to the provisions of the present Convention and the Annexes hereto, which shall constitute an integral part of the present Convention.

ARTICLE II*Definitions*

For the purpose of the present Convention, unless expressly provided otherwise:

1. "Container" means an article of transport equipment:

(a) of a permanent character and accordingly strong enough to be suitable for repeated use;

(b) specially designed to facilitate the transport of goods, by one or more modes of transport, without intermediate reloading;

¹ For text of procès-verbal of rectification, see pp. 3814–3829.

(c) designed to be secured and/or readily handled, having corner fittings for these purposes;

(d) of a size such that the area enclosed by the four outer bottom corners is either:

(i) at least 14 sq.m. (150 sq.ft.) or

(ii) at least 7 sq.m. (75 sq.ft.) if it is fitted with top corner fittings;

the term "container" includes neither vehicles nor packaging; however, containers when carried on chassis are included.

2. "Corner fittings" means an arrangement of apertures and faces at the top and/or bottom of a container for the purposes of handling, stacking and/or securing.

3. "Administration" means the Government of a Contracting Party under whose authority containers are approved.

4. "Approved" means approved by the Administration.

5. "Approval" means the decision by an Administration that a design type or a container is safe within the terms of the present Convention.

6. "International transport" means transport between points of departure and destination situated in the territory of two countries to at least one of which the present Convention applies. The present Convention shall also apply when part of a transport operation between two countries takes place in the territory of a country to which the present Convention applies.

7. "Cargo" means any goods, wares, merchandise and articles of every kind whatsoever carried in the containers.

8. "New container" means a container the construction of which was commenced on or after the date of entry into force of the present Convention.

9. "Existing container" means a container which is not a new container.

10. "Owner" means the owner as provided for under the national law of the Contracting Party or the lessee or bailee, if an agreement between the parties provides for the exercise of the owner's responsibility for maintenance and examination of the container by such lessee or bailee.

11. "Type of container" means the design type approved by the Administration.

12. "Type-series container" means any container manufactured in accordance with the approved design type.

13. "Prototype" means a container representative of those manufactured or to be manufactured in a design type series.

14. "Maximum Operating Gross Weight or Rating" or "R" means the maximum allowable combined weight of the container and its cargo.

15. "Tare Weight" means the weight of the empty container including permanently affixed ancillary equipment.

16. "Maximum Permissible Payload" or "P" means the difference between maximum operating gross weight or rating and tare weight.

ARTICLE III

Application

1. The present Convention applies to new and existing containers used in international transport, excluding containers specially designed for air transport.

2. Every new container shall be approved either in accordance with the provisions for type-testing or for individual testing as contained in Annex I.

3. Every existing container shall be approved in accordance with the relevant provisions for approval of existing containers set out in Annex I within 5 years from the date of entry into force of the present Convention.

ARTICLE IV

Testing, Inspection, Approval and Maintenance

1. For the enforcement of the provisions in Annex I every Administration shall establish an effective procedure for the testing, inspection and approval of containers in accordance with the criteria established in the present Convention, provided however that an Administration may entrust such testing, inspection and approval to organizations duly authorized by it.

2. An Administration which entrusts such testing, inspection and approval to an organization shall inform the Secretary-General of the Inter-Governmental Maritime Consultative Organization (hereinafter referred to as "the Organization") for communication to Contracting Parties.

3. Application for approval may be made to the Administration of any Contracting Party.

4. Every container shall be maintained in a safe condition in accordance with the provisions of Annex I.

5. If an approved container does not in fact comply with the requirements of Annexes I and II the Administration concerned shall take such steps as it deems necessary to bring the container into compliance with such requirements or to withdraw the approval.

ARTICLE V*Acceptance of Approval*

1. Approval under the authority of a Contracting Party, granted under the terms of the present Convention, shall be accepted by the other Contracting Parties for all purposes covered by the present Convention. It shall be regarded by the other Contracting Parties as having the same force as an approval issued by them.
2. A Contracting Party shall not impose any other structural safety requirements or tests on containers covered by the present Convention, provided however that nothing in the present Convention shall preclude the application of provisions of national regulations or legislation or of international agreements, prescribing additional structural safety requirements or tests for containers specially designed for the transport of dangerous goods, or for those features unique to containers carrying bulk liquids or for containers when carried by air. The term "dangerous goods" shall have that meaning assigned to it by international agreements.

ARTICLE VI*Control*

1. Every container which has been approved under article III shall be subject to control in the territory of the Contracting Parties by officers duly authorized by such Contracting Parties. This control shall be limited to verifying that the container carries a valid Safety Approval Plate as required by the present Convention, unless there is significant evidence for believing that the condition of the container is such as to create an obvious risk to safety. In that case the officer carrying out the control shall only exercise it in so far as it may be necessary to ensure that the container is restored to a safe condition before it continues in service.
2. Where the container appears to have become unsafe as a result of a defect which may have existed when the container was approved, the Administration responsible for that approval shall be informed by the Contracting Party which detected the defect.

ARTICLE VII*Signature, ratification, acceptance, approval and accession*

1. The present Convention shall be open for signature until 15 January 1973 at the Office of the United Nations at Geneva and subsequently from 1 February 1973 until 31 December 1973 inclusive at the Headquarters of the Organization at London by all States Members of the United Nations or Members of any of the Specialized Agencies or of the International Atomic Energy Agency or Parties to the Statute of the International Court of Justice, and by any other State invited by the General Assembly of the United Nations to become a Party to the present Convention.
2. The present Convention is subject to ratification, acceptance or approval by States which have signed it.

3. The present Convention shall remain open for accession by any State referred to in paragraph 1.

4. Instruments of ratification, acceptance, approval or accession shall be deposited with the Secretary-General of the Organization (hereinafter referred to as "the Secretary-General").

ARTICLE VIII

Entry into force

1. The present Convention shall enter into force twelve months from the date of the deposit of the tenth instrument of ratification, acceptance, approval or accession.

2. For each State ratifying, accepting, approving or acceding to the present Convention after the deposit of the tenth instrument of ratification, acceptance, approval or accession, the present Convention shall enter into force twelve months after the date of the deposit by such State of its instrument of ratification, acceptance, approval or accession.

3. Any State which becomes a Party to the present Convention after the entry into force of an amendment shall, failing an expression of a different intention by that State,

(a) be considered as a Party to the Convention as amended; and

(b) be considered as a Party to the unamended Convention in relation to any Party to the Convention not bound by the amendment.

ARTICLE IX

Procedure for amending any part or parts of the present Convention

1. The present Convention may be amended upon the proposal of a Contracting Party by any of the procedures specified in this article.

2. Amendment after consideration in the Organization:

(a) Upon the request of a Contracting Party, any amendment proposed by it to the present Convention shall be considered in the Organization. If adopted by a majority of two-thirds of those present and voting in the Maritime Safety Committee of the Organization, to which all Contracting Parties shall have been invited to participate and vote, such amendment shall be communicated to all Members of the Organization and all Contracting Parties at least six months prior to its consideration by the Assembly of the Organization. Any Contracting Party which is not a Member of the Organization shall be entitled to participate and vote when the amendment is considered by the Assembly.

(b) If adopted by a two-thirds majority of those present and voting in the Assembly, and if such majority includes a two-thirds majority of the Contracting Parties present and voting, the amendment shall be communicated by the Secretary-General to all Contracting Parties for their acceptance.

(c) Such amendment shall come into force twelve months after the date on which it is accepted by two-thirds of the Contracting Parties. The amendment shall come into force with respect to all Contracting Parties except those which, before it comes into force, make a declaration that they do not accept the amendment.

3. Amendment by a Conference:

Upon the request of a Contracting Party, concurred in by at least one-third of the Contracting Parties, a Conference to which the States referred to in article VII shall be invited will be convened by the Secretary-General.

ARTICLE X

Special procedure for amending the Annexes

1. Any amendment to the Annexes proposed by a Contracting Party shall be considered in the Organization at the request of that Party.

2. If adopted by a two-thirds majority of those present and voting in the Maritime Safety Committee of the Organization to which all Contracting Parties shall have been invited to participate and to vote, and if such majority includes a two-thirds majority of the Contracting Parties present and voting, such amendment shall be communicated by the Secretary-General to all Contracting Parties for their acceptance.

3. Such an amendment shall enter into force on a date to be determined by the Maritime Safety Committee at the time of its adoption, unless by a prior date determined by the Maritime Safety Committee at the same time one-fifth or five of the Contracting Parties, whichever number is less, notify the Secretary-General of their objection to the amendment. Determination by the Maritime Safety Committee of the dates referred to in this paragraph shall be by a two-thirds majority of those present and voting, which majority shall include a two-thirds majority of the Contracting Parties present and voting.

4. On entry into force any amendment shall, for all Contracting Parties which have not objected to the amendment, replace and supersede any previous provision to which the amendment refers; an objection made by a Contracting Party shall not be binding on other Contracting Parties as to acceptance of containers to which the present Convention applies.

5. The Secretary-General shall inform all Contracting Parties and Members of the Organization of any request and communication under this article and the date on which any amendment enters into force.

6. Where a proposed amendment to the Annexes has been considered but not adopted by the Maritime Safety Committee, any Contracting Party may request the convening of a Conference to which the States referred to in article VII shall be invited. Upon receipt of notification of concurrence by at least one-third of the other Contracting Parties such a Conference shall be convened by the Secretary-General to consider amendments to the Annexes.

ARTICLE XI*Denunciation*

1. Any Contracting Party may denounce the present Convention by effecting the deposit of an instrument with the Secretary-General. The denunciation shall take effect one year from the date of such deposit with the Secretary-General.
2. A Contracting Party which has communicated an objection to an amendment to the Annexes may denounce the present Convention and such denunciation shall take effect on the date of entry into force of such an amendment.

ARTICLE XII*Termination*

The present Convention shall cease to be in force if the number of Contracting Parties is less than five for any period of twelve consecutive months.

ARTICLE XIII*Settlement of Disputes*

1. Any dispute between two or more Contracting Parties concerning the interpretation or application of the present Convention which cannot be settled by negotiation or other means of settlement shall, at the request of one of them, be referred to an arbitration tribunal composed as follows: each party to the dispute shall appoint an arbitrator and these two arbitrators shall appoint a third arbitrator, who shall be the Chairman. If three months after receipt of a request one of the parties shall have failed to appoint an arbitrator or if the arbitrators shall have failed to elect the Chairman, any of the parties may request the Secretary-General to appoint an arbitrator or the Chairman of the arbitration tribunal.
2. The decision of the arbitration tribunal designated under the provisions of paragraph 1 shall be binding on the parties to the dispute.
3. The arbitration tribunal shall decide its own rules of procedure.
4. Decisions of the arbitration tribunal both as to its procedure and its place of meeting and as to any controversy laid before it, shall be taken by majority vote.
5. Any controversy which may arise between the parties to the dispute as regards the interpretation and execution of the award may be submitted by either party for judgment to the arbitration tribunal which made the award.

ARTICLE XIV*Reservations*

1. Reservations to the present Convention shall be permitted, excepting those relating to the provisions of articles I -- VI, XIII and of the present article and of those contained in the Annexes, on condition that such reservations are

communicated in writing and, if communicated before the deposit of the instrument of ratification, acceptance, approval or accession, are confirmed in that instrument. The Secretary-General shall communicate such reservations to all States referred to in article VII.

2. Any reservations made in accordance with paragraph 1:

(a) modifies for the Contracting Party which made the reservation the provisions of the present Convention to which the reservation relates to the extent of the reservation; and

(b) modifies those provisions to the same extent for the other Contracting Parties in their relations with the Contracting Party which entered the reservation.

3. Any Contracting Party which has formulated a reservation under paragraph 1 may withdraw it at any time by notification to the Secretary-General.

ARTICLE XV

Notification

In addition to the notifications and communications provided for in articles IX, X and XIV, the Secretary-General shall notify all the States referred to in article VII of the following:

(a) signatures, ratifications, acceptances, approvals and accessions, under article VII;

(b) the dates of entry into force of the present Convention in accordance with article VIII;

(c) the date of entry into force of amendments to the present Convention in accordance with articles IX and X;

(d) denunciations under article XI;

(e) the termination of the present Convention under article XII.

ARTICLE XVI

Authentic texts

The original of the present Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General who shall communicate certified true copies to all States referred to in article VII.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed the present Convention.

DONE at Geneva this second day of December, one thousand nine hundred and seventy-two.

ANNEX I**REGULATIONS FOR THE TESTING, INSPECTION, APPROVAL
AND MAINTENANCE OF CONTAINERS****CHAPTER I – REGULATIONS COMMON TO ALL
SYSTEMS OF APPROVAL****Regulation 1***Safety Approval Plate*

1. A Safety Approval Plate conforming to the specifications set out in the Appendix to this Annex shall be permanently affixed to every approved container at a readily visible place adjacent to any other approval plate issued for official purposes where it would not be easily damaged.
2. (a) The Plate shall contain the following information in at least the English or French language:

“CSC SAFETY APPROVAL”

Country of approval and approval reference

Date (month and year) of manufacture

Manufacturer's identification number of the container or, in the case of existing containers, for which that number is unknown, the number allotted by the Administration

Maximum operating gross weight (kilogrammes and lbs)

Allowable stacking weight for 1.8 g (kilogrammes and lbs)

Transverse racking test load value (kilogrammes and lbs).

(b) A blank space should be reserved on the Plate for insertion of end and/or side-wall strength values (factors) in accordance with Regulation 1, paragraph 3 and Annex II, tests 6 and 7. A blank space should also be reserved on the Plate for first and subsequent maintenance examination dates (month and year) when used.

3. Where the Administration considers that a new container satisfies the requirements of the present Convention in respect of safety and if, for such container, the end and/or side-wall strength value (factor) is designed to be greater or less than that stipulated in Annex II such value shall be indicated on the Safety Approval Plate.

4. The presence of the Safety Approval Plate does not remove the necessity of displaying such labels or other information as may be required by other regulations which may be in force.

Regulation 2*Maintenance*

1. The owner of the container shall be responsible for maintaining it in safe condition.
2. The owner of an approved container shall examine the container or have it examined in accordance with the procedure either prescribed or approved by the Contracting Party concerned, at intervals appropriate to operating conditions. The date (month and year) before which a new container shall undergo its first examination shall be marked on the Safety Approval Plate.
3. The date (month and year) before which the container shall be re-examined shall be clearly marked on the container on or as close as practicable to the Safety Approval Plate and in a manner acceptable to that Contracting Party which prescribed or approved the particular maintenance procedure involved.
4. The interval from the date of manufacture to the date of the first examination shall not exceed five years. Subsequent examination of new containers and re-examination of existing containers shall be at intervals of not more than 24 months. All examinations shall determine whether the container has any defects which could place any person in danger.
5. For the purpose of this Regulation "the Contracting Party concerned" is the Contracting Party of the territory in which the owner is domiciled or has his head office.

**CHAPTER II – REGULATIONS FOR APPROVAL OF
NEW CONTAINERS BY DESIGN TYPE****Regulation 3***Approval of New Containers*

To qualify for approval for safety purposes under the present Convention all new containers shall comply with the requirements set out in Annex II.

Regulation 4*Design Type Approval*

In the case of containers for which an application for approval has been submitted, the Administration will examine designs and witness testing of a prototype container to ensure that the containers will conform with the requirements set out in Annex II. When satisfied, the Administration shall notify the applicant in writing that the container meets the requirements of the present Convention and this notification shall entitle the manufacturer to affix the Safety Approval Plate to every container of the design type series.

Regulation 5*Provisions for Approval by Design Type*

1. Where the containers are to be manufactured by design type series, application made to an Administration for approval by design type shall be accompanied by drawings, a design specification of the type of container to be approved, and such other data as may be required by the Administration.
2. The applicant shall state the identification symbols which will be assigned by the manufacturer to the type of container to which the application for approval relates.
3. The application shall also be accompanied by an assurance from the manufacturer that he shall:
 - (a) produce to the Administration such containers of the design type concerned as the Administration may wish to examine;
 - (b) advise the Administration of any change in the design or specification and await its approval before affixing the Safety Approval Plate to the container;
 - (c) affix the Safety Approval Plate to each container in the design type series and to no others;
 - (d) keep a record of containers manufactured to the approved design type. This record shall at least contain the manufacturer's identification numbers, dates of delivery and names and addresses of customers to whom the containers are delivered.
4. Approval may be granted by the Administration to containers manufactured as modifications of an approved design type if the Administration is satisfied that the modifications do not affect the validity of tests conducted in the course of design type approval.
5. The Administration shall not confer on a manufacturer authority to affix Safety Approval Plates on the basis of design type approval unless satisfied that the manufacturer has instituted internal production-control features to ensure that the containers produced will conform to the approved prototype.

Regulation 6*Examination during Production*

In order to ensure that containers of the same design type series are manufactured to the approved design, the Administration shall examine or test as many units as it considers necessary, at any stage during production of the design type series concerned.

Regulation 7*Notification of Administration*

The manufacturer shall notify the Administration prior to commencement of production of each new series of containers to be manufactured in accordance with an approved design type.

**CHAPTER III – REGULATIONS FOR APPROVAL OF NEW CONTAINERS
BY INDIVIDUAL APPROVAL**

Regulation 8

Approval of Individual Containers

Approval of individual containers may be granted where the Administration, after examination and witnessing of tests, is satisfied that the container meets the requirements of the present Convention; the Administration, when so satisfied, shall notify the applicant in writing of approval and this notification shall entitle him to affix the Safety Approval Plate to such container.

**CHAPTER IV – REGULATIONS FOR APPROVAL
OF EXISTING CONTAINERS**

Regulation 9

Approval of Existing Containers

1. If, within 5 years from the date of entry into force of the present Convention, the owner of an existing container presents the following information to an Administration:

- (a) date and place of manufacture;
- (b) manufacturer's identification number of the container if available;
- (c) maximum operating gross weight capability;
- (d)
 - (i) evidence that a container of this type has been safely operated in maritime and/or inland transport for a period of at least two years, or
 - (ii) evidence to the satisfaction of the Administration that the container was manufactured to a design type which had been tested and found to comply with the technical conditions set out in Annex II with the exception of those technical conditions relating to the end-wall and side-wall strength tests, or
 - (iii) evidence that the container was constructed to standards which, in the opinion of the Administration, were equivalent to the technical conditions set out in Annex II with the exception of those technical conditions relating to the end-wall and side-wall strength tests;
- (e) allowable stacking weight for 1.8 g (kilogrammes and lbs); and

(f) such other data as required for the Safety Approval Plate, then the Administration, after investigation, shall notify the owner in writing whether approval is granted; and if so, this notification shall entitle the owner to affix the Safety Approval Plate after an examination of the container concerned has been carried out in accordance with Regulation 2.

2. Existing containers which do not qualify for approval under paragraph 1 of this Regulation may be presented for approval under the provisions of Chapter II or Chapter III of this Annex. For such containers the requirements of Annex II relating to end and/or side-wall strength tests shall not apply. The Administration may, if it is satisfied that the containers in question have been in service, waive such of the requirements in respect of presentation of drawings and testing, other than the lifting and floor-strength tests, as it may deem appropriate.

APPENDIX

The Safety Approval Plate, conforming to the model reproduced below, shall take the form of a permanent, non-corrosive, fire-proof rectangular plate measuring not less than 200 mm by 100 mm. The words "CSC Safety Approval" of a minimum letter height of 8 mm and all other words and numbers of a minimum height of 5 mm shall be stamped into, embossed on or indicated on its surface in any other permanent and legible way.

CSC SAFETY APPROVAL	
1	[GB - L/749/2/7/75]
2	DATE MANUFACTURED
3	IDENTIFICATION No.
4	MAXIMUM GROSS WEIGHT kg - lb
5	ALLOWABLE STACKING WEIGHT FOR 1.8 g kg - lb
6	RACKING TEST LOAD VALUE kg - lb
7	
8	
9	
$\geq 200 \text{ mm}$	
	100 mm

1. Country of Approval and Approval Reference as given in the example on line 1. (The country of Approval should be indicated by means of the distinguishing sign used to indicate country of registration of motor vehicles in international road traffic).
2. Date (month and year) of manufacture.
3. Manufacturer's identification number of the container or, in the case of existing containers for which that number is unknown, the number allotted by the Administration.
4. Maximum Operating Gross Weight (kilogrammes and lbs.).
5. Allowable Stacking Weight for 1.8 g (kilogrammes and lbs.).
6. Transverse Racking Test Load Value (kilogrammes and lbs.).
7. End Wall Strength to be indicated on plate only if end walls are designed to withstand a load of less or greater than 0.4 times the maximum permissible payload, i.e. 0.4 P.
8. Side Wall Strength to be indicated on plate only if the side walls are designed to withstand a load of less or greater than 0.6 times the maximum permissible payload, i.e. 0.6 P.
9. First maintenance examination date (month and year) for new containers and subsequent maintenance examination dates (month and year) if Plate used for this purpose.

ANNEX II**STRUCTURAL SAFETY REQUIREMENTS AND TESTS****Introduction**

In setting the requirements of this Annex, it is implicit that in all phases of the operation of containers the forces as a result of motion, location, stacking and weight of the loaded container and external forces will not exceed the design strength of the container. In particular, the following assumptions have been made:

- (a) the container will so be restrained that it is not subjected to forces in excess of those for which it has been designed;
- (b) the container will have its cargo stowed in accordance with the recommended practices of the trade so that the cargo does not impose upon the container forces in excess of those for which it has been designed.

Construction

1. A container made from any suitable material which satisfactorily performs the following tests without sustaining any permanent deformation or abnormality which would render it incapable of being used for its designed purpose, shall be considered safe.
2. The dimensions, positioning and associated tolerances of corner fittings shall be checked having regard to the lifting and securing systems in which they will function.
3. When containers are provided with special fittings for use only when such containers are empty, this restriction shall be marked on the container.

Test loads and test procedures

Where appropriate to the design of the container, the following test loads and test procedures shall be applied to all kinds of containers under test:

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
	1. LIFTING

The container, having the prescribed INTERNAL LOADING, shall be lifted in such a way that no significant acceleration forces are applied. After lifting, the container shall be suspended or supported for five minutes and then lowered to the ground.

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
(A) LIFTING FROM CORNER FITTINGS	
Internal loading: A uniformly distributed load such that the combined weight of container and test load is equal to $2R$	(i) <i>Lifting from top corner fittings:</i> Containers greater than 3,000 mm (10 ft.) (nominal) in length shall have lifting forces applied vertically at all four top corner fittings. Containers of 3,000 mm (10 ft.) (nominal) in length and less shall have lifting forces applied at all four top corner fittings, in such a way that the angle between each lifting device and the vertical shall be 30° .
Externally applied forces: Such as to lift the combined weight of $2R$ in the manner prescribed (under the heading TEST PROCEDURES).	(ii) <i>Lifting from bottom corner fittings:</i> Containers shall have lifting forces applied in such a manner that the lifting devices bear on the bottom corner fittings only. The lifting forces shall be applied at angles to the horizontal of: 30° for containers of length 12,000 mm (40 ft.) (nominal) or greater; 37° for containers of length 9,000 mm (30 ft.) (nominal) and up to but not including 12,000 mm (40 ft.) (nominal), 45° for containers of length 6,000 mm (20 ft.) (nominal) and up to but not including 9,000 mm (30 ft.) (nominal), 60° for containers of less than 6,000 mm (20 ft.) (nominal).
(B) LIFTING BY ANY OTHER ADDITIONAL METHODS	
Internal loading: A uniformly distributed load such that the combined weight of container and test load is equal to $1.25 R$.	(i) <i>Lifting from fork lift pockets:</i> The container shall be placed on bars which are in the same horizontal plane, one bar centred within each fork lift pocket which is used

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
Externally applied forces: Such as to lift the combined weight of 1.25 R in the manner prescribed (under the heading TEST PROCEDURES).	for lifting the loaded container. The bars shall be of the same width as the forks intended to be used in the handling, and shall project into the fork pocket 75 per cent of the length of the fork pocket.
Internal loading: A uniformly distributed load such that the combined weight of containers and test load is equal to 1.25 R.	(ii) <i>Lifting from grappler arm positions:</i> The container shall be placed on pads in the same horizontal plane, one under each grappler arm position. These pads shall be of the same sizes as the lifting area of the grappler arms intended to be used.
Externally applied forces: Such as to lift the combined weight of 1.25 R, in the manner prescribed (under the heading TEST PROCEDURES).	(iii) <i>Other Methods</i> Where containers are designed to be lifted in the loaded condition by any method not mentioned in (A) or (B) (i) and (ii) they shall also be tested with the INTERNAL LOADING AND EXTERNALLY APPLIED FORCES representative of the acceleration conditions appropriate to that method.

2. STACKING

- For conditions of international transport where the maximum vertical acceleration forces vary significantly from 1.8 g and when the container is reliably and effectively limited to such conditions of transport, the stacking load may be varied by the appropriate ratio of acceleration forces.
- On successful completion of this test the container may be rated for the allowable superimposed static stacking weight which should be indicated on the Safety Approval Plate against the heading "Allowable stacking weight for 1.8 g (kilogrammes and lbs)".

Internal loading:

A uniformly distributed load such that the combined weight of container and test load is equal to 1.8 R.

The container, having the prescribed INTERNAL LOADING, shall be placed on four level pads which are in turn supported on a rigid horizontal surface,

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
Externally applied forces: Such as to subject each of the four top corner fittings to a vertical downward force equal to $\frac{1}{4} \times 1.8 \times$ the allowable superimposed static stacking weight.	one under each bottom corner fitting or equivalent corner structure. The pads shall be centralized under the fittings and shall be of approximately the same plan dimensions as the fittings.

3. CONCENTRATED LOADS	(a) ON ROOF
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Internal loading:

None.

Externally applied forces:

A concentrated load of 300 kg (660 lb) uniformly distributed over an area of 600 mm x 300 mm (24 in. x 12 in.).

The EXTERNALLY APPLIED FORCES shall be applied vertically downwards to the outer surface of the weakest area of the roof of the container.

3. CONCENTRATED LOADS	(b) ON FLOOR
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Internal loading:

Two concentrated loads each of 2,730 kg (6,000 lb.) and each applied to the container floor through a contact area of 142 cm² (22 sq.in.)

The test should be made with the container resting on four level supports under its four bottom corners in such a manner that the base structure of the container is free to deflect.

A testing device loaded to a weight of 5,460 kilogrammes (12,000 lbs.) that is 2,730 kg (6,000 lbs.) on each of two surfaces having, when loaded, a total contact area of 284 cm² (44 sq.in.)

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
	that is 142 cm^2 (22 sq.in.) on each surface, the surface width being 180 mm (7 in.) spaced 760 mm (30 in.) apart, centre to centre, should be manoeuvred over the entire floor area of the container.

Externally applied forces:

None.

4. TRANSVERSE RACKING

Internal loading:

None.

The container in tare condition shall be placed on four level supports one under each bottom corner and shall be restrained against lateral and vertical movement by means of anchor devices so arranged that the lateral restraint is provided only at the bottom corners diagonally opposite to those at which the forces are applied.

Externally applied forces:

Such as to rack the end structures of the containers sideways. The forces shall be equal to those for which the container was designed.

The EXTERNALLY APPLIED FORCE shall be applied either separately or simultaneously to each of the top corner fittings on one side of the container in lines parallel both to the base and to the planes of the ends of the container. The forces shall be applied first towards and then away from the top corner fittings. In the case of containers in which each end is symmetrical about its own vertical centreline, one side only need be tested, but both sides of containers with asymmetric ends shall be tested.

5. LONGITUDINAL RESTRAINT (STATIC TEST)

When designing and constructing containers, it must be borne in mind that containers, when carried by inland modes of transport may sustain accelerations of 2 g applied horizontally in a longitudinal direction.

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
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Internal loading:

A uniformly distributed load, such that the combined weight of a container and test load is equal to the maximum operating gross weight or rating, R.

The container having the prescribed INTERNAL LOADING shall be restrained longitudinally by securing the two bottom corner fittings or equivalent corner structures at one end to suitable anchor points.

Externally applied forces:

Such as to subject each side of the container to longitudinal compressive and tensile forces of magnitude R, that is, a combined force of $2R$ on the base of the container as a whole.

The EXTERNALLY APPLIED FORCES shall be applied first towards and then away from the anchor points. Each side of the container shall be tested.

6. END-WALLS

The end walls should be capable of withstanding a load of not less than 0.4 times the maximum permissible payload. If, however, the end walls are designed to withstand a load of less or greater than 0.4 times the maximum permissible payload such a strength factor shall be indicated on the Safety Approval Plate in accordance with Annex I, Regulation 1.

Internal loading:

Such as to subject the inside of an end-wall to a uniformly distributed load of $0.4P$ or such other load for which the container may be designed.

The prescribed INTERNAL LOADING shall be applied as follows:
Both ends of a container shall be tested except where the ends are identical only one end need be tested. The end-walls of containers which do not have open sides or side doors may be tested separately or simultaneously.

The end-walls of containers which do have open sides or side doors should be tested separately. When the ends are tested separately the reactions to the forces applied to the end-wall shall be confined to the base structure of the container.

Externally applied forces:

None.

TEST LOADINGS AND APPLIED FORCES	TEST PROCEDURES
	7. SIDE-WALLS

The side-walls should be capable of withstanding a load of not less than 0.6 times the maximum permissible payload. If, however, the side-walls are designed to withstand a load of less or greater than 0.6 times the maximum permissible payload, such a strength factor should be indicated on the Safety Approval Plate in accordance with Annex I, Regulation 1.

Internal loading:

Such as to subject the inside of a side-wall to a uniformly distributed load of 0.6P or such other load for which the container may be designed.

The prescribed INTERNAL LOADING shall be applied as follows:

Both sides of a container shall be tested except where the sides are identical only one side need be tested. Side-walls shall be tested separately and the reactions to the internal loading shall be confined to the corner fittings or equivalent corner structures. Open topped containers shall be tested in the condition in which they are designed to be operated, for example, with removable top members in position.

Externally applied forces:

None.

Certified true copy of the English text of the International Convention for Safe Containers, done at Geneva on 2 December 1972, the original of which is deposited with the Inter-Governmental Maritime Consultative Organization.

For the Secretary-General of the Inter-Governmental Maritime Consultative Organization:

Thomas Altemer

London, 20 November 1974

**CONVENTION INTERNATIONALE SUR LA SECURITE
DES CONTENEURS (CSC)****Préambule****LES PARTIES CONTRACTANTES,**

RECONNAISSANT qu'il importe de maintenir un degré élevé de sécurité de la vie humaine lors de la manutention, du gerbage et du transport des conteneurs,

CONSCIENTES de la nécessité de faciliter les transports internationaux par conteneurs,

RECONNAISSANT à cet égard les avantages qu'il y aurait à officialiser des prescriptions internationales communes en matière de sécurité,

CONSIDERANT que le meilleur moyen de parvenir à cette fin est de conclure une Convention,

ONT DECIDE d'officialiser les règles de construction des conteneurs destinées à garantir la sécurité de leur manutention, de leur gerbage et de leur transport dans des conditions normales d'exploitation, et à cet effet

SONT CONVENUES des dispositions suivantes :

ARTICLE PREMIER*Obligation générale aux termes de la présente Convention*

Les Parties Contractantes s'engagent à donner effet aux dispositions de la présente Convention et de ses Annexes, qui font partie intégrante de la présente Convention.

ARTICLE II*Définitions*

Aux fins de la présente Convention, sauf disposition contraire expresse :

1. On entend par «conteneur» un engin de transport :

a) de caractère permanent et, de ce fait, assez résistant pour permettre un usage répété;

b) spécialement conçu pour faciliter le transport des marchandises, sans rupture de charge, pour un ou plusieurs modes de transport;

c) conçu pour être assujetti et/ou manipulé facilement, des pièces de coin étant prévues à cet effet;

d) de dimensions telles que la surface délimitée par les quatre angles inférieurs extérieurs soit :

i) d'au moins 14 m² (150 pieds carrés) ou

ii) d'au moins 7 m² (75 pieds carrés) si le conteneur est pourvu de pièces de coin aux angles supérieurs.

Le terme «conteneur» ne comprend ni les véhicules, ni l'emballage. Il comprend toutefois les conteneurs transportés sur des châssis.

2. L'expression «pièces de coin» désigne un aménagement d'ouvertures et de faces disposées aux angles supérieurs et/ou inférieurs du conteneur et permettant de le manutentionner, de le gerber et/ou de l'assujettir.

3. Le terme «Administration» désigne le Gouvernement de la Partie Contractante sous l'autorité de laquelle les conteneurs sont agréés.

4. Le terme «agréé» signifie agréé par l'Administration.

5. Le terme «agrément» s'entend de la décision par laquelle une Administration juge qu'un type de construction ou un conteneur offre les garanties de sécurité prévues dans la présente Convention.

6. L'expression «transport international» désigne un transport dont les points de départ et de destination sont situés sur le territoire de deux pays dont au moins l'un est un pays auquel s'applique la présente Convention. La présente Convention s'applique également lorsqu'une partie d'un transport entre deux pays a lieu sur le territoire d'un pays auquel s'applique la présente Convention.

7. Le terme «cargaison» désigne tous les articles et marchandises quelle qu'en soit la nature, transportés dans les conteneurs.

8. Par «conteneur neuf», on entend tout conteneur dont la construction a été entreprise à la date d'entrée en vigueur de la présente Convention ou postérieurement à cette date.

9. Par «conteneur existant», on entend tout conteneur qui n'est pas un conteneur neuf.

10. Par «propriétaire», on entend soit le propriétaire au sens de la législation nationale de la Partie Contractante, soit le locataire à bail ou le dépositaire si les parties à un contrat conviennent que le locataire à bail ou le dépositaire assumera la responsabilité du propriétaire en ce qui concerne l'entretien et l'examen du conteneur conformément aux dispositions de la présente Convention.

11. Par «type de conteneur», on entend le type de construction agréé par l'Administration.

12. Par «conteneur de la série», on entend tout conteneur construit conformément au type de construction agréé.

13. Par «prototype», on entend un conteneur représentatif des conteneurs qui ont été ou qui seront construits dans une même série.

14. L'expression «masse brute maximale de service» ou «R» désigne la masse totale maximale admissible du conteneur et de son chargement.

15. Le terme «tare» désigne la masse du conteneur vide, y compris les accessoires fixés à demeure.

16. L'expression «charge utile maximale admissible» ou «P» représente la différence entre la masse brute maximale de service et la tare.

ARTICLE III

Champ d'application

1. La présente Convention s'applique aux conteneurs neufs et existants utilisés pour un transport international, à l'exception des conteneurs spécialement conçus pour le transport aérien.

2. Tout conteneur neuf doit être agréé conformément aux dispositions de l'Annexe I applicables aux essais d'agrément par type ou aux essais d'agrément individuel.

3. Tout conteneur existant doit être agréé conformément aux dispositions pertinentes régissant l'agrément des conteneurs existants énoncées dans l'Annexe I, dans les cinq ans qui suivent la date d'entrée en vigueur de celle-ci.

ARTICLE IV

Essais, inspection, agrément et entretien

1. Pour mettre en oeuvre les dispositions de l'Annexe I, chaque Administration doit instaurer une procédure efficace d'essais, d'inspection et d'agrément des conteneurs, conformément aux critères établis dans la présente Convention; elle peut toutefois confier ces essais, inspection et agrément à des organisations dûment autorisées par elle.

2. L'Administration qui confie ces essais, inspection et agrément à une organisation doit en informer le Secrétaire général de l'Organisation intergouvernementale consultative de la navigation maritime (dénommée ci-après «l'Organisation») qui avise les Parties Contractantes.

3. La demande d'agrément peut être adressée à l'Administration de toute Partie Contractante.

4. Tout conteneur doit être maintenu dans un état satisfaisant du point de vue de la sécurité, conformément aux dispositions de l'Annexe I.

5. Si un conteneur agréé ne répond pas aux règles des Annexes I et II, l'Administration intéressée prendra les mesures qu'elle juge nécessaires pour faire en sorte que le conteneur soit conforme auxdites règles ou pour retirer l'agrément.

ARTICLE V*Approbation de l'agrément*

1. L'agrément accordé aux termes de la présente Convention sous la responsabilité d'une Partie Contractante doit être approuvé par les autres Parties Contractantes pour tout ce qui concerne les objectifs de la présente Convention. Il doit être considéré par les autres Parties Contractantes comme ayant la même valeur que l'agrément accordé par eux.

2. Une Partie Contractante ne doit imposer aucune autre prescription ni aucun autre essai en matière de sécurité de construction des conteneurs auxquels s'applique la présente Convention; toutefois, aucune disposition de la présente Convention n'exclut l'application de réglementations ou lois nationales ou d'accords internationaux prescrivant des règles ou des essais supplémentaires en matière de sécurité de construction des conteneurs spécialement conçus pour le transport de marchandises dangereuses, ou en matière de sécurité de construction des éléments caractéristiques de conteneurs transportant des liquides en vrac, ou en matière de sécurité de construction des conteneurs quand ils sont transportés par air. L'expression «marchandises dangereuses» aura le sens qui lui est donné par les accords internationaux.

ARTICLE VI*Contrôle*

1. Tout conteneur qui a été agréé en vertu de l'article III est soumis, sur le territoire des Parties Contractantes, au contrôle des fonctionnaires dûment autorisés par ces Parties. Ce contrôle doit se limiter à la vérification de la présence sur le conteneur, conformément aux dispositions de la présente Convention, d'une plaque valide d'agrément aux fins de la sécurité, à moins qu'on ait la preuve évidente que l'état du conteneur présente un risque manifeste pour la sécurité. Dans ce cas, le fonctionnaire chargé du contrôle ne doit l'exercer que dans la mesure où il est nécessaire pour vérifier, avant que le conteneur soit remis en service, qu'il satisfait de nouveau aux prescriptions en matière de sécurité.

2. Lorsqu'il apparaît que le conteneur ne satisfait plus aux prescriptions en matière de sécurité par suite d'un défaut qui aurait pu exister au moment de son agrément, l'Administration responsable de cet agrément en sera informée par la Partie Contractante qui a décelé le défaut.

ARTICLE VII*Signature, ratification, acceptation, approbation et adhésion*

1. La présente Convention sera ouverte, jusqu'au 15 janvier 1973, à l'Office des Nations Unies à Genève, puis du 1er février 1973 au 31 décembre 1973, inclusivement, au siège de l'Organisation à Londres, à la signature de tous les Etats Membres de l'Organisation des Nations Unies ou membres de l'une de ses institutions spécialisées ou de l'Agence internationale de l'énergie atomique, ou Parties au Statut de la Cour internationale de Justice, et de tout autre Etat invité par l'Assemblée générale de l'Organisation des Nations Unies à devenir Partie à la présente Convention.

2. La présente Convention est sujette à ratification, acceptation ou approbation par les Etats signataires.

3. La présente Convention restera ouverte à l'adhésion de tout Etat visé au paragraphe 1.

4. Les instruments de ratification, d'acceptation, d'approbation ou d'adhésion seront déposés auprès du Secrétaire général de l'Organisation (dénommé ci-après le Secrétaire général).

ARTICLE VIII

Entrée en vigueur

1. La présente Convention entrera en vigueur douze mois après la date du dépôt du dixième instrument de ratification, d'acceptation, d'approbation ou d'adhésion.

2. Pour chaque Etat qui ratifiera, acceptera ou approuvera la présente Convention ou qui y adhérera après le dépôt du dixième instrument de ratification, d'acceptation, d'approbation ou d'adhésion, la présente Convention entrera en vigueur douze mois après la date du dépôt, par cet Etat, de son instrument de ratification, d'acceptation, d'approbation ou d'adhésion.

3. Tout Etat qui devient Partie à la présente Convention après l'entrée en vigueur d'un amendement est, faute d'avoir exprimé une intention différente, considéré comme étant :

a) Partie à la Convention telle qu'elle a été amendée; et

b) Partie à la Convention non amendée au regard de tout Etat Partie à la Convention qui n'est pas lié par l'amendement.

ARTICLE IX

Procédure d'amendement de tout ou partie de la présente Convention

1. La présente Convention peut être amendée sur proposition d'une Partie Contractante par l'une des procédures énoncées dans le présent article.

2. Amendement après examen au sein de l'Organisation :

a) Sur la demande d'une Partie Contractante, tout amendement proposé par cette Partie à la présente Convention est examiné par l'Organisation. S'il est adopté par une majorité des deux tiers des membres présents et votants du Comité de la sécurité maritime de l'Organisation, aux travaux duquel toutes les Parties Contractantes auront été invitées à participer avec droit de vote, cet amendement sera communiqué à tous les membres de l'Organisation et à toutes les Parties Contractantes six mois au moins avant d'être examiné par l'Assemblée de l'Organisation. Toute Partie Contractante qui n'est pas membre de l'Organisation sera autorisée à participer à ses travaux et à voter quand l'amendement sera examiné par l'Assemblée de l'Organisation.

b) S'il est adopté par une majorité des deux tiers des membres présents et votants de l'Assemblée, et si cette majorité comprend une majorité des deux tiers des Parties Contractantes présentes et votantes, l'amendement sera communiqué par l'Organisation à toutes les Parties Contractantes pour acceptation.

c) Cet amendement entrera en vigueur douze mois après la date à laquelle il aura été accepté par les deux tiers des Parties Contractantes. L'amendement entrera en vigueur pour toutes les Parties Contractantes, à l'exception de celles qui, avant son entrée en vigueur, auront fait une déclaration pour indiquer qu'elles ne l'acceptent pas.

3. Amendement par une conférence :

Sur la demande d'une Partie Contractante appuyée par au moins le tiers des Parties Contractantes, une conférence des gouvernements à laquelle seront invités les Etats visés à l'article VII sera convoquée par le Secrétaire général pour examiner les amendements à la présente Convention.

ARTICLE X

Procédure spéciale d'amendement des Annexes

1. Tout amendement aux Annexes proposé par une Partie Contractante sera examiné par l'Organisation à la demande de cette Partie.

2. S'il est adopté par une majorité des deux tiers des membres présents et votants du Comité de la sécurité maritime de l'Organisation, aux débats duquel toutes les Parties Contractantes auront été invitées à participer avec le droit de vote, et si cette majorité comprend une majorité des deux tiers des Parties Contractantes présentes et votantes, l'amendement sera communiqué par le Secrétaire général à toutes les Parties Contractantes pour acceptation.

3. Cet amendement entrera en vigueur à une date qui sera fixée par le Comité de la sécurité maritime au moment de son adoption, à moins qu'à une date antérieure, que le Comité de la sécurité maritime fixera en même temps, un cinquième des Parties Contractantes, ou cinq Parties Contractantes si ce chiffre est inférieur, aient notifié au Secrétaire général qu'elles élèvent des objections contre ledit amendement. Les dates visées dans le présent paragraphe seront fixées par une majorité des deux tiers des membres présents et votants du Comité de la sécurité maritime, comprenant elle-même une majorité des deux tiers des Parties Contractantes.

4. Dès qu'un amendement entrera en vigueur, il remplacera, pour toutes les Parties Contractantes qui n'ont pas élevé d'objection contre lui, toute disposition antérieure à laquelle il se rapporte; une objection élevée contre cet amendement par une Partie Contractante n'aura pas force obligatoire à l'égard des autres Parties Contractantes pour ce qui est de l'agrément des conteneurs auxquels la présente Convention s'applique.

5. Le Secrétaire général informera toutes les Parties Contractantes et tous les membres de l'Organisation de toute demande ou communication présentée aux termes du présent article et de la date à laquelle tout amendement entrera en vigueur.

6. Lorsque le Comité de la sécurité maritime examine, mais n'adopte pas, une proposition d'amendement aux Annexes, toute Partie Contractante pourra demander la convocation d'une Conférence, à laquelle tous les Etats visés à l'article VII seront invités. Lorsqu'un tiers au moins des autres Parties Contractantes auront notifié leur approbation, le Secrétaire général convoquera une Conférence pour examiner cet amendement aux Annexes.

ARTICLE XI

Dénonciation

1. Toute Partie Contractante pourra dénoncer la présente Convention par le dépôt d'un instrument auprès du Secrétaire général. La dénonciation prendra effet un an après la date de ce dépôt auprès du Secrétaire général.
2. Une Partie Contractante qui aura élevé une objection contre un amendement aux Annexes pourra dénoncer la présente Convention et cette dénonciation aura effet à la date d'entrée en vigueur dudit amendement.

ARTICLE XII

Extinction

La présente Convention cessera d'être en vigueur si le nombre des Parties Contractantes est inférieur à cinq pendant une période quelconque de douze mois consécutifs.

ARTICLE XIII

Règlement des différends

1. Tout différend entre deux ou plusieurs Parties Contractantes concernant l'interprétation ou l'application de la présente Convention qui ne peut être réglé par voie de négociations ou d'une autre manière sera soumis, à la requête de l'une d'entre elles, à un tribunal arbitral composé de la façon suivante : chacune des parties au différend nommera un arbitre et les deux arbitres désigneront un troisième arbitre qui sera le Président du tribunal. Si, trois mois après avoir reçu une requête, l'une des parties n'a pas désigné d'arbitre, ou si les arbitres n'ont pu choisir un président, l'une quelconque de ces parties pourra demander au Secrétaire général de procéder à la nomination de l'arbitre ou du président du tribunal arbitral.
2. La décision du tribunal arbitral constitué conformément aux dispositions du paragraphe 1 aura force obligatoire pour les parties intéressées au différend.
3. Le tribunal arbitral arrêtera son propre règlement intérieur.
4. Les décisions du tribunal arbitral concernant tant la procédure et le lieu de réunion que toute controverse dont il serait saisi seront prises à la majorité.

5. Toute controverse qui pourrait surgir entre les parties au différend au sujet de l'interprétation et de l'exécution de la sentence arbitrale pourra être portée par l'une des parties devant le tribunal arbitral qui a rendu la sentence pour être jugée par lui.

ARTICLE XIV

Réserve

1. Les réserves à la présente Convention seront autorisées, à l'exclusion de celles portant sur les dispositions des articles I à VI, de l'article XIII et du présent article, ainsi que sur celles des Annexes, à condition que ces réserves soient communiquées par écrit et, si elles le sont avant le dépôt de l'instrument de ratification, d'acceptation, d'approbation ou d'adhésion, qu'elles soient confirmées dans cet instrument. Le Secrétaire général communiquera ces réserves à tous les Etats visés à l'article VII.

2. Toute réserve communiquée en vertu du paragraphe 1 :

- a) modifie, pour la Partie Contractante qui l'a formulée, les dispositions de la présente Convention auxquelles cette réserve se rapporte, dans la mesure où elle leur est applicable, et
- b) modifie ces dispositions dans la même mesure pour les autres Parties Contractantes dans leurs relations avec la Partie Contractante qui a formulé la réserve.

3. Toute Partie Contractante ayant communiqué une réserve en vertu du paragraphe 1 pourra la retirer à tout moment par notification au Secrétaire général.

ARTICLE XV

Notification

Outre les notifications et communications prévues aux articles IX, X et XIV, le Secrétaire général notifiera à tous les Etats visés à l'article VII :

- a) les signatures, ratifications, acceptations, approbations et adhésions au titre de l'article VII,
- b) les dates d'entrée en vigueur de la présente Convention conformément à l'article VIII,
- c) la date d'entrée en vigueur des amendements à la présente Convention, conformément aux articles IX et X,
- d) les dénonciations au titre de l'article XI,
- e) l'extinction de la présente Convention au titre de l'article XII.

ARTICLE XVI*Textes authentiques*

L'original de la présente Convention, dont les versions en langues anglaise, chinoise, espagnole, française et russe font également foi, sera déposé auprès du Secrétaire général qui en communiquera des copies certifiées conformes à tous les Etats visés à l'article VII.

EN FOI DE QUOI les plénipotentiaires soussignés, à ce dûment autorisés par leurs gouvernements, ont signé la présente Convention.

FAIT à Genève, le deux décembre mil neuf cent soixante-douze.

ANNEXE I**REGLES RELATIVES A L'ESSAI, L'INSPECTION, L'AGREMENT
ET L'ENTRETIEN DES CONTENEURS****CHAPITRE PREMIER – REGLES COMMUNES A TOUS
LES SYSTEMES D'AGREMENT****Règle 1***Plaque d'agrément aux fins de la sécurité*

1. Une plaque d'agrément aux fins de la sécurité conforme aux spécifications de l'appendice de la présente Annexe est fixée à demeure sur tout conteneur agréé à un endroit où elle soit bien visible, à côté de toute autre plaque d'agrément délivrée à des fins officielles, et où elle ne puisse pas être aisément endommagée.
2. a) La plaque doit porter les indications suivantes rédigées au moins en anglais ou en français :

«AGREMENT CSC AUX FINNS DE LA SECURITE»**Pays d'agrément et référence de l'agrément****Date de construction (mois et année)**

Numéro d'identification du constructeur pour le conteneur ou, dans le cas de conteneurs existants dont on ignore ce numéro, le numéro attribué par l'Administration

Masse brute maximale de service (kilogrammes et livres anglaises)

Charge admissible de gerbage pour 1,8 g (kilogrammes et livres anglaises)

Charge utilisée pour l'essai de rigidité transversale (kilogrammes et livres anglaises).

b) Un espace libre devrait être réservé sur la plaque pour l'insertion des valeurs (facteurs) relatives à la résistance des parois d'extrémité et/ou des parois latérales, conformément au paragraphe 3 de la Règle 1 et aux essais 6 et 7 de l'Annexe II. Un espace libre devrait également être réservé sur la plaque pour y indiquer, le cas échéant, la date (mois et année) du premier examen d'entretien et des examens d'entretien ultérieurs.

3. Lorsque l'Administration estime qu'un conteneur neuf satisfait, sur le plan de la sécurité, aux dispositions de la présente Convention et que le facteur de résistance des parois d'extrémité ou des parois latérales, ou des deux est conçu pour être supérieur ou inférieur à celui qui est prescrit dans l'Annexe II, ce facteur sera indiqué sur la plaque d'agrément aux fins de la sécurité.

4. La présence de la plaque d'agrément aux fins de la sécurité ne dispense pas de l'obligation d'apposer les étiquettes ou indications qui peuvent être prescrites par les autres règlements en vigueur.

Règle 2

Entretien

1. Il appartient au propriétaire du conteneur de le maintenir dans un état satisfaisant du point de vue de la sécurité.
2. Le propriétaire doit examiner ou faire examiner le conteneur conformément à la procédure prescrite ou approuvée par la Partie Contractante intéressée, à des intervalles compatibles avec les conditions d'exploitation. La date (mois et année) avant laquelle un conteneur doit être examiné pour la première fois doit être indiquée sur la plaque d'agrément aux fins de la sécurité.
3. La date (mois et année) avant laquelle le conteneur devra faire l'objet d'un nouvel examen sera indiquée clairement sur la plaque d'agrément aux fins de la sécurité ou le plus près possible de cette plaque et d'une façon qui soit acceptable pour la Partie Contractante qui a prescrit ou approuvé la procédure particulière d'entretien.
4. L'intervalle entre la date de construction et la date du premier examen ne doit pas dépasser cinq ans. L'examen ultérieur des conteneurs neufs et le réexamen des conteneurs existants doivent être effectués à des intervalles ne dépassant pas 24 mois. Tous les examens doivent déterminer si le conteneur a des défauts pouvant présenter un danger pour quiconque.
5. Aux fins de la présente règle, «la Partie Contractante intéressée» s'entend de la Partie Contractante sur le territoire de laquelle le propriétaire a son domicile ou son siège principal.

CHAPITRE II – REGLES RELATIVES A L'AGREEMENT DES CONTENEURS NEUFS PAR TYPE DE CONSTRUCTION

Règle 3

Agrément des conteneurs neufs

Pour pouvoir être agréé aux fins de la sécurité en vertu de la présente Convention, tout conteneur neuf doit satisfaire aux règles énoncées à l'Annexe II.

Règle 4

Agrément par type de construction

Dans le cas des conteneurs qui ont fait l'objet d'une demande d'agrément, l'Administration examine les plans et assiste à des essais de prototype pour s'assurer que les conteneurs seront conformes aux règles énoncées à l'Annexe II. Lorsqu'elle

s'en est assurée, elle fait savoir par écrit au demandeur que le conteneur est conforme aux règles de la présente Convention; cette notification autorise le constructeur à apposer une plaque d'agrément aux fins de la sécurité sur tous les conteneurs de la même série.

Règle 5

Dispositions relatives à l'agrément par type de construction

1. Lorsque les conteneurs doivent être construits en série, la demande d'agrément par type de construction doit être adressée à l'Administration, accompagnée de plans ainsi que des spécifications du type de conteneur qui doit faire l'objet de l'agrément et de toutes autres informations que pourrait demander l'Administration.

2. Le demandeur doit indiquer les marques d'identification qui seront assignées par le constructeur au type de conteneur qui fait l'objet de la demande.

3. La demande doit aussi être accompagnée d'une déclaration du constructeur par laquelle il s'engage :

a) à mettre à la disposition de l'Administration tout conteneur du type de construction en question qu'elle peut vouloir examiner;

b) à informer l'Administration de toute modification concernant la conception ou les spécifications du conteneur, et à n'apposer la plaque d'agrément aux fins de la sécurité qu'après avoir reçu son accord;

c) à apposer la plaque d'agrément aux fins de la sécurité sur chacun des conteneurs des séries agréées et sur aucun autre;

d) à conserver la liste des conteneurs construits conformément au type de construction agréé. Sur cette liste seront indiqués au moins les numéros d'identification attribués par le constructeur aux conteneurs, les dates de livraison des conteneurs et les noms et adresses des personnes auxquelles les conteneurs sont livrés.

4. L'agrément peut être accordé par l'Administration aux conteneurs qui constituent une version modifiée d'un prototype de construction agréé, si elle juge que les modifications apportées n'ont pas d'effet sur la validité des essais effectués en vue de l'agrément par type de construction.

5. L'Administration ne donnera au constructeur l'autorisation d'apposer la plaque d'agrément aux fins de la sécurité en se fondant sur l'agrément par type de construction que lorsqu'elle se sera assurée que le constructeur a instauré un système de contrôle de la production permettant de garantir que les conteneurs construits par lui seront conformes au prototype agréé.

Règle 6*Examen en cours de construction*

Pour s'assurer que tous les conteneurs de la même série sont construits conformément au type de construction agréé, l'Administration doit soumettre à un examen ou à des essais le nombre de conteneurs qu'elle juge nécessaires, à toute étape de la production de la série en question.

Règle 7*Notification adressée à l'Administration*

Le constructeur informe l'Administration avant que commence la production de chaque nouvelle série de conteneurs devant être construits conformément à un type de construction agréé.

**CHAPITRE III – REGLES RELATIVES A L'AGREMENT INDIVIDUEL
DES CONTENEURS NEUFS****Règle 8***Agrément individuel des conteneurs*

L'Administration, après avoir procédé à l'examen et assisté aux essais, peut accorder l'agrément de conteneurs individuels lorsqu'elle juge que le conteneur est conforme aux règles de la présente Convention; quand l'Administration juge que tel est le cas, elle notifie l'octroi de l'agrément par écrit au demandeur; cette notification autorise celui-ci à apposer sur le conteneur la plaque d'agrément aux fins de la sécurité.

**CHAPITRE IV – REGLES RELATIVES A L'AGREMENT
DES CONTENEURS EXISTANTS****Règle 9***Agrément des conteneurs existants*

1. Si, dans les cinq ans qui suivent la date d'entrée en vigueur de la présente Convention, le propriétaire d'un conteneur existant présente les renseignements suivants à une Administration :

a) date et lieu de construction;

b) numéro d'identification attribué par le constructeur au conteneur, si ce numéro existe;

c) masse brute maximale de service;

- d) i) preuve que ce type de conteneur a été exploité dans des conditions de sécurité pour les transports maritimes et/ou intérieurs, pendant une période d'au moins deux ans, ou
- ii) preuve jugée satisfaisante par l'Administration que le conteneur a été fabriqué conformément à un type de construction qui a subi des essais dont il ressort qu'il satisfait aux conditions techniques énoncées à l'Annexe II, à l'exception des conditions techniques relatives aux essais de résistance des parois d'extrémité et des parois latérales, ou
- iii) preuve que le conteneur a été fabriqué conformément à des normes qui, de l'avis de l'Administration, sont équivalentes aux conditions techniques énoncées à l'Annexe II, à l'exception des conditions techniques relatives aux essais de résistance des parois d'extrémité et des parois latérales;
- e) charge admissible de gerbage pour 1,8 g (kilogrammes et livres anglaises); et
- f) autres indications requises sur la plaque d'agrément aux fins de la sécurité,

l'Administration, après inspection, fait alors savoir par écrit au propriétaire si l'agrément est octroyé et, dans l'affirmative, cette notification autorise le propriétaire à apposer la plaque d'agrément aux fins de la sécurité, après qu'un examen du conteneur en cause aura été effectué conformément à la Règle 2.

2. Les conteneurs existants, qui ne satisfont pas aux conditions prévues pour pouvoir être agréés en vertu du paragraphe 1 de la présente Règle, peuvent être présentés aux fins d'agrément dans les conditions prévues aux chapitres II et III de la présente Annexe. La prescription de l'Annexe II relative aux essais de résistance des parois d'extrémité et/ou des parois latérales n'est pas applicable à ces conteneurs. L'Administration peut, si elle a acquis la conviction qu'ils ont été en service, renoncer, dans la mesure où elle le juge opportun, à certaines exigences relatives à la présentation de plans et aux essais, exception faite des essais de levage et de résistance du plancher.

APPENDICE

La plaque d'agrément aux fins de la sécurité sera conforme au modèle reproduit ci-après. Elle se présentera sous la forme d'une plaque rectangulaire fixée à demeure, résistant à la corrosion et à l'incendie et mesurant au moins 200 mm sur 100 mm. Elle portera, gravés en creux ou en relief, ou inscrits de manière à être lisibles en permanence, les mots «Agrément CSC aux fins de la sécurité», en caractères d'au moins 8 mm de hauteur; tous les autres caractères et chiffres auront au moins 5 mm de hauteur.

AGREEMENT CSC AUX FINS DE LA SECURITE	
1.....	[GB - L/749/2/7/75]
2.....	DATE DE CONSTRUCTION
3.....	NUMERO D'IDENTIFICATION
4.....	MASSE BRUTE MAXIMALE kg lb
5.....	CHARGE ADMISSIBLE DE GERBAGE POUR 1,8 g kg lb
6.....	CHARGE UTILISEE POUR L'ESSAI DE RIGIDITE..... kg lb
7.....	
8.....	
9.....	
↔ ≥ 200 mm ↔	
	↑ 180 mm ↓

1. Pays d'agrément et référence de l'agrément comme indiqués dans l'exemple de la ligne 1 (le pays d'agrément devrait être indiqué au moyen du signe distinctif utilisé pour indiquer le pays d'enregistrement des véhicules motorisés dans le trafic routier international).
2. Date (mois et année) de construction.
3. Numéro d'identification du constructeur pour le conteneur ou, dans le cas des conteneurs existants dont on ignore ce numéro, numéro attribué par l'Administration.
4. Masse brute maximale de service (kilogrammes et livres anglaises).
5. Charge admissible et gerbage pour 1,8 g (kilogrammes et livres anglaises).
6. Charge utilisée pour l'essai de rigidité transversale (kilogrammes et livres anglaises).
7. Cette indication ne doit être portée sur la plaque que si les parois d'extrémité sont destinées à supporter une charge inférieure ou supérieure à 0,4 fois la charge utile autorisée, à savoir 0,4 P.
8. Cette indication ne doit être portée sur la plaque que si les parois latérales sont destinées à supporter une charge inférieure ou supérieure à 0,6 fois la charge utile maximale autorisée, à savoir 0,6 P.
9. Date (mois et année) du premier examen d'entretien pour les conteneurs neufs et, éventuellement, dates (mois et année) des examens d'entretien ultérieurs.

ANNEXE II**REGLES DE CONSTRUCTION EN MATIERE DE SECURITE ET ESSAIS****Introduction**

Les dispositions de la présente Annexe supposent qu'à aucun stade de l'exploitation des conteneurs, les efforts dus aux mouvements, à la position, au gerbage et au poids du conteneur chargé, ainsi qu'aux forces extérieures n'excéderont la résistance nominale du conteneur. On a retenu notamment les hypothèses suivantes :

- a) le conteneur sera fixé de manière à ne pas être soumis à des forces supérieures à celles en fonction desquelles il a été conçu;
- b) la cargaison transportée à l'intérieur du conteneur sera arrimée conformément aux pratiques recommandées pour le type de transport considéré de manière à ne pas exercer sur le conteneur des forces supérieures à celles en fonction desquelles il a été conçu.

Construction

1. Doit être jugé acceptable, du point de vue de la sécurité, tout conteneur construit en un matériau approprié qui subit, de façon satisfaisante, les essais mentionnés ci-après sans présenter ensuite de déformation permanente ou d'anomalies le rendant inapte à l'usage auquel on le destine.
2. On vérifie les dimensions, la position et les tolérances correspondantes des pièces de coin en tenant compte des systèmes de levage et d'arrimage avec lesquels elles doivent être utilisées.
3. Tout conteneur pourvu de dispositifs particuliers qui ne doivent être utilisés que lorsqu'il est vide doit porter une marque indiquant cette restriction.

Charges d'essai et procédures d'essai

Lorsque le modèle de conteneur s'y prête, les charges d'essai et procédures d'essai suivantes seront appliquées à tous les genres de conteneurs présentés aux essais :

CHARGE D'ESSAI ET FORCES APPLIQUEES	PROCEDURES D'ESSAI
	1. LEVAGE

Le conteneur, chargé du LEST prescrit, est levé de telle manière que ne soient pas appliquées de forces d'accélération notables. Après le levage, le conteneur doit rester suspendu ou être soulevé pendant 5 minutes, puis reposé sur le sol.

CHARGE D'ESSAI ET FORCES APPLIQUÉES**PROCÉDURES D'ESSAI****A) LEVAGE PAR LES PIÈCES DE COIN****Charge à l'intérieur du conteneur :**

Une charge uniformément répartie, telle que la masse totale du conteneur, y compris la charge d'essai, soit égale à $2 R$.

i) Levage par les pièces de coin supérieures :

Pour les conteneurs d'une longueur (nominale) supérieure à 3 000 mm (10 pieds), les forces de levage doivent être appliquées verticalement sur toutes les quatre pièces de coin supérieures.

Pour les conteneurs d'une longueur (nominale) égale ou inférieure à 3 000 mm (10 pieds), les forces de levage doivent être appliquées sur toutes les quatre pièces de coin supérieures de telle manière que chaque dispositif de levage fasse un angle de 30° avec la verticale.

Forces appliquées à l'extérieur :

De manière à lever la masse totale égale à $2 R$, conformément à la procédure prescrite (sous la rubrique PROCÉDURES D'ESSAI).

ii) Levage par les pièces de coin inférieures :

Les forces de levage doivent être appliquées au conteneur de telle manière que les dispositifs de levage n'entrent en contact qu'avec les pièces de coin inférieures. Les forces de levage doivent être appliquées aux angles suivants par rapport à l'horizontale :

30° pour les conteneurs d'une longueur (nominale) égale ou supérieure à 12 000 mm (40 pieds);

37° pour les conteneurs d'une longueur (nominale) égale ou supérieure à 9 000 mm (30 pieds), mais inférieure à 12 000 mm (40 pieds);

45° pour les conteneurs d'une longueur (nominale) égale ou supérieure à 6 000 mm (20 pieds), mais inférieure à 9 000 mm (30 pieds);

60° pour les conteneurs d'une longueur (nominale) inférieure à 6 000 mm (20 pieds).

CHARGES D'ESSAI ET FORCES APPLIQUEES	PROCEDURES D'ESSAI
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**B) LEVAGE PAR DES METHODES FAISANT APPEL
A D'AUTRES DISPOSITIFS**

Charge à l'intérieur du conteneur :

Une charge uniformément répartie, telle que la masse totale du conteneur, y compris la charge d'essai, soit égale à 1,25 R.

Forces appliquées à l'extérieur :

De manière à lever la masse totale égale à 1,25 R conformément à la procédure prescrite (sous la rubrique PROCÉDURES D'ESSAI).

Charge à l'intérieur du conteneur :

Une charge uniformément répartie, telle que la masse totale du conteneur, y compris la charge d'essai, soit égale à 1,25 R.

Forces appliquées à l'extérieur :

De manière à lever la masse totale égale à 1,25 R conformément à la procédure prescrite (sous la rubrique PROCÉDURES D'ESSAI).

i) Levage par les entrées pour fourches :

Le conteneur est placé sur des barres se trouvant dans le même plan horizontal, une barre étant centrée dans chacune des entrées pour fourches qui servent à lever le conteneur chargé. Les barres doivent avoir la même largeur que les fourches dont l'usage est prévu pour la manutention du conteneur et doivent pénétrer dans l'entrée sur 75% au moins de la profondeur de celle-ci.

ii) Levage par les dispositifs pour pinces de préhension :

Le conteneur est placé sur des patins se trouvant dans le même plan horizontal, un patin étant disposé sous chaque dispositif pour pinces. Ces patins doivent avoir la même surface de levage que les pinces dont l'usage est prévu.

iii) Autres méthodes :

Les conteneurs conçus pour être levés, lorsqu'ils sont chargés, de toute autre manière que celles mentionnées en A ou B i) et ii) doivent aussi être soumis à un essai avec des charges à l'intérieur et des forces appliquées à l'extérieur reproduisant les conditions d'accélération propres à cette méthode.

CHARGES D'ESSAI ET FORCES APPLIQUEES	PROCEDURES D'ESSAI
2. GERBAGE	

1. Dans les conditions de transport international où les forces d'accélération verticales maximales diffèrent sensiblement de 1,8 g, et lorsque le contenu n'est véritablement et effectivement transporté que dans ces conditions, la charge de gerbage peut être modifiée dans les proportions appropriées, compte tenu des forces d'accélération.

2. Les conteneurs qui ont satisfait à l'essai peuvent être considérés comme pouvant supporter la charge admissible de gerbage surarrimé statique qui doit être indiquée sur la plaque d'agrément aux fins de la sécurité, en regard de la rubrique «Charge admissible de gerbage pour 1,8 g (kilogrammes et livres anglaises)».

Charge à l'intérieur du conteneur:

Une charge uniformément répartie, telle que la masse totale du conteneur, y compris la charge d'essai, soit égale à 1,8 R.

Le conteneur, chargé du LEST prescrit, est posé sur quatre socles au même niveau, placés sur une surface horizontale rigide, sous chacune des pièces de coin inférieures ou des structures de coin équivalentes. Les socles doivent être centrés sous les pièces de coin et être approximativement de mêmes dimensions que celles-ci.

Forces appliquées à l'extérieur:

De manière à soumettre chacune des quatre pièces de coin supérieures à une force égale à $1/4 \times 1,8$ x la charge admissible de gerbage surarrimé statique appliquée verticalement de haut en bas.

Chaque FORCE EXTERIEURE doit être appliquée à chacune des pièces de coin par l'intermédiaire d'une pièce de coin d'essai correspondante ou d'un socle de mêmes dimensions. La pièce de coin d'essai ou le socle doit être déporté, par rapport à la pièce de coin supérieure du conteneur, de 25 mm (1 pouce) dans le sens latéral et de 38 mm (1,5 pouce) dans le sens longitudinal.

3. CHARGES CONCENTRÉES

a) SUR LE TOIT

Charge à l'intérieur du conteneur :

Aucune.

Forces appliquées à l'extérieur:

Charge concentrée de 300 kg (660 livres anglaises) uniformément répartie sur une surface de 600 mm x 300 mm (24 pouces x 12 pouces).

Les FORCES EXTERIEURES doivent être appliquées verticalement de haut en bas sur la surface extérieure de la partie la moins résistante du toit du conteneur.

<u>CHARGES D'ESSAI ET FORCES APPLIQUEES</u>	<u>PROCEDURES D'ESSAI</u>
b) SUR LES PLANCHERS	

Charge à l'intérieur du conteneur :

Deux charges concentrées de 2 730 kg (6 000 livres anglaises) chacune, appliquées au plancher du conteneur sur une surface de contact de 142 cm² (22 pouces carrés).

On doit procéder à l'essai, le conteneur reposant sur quatre supports au même niveau, placés sous les pièces de coin inférieures de manière que la base du conteneur puisse s'incurver librement.

On déplace sur toute la surface du plancher un dispositif d'essai qui est chargé de manière que sa masse soit égale à 5 460 kilogrammes (12 000 livres anglaises) et que cette masse soit répartie sur deux surfaces de contact à raison de 2 730 kilogrammes (6 000 livres anglaises) sur chaque surface. Ces deux surfaces doivent mesurer au total, après chargement, 284 cm² (44 pouces carrés), soit 142 cm² (22 pouces carrés) chacune, leur largeur étant de 180 mm (7 pouces) et l'écartement entre leurs centres de 760 mm (30 pouces).

Forces appliquées à l'extérieur :

Aucune.

4. RIGIDITE TRANSVERSALE**Charge à l'intérieur du conteneur :**

Aucune.

Le conteneur vide est posé sur quatre supports au même niveau, placés chacun sous chaque coin inférieur et, pour éviter tout déplacement latéral et vertical, assujetti à des dispositifs d'ancre disposés de manière que la contrainte latérale ne s'exerce que sur les pièces de coin inférieures diagonalement opposées à celles sur lesquelles les forces sont appliquées.

Forces appliquées à l'extérieur :

De manière à exercer une poussée latérale sur les membrures d'extrémité du conteneur. Les forces seront égales à celles pour lesquelles le conteneur a été conçu.

La **FORCE EXTERIEURE** est appliquée, soit séparément, soit simultanément, sur chacune des pièces de coin supérieures, d'un côté du conteneur, parallèlement à la base et aux plans des parois d'extrémité

CHARGES D'ESSAI ET FORCES APPLIQUÉES	PROCÉDURES D'ESSAI
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du conteneur. Les forces doivent être appliquées tout d'abord dans le sens allant vers les pièces de coin, puis en sens opposé. Dans le cas de conteneurs, dont chaque paroi d'extrémité est symétrique par rapport à son axe vertical central, une paroi latérale seulement est soumise à l'essai; dans le cas de conteneurs ayant des parois d'extrémité asymétriques par rapport à leurs axes centraux, les deux parois doivent être soumises à l'essai.

5. SOLICITATION LONGITUDINALE (ESSAI STATIQUE)

Lors de la conception et de la construction de conteneurs, il doit être tenu compte du fait qu'ils pourront être exposés, dans les transports terrestres, à des accélérations de 2 g appliquées longitudinalement dans un plan horizontal.

Charge à l'intérieur du conteneur :

Une charge uniformément répartie, telle que la masse totale du conteneur, y compris la charge d'essai, soit égale à la masse brute maximale de service (R).

Le conteneur soumis à l'essai de sollicitation longitudinale, chargé du LEST prescrit, est fixé à deux points d'ancrage appropriés à l'aide des pièces de coin inférieures ou des structures de coin équivalentes d'une de ses extrémités.

Forces appliquées à l'extérieur :

Forces longitudinales égales à R appliquées à chaque extrémité du conteneur en compression et en traction, c'est-à-dire force totale égale à 2 R pour l'ensemble du conteneur.

Les FORCES EXTERIEURES doivent être appliquées tout d'abord dans le sens allant vers les points d'ancrage, puis en sens opposé. Chaque côté du conteneur doit être soumis à l'essai.

6. PAROIS D'EXTREMITE

Les parois d'extrémité doivent pouvoir supporter une charge au moins égale à 0,4 fois la charge utile maximale admissible. Toutefois, si les parois d'extrémité sont conçues pour supporter une charge inférieure ou supérieure à 0,4 fois la charge utile maximale admissible, le facteur de résistance sera indiqué sur la plaque d'agrément aux fins de la sécurité conformément à la règle 1 de l'Annexe I.

CHARGES D'ESSAI ET FORCES APPLIQUEES	PROCEDURES D'ESSAI
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Charge à l'intérieur du conteneur :

De manière à soumettre la surface intérieure d'une paroi d'extrémité à une charge uniformément répartie de 0,4 P ou à toute autre charge pour laquelle le conteneur pourrait être conçu.

La CHARGE INTERIEURE prescrite doit être appliquée comme suit : les deux parois d'extrémité du conteneur doivent être soumises à l'essai, sauf lorsqu'elles sont identiques. Dans ce dernier cas, l'essai n'est requis que pour une seule paroi d'extrémité. On peut soumettre à l'essai séparément ou simultanément les parois d'extrémité des conteneurs qui n'ont pas de parois latérales ouvertes ou de portes latérales.

Les parois d'extrémité des conteneurs qui sont pourvus de parois latérales ouvertes ou de portes latérales doivent être soumises à des essais séparément. Lorsque les parois d'extrémité sont soumises à l'essai séparément les réactions aux forces appliquées à la paroi d'extrémité doivent être limitées à la base du conteneur.

Forces appliquées à l'extérieur :

Aucune.

7. PAROIS LATERALES

Les parois latérales doivent pouvoir supporter une charge au moins égale à 0,6 fois la charge utile maximale admissible. Toutefois, si les parois latérales sont conçues pour supporter une charge inférieure ou supérieure à 0,6 fois la charge utile maximale admissible, le facteur de résistance sera indiqué sur la plaque d'agrément aux fins de la sécurité conformément à la règle I de l'Annexe I.

Charge à l'intérieur du conteneur :

De manière à soumettre la surface intérieure d'une paroi latérale à une charge uniformément répartie de 0,6 P ou à toute autre charge pour laquelle le conteneur pourrait être conçu.

La CHARGE INTERIEURE prescrite doit être appliquée comme suit : les deux parois latérales d'un conteneur doivent être soumises à l'essai, sauf lorsqu'elles sont identiques. Dans ce dernier cas, l'essai n'est requis que pour une seule

**CHARGE D'ESSAI ET FORCES
APPLIQUEES****PROCEDURES D'ESSAI**

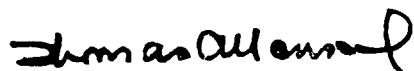
paroi latérale. Les parois latérales doivent être soumises à des essais séparément et les réactions à la charge à l'intérieur du conteneur doivent être limitées aux pièces de coin ou aux montants d'angle correspondants. Les conteneurs à toit ouvert doivent être soumis à l'essai dans les conditions d'exploitation pour lesquelles ils sont conçus, par exemple avec les traverses supérieures démontables en place.

Forces appliquées à l'extérieur :

Aucune.

Copie certifiée conforme du texte français de la Convention internationale sur la sécurité des conteneurs (CSC), faite à Genève le 2 décembre 1972, dont l'original est déposé auprès du Secrétaire général de l'Organisation intergouvernementale consultative de la navigation maritime.

Pour le Secrétaire général de l'Organisation intergouvernementale consultative de la navigation maritime :



Londres, le 15 septembre 1975

**CONVENIO INTERNACIONAL SOBRE LA SEGURIDAD
DE LOS CONTENEDORES (CSC)****Preámbulo**

LAS PARTES CONTRATANTES,

RECONOCIENDO la necesidad de mantener un alto nivel de seguridad de la vida humana en la manipulación, el apilamiento y el transporte de contenedores,

CONSCIENTES de la necesidad de facilitar el transporte internacional en contenedores,

RECONOCIENDO, a este respecto, que convendría formalizar normas internacionales comunes de seguridad,

CONSIDERANDO que la concertación de un Convenio es el mejor medio de alcanzar el fin propuesto;

HAN DECIDIDO formalizar las normas estructurales necesarias para que la manipulación, el apilamiento y el transporte de contenedores, en el curso de las operaciones normales, se realicen en condiciones de seguridad, y con tal fin

HAN CONVENIDO lo siguiente:

Artículo I*Obligación general impuesta por el presente Convenio*

Las Partes Contratantes se comprometen a dar cumplimiento a las disposiciones del presente Convenio y de sus anexos, los cuales constituirán parte integrante del Convenio.

Artículo II*Definiciones*

A los efectos del presente Convenio, a menos que se disponga expresamente otra cosa:

1. Por "contenedor" se entiende un elemento de equipo de transporte:

a) de carácter permanente y, por tanto, suficientemente resistente para permitir su empleo repetido;

b) especialmente ideado para facilitar el transporte de mercancías, por uno o varios modos de transporte, sin manipulación intermedia de la carga;

- c) construido de manera que pueda sujetarse y/o manipularse fácilmente, con cantoneras para ese fin;
- d) de un tamaño tal que la superficie delimitada por las cuatro esquinas inferiores exteriores sea:
 - i) por lo menos de 14 metros cuadrados (150 pies cuadrados) o
 - ii) por lo menos de 7 metros cuadrados (75 pies cuadrados), si lleva cantoneras superiores.

El término "contenedor" no incluye los vehículos ni los embalajes; no obstante, incluye los contenedores transportados sobre chasis.

2. Por "cantoneras" se entiende un conjunto de aberturas y caras situadas en las esquinas superiores y/o inferiores del contenedor para su manipulación, apilamiento y/o sujeción.
3. Por "Administración" se entiende el Gobierno de la Parte Contratante bajo cuya responsabilidad son aprobados los contenedores.
4. El término "aprobado" significa aprobado por la Administración.
5. Por "aprobación" se entiende la decisión de una Administración por la que se declara que un determinado modelo de contenedor o un contenedor reúne las condiciones de seguridad previstas por el presente Convenio.
6. Por "transporte internacional" se entiende un transporte cuyos puntos de partida y destino están situados en el territorio de dos países de los que uno por lo menos es un país al que se aplica el presente Convenio. El presente Convenio se aplicará también cuando una parte de un transporte entre dos países se efectúe en el territorio de un país al que se aplica el presente Convenio.
7. Por "carga" se entienden los bienes, productos, mercancías y artículos de cualquier clase transportados en los contenedores.
8. Por "contenedor nuevo" se entiende un contenedor cuya construcción empezó en la fecha de entrada en vigor del presente Convenio o con posterioridad a ella.
9. Por "contenedor existente" se entiende un contenedor que no es nuevo.
10. Por "propietario" se entiende el propietario con arreglo al derecho nacional de la Parte Contratante o el arrendatario o depositario en caso de que éste, en virtud de un contrato con aquél, esté facultado para asumir la responsabilidad del propietario con respecto a la conservación y examen del contenedor.
11. Por "modelo de contenedor" se entiende el modelo aprobado por la Administración.
12. Por "contenedor de la serie" se entiende todo contenedor fabricado de conformidad con el modelo aprobado.
13. Por "prototipo" se entiende un contenedor representativo de los que se han fabricado o se fabricarán en serie según un modelo.

14. Por "peso bruto máximo de utilización" o "R" se entiende el peso máximo permitido del contenedor y su carga.
15. Por "tara" se entiende el peso del contenedor vacío, incluido el material auxiliar fijado al mismo con carácter permanente.
16. Por "carga útil máxima autorizada" o "P" se entiende la diferencia entre el peso bruto máximo de utilización y la tara.

Artículo III

Aplicación

1. El presente Convenio se aplica a los contenedores nuevos y existentes utilizados en el transporte internacional, con exclusión de los contenedores construidos especialmente para el transporte aéreo.
2. Todo contenedor nuevo será aprobado de conformidad con lo dispuesto en el anexo I para las pruebas por modelo o por unidades.
3. Todo contenedor existente será aprobado de conformidad con las disposiciones pertinentes del anexo I para la aprobación de los contenedores existentes, dentro de los cinco años siguientes a la fecha de entrada en vigor del presente Convenio.

Artículo IV

Prueba, inspección, aprobación y conservación

1. Para dar cumplimiento a las disposiciones del anexo I, cada Administración establecerá un procedimiento eficaz de prueba, inspección y aprobación de los contenedores, de conformidad con los criterios establecidos en el presente Convenio; no obstante, toda Administración podrá delegar la prueba, inspección y aprobación de los contenedores en organizaciones debidamente autorizadas por ella.
2. Toda Administración que delegue la prueba, inspección y aprobación en una organización informará al Secretario General de la Organización Consultiva Marítima Intergubernamental (denominada en adelante "la Organización") para que lo comunique a las Partes Contratantes.
3. La solicitud de aprobación podrá dirigirse a la Administración de cualquier Parte Contratante.
4. Todo contenedor se conservará en condiciones de seguridad con arreglo a las disposiciones del anexo I.
5. Si un contenedor aprobado no se ajusta de hecho a las normas de los anexos I y II, la Administración pertinente tomará las medidas que considere necesarias para que el contenedor se ajuste a dichas normas o retirará la aprobación.

Artículo V

Reconocimiento de la aprobación

1. La aprobación concedida bajo la responsabilidad de una Parte Contratante con arreglo al presente Convenio será reconocida por las otras Partes Contratantes a todos los efectos previstos en el presente Convenio. Las otras Partes Contratantes le reconocerán la misma validez que si se tratara de una aprobación concedida por ellas.
2. Ninguna Parte Contratante impondrá otras normas o pruebas estructurales de seguridad respecto de los contenedores a que se refiere el presente Convenio; no obstante, ninguna disposición del presente Convenio impedirá que se apliquen las disposiciones de reglamentos o leyes nacionales o de acuerdos internacionales por los que se impongan normas o pruebas estructurales de seguridad suplementarias para los contenedores destinados especialmente al transporte de mercancías peligrosas, para las características exclusivas de los contenedores en que se transportan líquidos a granel o para los contenedores transportados por vía aérea. La expresión "mercancías peligrosas" tendrá el significado que le atribuyen los acuerdos internacionales.

Artículo VI

Control

1. Todo contenedor aprobado en virtud del artículo III estará sometido, en el territorio de las Partes Contratantes, al control de funcionarios debidamente autorizados por dichas Partes Contratantes. Este control se limitará a comprobar que el contenedor posee una placa válida de aprobación relativa a la seguridad, con arreglo a lo dispuesto en el presente Convenio, a menos que haya claras pruebas de que el estado del contenedor constituye un riesgo manifiesto para la seguridad. En tal caso el funcionario encargado del control lo ejercerá solamente en la medida que sea necesaria para cerciorarse de que el contenedor vuelve a estar en condiciones de seguridad antes de que continúe prestando servicio.
2. Cuando se compruebe que el contenedor no ofrece garantías de seguridad a causa de un defecto que pudiera haber existido en el momento de su aprobación, la Parte Contratante que descubrió el defecto informará a la Administración responsable de dicha aprobación.

Artículo VII

Firma, ratificación, aceptación, aprobación y adhesión

1. El presente Convenio estará abierto a la firma de todos los Estados Miembros de las Naciones Unidas o miembros de cualquiera de los organismos especializados o del Organismo Internacional de Energía Atómica, así como de todo Estado parte en el Estatuto de la Corte Internacional de Justicia y de cualquier otro Estado invitado por la Asamblea General de las Naciones Unidas a ser Parte en el presente Convenio de la manera siguiente: hasta el 15 de enero de 1973 en la Oficina de las Naciones Unidas en Ginebra y, después, desde el 1º de febrero de 1973 hasta el 31 de diciembre de 1973 inclusive, en la sede de la Organización en Londres.

2. El presente Convenio estará sujeto a ratificación, aceptación o aprobación por parte de los Estados que lo firmen.
3. El presente Convenio quedará abierto a la adhesión de cualquiera de los Estados a que se refiere el párrafo 1.
4. Los instrumentos de ratificación, aceptación, aprobación o adhesión se depositarán en poder del Secretario General de la Organización (denominado en adelante "el Secretario General").

Artículo VIII

Entrada en vigor

1. El presente Convenio entrará en vigor doce meses después de la fecha en que haya sido depositado el décimo instrumento de ratificación, aceptación, aprobación o adhesión.
2. Para cada Estado que ratiﬁque, acepte o apruebe el presente Convenio o se adhiera a él después de haber sido depositado el décimo instrumento de ratificación, aceptación, aprobación o adhesión, el presente Convenio entrará en vigor doce meses después de la fecha en que tal Estado haya depositado su instrumento de ratificación, aceptación, aprobación o adhesión.
3. Todo Estado que llegue a ser Parte en el presente Convenio después de la entrada en vigor de una enmienda será considerado, de no haber manifestado una intención diferente:
 - a) Parte en el Convenio en su forma enmendada, y
 - b) Parte en el Convenio no enmendado con respecto a toda Parte en el Convenio que no esté obligada por la enmienda.

Artículo IX

Procedimiento para enmiendar una o varias partes del presente Convenio

1. El presente Convenio podrá ser enmendado a petición de una Parte Contratante por cualquiera de los procedimientos especificados en el presente artículo.
2. Enmienda después de un examen en la Organización:
 - a) A petición de una Parte Contratante, toda enmienda propuesta por ella al presente Convenio será examinada en la Organización. Si es aprobada por una mayoría de dos tercios de los miembros presentes y votantes en el Comité de Seguridad Marítima de la Organización, en el que todas las Partes Contratantes habrán sido invitadas a participar y votar, esa enmienda será comunicada a todos los miembros de la Organización y a todas las Partes Contratantes por lo menos seis meses antes de su examen por la Asamblea de la Organización. Toda parte Contratante que no sea miembro de la Organización tendrá derecho a participar y a votar cuando la Asamblea examine la enmienda.

b) Si es aprobada por una mayoría de dos tercios de los miembros presentes y votantes en la Asamblea, y si esa mayoría comprende una mayoría de dos tercios de las Partes Contratantes presentes y votantes, la enmienda será comunicada por el Secretario General a todas las Partes Contratantes para su aceptación.

c) Esa enmienda entrará en vigor doce meses después de la fecha en que haya sido aceptada por los dos tercios de las Partes Contratantes. La enmienda entrará en vigor respecto de todas las Partes Contratantes, salvo aquellas que, antes de la entrada en vigor, declaren que no la aceptan.

3. Enmienda por una conferencia:

A petición de una Parte Contratante, y con el apoyo de un tercio, por lo menos, de las Partes Contratantes, el Secretario General convocará una conferencia a la cual serán invitados los Estados a que se refiere el artículo VII.

Artículo X

Procedimiento especial para enmendar los anexos

1. Toda enmienda a los anexos propuesta por una Parte Contratante será examinada en la Organización a solicitud de esa Parte.

2. Si es aprobada por una mayoría de dos tercios de los miembros presentes y votantes en el Comité de Seguridad Marítima de la Organización, en el que todas las Partes Contratantes habrán sido invitadas a participar y votar, y si esa mayoría comprende una mayoría de dos tercios de las Partes Contratantes presentes y votantes, la enmienda será comunicada por el Secretario General a todas las Partes Contratantes para su aceptación.

3. Esa enmienda entrará en vigor en una fecha que será determinada por el Comité de Seguridad Marítima en el momento de la aprobación, a menos que, en una fecha anterior determinada al mismo tiempo por el Comité de Seguridad Marítima, un quinto de las Partes Contratantes o cinco de ellas, si este número es menor, notifiquen al Secretario General que formulan objeciones a la enmienda. La fijación, por el Comité de Seguridad Marítima, de las fechas a que se refiere el presente párrafo se hará por mayoría de dos tercios de los miembros presentes y votantes, mayoría que deberá comprender una mayoría de dos tercios de las Partes Contratantes presentes y votantes.

4. Una vez que entre en vigor, toda enmienda sustituirá e invalidará, para todas las Partes Contratantes que no hayan formulado objeciones a ella, cualquier disposición anterior a que se refiera la enmienda; una objeción formulada por una Parte Contratante no tendrá fuerza obligatoria para las otras Partes Contratantes respecto de la aceptación de los contenedores a los que se aplica el presente Convenio.

5. El Secretario General transmitirá a todas las Partes Contratantes y a los miembros de la Organización toda solicitud y comunicación hechas en virtud del presente artículo y la fecha en que toda enmienda entre en vigor.

6. Si una enmienda propuesta a los anexos es examinada por el Comité de Seguridad Marítima y éste no la aprueba, cualquier Parte Contratante podrá solicitar la convocatoria de una conferencia a la que serán invitados los Estados a que se

refiere el artículo VII. Una vez que se haya recibido de un tercio, por lo menos, de las otras Partes Contratantes una comunicación de aprobación, el Secretario General convocará tal conferencia para examinar las enmiendas a los anexos.

Artículo XI

Denuncia

1. Toda Parte Contratante podrá denunciar el presente Convenio depositando un instrumento en poder del Secretario General. La denuncia surtirá efecto un año después de la fecha en que ese instrumento se haya depositado en poder del Secretario General.
2. Toda Parte Contratante que haya comunicado una objeción a una enmienda a los anexos podrá denunciar el presente Convenio y la denuncia surtirá efecto en la fecha de entrada en vigor de esa enmienda.

Artículo XII

Terminación

El presente Convenio dejará de estar en vigor si el número de Partes Contratantes es inferior a cinco durante un período de doce meses consecutivos.

Artículo XIII

Solución de controversias

1. Toda controversia entre dos o más Partes Contratantes relativa a la interpretación o a la aplicación del presente Convenio que no pueda resolverse por negociación u otros medios de arreglo será remitida, a solicitud de una de esas Partes, a un tribunal de arbitraje, el cual se constituirá del modo siguiente: cada parte en la controversia designará un árbitro, y los dos árbitros así designados designarán un tercero, que desempeñará las funciones de presidente. Si, dentro de los tres meses siguientes a la fecha en que se haya recibido una solicitud, alguna de las partes no designa árbitro o si los árbitros no pueden elegir presidente, cualquiera de esas partes podrá pedir al Secretario General que designe al árbitro o al presidente del tribunal de arbitraje.
2. La decisión del tribunal de arbitraje establecido de conformidad con lo dispuesto en el párrafo 1 tendrá fuerza obligatoria para las partes en la controversia.
3. El tribunal de arbitraje determinará su propio reglamento.
4. Las decisiones del tribunal de arbitraje tanto sobre el procedimiento y el lugar de reunión como sobre cualquier controversia que se le someta se tomarán por mayoría.
5. Cualquier diferencia que surja entre las partes en la controversia sobre la interpretación y ejecución del laudo podrá ser sometida por cualquiera de ellas a la decisión del tribunal que lo haya dictado.

Artículo XIV*Reservas*

1. Las reservas al presente Convenio estarán autorizadas, salvo las que se refieran a las disposiciones de los artículos I a VI, del artículo XIII y del presente artículo, así como a las contenidas en los anexos, a condición de que tales reservas se comuniquen por escrito y que, si lo son antes de depositarse el instrumento de ratificación, aceptación, aprobación o adhesión, se confirmen en ese instrumento. El Secretario General comunicará esas reservas a todos los Estados a que se refiere el artículo VII.

2. Toda reserva comunicada de conformidad con el párrafo 1:

a) Modificará con respecto a la Parte Contratante autora de la reserva las disposiciones del presente Convenio a que se refiera la reserva en la medida determinada por ésta, y

b) Modificará, en la misma medida, esas disposiciones en lo que respecta a las otras Partes Contratantes en sus relaciones con la Parte Contratante autora de la reserva.

3. Toda Parte Contratante que haya comunicado una reserva con arreglo a lo dispuesto en el párrafo 1 podrá retirarla en cualquier momento mediante notificación dirigida al Secretario General.

Artículo XV*Notificación*

El Secretario General, además de las notificaciones y comunicaciones dispuestas en los artículos IX, X y XIV, notificará a todos los Estados a que se refiere el artículo VII lo siguiente:

a) Las firmas, ratificaciones, aceptaciones, aprobaciones y adhesiones conforme al artículo VII;

b) Las fechas de entrada en vigor del presente Convenio conforme al artículo VIII;

c) La fecha de entrada en vigor de las enmiendas al presente Convenio conforme a los artículos IX y X;

d) Las denuncias conforme al artículo XI;

e) La terminación del presente Convenio conforme al artículo XII.

Artículo XVI*Textos auténticos*

El original del presente Convenio, cuyos textos en chino, español, francés, inglés y ruso son igualmente auténticos, se depositará en poder del Secretario General, el cual remitirá copias certificadas auténticas del mismo a todos los Estados a que se refiere el artículo VII.

EN FE DE LO CUAL, los plenipotenciarios infrascritos, debidamente autorizados para ello por sus respectivos Gobiernos, han firmado el presente Convenio.

HECHO en Ginebra el segundo día del mes de diciembre del año mil novecientos setenta y dos.

ANEXO I**REGLAS PARA LA PRUEBA, INSPECCION, APROBACION Y
CONSERVACION DE LOS CONTENEDORES****CAPITULO I – REGLAS COMUNES A TODOS
LOS SISTEMAS DE APROBACION****Regla 1***Placa de aprobación relativa a la seguridad*

1. En todo contenedor aprobado se fijará con carácter permanente, en un lugar bien visible, al lado de cualquier otra placa de aprobación expedida con fines oficiales y donde no pueda dañarse con facilidad, una placa de aprobación relativa a la seguridad que reúna las características indicadas en el apéndice del presente anexo.

2. a) En la placa figurarán los siguientes datos, en francés o inglés por lo menos:

“APROBACION DE SEGURIDAD CSC”

País de aprobación y referencia de aprobación.

Fecha (mes y año) de fabricación

Número de identificación del fabricante del contenedor o, en el caso de los contenedores existentes respecto de los cuales no se conozca este número, el número asignado por la Administración

Peso bruto máximo de utilización (kilogramos y libras)

Peso de apilamiento autorizado para 1,8 g (kilogramos y libras)

Carga utilizada para la prueba de rigidez transversal (kilogramos y libras).

b) Se reservará en la placa un espacio en blanco para la inserción de los factores de resistencia de las paredes extremas y/o laterales, de conformidad con el párrafo 3 de la regla 1 y las pruebas 6 y 7 del anexo II. Se reservará también en la placa un espacio en blanco para las fechas (mes y año) del primer examen de conservación y los exámenes subsiguientes, si se utiliza la placa con tal fin.

3. Cuando la Administración considere que un contenedor nuevo cumple los requisitos del presente Convenio respecto de la seguridad y cuando el factor de resistencia de las paredes extremas y/o laterales deba ser mayor o menor que el prescrito en el anexo II, este factor se indicará en la placa de aprobación relativa a la seguridad.

4. La presencia de la placa de aprobación relativa a la seguridad no excluye la necesidad de colocar las marcas y otras indicaciones que puedan exigir otros reglamentos en vigor.

Regla 2*Conservación*

1. El propietario del contenedor cuidará de conservarlo en condiciones de seguridad.
2. El propietario de un contenedor aprobado examinará o hará que se examine el contenedor de conformidad con el procedimiento prescrito o aprobado por la Parte Contratante interesada, a intervalos apropiados según las condiciones de utilización. La fecha (mes y año) de expiración del plazo dentro del cual haya de someterse un contenedor nuevo a su primer examen deberá ir marcada en la placa de aprobación relativa a la seguridad.
3. La fecha (mes y año) de expiración del plazo dentro del cual el contenedor haya de someterse a nuevo examen deberá ir marcada claramente en éste, en la placa de aprobación relativa a la seguridad o lo más cerca posible de ella y de manera aceptable para la Parte Contratante que haya prescrito o aprobado el procedimiento correspondiente de conservación.
4. El intervalo entre la fecha de fabricación y la fecha del primer examen no deberá exceder cinco años. Los exámenes subsiguientes de contenedores nuevos y los reexámenes de contenedores existentes se efectuarán a intervalos que no excedan veinticuatro meses. En todos los exámenes se determinará si el contenedor tiene algún defecto que puede entrañar un riesgo para cualquier persona.
5. A los efectos de la presente regla, "la Parte Contratante interesada" es la Parte Contratante en cuyo territorio está domiciliado o tiene su oficina principal el propietario.

**CAPITULO II – REGLAS PARA LA APROBACION DE
CONTENEDORES NUEVOS POR MODELO****Regla 3***Aprobación de contenedores nuevos*

Todos los contenedores nuevos, para obtener la aprobación en materia de seguridad en virtud del presente Convenio, deberán ajustarse a las normas establecidas en el anexo II.

Regla 4*Aprobación por modelo*

Cuando se solicite la aprobación de contenedores, la Administración examinará los planos y asistirá a pruebas de prototipo con el fin de cerciorarse de que los contenedores se ajustarán a las normas establecidas en el anexo II. Una vez cerciorada de ello, la Administración notificará por escrito al solicitante que el contenedor cumple los requisitos del presente Convenio y esta notificación autorizará al fabricante para colocar la placa de aprobación relativa a la seguridad en cada uno de los contenedores de la serie.

Regla 5*Disposiciones para la aprobación por modelo*

1. Cuando los contenedores vayan a fabricarse en serie, la solicitud de aprobación por modelo deberá dirigirse a la Administración acompañada de planos, de las características del modelo de contenedor que se somete a la aprobación y de los demás datos que exija la Administración.
2. El solicitante indicará los símbolos de identificación que el fabricante asignará al modelo de contenedor a que se refiera la solicitud de aprobación.
3. La solicitud también irá acompañada de una declaración del fabricante en la que éste se comprometa a:
 - a) presentar a la Administración todo contenedor que ésta desee examinar del modelo de que se trate;
 - b) comunicar de antemano a la Administración cualesquiera modificaciones que se proponga introducir en el diseño o las características y aguardar su aprobación antes de colocar en los contenedores la placa de aprobación relativa a la seguridad;
 - c) colocar la placa de aprobación relativa a la seguridad en cada contenedor de la serie y no en otros;
 - d) llevar un registro de los contenedores fabricados según el modelo aprobado. Este registro contendrá los números de identificación del fabricante, las fechas de entrega y los nombres y direcciones de los clientes a los que se entregan los contenedores.
4. La Administración podrá conceder su aprobación a los contenedores que constituyen una modificación de un modelo aprobado cuando considere que las modificaciones introducidas no influyen en la validez de las pruebas realizadas para la aprobación del modelo de que se trate.
5. La Administración no autorizará al fabricante para colocar la placa de aprobación relativa a la seguridad fundándose en la aprobación por modelo, a menos que tenga la certeza de que el fabricante ha establecido un sistema de control interno de la producción para asegurar que los contenedores fabricados se ajusten al prototipo aprobado.

Regla 6*Examen durante la fabricación*

Con el fin de garantizar que los contenedores de la misma serie se fabrican según el modelo aprobado, la Administración examinará o aprobará tantas unidades como considere necesarias, en cualquier etapa de la producción de la serie de que se trate.

Regla 7*Comunicación a la Administración*

Antes de iniciar la producción de cada nueva serie de contenedores que deben fabricarse conforme a un modelo aprobado, el fabricante deberá comunicarlo a la Administración.

**CAPITULO III – REGLAS PARA LA APROBACION DE
CONTENEDORES NUEVOS POR UNIDADES****Regla 8***Aprobación de contenedores por unidades*

La Administración podrá conceder la aprobación de contenedores por unidades cuando se haya cerciorado, después de proceder al examen y de asistir a las pruebas, de que el contenedor cumple las normas del presente Convenio; en tal caso, la Administración notificará por escrito la aprobación al solicitante y tal notificación autorizará a éste a colocar sobre el contenedor la placa de aprobación relativa a la seguridad.

**CAPITULO IV – REGLAS PARA LA APROBACION DE
LOS CONTENEDORES EXISTENTES****Regla 9***Aprobación de los contenedores existentes*

1. Cuando, dentro de los cinco años siguientes a la fecha de entrada en vigor del presente Convenio, el propietario de un contenedor existente presente los datos siguientes a una Administración:

- a) fecha y lugar de fabricación;

- b) número de identificación asignado por el fabricante al contenedor, cuando lo haya;
- c) peso bruto máximo de utilización;
- d)
 - i) prueba de que el modelo de contenedor ha sido utilizado en condiciones de seguridad en el transporte marítimo y/o interior durante un período de dos años como mínimo, o
 - ii) prueba, que la Administración estime satisfactorio, de que el contenedor ha sido fabricado con arreglo a un modelo que, sometido a prueba, ha resultado conforme a las condiciones técnicas establecidas en el anexo II, exceptuadas las relativas a las pruebas de resistencia de las paredes extremas y de las paredes laterales, o
 - iii) prueba de que el contenedor ha sido fabricado de conformidad con normas que, a juicio de la Administración, equivalen a las condiciones técnicas establecidas en el anexo II, exceptuadas las relativas a las pruebas de resistencia de las paredes extremas y de las paredes laterales;
- e) peso de apilamiento autorizado para 1,8 g (kilogramos y libras); y
- f) cualesquiera otros datos necesarios para obtener la placa de aprobación relativa a la seguridad;

la Administración, previa investigación, notificará por escrito al propietario si se ha concedido la aprobación; en caso afirmativo, esta notificación autorizará al propietario a colocar la placa de aprobación relativa a la seguridad, previo examen del contenedor efectuado de conformidad con la regla 2.

2. Los contenedores existentes que no reúnan las condiciones necesarias para su aprobación en virtud del párrafo 1 podrán presentarse para aprobación según lo dispuesto en los capítulos II y III del presente anexo. En el caso de tales contenedores no se aplicarán los requisitos del anexo II relativos a las pruebas de resistencia de las paredes extremas y de las paredes laterales. Cuando la Administración tenga pruebas de que esos contenedores han estado en servicio, podrá eximir del cumplimiento de los requisitos relativos a la presentación de planos y la realización de pruebas, exceptuadas las de izada y de resistencia del piso, según juzgue apropiado.

APENDICE

La placa de aprobación relativa a la seguridad, conforme al modelo que se produce a continuación, será una placa permanente, incorrosible, incombustible y de forma rectangular que mida no menos de 200 mm por 100 mm. En la superficie de la placa se estamparán, grabarán en relieve o indicarán de cualquier otro modo permanente y legible las palabras "Aprobación de seguridad CSC" con letras que tengan como mínimo una altura de 8 mm, así como todas las demás palabras y números, que deberán tener una altura mínima de 5 mm.

APROBACION DE SEGURIDAD CSC	
1.....	[GB - L/749/2/7/75]
2.....	FECHA DE FABRICACION
3.....	NUMERO DE IDENTIFICACION
4.....	PESO BRUTO MAXIMO kg-.....lb
5.....	PESO DE APILAMIENTO AUTORIZADO PARA 1,8 g kg-.....lb
6.....	CARGA UTILIZADA PARA LA PRUEBA DE RIGIDEZ kg-.....lb
7.....	
8.....	
9.....	

≥ 200 mm

100 mm

1. País de aprobación y referencia de aprobación en la forma indicada en el ejemplo de la línea 1. (El país de aprobación debe indicarse por medio del signo distintivo utilizado para indicar el país de matriculación de los vehículos de motor en el tráfico internacional por carretera.)
2. Fecha (mes y año) de fabricación.
3. Número de identificación del fabricante del contenedor o, en el caso de los contenedores existentes cuyo número no se conozca, el número asignado por la Administración.
4. Peso bruto máximo de utilización (kilogramos y libras).
5. Peso de apilamiento autorizado para 1,8 g (kilogramos y libras).
6. Carga utilizada para la prueba de rigidez transversal (kilogramos y libras).
7. La resistencia de las paredes extremas sólo debe indicarse en la placa si las paredes extremas están proyectadas para resistir un peso inferior o superior a 0,4 veces la carga útil máxima autorizada, es decir 0,4 P.
8. La resistencia de las paredes laterales sólo debe indicarse en la placa si las paredes laterales están proyectadas para resistir un peso inferior o superior a 0,6 veces la carga útil máxima autorizada, es decir 0,6 P.
9. Fecha (mes y año) del primer examen de conservación para los contenedores nuevos y fechas (mes y año) de los exámenes de conservación subsiguientes si se utiliza la placa con tal fin.

ANEXO II**NORMAS Y PRUEBAS ESTRUCTURALES DE SEGURIDAD****Introducción**

En las disposiciones del presente anexo queda implícito que en todas las fases de la utilización de los contenedores los esfuerzos resultantes de los movimientos, de la colocación, del apilamiento y del peso del contenedor cargado, así como las fuerzas exteriores, no excederán la resistencia para la que fue proyectado el contenedor. En particular, se da por supuesto que:

- a) el contenedor se fijará de manera que no esté sometido a fuerzas superiores a aquellas para las que fue proyectado;
- b) la carga en el interior del contenedor se estibará con arreglo a los usos recomendados en el ramo, de manera que no imponga al contenedor fuerzas superiores a aquellas para las que fue proyectado.

Construcción

1. Se considerará que un contenedor reúne las condiciones de seguridad exigidas si está hecho de cualquier material adecuado y supera satisfactoriamente las pruebas que se indican a continuación sin sufrir deformaciones ni anomalías permanentes que impidan su utilización para el fin al que está destinado.
2. Las dimensiones, la colocación y las tolerancias correspondientes de las cantoneras se comprobarán teniendo en cuenta los sistemas de izada y sujeción que se utilicen.
3. Si el contenedor lleva cantoneras especiales que deben utilizarse únicamente cuando esté vacío, esta restricción deberá constar sobre el contenedor.

Cargas de prueba y procedimientos de prueba

Cuando lo permita el diseño del contenedor, las cargas de prueba y los procedimientos de prueba que se indican a continuación se aplicarán a todas las clases de contenedores que se sometan a prueba:

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
	1. IZADA

El contenedor, con la CARGA INTERIOR prescrita, se izará de tal manera que no se aplique ninguna fuerza de aceleración significativa. Una vez izado, el contenedor quedará suspendido o apoyado durante cinco minutos y luego se bajará hasta el suelo.

CARGAS DE PRUEBA Y FUERZAS
APLICADASPROCEDIMIENTOS DE PRUEBA**A) IZADA POR LAS CANTONERAS****Carga interior:**

Carga repartida de modo uniforme; el peso combinado del contenedor y la carga de prueba deberá ser igual a 2 R.

i) Izada por las cantoneras superiores:

A los contenedores que tengan más de 3.000 mm (10 pies) (aproximadamente) de longitud, se aplicarán fuerzas de izada verticales, en las cuatro cantoneras superiores.

A los contenedores que tengan como máximo 3.000 mm (10 pies) (aproximadamente) de longitud, se aplicarán fuerzas de izada en las cuatro cantoneras superiores, de tal manera que cada dispositivo de izada forme con la vertical un ángulo de 30°.

Fuerzas aplicadas externamente:

Las que permitan izar el peso combinado de 2 R del modo prescrito (véase PROCEDIMIENTOS DE PRUEBA).

ii) Izada por las cantoneras inferiores:

Se aplicarán a los contenedores fuerzas de izada de tal manera que los dispositivos de izada se sujeten únicamente a las cantoneras inferiores. Las fuerzas de izada deberán formar con la horizontal ángulos de:

30° para los contenedores de 12.000 mm (40 pies) (aproximadamente) de longitud o más;

37° para los contenedores de 9.000 mm (30 pies) (aproximadamente) y menos de 12.000 mm (40 pies) (aproximadamente);

45° para los contenedores de 6.000 mm (20 pies) (aproximadamente) y menos de 9.000 mm (30 pies) (aproximadamente);

60° para los contenedores de menos de 6.000 mm (20 pies) (aproximadamente).

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
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B) IZADA POR CUALESQUIERA OTROS METODOS ADICIONALES**Carga interior:**

Carga repartida de modo uniforme; el peso combinado del contenedor y la carga de prueba deberá ser igual a 1,25 R.

Fuerzas aplicadas externamente:

Las que permitan izar el peso combinado de 1,25 R del modo prescrito (véase PROCEDIMIENTOS DE PRUEBA)

Carga interior:

Carga repartida de modo uniforme; el peso combinado del contenedor y la carga de prueba deberá ser igual a 1,25 R.

Fuerzas aplicadas externamente:

Las que permitan izar el peso combinado de 1,25 R del modo prescrito (véase PROCEDIMIENTOS DE PRUEBA)

i) Izada por los huecos de entrada de las horquillas:

El contenedor será colocado en barras que se encuentren en el mismo plano horizontal, centrando una barra dentro de cada uno de los huecos de entrada de las horquillas que se utilicen paraizar los contenedores cargados. Las barras tendrán la misma anchura que las horquillas que se vayan a utilizar para la manipulación y penetrarán en los huecos de entrada de las horquillas hasta el 75% de la longitud del hueco.

ii) Izada por los puntos de aplicación de los brazos prensores:

El contenedor se colocará sobre unos soportes en el mismo plano horizontal, colocándose un soporte debajo de cada punto de aplicación de los brazos prensores. Los soportes tendrán el mismo tamaño que la superficie de izada de los brazos prensores que se vayan a utilizar.

iii) Otros métodos:

Si los contenedores van a ser izados, una vez cargados, por cualquier método no mencionado en los epígrafes A o B i) y ii), serán también sometidos a pruebas con una CARGA INTERIOR y unas FUERZAS APLICADAS EXTERNAMENTE que representen las aceleraciones propias de dicho método.

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
2. APIALAMIENTO	

1. Cuando, en condiciones de transporte internacional, las fuerzas máximas de aceleración vertical se aparten significativamente de 1,8 g y cuando conste clara y efectivamente que el contenedor está limitado a esas condiciones de transporte, se podrá variar la carga de apilamiento en la correspondiente proporción de las fuerzas de aceleración.

2. Efectuada esta prueba con éxito, el contenedor será declarado apto para un peso de apilamiento estático superpuesto que deberá indicarse en la placa de aprobación relativa a la seguridad frente a las palabras "Peso de apilamiento autorizado para 1,8 g (kilogramos y libras)".

Carga interior:

Carga repartida de modo uniforme; el peso combinado del contenedor y la carga de prueba deberá ser igual a 1,8 R.

El contenedor, con la CARGA INTERIOR prescrita, se colocará sobre cuatro soportes a nivel, que a su vez estarán apoyados sobre una superficie horizontal rígida, bajo cada una de las cantoneras inferiores o estructuras de esquina equivalentes. Los soportes estarán centrados bajo las cantoneras y tendrán aproximadamente las mismas dimensiones planas que las cantoneras.

Fuerzas aplicadas externamente:

Las que sometan a cada una de las cuatro cantoneras superiores a una fuerza vertical descendente igual a $\frac{1}{4} \times 1,8 \times$ la carga de apilamiento estática superpuesta autorizada.

Cada FUERZA APLICADA EXTERNA-MENTE se aplicará a cada una de las cantoneras mediante una cantonera de prueba que corresponda con aquélla o mediante un soporte de las mismas dimen-siones planas. El soporte o cantonera de prueba se desviará, en relación con la cantonera superior del contenedor, 25 mm (1 pulgada) en sentido lateral y 38 mm (1,5 pulgadas) en sentido longitudinal.

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
	3. CARGAS CONCENTRADAS a) SOBRE EL TECHO

Carga interior:

Ninguna.

Fuerzas aplicadas externamente:

Carga concentrada de 300 kg (660 libras) repartida de modo uniforme sobre una superficie de 600 mm x 300 mm (24 pulgadas x 12 pulgadas).

Las FUERZAS APLICADAS EXTERNA-
MENTE se aplicarán verticalmente y en sentido descendente a la superficie exterior de la parte más débil del contenedor.

3. CARGAS CONCENTRADAS b) SOBRE EL PISO

Carga interior:

Dos cargas concentradas de 2.730 kg (6.000 libras) cada una, que se aplicarán al piso del contenedor sobre una superficie de contacto de 142 cm² (22 pulgadas cuadradas).

La prueba se hará con el contenedor apoyado en cuatro soportes a nivel bajo sus cuatro esquinas inferiores de manera tal que la base del contenedor pueda incurvarse libremente.

Se desplazará por toda la superficie del piso del contenedor un dispositivo de prueba que estará cargado con un peso de 5.460 (12.000 libras), es decir, 2.730 kg (6.000 libras) sobre cada una de las dos caras, cuya superficie de contacto total, una vez aplicado el mencionado peso, será de 284 cm² (44 pulgadas cuadradas), o sea, 142 cm² (22 pulgadas cuadradas) en cada cara; las caras tendrán una anchura de 180 mm (7 pulgadas) y distarán entre sí 760 mm (30 pulgadas) de centro a centro.

Fuerzas aplicadas externamente:

Ninguna.

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
4. RIGIDEZ TRANSVERSAL	

Carga interior:

Ninguna.

El contenedor vacío se colocará sobre cuatro soportes a nivel debajo de cada esquina inferior y se sujetará de manera que se impida el movimiento lateral y vertical por medio de dispositivos de anclaje dispuestos de modo que la sujeción lateral sólo afecte a las esquinas inferiores diagonalmente opuestas a aquellas a las que se aplican las fuerzas.

Fuerzas aplicadas externamente:

Las que ejerzan una presión lateral sobre las estructuras extremas del contenedor. Tales fuerzas serán iguales a aquellas para las que fue proyectado el contenedor.

La FUERZA APLICADA EXTERNA-MENTE se aplicará bien separadamente bien simultáneamente, a cada una de las cantoneras superiores de un lado del contenedor en líneas paralelas a la base y a los planos de las extremidades del contenedor. Se aplicarán las fuerzas primero hacia las cantoneras superiores y luego en sentido contrario. Cuando se trate de contenedores en los que cada extremidad es simétrica con relación a su eje vertical, bastará probar únicamente un lado, pero cuando las extremidades sean asimétricas, se someterán a prueba los dos lados de los contenedores.

5. RESISTENCIA LONGITUDINAL (PRUEBA ESTATICA)

Al proyectar y construir los contenedores, ha de tenerse en cuenta que, cuando son acarreados por modos de transporte interior, pueden ser sometidos a aceleraciones de 2 g aplicadas horizontalmente en sentido longitudinal.

Carga interior:

Carga repartida de modo uniforme; el peso combinado del contenedor y la carga de prueba deberá ser igual al peso bruto máximo de utilización, R.

El contenedor, con la CARGA INTERIOR prescrita, se fijará longitudinalmente a puntos de anclaje adecuados por las dos cantoneras inferiores o estructuras de esquina equivalentes de una extremidad.

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
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Fuerzas aplicadas externamente:

Las que sometan a cada lado del contenedor a fuerzas longitudinales de compresión y tensión de magnitud R, es decir, una fuerza combinada de 2 R sobre toda la base del contenedor.

Las FUERZAS APLICADAS EXTERNA-MENTE se aplicarán primero hacia los puntos de anclaje y luego en sentido contrario. Se someterá a prueba cada lado del contenedor.

6. PAREDES EXTREMAS

Las paredes extremas deberán resistir una carga no inferior a 0,4 veces la carga útil máxima autorizada. No obstante, si las paredes extremas están proyectadas para resistir una carga inferior o superior a 0,4 veces la carga útil máxima autorizada, deberá indicarse ese factor de resistencia en la placa de aprobación relativa a la seguridad, de conformidad con la regla 1 del anexo I.

Carga interior:

La que someta la superficie interior de la pared extrema a una carga uniformemente repartida de 0,4 P o cualquier otra carga para la que fue proyectado el contenedor.

La CARGA INTERIOR prescrita se aplicará de la manera siguiente: se someterán a prueba ambas extremidades del conte-nedor, pero cuando éstas sean idénticas sólo será necesario someter a prueba una de ellas. Las paredes extremas de los contenedores que no tengan lados abiertos o puertas laterales podrán someterse a prueba por separado o simultáneamente.

Las paredes extremas de los contenedores que tengan lados abiertos o puertas late-rales deberán someterse a prueba por separado. Cuando las extremidades se sometan a prueba por separado las reac-ciones a las fuerzas aplicadas a la pared extrema se limitarán a la base del conte-nedor.

Fuerzas aplicadas externamente:

Ninguna.

CARGAS DE PRUEBA Y FUERZAS APLICADAS	PROCEDIMIENTOS DE PRUEBA
7. PAREDES LATERALES	

Las paredes laterales deberán resistir una carga no inferior a 0,6 veces la carga útil máxima autorizada. No obstante, si las paredes laterales están proyectadas para resistir una carga inferior o superior a 0,6 veces la carga útil máxima autorizada, deberá indicarse ese factor de resistencia en la placa de aprobación relativa a la seguridad, de conformidad con la regla 1 del anexo I.

Carga interior:

La que someta la superficie interior de la pared lateral a una carga uniformemente repartida de 0,6 P o cualquier otra carga para la que fue proyectado el contenedor.

La CARGA INTERIOR prescrita se aplicará de la manera siguiente: se someterán a prueba ambos lados del contenedor, pero cuando éstos sean idénticos sólo será necesario someter a prueba uno de ellos. Las paredes laterales se someterán a prueba por separado y las reacciones a la carga interior se limitarán a las canto-neras o estructuras equivalentes. Sólo se someterán a prueba los contenedores de techo abierto en las condiciones de utilización para las que fueron proyectados; por ejemplo, con los elementos superiores amovibles colocados.

Fuerzas aplicadas externamente:

Ninguna.

Copia certificada auténtica del texto español del Convenio internacional sobre la seguridad de los contenedores (CSC) dado en Ginebra el 2 de diciembre de 1972, el original del cual ha sido depositado ante el Secretario General de la Organización Consultiva Marítima Intergubernamental.

Por el Secretario General de la Organización Consultiva Marítima Intergubernamental:



Londres, 15. ix. '75

МЕЖДУНАРОДНАЯ КОНВЕНЦИЯ ПО БЕЗОПАСНЫМ КОНТЕЙНЕРАМ /КБК/.

Преамбула

ДОГОВАРИВАЮЩИЕСЯ СТОРОНЫ,

ПРИЗНАВАЯ необходимость поддержания высокого уровня безопасности человеческой жизни при обработке, штабелировании и перевозке контейнеров,

ИМЕЯ В ВИДУ необходимость облегчения международных контейнерных перевозок,

ПРИЗНАВАЯ в этой связи преимущества разработки общих международных требований в области безопасности,

СЧИТАЯ, что этой цели лучше всего будет служить заключение Конвенции,

ПРИНЯЛИ РЕШЕНИЕ разработать конструктивные требования для обеспечения безопасности при обработке, штабелировании и перевозке контейнеров в обычных условиях эксплуатации и с этой целью

СОГЛАСИЛИСЬ О НИЖЕСЛЕДУЮЩЕМ:

Статья IОбщее обязательство, вытекающее из настоящей Конвенции

Договаривающиеся Стороны обязуются проводить в жизнь положения настоящей Конвенции и Приложений к ней, являющихся составной частью настоящей Конвенции.

Статья IIОпределения

В настоящей Конвенции, если не будет указано иначе:

1. "Контейнер" означает транспортное оборудование ;

- а) имеющее постоянный характер и в силу этого достаточно прочное, чтобы служить для многократного пользования;
- б) специально сконструированное для облегчения перевозки грузов одним или несколькими видами транспорта без промежуточной перегрузки грузов;
- в) сконструированное с учетом необходимости крепления и/или легкой обработки и с этими целями снабженное угловыми фитингами;
- г) такого размера, что площадь, заключенная между четырьмя внешними нижними углами, составляет:
 - i) не менее 14 м² /150 кв.ф./ или
 - ii) не менее 7 м² /75 кв.ф./ при наличии верхних угловых фитингов;

термин "контейнер" не включает ни транспортные средства, ни упаковку; однако он распространяется на контейнеры, когда они перевозятся на шасси.

2. "Угловые фитинги" означают совокупность отверстий и граней в верхних и/или нижних углах контейнера, используемых в целях погрузки, выгрузки, штабелирования и/или крепления контейнера.

3. "Администрация" означает правительство Договаривающейся Стороны, с разрешения которой произведено допущение контейнеров к перевозкам.

4. "Допущенный" означает допущенный Администрацией.

5. "Допущение" означает решение Администрации о том, что тип конструкции или контейнер является безопасным по условиям настоящей Конвенции.

6. "Международная перевозка" означает перевозку, при которой пункты отправления и назначения расположены на территории двух стран, по крайней мере одна из которых является страной, по отношению к которой применяется настоящая Конвенция. Настоящая Конвенция применяется также

в тех случаях, когда часть перевозки между двумя странами осуществляется по территории страны, по отношению к которой применяется настоящая Конвенция.

7. "Груз" означает любые товары, изделия или всякого рода предметы, перевозимые в контейнерах.

8. "Новый контейнер" означает контейнер, постройка которого началась в момент вступления в силу настоящей Конвенции или после этой даты.

9. "Существующий контейнер" означает контейнер, который не является новым контейнером.

10. "Владелец" означает владельца, как это предусматривается национальным законодательством Договаривающейся Стороны, или арендатора или залогополучателя, если соглашением Сторон предусматривается ответственность владельца за содержание и осмотр контейнера этим арендатором или залогополучателем.

11. "Тип контейнера" означает тип конструкции, допущенный Администрацией.

12. "Серийный контейнер" означает любой контейнер, построенный в соответствии с допущенным типом конструкции.

13. "Прототип" означает образец контейнеров, изготовленных или намечаемых к изготовлению серийно по типу конструкции.

14. "Максимальный эксплуатационный вес брутто" или "R" означает максимальный разрешенный общий вес контейнера и его груза.

15. "Вес тары" означает вес порожнего контейнера, включая постоянно прикрепленное к нему вспомогательное оборудование.

16. "Максимальная допустимая полезная нагрузка" или "P" означает разность между максимальным эксплуатационным весом брутто и весом тары.

Статья IIIПрименение

1. Настоящая Конвенция распространяется на новые и существующие контейнеры, используемые в международных перевозках, исключая контейнеры, специально предназначенные для воздушных перевозок.
2. Каждый новый контейнер подлежит допущению в соответствии либо с процедурой испытания по типу конструкции, либо с процедурой испытания отдельных контейнеров согласно положениям Приложения I.
3. Каждый существующий контейнер должен пройти процедуру допущения согласно соответствующим положениям о допущении существующих контейнеров, изложенным в Приложении I, в течение 5 лет с момента вступления в силу настоящей Конвенции.

Статья IVИспытания, осмотр, допущение и содержание

1. Для проведения в жизнь положений Приложения I каждая Администрация должна разработать эффективную процедуру испытаний, осмотра и допущения контейнеров в соответствии с критериями, установленными в настоящей Конвенции; однако она может поручить проведение испытаний, осмотра или допущения организациям, надлежащим образом ею уполномоченным.
2. Администрация, которая поручает проведение таких испытаний, осмотра или допущения какой-либо организации, должна информировать об этом Генерального Секретаря Межправительственной морской консультативной организации, именуемой ниже "Организация", для сообщения Договаривающимся Сторонам.
3. Заявка о допущении может быть подана Администрацией любой Договаривающейся Стороны.
4. Каждый контейнер должен содержаться в безопасном состоянии в соответствии с положениями Приложения I.

5. Если допущенный контейнер фактически не соответствует требованиям, содержащимся в Приложениях I и II, то соответствующая Администрация принимает меры, которые она сочтет необходимыми для приведения этого контейнера в соответствие с этими требованиями, или отменяет допущение.

Статья V

Признание допущения

1. Допущение, произведенное с разрешения одной Договаривающейся Стороны в соответствии с положениями настоящей Конвенции, должно признаваться другими Договаривающимися Сторонами во всех случаях, на которые распространяется настоящая Конвенция. Другие Договаривающиеся Стороны должны считать это допущение имеющим такую же силу, как и допущение, произведенное ими самими.

2. Договаривающаяся Сторона не должна предъявлять никаких других конструктивных требований в отношении безопасности или испытаний к контейнерам, на которые распространяются положения настоящей Конвенции, при условии, однако, что ни одно положение настоящей Конвенции, не препятствует применению положений национальных правил или законов или международных соглашений, предписывающих дополнительные конструктивные требования безопасности или испытания для контейнеров, специально сконструированных для перевозки опасных грузов, или для тех конструктивных особенностей, которые присущи только контейнерам, перевозящим жидкости наливом, или для контейнеров, когда они перевозятся воздушным транспортом. Термин "опасные грузы" имеет толкование, которое придается ему международными соглашениями.

Статья VI

Контроль

1. Каждый допущенный в соответствии со статьей III контейнер подлежит на территории Договаривающихся Сторон контролю со стороны должностных лиц, надлежащим образом уполномоченных этими Договаривающимися Сторонами. Этот контроль должен ограничиваться проверкой наличия на

контейнере имеющей силу таблички о допущении по условиям безопасности, как этого требует настоящая Конвенция, если нет серьезных оснований для предположения о том, что состояние контейнера таково, что возникает очевидная угроза безопасности. В этом случае должностное лицо, выполняющее контроль, должно осуществлять его лишь в той степени, в какой это необходимо для обеспечения того, чтобы до возобновления эксплуатации контейнер был восстановлен до состояния, отвечающего требованиям безопасности.

2. В тех случаях когда оказывается, что контейнер перестал удовлетворять требованиям безопасности в результате наличия дефекта, существовавшего возможно в момент допущения контейнера, Договаривающаяся Сторона, обнаружившая данный дефект, должна сообщить об этом Администрации, ответственной за это допущение.

Статья VII

Подписание, ратификация, принятие, одобрение и присоединение

1. Настоящая Конвенция открыта для подписания до 15 января 1973 года в Отделении Организации Объединенных Наций в Женеве и впоследствии с 1 февраля 1973 года до 31 декабря 1973 года включительно в штаб-квартире Организации в Лондоне всеми государствами-членами Организации Объединенных Наций либо членами любого специализированного учреждения или Международного агентства по атомной энергии, либо участниками Статута Международного Суда, а также любым другим государством, приглашенным Генеральной Ассамблеей Организации Объединенных Наций стать участником настоящей Конвенции.

2. Настоящая Конвенция подлежит ратификации, принятию или одобрению подпишавшими ее государствами.

3. Настоящая Конвенция остается открытой для присоединения к ней любого из государств, указанных в пункте 1.

4. Документы о ратификации, принятии, одобрении или

присоединении сдаются на хранение Генеральному Секретарю Организации /именуемому ниже "Генеральный Секретарь"/.

Статья VIII

Вступление в силу

1. Настоящая Конвенция вступает в силу по истечении двенадцати месяцев со дня сдачи на хранение десятого документа о ратификации, принятии, одобрении или присоединении.
2. Для каждого государства,ratифицировавшего,принявшего или одобравшего настоящую Конвенцию или присоединившегося к ней после сдачи на хранение десятого документа о ратификации, принятии, одобрении или присоединении, настоящая Конвенция вступает в силу по истечении двенадцати месяцев со дня сдачи на хранение этим государством своего документа о ратификации, принятии, одобрении или присоединении.
3. Любое государство, которое становится участником настоящей Конвенции после вступления поправки в силу, если только оно не заявляет об ином намерении,
 - а) считается участником Конвенции, в которую были внесены поправки; и
 - б) считается участником Конвенции, в которую не были внесены поправки, в отношении любого участника Конвенции, не связанного этой поправкой.

Статья IX

Процедура внесения поправок в любую часть или части настоящей Конвенции

1. Поправки к настоящей Конвенции могут быть внесены по предложению любой Договаривающейся Стороны согласно любой из процедур, указанных в настоящей статье.
2. Внесение поправок после рассмотрения в Организации:
 - а) По просьбе Договаривающейся Стороны любая предложенная ею поправка к настоящей Конвенции должна рассматриваться в Организации. Такая поправка, если она одобрена

Комитетом по безопасности на море Организации, для участия в работе которого с правом голоса приглашаются все Договаривающиеся Стороны, большинством в две трети присутствующих и голосующих, направляется всем членам Организации и всем Договаривающимся Сторонам не позднее, чем за шесть месяцев до ее рассмотрения Ассамблеей Организации. Любая Договаривающаяся Сторона, которая не является членом Организации, имеет право участия и голосования при рассмотрении поправки на Ассамблее.

б) Если поправка принимается большинством в две трети присутствующих и голосующих на Ассамблее и если это большинство включает две трети присутствующих и голосующих Договаривающихся Сторон, то поправка рассыпается Генеральным Секретарем всем Договаривающимся Сторонам для ее принятия.

с) Такая поправка вступает в силу по истечении двенадцати месяцев со дня ее принятия двумя третями Договаривающихся Сторон. Поправка вступает в силу в отношении всех Договаривающихся Сторон, за исключением тех, которые до ее вступления в силу сделали заявление о том, что они не принимают эту поправку.

3. Внесение поправки путем созыва конференции:

По просьбе Договаривающейся Стороны, поддержанной не менее чем одной третью Договаривающихся Сторон, Генеральный Секретарь созывает конференцию, на которую приглашаются государства, упомянутые в статье VII.

Статья X

Особая процедура внесения поправок в Приложения

1. Любая поправка к Приложениям, предложенная Договаривающейся Стороной, рассматривается в Организации по просьбе этой Стороны.

2. Если такая поправка принимается большинством в две трети присутствующих и голосующих в Комитете по безопасности на море Организации, для участия в работе которого с правом голоса приглашаются все Договаривающиеся Стороны, и если это

большинство включает две трети присутствующих и голосующих Договаривающихся Сторон, то она рассыпается Генеральным Секретарем всем Договаривающимся Сторонам для ее принятия.

3. Такая поправка вступает в силу в срок, установленный Комитетом по безопасности на море в момент ее принятия, если к более ранней дате, установленной Комитетом по безопасности на море в то же время, одна пятая или пять Договаривающихся Сторон, причем во внимание принимается меньшая из этих двух цифр, не заявят Генеральному Секретарю о том, что они возражают против поправки. Указанные в настоящем пункте даты устанавливаются Комитетом по Безопасности на море большинством в две трети присутствующих и голосующих, причем это большинство должно включать две трети присутствующих Договаривающихся Сторон.

4. По вступлении в силу любая поправка отменяет и заменяет любое предыдущее положение, к которому она относится, для всех Договаривающихся Сторон, которые не возражали против этой поправки; возражение, заявленное одной из Договаривающихся Сторон, не будет связывать другие Договаривающиеся Стороны в отношении допущения контейнеров, на которые распространяется настоящая Конвенция.

5. Генеральный Секретарь информирует все Договаривающиеся Стороны и членов Организации о любой просьбе и сообщении в соответствии с настоящей статьей и о дате вступления в силу любой поправки.

6. В тех случаях когда предложение о внесении поправки в Приложения рассматривалось в Комитете по безопасности на море, но не было принято, любая Договаривающаяся Сторона может обратиться с просьбой о созыве конференции, на которую приглашаются государства, указанные в статье VII. По получении уведомления о согласии по меньшей мере одной трети других Договаривающихся Сторон Генеральный Секретарь созывает такую конференцию для рассмотрения поправок, которые предлагается включить в Приложения.

Статья XI

Денонсация

1. Любая Договаривающаяся Сторона может денонсировать

настоящую Конвенцию путем сдачи соответствующего документа на хранение Генеральному Секретарю. Денонсация вступает в силу по истечении одного года со дня сдачи на хранение Генеральному Секретарю.

2. Договаривающаяся Сторона, которая заявила о своем возражении против внесения поправки в Приложения, может денонсировать настоящую Конвенцию, и эта денонсация вступает в силу со дня вступления в силу этой поправки.

Статья XII

Прекращение действия

Настоящая Конвенция теряет силу, если число Договаривающихся Сторон составляет менее пяти в течение какого-либо периода последовательных двенадцати месяцев.

Статья XIII

Разрешение споров

1. Любой спор между двумя или более Договаривающимися Сторонами в отношении толкования или применения настоящей Конвенции, который не может быть разрешен путем переговоров или другими средствами урегулирования, передается по просьбе одной из них арбитражному суду, составленному следующим образом : каждый участник спора назначает арбитра, и эти два арбитра назначают третьего арбитра, который является председателем. Если по истечении трех месяцев со дня получения просьбы один из участников не может назначить арбитра или арбитры не могут избрать председателя, любой из участников может обратиться к Генеральному Секретарю с просьбой назначить арбитра или председателя арбитражного суда.

2. Решение арбитражного суда, назначенного в соответствии с положениями пункта 1, имеет обязательную силу для участников спора.

3. Арбитражный суд устанавливает свои правила процедуры.

4. Решения арбитражного суда, касающиеся процедуры его работы и места заседания, а также любого рассматриваемого им спора принимаются большинством голосов.

5. Любой спор, который может возникнуть между спорящими сторонами в отношении толкования и выполнения решения, может быть передан любым из участников на рассмотрение арбитражного суда, который вынес это решение.

Статья XIV

Оговорки

1. Оговорки к настоящей Конвенции допускаются, за исключением оговорок, относящихся к положениям статей I-IV, XIII. и настоящей статьи, а также оговорок, относящихся к положениям, содержащимся в Приложениях, при условии, что эти оговорки представляются в письменном виде и, если они представлены до сдачи на хранение документа о ратификации, принятии, одобрении или присоединении, они подтверждены в этом документе. Генеральный Секретарь направляет эти оговорки всем государствам, указанным в статье VII.

2. Любая оговорка, сделанная в соответствии с пунктом 1:

а) изменяет для Договаривающейся Стороны, сделавшей такую оговорку в рамках этой оговорки, положения настоящей Конвенции, к которым она относится; и

б) изменяет в такой же мере эти положения и для других Договаривающихся Сторон в их взаимоотношениях с Договаривающейся Стороной, сделавшей оговорку.

3. Любая Договаривающаяся Сторона, которая представила оговорку в соответствии с пунктом 1, может снять ее в любое время посредством нотификации, адресованной Генеральному Секретарю.

Статья XV

Уведомление

Помимо уведомлений и сообщений, предусмотренных в

статьях IX, X и XIV, Генеральный Секретарь сообщает всем государствам, указанным в статье VII:

- а) о подписании, ратификации, принятии, одобрении и присоединении в соответствии со статьей VII;
- б) о датах вступления в силу настоящей Конвенции в соответствии со статьей VIII;
- с) о дате вступления в силу поправок к настоящей Конвенции в соответствии со статьями IX и X;
- д) о денонсациях в соответствии со статьей XI;
- е) о прекращении действия настоящей Конвенции в соответствии со статьей XII.

Статья XVI

Аутентичные тексты

Подлинник настоящей Конвенции, английский, испанский, китайский, русский и французский тексты которой являются равно аутентичными, сдаются на хранение Генеральному Секретарю, который направляет должным образом заверенные копии всем государствам, указанным в статье VII.

В УДОСТОВЕРЕНИЕ ЧЕГО нижеподписавшиеся Полномочные представители, должным образом уполномоченные своими правительствами, подписали настоящую Конвенцию.

СОВЕРШЕНО в Женеве второго декабря тысяча девятьсот семьдесят второго года.

Приложение I

ПРАВИЛА ИСПЫТАНИЯ, ОСМОТРА, ДОПУЩЕНИЯ
И СОДЕРЖАНИЯ КОНТЕЙНЕРОВ

ГЛАВА I – ОБЩИЕ ПРАВИЛА ДЛЯ ВСЕХ СИСТЕМ ДОПУЩЕНИЯ

Правило 1

Табличка о допущении по условиям безопасности

1. К каждому допущенному контейнеру на хорошо видном труднодоступном для повреждения месте рядом с любой другой табличкой о допущении, выданной для официальных целей, постоянно крепится табличка о допущении по условиям безопасности, отвечающая требованиям, содержащимся в добавлении к настоящему Приложению.
2. а) Табличка должна содержать следующую информацию по крайней мере на английском или французском языке:

"ДОПУЩЕНИЕ ПО УСЛОВИЯМ БЕЗОПАСНОСТИ КБК"

Страна допущения и номер допущения

Дата /год и месяц/ изготавления

Идентификационный номер контейнера, присвоенный заводом-изготовителем, или для существующих контейнеров, у которых этот номер неизвестен, номер, присвоенный Администрацией

Максимальный эксплуатационный вес брутто /килограммы и фунты/

Допустимый вес на штабелирование при 1,8 g /килограммы и фунты/

Величина нагрузки при поперечном испытании на жесткость конструкции /килограммы и фунты/

б) На табличке должно быть оставлено свободное место для включения величин /коэффициентов/ прочности торцовой и/или боковой стенки в соответствии с пунктом 3 правила 1 и испытаниями 6 и 7, описанными в Приложении II. На табличке оставляется также свободное место для дат первого и последующих осмотров /месяц и год/, если нанесение таковых на табличке предусмотрено.

3. Когда, по мнению Администрации, новый контейнер удовлетворяет требованиям настоящей Конвенции в отношении безопасности и если значение /коэффициента/ прочности торцовых и/или боковых стенок этого контейнера больше или меньше значения, предписанного в Приложении II, то это значение должно указываться на табличке о допущении по условиям безопасности.

4. Наличие таблички о допущении по условиям безопасности не устраивает необходимости наличия ярлыков или другой информации, которые могут требоваться в соответствии с другими действующими правилами.

Правило 2

Содержание

1. Владелец контейнера несет ответственность за поддержание его в безопасном состоянии.

2. Владелец допущенного контейнера должен производить осмотр контейнера или передавать его для осмотра в соответствии с процедурой, предписанной или одобренной заинтересованной Договаривающейся Стороной, по истечении определенных промежутков времени, соответствующих эксплуатационным условиям. Дата /месяц и год/, до которой новый контейнер должен пройти первый осмотр, указывается на табличке о допущении по условиям безопасности.

3. Дата /месяц и год/, до которой необходимо произвести следующий осмотр контейнера, должна ясно указываться на контейнере на табличке о допущении по условиям безопасности или как можно ближе к ней и таким способом, который является приемлемым для Договаривающейся Стороны, предписавшей или

одобравшей определенную процедуру содержания контейнеров в безопасном состоянии.

4. Промежуток времени между датой изготовления и датой первого осмотра не должен превышать пять лет. Последующий осмотр новых контейнеров и повторный осмотр существующих контейнеров должны производиться через промежутки времени, не превышающие 24 месяцев. Все осмотры должны устанавливать, имеет ли контейнер дефекты, создающие опасность для человеческой жизни.

5. В данном правиле под "заинтересованной Договаривающейся Стороной" имеется в виду Договаривающаяся Сторона, на территории которой владелец либо проживает постоянно, либо имеет свою главную контору.

ГЛАВА II - ПРАВИЛА ДОПУЩЕНИЯ НОВЫХ КОНТЕЙНЕРОВ ПО ТИПУ КОНСТРУКЦИИ

Правило 3

Допущение новых контейнеров

Для допущения по условиям безопасности в соответствии с настоящей Конвенцией все новые контейнеры должны удовлетворять требованиям, приведенным в Приложении II.

Правило 4

Допущение по типу конструкции

В случае представления заявки на допущение контейнеров Администрация исследует их конструкцию и присутствует при испытании прототипа контейнера в целях обеспечения того, чтобы контейнеры соответствовали требованиям, изложенным в Приложении II. При удовлетворительных результатах Администрация извещает в письменном виде лицо, представившее заявку, что контейнер отвечает требованиям настоящей Конвенции, и это извещение дает заводу-изготовителю право

прикреплять к каждому контейнеру серии, изготавляемой по типу конструкции, табличку о допущении по условиям безопасности.

Правило 5

Положения в отношении допущения по типу конструкции

1. В случае серийного производства контейнеров по типу конструкции к заявке на допущение по типу конструкции, представленной Администрации, должны быть приложены чертежи и технические условия на тип контейнера, на который испрашивается допущение, и любые другие данные, которые могут быть потребованы Администрацией.
2. Лицо, представляющее заявку, должно указывать идентификационные знаки, которые будут присвоены заводом-изготовителем типу контейнера, к которому относится данная заявка.
3. Заявка должна также сопровождаться обязательством завода-изготовителя о том, что он будет:
 - a) представлять Администрации любые контейнеры данного типа конструкции, какие пожелает осмотреть Администрация;
 - b) уведомлять Администрацию о любых изменениях в конструкции или в технических условиях и прикреплять к контейнеру табличку о допущении по условиям безопасности лишь по утверждении этих изменений Администрацией;
 - c) прикреплять табличку о допущении по условиям безопасности к каждому контейнеру данной серии, изготавливаемой по типу конструкции, и ни к каким другим;
 - d) вести учет контейнеров, изготовленных в соответствии с допущенным типом конструкции.

При этом учете следует как минимум включать идентификационные номера заводов-изготовителей, даты поставки и фамилии и адреса клиентов, которым доставляются контейнеры.

4. Администрация может предоставить допущение контейнерам, которые представляют собой видоизмененный вариант допущенного типа конструкции, если внесенные изменения, по ее мнению, не влияют на действительность результатов испытаний, выполненных в ходе допущения по типу конструкции.

5. Администрация разрешает заводу-изготовителю прикреплять табличку о допущении по условиям безопасности на основе допущения по типу конструкции только в том случае, если она убедилась в том, что завод-изготовитель установил внутреннюю систему контроля за производством для проверки соответствия выпускаемых контейнеров допущенному прототипу.

Правило 6

Осмотр на стадии производства

В целях обеспечения того, чтобы все контейнеры одной и той же серии, выпускаемой по типу конструкции, изготавливались в соответствии с допущенным типом конструкции, Администрация осматривает или подвергает испытаниям такое число контейнеров, которое она считает необходимым, на любой стадии производства серии контейнеров данного типа конструкции.

Правило 7

Уведомление, направляемое Администрации

Завод-изготовитель направляет соответствующее уведомление Администрации до начала производства каждой новой серии контейнеров, подлежащих изготовлению в соответствии с допущенным типом конструкции.

**ГЛАВА III - ПРАВИЛА ИНДИВИДУАЛЬНОГО ДОПУЩЕНИЯ
НОВЫХ КОНТЕЙНЕРОВ****Правило 8****Допущение отдельных контейнеров**

Допущение на отдельный контейнер может предоставляться в том случае, когда Администрация после исследования конструкции и присутствия на испытаниях удостоверяется в том, что такой контейнер отвечает требованиям настоящей Конвенции; когда, удостоверившись в этом, Администрация в письменном виде извещает об этом допущении лицо, представившее заявку, это извещение дает ему право прикреплять к такому контейнеру табличку о допущении по условиям безопасности.

**ГЛАВА IV - ПРАВИЛА ДОПУЩЕНИЯ СУЩЕСТВУЮЩИХ
КОНТЕЙНЕРОВ****Правило 9****Допущение существующих контейнеров**

1. Если в течении 5 лет после даты вступления в силу настоящей Конвенции владелец существующего контейнера представляет Администрации следующую информацию:

- a) дата и место изготовления;
- b) присвоенный заводом-изготовителем идентификационный номер контейнера, при наличии такого номера;
- c) максимальный эксплуатационный вес брутто,
- d) i) свидетельство о том, что контейнер этого типа безопасно использовался в морских и/или наземных перевозках в течение периода не менее двух лет, или

- ii) признанное Администрацией свидетельство о том, что контейнер изготовлен в соответствии с типом конструкции, который прошел испытания и был признан удовлетворяющим техническим условиям, приведенным в Приложении II, за исключением технических условий, относящихся к испытаниям прочности торцевых и боковых стенок, или
- iii) свидетельство о том, что контейнер изготовлен в соответствии со стандартами, которые, по мнению Администрации, эквивалентны техническим условиям, приведенным в Приложении II, за исключением технических условий, относящихся к испытаниям прочности торцевых и боковых стенок;

е) допустимый вес на штабелирование при 1,8g /килограммы и фунты/; и

ф) прочие данные, необходимые для таблички о допущении по условиям безопасности,

то Администрация после проверки уведомляет в письменном виде владельца о том, предоставлено ли допущение; если допущение предоставлено, это уведомление дает владельцу право прикреплять табличку о допущении по условиям безопасности после осмотра данного контейнера в соответствии с правилом 2.

2. Существующие контейнеры, которые не могут быть допущены в соответствии с положениями пункта 1 настоящего правила, могут представляться для допущения в соответствии с положениями главы II или главы III настоящего Приложения. В отношении таких контейнеров не применяются требования Приложения II, касающиеся испытания прочности торцевых и/или боковых стенок. Администрация может, если она удостоверилась в том, что указанные контейнеры находились в эксплуатации, отказаться по своему усмотрению от некоторых требований о представлении чертежей и проведения испытаний, за исключением испытания на подъем и испытания прочности пола.

ДОБАВЛЕНИЕ

Табличка о допущении по условиям безопасности должна соответствовать приведенному ниже образцу. Она должна прочно крепиться к контейнеру и иметь форму прямоугольника размерами не менее 200 мм x 100 мм и не поддаваться коррозии и действию огня. На поверхности таблички должна быть выгравирована резцом, выдавлена рельефом или четко и прочно нанесена каким-либо другим способом буквами высотой не менее 8 мм надпись: "Допущение по условиям безопасности КБК"; высота всех других букв и цифр, наносимых на табличку, должна быть не менее 5 мм.

ДОПУЩЕНИЕ ПО УСЛОВИЯМ БЕЗОПАСНОСТИ КБК		
1	[GB - L/749/2/7/75]	
2	ДАТА ИЗГОТОВЛЕНИЯ	
3	ИДЕНТИФИКАЦИОННЫЙ НОМЕР	
4	МАКСИМАЛЬНЫЙ ВЕС БРУТТО	кг фунтов
5	ДОПУСКАЕМЫЙ ВЕС НА ШТАБЕЛИРОВАНИЕ ПРИ НАГРУЗКЕ 1,8 g	кг фунтов
6	НАГРУЗКА ПРИ ИСПЫТАНИИ НА ЖЕСТКОСТЬ КОНСТРУКЦИИ кг фунтов	
7	
8	
9	
≥ 200 mm		

1. Страна, предоставившая допущение, и номер допущения, как показано для примера в строке 1. /Страна, предоставившая допущение, должна обозначаться посредством отличительного знака, используемого для обозначения страны регистрации автотранспортных средств, находящихся в международном движении/.

2. Дата /месяц и год/ изготавления.

3. Идентификационный номер контейнера, присвоенный заводом-изготовителем, или, для существующих контейнеров, у которых этот номер неизвестен, номер, присвоенный Администрацией.

4. Максимальный эксплуатационный вес брутто /килограммы и фунты/.

5. Допустимый вес на штабелирование при 1,8g /килограммы и фунты/.

6. Величина нагрузки при поперечном испытании на жесткость конструкции /килограммы и фунты/.

7. Прочность торцовой стенки указывается на табличке только в том случае, если торцевые стенки расчитаны на

нагрузку, составляющую меньше или больше 0,4 от максимальной допустимой полезной нагрузки, т.е. 0,4 Р.

8. Прочность боковой стенки указывается на табличке только в том случае, если боковые стенки рассчитаны на нагрузку, составляющую меньше или больше 0,6 от максимальной допустимой полезной нагрузки, т.е. 0,6 Р.

9. Дата /месяц и год/ первого профилактического осмотра новых контейнеров и даты /месяц и год/ последующих профилактических осмотров, если табличка используется для этой цели.

Приложение II

КОНСТРУКТИВНЫЕ ТРЕБОВАНИЯ БЕЗОПАСНОСТИ И ИСПЫТАНИЯ

Введение

При установлении требований, содержащихся в настоящем Приложении, имелось в виду, что на всех стадиях обработки контейнеров силы, возникающие в результате перемещения, расположения, штабелирования и действия веса груженого контейнера, а также внешние силы не будут превышать на грузок, на которые рассчитан данный контейнер. В частности, были сделаны следующие предположения:

- а) контейнер должен крепиться таким образом, чтобы он не подвергался действию сил, превышающих те силы, на которые он рассчитан;
- б) груз внутри контейнера должен быть размещен в соответствии с применяемыми в этой области рекомендованными методами таким образом, чтобы контейнер не испытывал действия вызванных грузом сил, превышающих силы, на которые он рассчитан.

Конструкция

1. Контейнер, изготовленный из любого соответствующего материала, удовлетворительно прошедший нижеследующие испытания без появления остаточной деформации или неисправности, которые могут повлечь за собой невозможность его использования в целях, для которых он предназначен, рассматривается как безопасный.
2. Размеры, расположение и соответствующие допуски угловых фитингов должны контролироваться с учетом подъемных устройств и закрепляющих систем, для работы с которыми они предназначены.
3. Контейнеры, снабженные специальными приспособлениями, предназначенными для использования только при порожнем состоянии контейнера, должны иметь маркировку с указанием данного ограничения.

Испытательные нагрузки и методы испытания

При соответствующей конструкции контейнера ко всем типам испытываемых контейнеров применяются следующие испытательные нагрузки и методы испытаний:

ИСПЫТАТЕЛЬНЫЕ НАГРУЗКИ И ПРИЛАГАЕМЫЕ СИЛЫ	МЕТОДЫ ИСПЫТАНИЯ
	1. ПОДЪЕМ

Контейнер, имеющий предписанную ВНУТРЕННЮЮ НАГРУЗКУ, должен быть поднят таким образом, чтобы на него не оказывали существенного воздействия силы ускорения. После подъема контейнер остается в подвешенном или поднятом положении в течение пяти минут, после чего он опускается на грунт.

ИСПЫТАТЕЛЬНЫЕ НАГРУЗКИ И
ПРИЛАГАЕМЫЕ СИЛЫ

МЕТОДЫ ИСПЫТАНИЯ

A) ПОДЪЕМ ЗА УГЛОВЫЕ ФИТИНГИВНУТРЕННЯЯ НАГРУЗКАi) Подъем за верхние угловые фитинги :

Равномерно распределенная нагрузка, при которой общий вес контейнера и испытательной нагрузки равен $2R$.

При подъеме контейнеров, длина которых превышает 3 000 мм /10 футов/ /номинальная длина/, силы прилагаются вертикально ко всем четырем верхним угловым фитингам.

При подъеме контейнеров длиной не более 3 000 мм /10 футов/ /номинальная длина/ силы прилагаются ко всем четырем верхним угловым фитингам таким образом, чтобы угол между каждым подъемным устройством и вертикалью составлял 30° .

ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ К КОНТЕЙНЕРУ:ii) Подъем за нижние угловые фитинги :

Силы, позволяющие поднять общий вес, равный $2R$, предписанным способом /в колонке МЕТОДЫ ИСПЫТАНИЯ/.

При подъеме контейнера силы прилагаются таким образом, чтобы подъемные устройства крепились только к нижним угловым фитингам. Прилагаемые при подъеме силы должны находиться под следующим углом к горизонтали:

30° для контейнеров длиной 12 000 мм /40 футов/ /номинальная длина/ или более;

ИСПЫТАТЕЛЬНЫЕ НАГРУЗКИ И
ПРИЛАГАЕМЫЕ СИЛЫ

МЕТОДЫ ИСПЫТАНИЯ

37° для контейнеров длиной:
9 000 мм /30 футов/ /номи-
нальная длина/ и более до
12 000 мм /40 футов/ исклю-
чительно /номинальная длина/;

45° для контейнеров длиной:
6 000 мм /20 футов/ /номи-
нальная длина/ и более до
9 000 мм /30 футов/ исклю-
чительно /номинальная длина/;

60° для контейнеров длиной
менее 6 000 мм /20 футов/
/номинальная длина/.

В) ПОДЪЕМ ЛЮБЫМИ ДРУГИМИ ДОПОЛНИТЕЛЬНЫМИ МЕТОДАМИ

ВНУТРЕННЯЯ НАГРУЗКА:

Равномерно распределенная
нагрузка, при которой
общий вес контейнера и
испытательной нагрузки
составляет 1,25 R.

i) **Подъем за проемы для вилочных
захватов:**

Контейнер размещается на
стержнях, которые находятся
в одной горизонтальной
плоскости, причем в каждом
проеме для вилочного захвата,
который используется для
подъема груженого контейнера,
центрируется один стержень.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

Силы, позволяющие поднять
общий вес, равный 1,25 R,
предписанным способом /в
колонке МЕТОДЫ ИСПЫТАНИЯ/.

Стержни должны иметь ширину,
равную ширине вилок, исполь-
зуемых при обработке, и
должны входить в проем для
вилочных захватов на 75%
длины проема для вилочного
захвата.

ИСПЫТАТЕЛЬНЫЕ НАГРУЗКИ И
ПРИЛАГАЕМЫЕ СИЛЫМЕТОДЫ ИСПЫТАНИЯВНУТРЕННЯЯ НАГРУЗКА:ii) Подъем за пазы для клемевых
захватов:

Разномерно распределенная нагрузка, при которой общий вес контейнера и испытательной нагрузки составляет 1,25 R.

Контеинер размещается на подкладках, расположенных в одной горизонтальной плоскости, причем под каждый паз для клемового захвата укладывается одна подкладка. Эти подкладки должны иметь те же размеры, что и подъемная поверхность клемевых захватов, использование которых предусмотрено.

ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ К КОНТЕЙНЕРУ:iii) Прочие методы:

Силы, позволяющие поднять общий вес, равный 1,25 R, предпринятым способом /к колонке МЕТОДЫ ИСПЫТАНИЯ/.

Если контейнеры сконструированы для подъема в груженом состоянии каким-либо другим методом, не упомянутым в пунктах А или В i), они должны также испытываться на ВНУТРЕННЮЮ НАГРУЗКУ И ВНЕШНИЕ СИЛЫ, соответствующие действующим при этом методе условиям ускорения.

2. ШТАБЕЛИРОВАНИЕ

1. В условиях международных перевозок, когда максимальные вертикальные силы ускорения значительно отличаются от значения 1,8 g и когда перевозка контейнера эффективно и надежно ограничивается только этими условиями, нагрузка при штабелировании может соответственно изменяться в определенной пропорции к силам ускорения.

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2. После удовлетворительного прохождения испытания контейнер может маркироваться на допустимую прилагаемую сверху статическую нагрузку при штабелировании, которая должна указываться на табличке о допущении по условиям безопасности в рубрике "Допустимый вес на штабелирование при 1,8 g /килограммы и фунты/".

ВНУТРЕННЯЯ НАГРУЗКА:

Равномерно распределенная нагрузка, при которой общий вес контейнера и испытательной нагрузки равен 1,8 R.

Контейнер, имеющий предписанную ВНУТРЕННЮЮ НАГРУЗКУ, помещается на четыре расположенные на одном уровне прокладки, которые, в свою очередь, устанавливаются на горизонтальной площадке с твердым покрытием, каждая под соответствующим нижним угловым фитингом или эквивалентным угловым устройством. Прокладки должны центрироваться под фитингами и приблизительно соответствовать им по своим размерам.

ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:

К каждому из четырех верхних угловых фитингов прилагается вертикальная, направленная вниз нагрузка, составляющая $1/4 \times 1,8$ от допустимой прилагаемой сверху статической нагрузки при штабелировании.

ВНЕШНИЕ СИЛЫ прилагаются к каждому из угловых фитингов через соответствующий испытательный угловой фитинг или через прокладку, размеры которой совпадают с размерами углового фитинга. Подвергающийся испытанию угловой фитинг или соответствующая прокладка имеют по

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отношению к верхнему угловому фитингу контейнера эксцентрикитет, равный 25 мм /1 дюйм/ в боковом направлении и 38 мм /1,5 дюйма/ в продольном направлении.

3. СОСРЕДОТОЧЕННЫЕ НАГРУЗКИ а) НА КРЫШУ

ВНУТРЕННЯЯ НАГРУЗКА:

Нет.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

Сосредоточенная нагрузка равная 300 кг /660 фунтов/, равномерно распределенная по площади размером 600 мм x 300 мм /24 дюйма x 12 дюймов/. ВНЕШНИЕ СИЛЫ прилагаются вертикально сверху вниз к наружной поверхности наиболее слабой части крыши контейнера.

3. СОСРЕДОТОЧЕННЫЕ НАГРУЗКИ б) НА ПОЛ

ВНУТРЕННЯЯ НАГРУЗКА:

Две сосредоточенные нагрузки весом по 2 730 кг /6 000 фунтов/ прилагаются к полу контейнера таким образом,

При испытании контейнер должен устанавливаться на четырех опорах, расположенных на одном уровне под каждым из четырех нижних углов таким образом,

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чтобы контактная поверхность каждой из них составляла $142 \text{ см}^2 /22 \text{ кв. дюйма}/.$

чтобы основание контейнера могло свободно прогибаться. По всей поверхности пола контейнера должно перемещаться испытательное устройство, вес которого в нагруженном состоянии должен составлять 5 460 кг /12 000 фунтов/, т.е. по 2 730 кг /6 000 фунтов/ на каждую из двух контактных поверхностей, общая площадь которых в загруженном состоянии равна $284 \text{ см}^2 /44 \text{ кв. дюйма}/$, т.е. $142 \text{ см}^2 /22 \text{ кв. дюйма}/$ на каждую поверхность, причем ширина поверхности должна составлять 180 мм /7 дюймов/, а расстояние между центрами поверхностей — 760 мм /30 дюймов/.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

Нет.

4. ИСПЫТАНИЕ НА ПОПЕРЕЧНУЮ ЖЕСТКОСТЬ КОНСТРУКЦИИ

ВНУТРЕННЯЯ НАГРУЗКА:

Нет.

Порожний контейнер устанавливается на четырех опорах, расположенных на одном уровне под каждым из четырех нижних углов,

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и для предотвращения горизонтального и вертикального смещения крепится с помощью заанкеривающих устройств, установленных таким образом, что сопротивление боковому перемещению возникает только в нижних углах, расположенных по диагонали к тем, к которым прилагаются силы.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

Таким образом, чтобы они воздействовали на торцевые конструкции контейнеров в боковом направлении. Эти силы должны быть равны силам, на которые рассчитан контейнер.

ВНЕШНЯЯ СИЛА прилагается либо раздельно, либо одновременно к каждому из верхних угловых фитингов с одной стороны контейнера параллельно как основанию, так и торцовыми плоскостям контейнера. Силы прилагаются сначала по направлению к верхним угловым фитингам, а затем в противоположном направлении. У контейнеров с торцами, симметричными относительно своих вертикальных осей, испытывается только одна сторона, а при несимметричных торцах испытанию подлежат обе стороны.

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**5. ИСПЫТАНИЕ НА КРЕПЛЕНИЕ В ПРОДОЛЬНОМ НАПРАВЛЕНИИ
/СТАТИЧЕСКОЕ ИСПЫТАНИЕ/**

При проектировании и изготовлении контейнеров следует иметь в виду, что при перевозке наземным транспортом контейнеры могут подвергаться действию горизонтальных продольных ускорений $2g$.

ВНУТРЕННЯЯ НАГРУЗКА:

Равномерно распределенная нагрузка, при которой общий вес контейнера и испытательной нагрузки равен максимальному эксплуатационному весу брутто, R .

Контейнер, имеющий предписанную ВНУТРЕННЮЮ НАГРУЗКУ, крепится в продольном направлении к двум соответствующим точкам заанкеривания при помощи нижних угловых фитингов или эквивалентных угловых устройств, расположенных на одном конце.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

К каждой стороне контейнера прилагаются продольные, сжимающие и растягивающие силы, равные R , т.е. основание контейнера подвергается действию силы, составляющей в сумме $2R$.

ВНЕШНИЕ СИЛЫ прилагаются сначала по направлению к точкам заанкеривания, а затем в противоположном направлении. Испытанию подвергается каждая из сторон контейнера.

6. ТОРЦОВЫЕ СТЕНКИ

Торцовые стенки должны выдерживать нагрузку не менее 0,4 от максимальной допустимой полезной нагрузки. Однако если торцовые стенки рассчитаны на нагрузку, меньшую или большую

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чем 0,4 от максимальной допустимой полезной нагрузки, то этот коэффициент прочности должен указываться на табличке о допущении по условиям безопасности в соответствии с правилом I Приложения I.

ВНУТРЕННЯЯ НАГРУЗКА:

К внутренней поверхности торцовой стенки прилагается равномерно распределенная нагрузка, равная 0,4 P, или любая другая нагрузка, на которую рассчитан контейнер.

Предписанная ВНУТРЕННЯЯ НАГРУЗКА прилагается следующим образом: испытанию подлежат оба торца контейнера, однако, если торцы контейнера одинаковы, достаточно подвергнуть испытанию только один из них. Торцевые стены контейнеров, не имеющих открытых сторон или боковых дверей, могут подвергаться испытанию либо каждая в отдельности, либо одновременно.

Торцевые стены контейнеров, имеющих открытые стороны или боковые двери, подвергаются испытанию каждая в отдельности. При испытании каждой из торцевых стенок в отдельности реакции на силы, прилагаемые к торцовой стенке, должны ограничиваться конструкцией основания контейнера.

**ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:**

Нет.

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7. БОКОВЫЕ СТЕНКИ

Боковые стенки должны выдерживать нагрузку не менее 0,6 от максимальной допустимой полезной нагрузки. Однако если боковые стенки рассчитаны на нагрузку, меньшую или большую чем 0,6 от максимальной допустимой полезной нагрузки, то этот коэффициент прочности должен указываться в табличке о допущении по условиям безопасности в соответствии с правилов I Приложения I.

ВНУТРЕННЯЯ НАГРУЗКА:

К внутренней поверхности боковой стенки прилагается равномерно распределенная нагрузка, равная 0,6 Р, или любая другая нагрузка, на которую рассчитан контейнер.

Предписанная ВНУТРЕННЯЯ НАГРУЗКА прилагается следующим образом: испытанию подлежат обе стенки контейнера, однако, если стенки контейнера одинаковы, достаточно подвергнуть испытанию только одну сторону. Боковые стенки подвергаются испытанию каждая в отдельности, при этом учитывается только реакция угловых фитингов или аналогичных угловых устройств на прилагаемую внутреннюю нагрузку. Контейнеры с открытым верхом, подвергающиеся испытанию, должны находиться в том состоянии, в котором предусмотрено их использование; так, например, элементы съемного верха должны находиться в рабочем положении.

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ВНЕШНИЕ СИЛЫ, ПРИЛАГАЕМЫЕ
К КОНТЕЙНЕРУ:

Нет.

Заверенная копия русского текста Международной Конвенции по безопасным контейнерам /КБК/ совершенной в Женеве второго декабря тысяча девятьсот семьдесят второго года. Оригинал Конвенции депонирован у Генерального Секретаря Межправительственной Морской Консультативной Организации.

От имени Генерального Секретаря Межправительственной Морской Консультативной Организации:

Thomas Allmand

Лондон,

5.08.76

International Convention for Safe Containers (CSC)
Convention internationale sur la sécurité des
conteneurs (CSC)

PROCES-VERBAL OF RECTIFICATION/PROCES-VERBAL DE RECTIFICATION

English text

Whereas an International Convention for Safe Containers was done at Geneva on 2 December 1972 and is deposited with the Secretary-General of the Inter-Governmental Maritime Consultative Organization; and

Whereas certain errors have been discovered in the original signed copy of the said Convention and brought to the notice of Signatory and Contracting Governments; and

Whereas all these Governments have agreed to the following errors being corrected as indicated hereunder:

Texte français

Attendu qu'une Convention internationale sur la sécurité des conteneurs a été signée à Genève le 2 décembre 1972 et qu'elle est déposée auprès du Secrétaire général de l'Organisation intergouvernementale consultative de la navigation maritime;

Attendu que certaines erreurs ont été relevées dans l'exemplaire original signé de ladite Convention et portées à l'attention des Gouvernements Signataires et des Gouvernements contractants;

Attendu que tous ces gouvernements ont approuvé la correction de ces erreurs, il est apporté les rectifications ci-après :

INTERNATIONAL CONVENTION FOR SAFE CONTAINERS (CSC)

English Authentic Text

(All references relate to the text of the Convention as it appears in the certified true copy)

- Article III, para.2, line 1
line 2 - delete "either"
- insert "either" after "provisions"
- Article X, para.3, line 2
line 3 - delete comma after "adoption"
- insert comma after "unless"
- insert comma after "time"
- Article XIII, para.1, line 6
line 7 - insert comma after "If"
- insert comma after "request"
- insert "has" in place of "shall have"
- delete "shall" after "arbitrators"
para.2, line 1 - insert "established" in place of "designated"
para.3 - insert "determine" in place of "decide"
para.4, line 1 - insert comma after "tribunal"
para.5, line 2 - insert "any of the parties" in place of "either party"
- Article XIV, para.1, line 2
line 3 - insert comma after "XIII" in place of "and of"
- delete "of those contained in"
- Article XV, sub-para.(a), line 1 - delete comma after "accessions"
- Article XVI, line 3 - insert comma after "Secretary-General"

ANNEX I

- Regulation 1, para.1, line 3
line 4 - insert comma after "place"
para.2(a), line 7 - insert comma after "purposes"
para.2(b), lines 1/2 - delete comma after "containers"
line 2 - insert "-wall" between "end" and "and/or"
lines 2/3 - delete "Regulation 1,"
- insert "of this Regulation" after "paragraph 3"
line 4 - insert "the" between "for" and "first"
para.3, line 3 - insert "-wall" between "end" and "and/or"
- insert "values" in place of "value"
- insert "are" in place of "is"

Regulation 1, para.3, line 4 - insert "those" in place of "that"
 - insert comma after "Annex II"
 - insert "values" in place of "value"

Regulation 5, para.1, line 3 - delete comma after "approved"
 - insert "will" in place of "shall"

Regulation 9, para.1(d)(ii), line 4 - insert comma after "Annex II"
 - insert comma after "Annex II"
 - insert "-wall" between "end" and
 "and/or"

APPENDIX, line 5 - insert "the" in place of "its"
 - insert "of the Plate" between
 "surface" and "in"

ANNEX II

Page 15, Construction, para.1, line 3 - delete comma after "purpose"

Page 16, (A) LIFTING FROM CORNER FITTINGS
 (i) Lifting from top corner fittings
 line 6 - insert "or" in place of "and"

Page 18, 2. STACKING
 Externally applied forces
 TEST PROCEDURES
 line 6 - insert "fitting" in place of "fittings"

Page 19, 4. TRANSVERSE RACKING
 Externally applied forces
 TEST LOADINGS AND APPLIED FORCES
 line 2 - insert "container" in place of
 "containers"
 TEST PROCEDURES
 line 1 - insert "FORCES" in place of "FORCE"

Page 20, 6. END-WALLS
 line 1 - insert "end-walls" in place of
 "end walls".
 line 2 - insert "end-walls" in place of
 "end walls"

Page 21, 7. SIDE-WALLS
 line 4 - insert "shall" in place of "should"

**CONVENTION INTERNATIONALE SUR LA
SECURITE DES CONTENEURS (CSC)**

Texte anglais authentique

(Toutes les références renvoient au texte de la Convention
tel qu'il figure dans la copie certifiée conforme)

- | | |
|--------------------------------------|---|
| Article III, par.2, ligne 1 | - supprimer "either" |
| ligne 2 | - insérer "either" après "provisions" |
| Article X, par.3, ligne 2 | - supprimer la virgule après "adoption" |
| ligne 3 | - insérer une virgule après "unless" |
| Article XIII, par.1, ligne 6 | - insérer une virgule après "If" |
| ligne 7 | - insérer une virgule après "request" |
| par.2, ligne 1 | - remplacer "shall have" par "had" |
| par.3, | - supprimer "shall" après "arbitrators" |
| par.4, ligne 1 | - remplacer "designated" par "established" |
| par.5, ligne 2 | - remplacer "decide" par "determine" |
| | - insérer une virgule après "tribunal" |
| Article XIV, par.1, ligne 2 | - remplacer "XIII", insérer "and of"
par une virgule |
| ligne 3 | - supprimer "of those contained in" |
| Article XV, sous-par.(a),
ligne 1 | - supprimer la virgule après "accessions" |
| Article XVI, ligne 3 | - Insérer une virgule après "Secretary-
General" |

ANNEX I

- | | |
|------------------------------|---|
| Regulation 1, par.1, ligne 3 | - insérer une virgule après "place" |
| ligne 4 | - insérer une virgule après "purposes" |
| par.2(a), ligne 7 | - supprimer la virgule après "contains" |
| par.2(b), lignes 1/2 | - insérer "-wall" entre "end" et "and/or" |
| ligne 2 | - supprimer "Regulation 1," |
| lignes 2/3 | - insérer "of this Regulation" après
"paragraph 3" |
| ligne 4 | - insérer "the" entre "for" et "first" |

par.3, ligne 3 - insérer "-wall" entre "end" et "and/or"
 - remplacer "value" par "values"
 - remplacer "is" par "are"
 ligne 4 - remplacer "that" par "those"
 - insérer une virgule après "Annex II"
 - remplacer "value" par "values"
 Regulation 5, par.1, ligne 3 - supprimer la virgule après "approved"
 par.3, ligne 2 - remplacer "shall" par "will"
 Regulation 9, par.1(d)(iii),
 ligne 4 - insérer une virgule après "Annex II"
 par.1(d)(iii),
 ligne 3 - insérer une virgule après "Annex II"
 par.2, ligne 4 - insérer "-wall" entre "end" et "and/or"

 APPENDIX, ligne 5 - remplacer "its" par "the"
 - insérer "of the Plate" entre "surface"
 et "in"

ANNEX II

Page 15, Construction, par.1,
 ligne 3 - supprimer la virgule après "purpose"
 Page 16, (A) LIFTING FROM CORNER FITTINGS
 (i) Lifting from top corner fittings
 ligne 6 - remplacer "and" par "or"

Page 18, 2. STACKING

Externally applied forces
 TEST PROCEDURES
 ligne 6 - remplacer "fittings" par "fitting"

Page 19, 4. TRANSVERSE RACKING

Externally applied forces
 TEST LOADINGS AND APPLIED FORCES
 ligne 2 - remplacer "containers" par "container"
 TEST PROCEDURES
 ligne 1 - remplacer "FORCE" par "FORCES"

Page 20, 6. END-WALLS

ligne 1 - remplacer "end walls" par "end-walls"
 ligne 2 - remplacer "end walls" par "end-walls"

Page 21, 7. SIDE-WALLS

ligne 4 - remplacer "should" par "shall"

INTERNATIONAL CONVENTION FOR SAFE CONTAINERS (CSC)

French Authentic Text

(All references relate to the text of the Convention as it appears in the certified true copy)

- Article IX, para. 2 a), line 3 - delete "membres"
 - insert "au" in place of "du"

Article X, para. 2, line 1 - delete "membres"
 - insert "au" in place of "du"
 line 2

Article XIV, para. 1, line 2 - insert comma after "de l'article XIII"
 in place of "et"
 line 3
 - delete comma after "présent article"
 - insert "et" in place of "ainsi que
 sur celles"

ANNEKE I

- Règle 1, para. 2 b), line 3 - insert "présente règle" in place of
 "Règle 1"

Règle 5, para. 4, line 2 - insert "type" in place of "prototype"

Page 15, footnote no. 5 - insert "de" in place of "et" after
 "admissible"

ANNEKE II

- Page 20, 4. RIGIDITE TRANSVERSALE
Forces appliquées à l'extérieur
PROCEDURES D'ESSAI
line 1 - insert "Les FORCES EXTERIEURES doivent
 être appliquées" in place of "La FORCE
 EXTERIEURE est appliquée"

CONVENTION INTERNATIONALE SUR LA
SECURITE DES CONTENEURS (CSC)

Texte français authentique

(Toutes les références renvoient au texte de la Convention
tel qu'il figure dans la copie certifiée conforme)

- Article IX, par.2 a), ligne 3 - supprimer "membres"
 - remplacer "du" par "au"
- Article X, par.2, ligne 1 - supprimer "membres"
 - remplacer "du" par "au"
- Article XIV, par.1, ligne 2 - après "de l'article XIII", insérer
 une virgule et supprimer "et"
- ligne 3 - après "présent article", supprimer
 la virgule
 - remplacer "ainsi que sur celles"
 par "et"

ANNEXE I

- Règle 1, par.2 b), ligne 5 - remplacer "Règle 1" par "présente
 règle"
- Règle 5, par.4, ligne 2 - remplacer "prototype" par "typo"
- Page 15, note No 5 - remplacer "et" par "de" après
 "admissible"

ANNEXE II

Page 20, 4. RIGIDITE TRANSVERSALE

Forces appliquées à l'extérieur

PROCEDURES D'ESSAI

- ligne 1 - remplacer "La FORCE EXTERIEURE est
 appliquée" par "Les FORCES EXTERIEURES
 doivent être appliquées"

INTERNATIONAL CONVENTION FOR SAFE CONTAINERS (CSC)

Russian Authentic Text

(All references relate to the text of the Convention as it appears in the certified true copy)

Статья XIII

- para.1, line 8 - insert comma after "Если"
line 9 - insert comma after "Просьба"
 - insert "МОГ" in place of "может"

line 10 - insert "СМОГЛИ" in place of
 "МОГУТ"

para.2, line 1 - insert "учрежденного"
 in place of "назначенного"

para.5, line 3 - insert "любой" in place of
 "любым"
 - insert "сторон" in place of
 "участников"

Статья XIV

- para.1, line 3 - insert comma after "XIII" in
 place of "и"
 - delete comma after "статьи"
 - delete "также оговорок,
 относящихся к"
 - insert "Приложений"
 in place of "положениям,
 содержащимся в Приложениях"

Приложение I

Правило 1

para.1, line 2	- insert comma after "месте"
para.2 b), line 3	- insert "настоящего правила" in place of "правила 1"
para.3, line 3	- insert "значения" in place of "значение"
line 5	- insert "значений, предписанных" in place of "значения, предпи- санного"
	- insert "эти" in place of "это"
line 6	- insert "значения должны" in place of "значение должно"

Page 29/30

4. Испытание на поперечную жесткость конструкции

Внешние силы, прилагаемые к контейнеру

Испытательные нагрузки и прилагаемые силы

line 3	- insert "контейнера" in place of "контейнеров"
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Методы испытания

para.2, line 1	- insert "Внешние силы прила- гаются" in place of "Внешняя сила прилагается"
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CONVENTION INTERNATIONALE
SUR LA SECURITE DES CONTENEURS (CSC)

Texte russe authentique

(Toutes les références renvoient au texte de la Convention
tel qu'il figure dans la copie certifiée conforme)

Статья XIII

- par. 1, ligne 8 - insérer une virgule après "Если"
 ligne 9 - insérer une virgule après "Просьба"
 - remplacer "МОЖЕТ" par "МОГ"
 ligne 10 - remplacer "МОГУТ" par "СМОГЛИ"

par. 2, ligne 1 - remplacer "назначенного"
 par "учрежденного"

par. 5, ligne 3 - remplacer "любым" par "любой"
 - remplacer "участников" par "сторон"

Статья XIV

- par. 1, ligne 3 - après "XIII" ajouter une virgule
 et supprimer "и"
 - supprimer la virgule après "статьи"
 - supprimer "также оговорок,
 относящихся к"
 - remplacer "положениям, содержащимся
 в Приложениях"
 par "Приложений"

Приложение I

Правило 1

par. 1, ligne 2	- insérer une virgule après "месте"
par. 2 b), ligne 3	- remplacer "правила 1" par "настоящего правила"
par. 3, ligne 3	- remplacer "значение" par "значения"
ligne 5	- remplacer "значения, предписанного" par "значений, предписанных"
	- remplacer "это" par "эти"
ligne 6	- remplacer "значение должно" par "значения должны"

Pages 29/30 4. Испытание на поперечную жесткость

конструкции

Внешние силы, прилагаемые к контейнеру

Испытательные нагрузки и прилагаемые силы

ligne 3	- remplacer "контейнеров" par "контейнера"
---------	---

Методы испытания

par. 2, ligne 1	- remplacer "Внешняя сила прилагается" par "Внешние силы прилагаются"
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INTERNATIONAL CONVENTION FOR SAFE CONTAINERS (CSC)

Spanish Authentic Text

(All references relate to the text of the Convention as it appears in the certified true copy)

Artículo IX, para. 2 a), line 3 - delete "miembros"
para. 2 b), line 1 - delete "miembros"

Artículo X, para. 2, line 1 - delete "miembros"
para. 3, line 7 - delete "miembros"

Artículo XIV, para. 1, line 1 - insert "Estará autorizada la expresión de" instead of "Las"
line 2 - insert "siempre que no" in place of "estarán autorizadas, salvo las que"
line 3 - insert comma in place of "y"
- delete comma after "presente artículo"
- insert "y de" in place of "así como a las contenidas en"

ANEXO I

Regla 1, para. 2 b), line 2 - delete comma
line 3 - insert "presente" between "la" and "regla"
- delete "1"
para. 3, line 2 - insert "los factores" in place of "el factor"
line 3 - insert "deban ser mayores o menores" in place of "deba ser mayor o menor"
lines 3/4 - insert "los prescritos" in place of "el prescrito"
line 4 - insert "estos factores se indicarán" in place of "este factor se indicará"
Regla 9, para. 2, line 5 - insert "/o" after "y" in place of "de las paredes"

ANEXO II

Page 17, A) IZADA POR LAS CANTONERAS

i) Izada por las cantoneras superiores:

- lines 2/3 - insert "valor nominal" in place of
 "aproximadamente"
lines 7/8 - insert "valor nominal" in place of
 "aproximadamente"

ii) Izada por las cantoneras inferiores:

- lines 8/9 - insert "valor nominal" in place of
 "aproximadamente"
lines 11/12 - insert "valor nominal" in place of
 "aproximadamente"
line 13 - insert "valor nominal" in place of
 "aproximadamente"
lines 15/16 - insert "valor nominal" in place of
 "aproximadamente"
line 17 - insert "valor nominal" in place of
 "aproximadamente"
lines 19/20 - insert "valor nominal" in place of
 "aproximadamente"

Page 21, 4. RIGIDEZ TRANSVERSAL

Fuerzas aplicadas externamente:

PROCEDIMIENTOS DE PRUEBA

- lines 1/2 - insert "Las FUERZAS APLICADAS
 EXTERNAMENTE se aplicarán" in place
 of "La FUERZA APLICADA EXTERNAMENTE
 se aplicará"

Page 23, 7. PAREDES LATERALES

- line 4 - insert "se indicará" in place of
 "deberá indicarse"

CONVENTION INTERNATIONALE SUR LA SECURITE
DES CONTENEURS (CSC)

Texte espagnol authentique

(Toutes les références renvoient au texte de la Convention tel qu'il figure dans la copie certifiée conforme)

Artículo IX, par. 2 a), ligne 3 - suprimir "miembros"
2 b), ligne 1 - suprimir "miembros"

Artículo X, par. 2, ligne 1 - suprimir "miembros"
par. 3, ligne 7 - suprimir "miembros"

Artículo XIV, par. 1, ligne 1 - remplacer "Las" par "Estará autorizada la expresión de"
ligne 2 - remplacer "estarán autorizadas, salvo las que" par "siempre que no"
- remplacer "y" par une virgule
- suprimir la virgule après "presente artículo"
ligne 3 - remplacer "así como a las contenidas en" par "y de"

ANEXO I

Regla 1, par. 2 b), ligne 2 - suprimir la virgule
ligne 3 - insérer "presente" entre "la" et "regla"
- suprimir "l"
par. 3, ligne 2 - remplacer "el factor" par "los factores"
ligne 3 - remplacer "deba ser mayor o menor" par "deban ser mayores o menores"
ligne 3/4 - remplacer "el prescrito" par "los prescritos"
ligne 4 - remplacer "este factor se indicará" par "estos factores se indicarán"
Regla 9, par. 2, ligne 5 - après "y", remplacer "de las paredes" par "/o"

ANEXO II

Page 17, A) IZADA POR LAS CANTONERAS

i) Izada por las cantoneras superiores:

- ligne 2/3 - remplacer "aproximadamente" par
"valor nominal"
ligne 7/8 - remplacer "aproximadamente" par
"valor nominal"

ii) Izada por las cantoneras inferiores:

- ligne 8/9 - remplacer "aproximadamente" par
"valor nominal"
ligne 11/12 - remplacer "aproximadamente" par
"valor nominal"
ligne 13 - remplacer "aproximadamente" par
"valor nominal"
ligne 15/16 - remplacer "aproximadamente" par
"valor nominal"
ligne 17 - remplacer "aproximadamente" par
"valor nominal"
ligne 19/20 - remplacer "aproximadamente" par
"valor nominal"

Page 21, 4. RIGIDEZ TRANSVERSAL

Fuerzas aplicadas externamente:

PROCEDIMIENTOS DE PRUEBA

- ligne 1/2 - remplacer "La FUERZA APLICADA EXTERNAMENTE se aplicará" par "Las FUERZAS APLICADAS EXTERNAMENTE se aplicarán"

Page 23, 7. PAREDES LATERALES

- ligne 4 - remplacer "deberá indicarse" par
"se indicará"

Now therefore, I the undersigned, Chandrika Prasad Srivastava, Secretary-General of the Inter-Governmental Maritime Consultative Organization, depositary of the International Convention for Safe Containers (CSC), have caused the original text of the Convention to be modified by the corrections indicated above, and initialled in the margin thereof.

In witness whereof, I have signed the present Procès-Verbal at the Headquarters of the Organization this twenty-fifth day of June 1976, in a single copy which shall be kept in the archives of the Organization with the original signed copy of the International Convention for Safe Containers (CSC).

A certified copy of this Procès-Verbal shall be communicated to each Government which has signed or acceded to the aforementioned Convention.

Je, soussigné, Chandrika Prasad Srivastava, Secrétaire général de l'Organisation intergouvernementale consultative de la navigation maritime, dépositaire de la Convention internationale sur la Sécurité des Conteneurs (CSC), ai fait modifier le texte original de la Convention en y apportant les corrections ci-dessus indiquées, qui sont paraphées dans la marge.

En foi de quoi, j'ai signé le présent procès-verbal au siège de l'Organisation le vingt-cinq juin 1976 en un seul exemplaire original, lequel sera conservé dans les archives de l'Organisation avec l'exemplaire original signé de la Convention internationale sur la Sécurité des Conteneurs (CSC).

Une copie certifiée conforme du présent procès-verbal sera communiquée à chacun des Gouvernements qui ont signé ladite Convention ou y ont adhéré.

Certified true copy of the Procès-Verbal of Rectification dated 25 June 1976, the original of which is deposited with the International Convention for Safe Containers (CSC), in the archives of the Organization.

Copie certifiée conforme du procès-verbal de rectification en date du 25 juin 1976, dont l'original est conservé avec la Convention internationale sur la Sécurité des Conteneurs (CSC), dans les archives de l'Organisation.

For the Secretary-General

Pour le Secrétaire général

Thomas S. Busha

London,
Londres, le 1. IX. 1976

INDIA

Air Transport Services: Low-Cost Fares

*Agreement modifying the agreement of February 3,
1956, as amended.*

Effectuated by exchange of letters

*Signed at New Delhi December 23, 1977;
Entered into force December 23, 1977.*

*The American Ambassador to the Indian Secretary, Ministry of
Tourism and Civil Aviation*

December 23, 1977

Mr. R. P. Naik
Secretary
Ministry of Tourism and Civil Aviation
Sardar Patel Bhawan
Parliament Street
New Delhi

Dear Mr. Naik:

I am writing with reference to tariff filings recently made by Air India for new Super-Apex Fares between the United States and Europe for the 1977-78 winter traffic season.

The United States is committed to an international aviation policy which features low fare, competitive international air services. At the same time, the U.S. believes that the new Super-Apex Fares must be regarded as experimental in nature because their effect on the competitive structure of north Atlantic passenger rates is as yet unclear. However, the possibility exists that these experimental fares, once introduced, could become permanent even though they might later prove to have a disruptive effect on the market. This is due to the fact that the provisions of Article 11 of the US-India Air Services Agreement of 1956 [¹] do not easily permit the suspension of existing fares.

In view of this possibility, the United States proposes that neither government will, with regard to Super-Apex Filings for effectiveness during the 1978 summer traffic season, apply the provisions of the US-India Air Services Agreement to maintain in existence any new Super-Apex Fares which may have been approved for the 1977-78 winter season if the other government has disapproved a similar summer fare filing. Moreover during the 1977-78 winter season either government may take action to prevent the continuation of such fares on or before their respective dates of expiration,

¹ TIAS 3504, 5682; 7 UST 281; 15 UST 2031.

provided that it notifies the other government six weeks in advance of its intent to take such action and agrees to consult with the other government if consultations are requested.

I would appreciate a reply from you confirming that the foregoing is acceptable to your government.

Sincerely,

Robert F. Goheen

Robert F. Goheen

*The Indian Secretary, Ministry of Tourism and Civil Aviation, to the
American Ambassador*

No. Av. 26012/18/77-A

सचिव

पर्यटन तथा नागर विमानन मंत्रालय

भारत सरकार

नई दिल्ली

SECRETARY

MINISTRY OF TOURISM & CIVIL AVIATION
GOVERNMENT OF INDIA

NEW DELHI

December 23, 1977



मत्स्यव रथने

Dear Mr. Goheen,

Please refer to your letter dated the 23rd December, 1977 which reads as follows :

"I am writing with reference to tariff filings recently made by Air India for new Super-Apex Fares between the United States and Europe for the 1977-78 winter traffic season.

The United States is committed to an international aviation policy which features low fare, competitive international air services. At the same time, the U.S. believes that the new Super-Apex Fares must be regarded as experimental in nature because their effect on the competitive structure of north Atlantic passenger rates is as yet unclear. However, the possibility exists that these experimental fares, once introduced, could become permanent even though they might later prove to have a disruptive effect in the market. This is due to the fact that the provisions of Article 11 of the US-India Air Services Agreement of 1956 do not easily permit the suspension of existing fares.

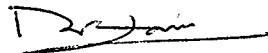
In view of this possibility, the United States proposes that neither government will, with regard to Super-Apex Filings for effectiveness during the 1978 summer traffic season, apply the provisions of the US-India Air Services Agreement to maintain in existence any new Super-Apex Fares which may have been approved for the 1977-78 winter season if the other government has disapproved a similar summer fare filing. Moreover during the 1977-78 winter season either government may take action to prevent the continuation of such fares on or

before their respective dates of expiration, provided that it notifies the other government six weeks in advance of its intent to take such action and agrees to consult with the other government if consultations are requested.

I would appreciate a reply from you confirming that the foregoing is acceptable to your government."

2. I confirm that the foregoing is acceptable to the Government of India.

Yours sincerely,


(R.P. Naik)

His Excellency
Mr. Robert F. Goheen,
Ambassador,
Embassy of the United
States of America,
Shanti Path,
Chankaya Puri,
New Delhi-110021.

REPUBLIC OF KOREA

Trade in Textiles and Textile Products

Agreement effected by exchanges of notes

Signed at Washington December 23, 1977;

Entered into force provisionally December 23, 1977;

Effective January 1, 1978;

Entered into force definitively February 7, 1978.

And amending agreement

Effectuated by exchange of notes

Signed at Washington May 23 and 26, 1978;

Entered into force May 26, 1978.

The Secretary of State to the Korean Ambassador

DEPARTMENT OF STATE
WASHINGTON

DECEMBER 23, 1977

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973. [¹]

I have also the honor to refer to discussions between representatives of the Government of the Republic of Korea and the Government of the United States of America in Washington from July 26 to August 4 and from September 19 to September 22, 1977, and in Seoul from August 23 to August 30, 1977, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products manufactured in the Republic of Korea. As a result of these discussions, and in conformity with Article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the Republic of Korea and the United States of America:

¹ TIAS 7840, 8939; 25 UST 1001; *ante*, p. 2287.

1. This Agreement shall enter into force on the date of your Excellency's note confirming the terms hereof and shall remain in force through December 31, 1982, except as provided in paragraph 22.

2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

<u>Group</u>	<u>Definition</u>
I	Yarns, fabrics, made-up goods and miscellaneous textile products of cotton and man-made fibers. (Categories 300, 301, 310-320, 330, 359 part (shoe uppers), 360-363, 369, 600-605, 610-614, 625-627, 630, 665, 666 and 669).
II	Apparel of cotton and man-made fibers. (Categories 331-342, 345, 347-352, 359, 631-652 and 659).
III	Wool textiles and textile products. (Categories 400, 410, 411, 425, 429, 431-436, 438, 440, 442-448, 459, 464, 465 and 469).

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 10. The Categories referred to in the above definitions of groups are those summarized in Annex A.

3. Each "Agreement Year" shall be a calendar year, with the first Agreement Year commencing on January 1, 1978 and ending on December 31, 1978. "Limit" or "Limits" means, as the context requires, the Aggregate Limit, a Group Limit, a Specific Limit, a Sub-limit, or any combination thereof, as described in paragraph 5. "Flexibility" means, with respect to Group Limits, the amount by which a Group Limit may be exceeded pursuant to paragraph 7, and, with respect to Specific Limits and Sub-Limits, the amount by which a Specific Limit or Sub-Limit may be exceeded pursuant to paragraph 8.

4. (a) The system of Categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except as set out in subparagraph 4 (b).

(b) For purposes of this Agreement, and in recognition of the patterns of trade of the Republic of Korea with the United States of America, the groups of Categories below are merged and treated as single Categories and Subcategories as indicated, with Limits for Categories and Sub-Limits for Subcategories as set out in Annex B:

Categories merged	Designation in agreement	Subcategories
333, 334, 335	333/334/335	333/334; 335
347, 348	347/348	347; 348
433, 434	433/434	433; 434
445, 446	445/446	None
633, 634, 635	633/634/635	633; 634; 635
638, 639	638/639	None
645, 646	645/646	None

For purposes of computing charges to Aggregate, Group and Specific Limits and Sub-Limits for the Categories and Sub-Categories cited above, rates of conversion for individual Categories set out in Annex A shall be applied, except that the rates of conversion for Categories 333 and 334 shall be 39.5 square yards equivalent per dozen and that the rates of conversion for Categories 638 and 639 shall be 15.5 square yards equivalent per dozen.

(c) The Government of the United States of America reserves the right to consult with the Government of the Republic of Korea, under paragraph 21, should trade patterns within any of the above Categories change significantly.

(d) For purposes of this Agreement, Category 640, as summarized in Annex A, is divided into two Categories, designated Category 640 (dress shirts) and category 640 (other shirts), each subject to a Specific Limit as set out in Annex B.

5. Commencing with the first Agreement Year, and during the subsequent term of this Agreement, the Government of the Republic of Korea shall limit annual exports from the Republic of Korea to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in the Republic of Korea to the Aggregate, Group and Specific Limits and Sub-Limits set out in Annex B, as such Limits may be adjusted in accordance with paragraphs 7, 8, and 9. The Limits set out in Annex B do not include any adjustments permitted under paragraphs 7, 8, or 9.

6. (a) Categories not subject to Specific Limits are subject to Consultation Levels and to the Aggregate and applicable Group Limits. Except as specified in Annex C, which sets out certain Consultation Levels for the first Agreement Year, or as established pursuant to sub-paragraph 6(b), Consultation Levels for each Agreement Year for Categories not subject to a Specific Limit shall be 1,000,000 square yards equivalent for Categories in Group I, 700,000 square yards equivalent for Categories in Group II, and 100,000 square yards equivalent for Categories in Group III.

(b) For the second and subsequent Agreement Years, the following procedures shall apply with respect to exports during each of such Agreement Years in each Category not subject to a Specific Limit:

(i) By November 1 immediately preceding the applicable Agreement Year, the Government of the Republic of Korea shall notify the Government of the United States of America of anticipated exports in each such Category during that Agreement Year. Following receipt of such notice, the Government of the United States of America shall have 30 days in which to request consultation with respect to any such Category.

(ii) When the Government of the United States of America requests consultations, the Government of the Republic of Korea shall meet promptly (but in any event not more than 30 days after the request for consultations by the Government of the United

States of America) with the Government of the United States of America to work out a mutually satisfactory solution to such problems as may exist with respect to the anticipated exports referred to under sub-paragraph 6(b)(i). The consultations shall be concluded within 30 days, unless the two Governments agree otherwise.

(iii) In the event that such consultations do not result in a mutually satisfactory solution, the Government of the Republic of Korea shall limit its exports in any Category subject to consultations during the Agreement Year in question to the level requested by the Government of the United States of America at the conclusion of such consultations. Such level shall not be less than the level in effect during the Agreement Year in which the Government of the United States of America requested consultations. Beginning with the Agreement Year following the one in which the United States of America requested consultations, such level will be deemed to be a Specific Limit. During the first Agreement Year in which the level is first deemed to be a Specific Limit, it will be subject to Flexibility and Carry Forward provisions of paragraphs 8 and 9. During each Agreement Year subsequent to the Agreement Year in which the level is first deemed to be a Specific Limit, it shall be increased by 1 percent in the case of Categories in Group III, and 6.5 percent in the case of Categories in Group I and II, and shall be subject to Flexibility provisions of paragraph 8 and to the Carryover and Carry Forward provisions of paragraph 9.

(iv) If consultations are not requested by the Government of the United States of America with respect to any Category not subject to a Specific Limit, the Government of the Republic of Korea shall not permit exports in such Category to exceed the level stated by the Government of the Republic of Korea under sub-paragraph 6(b)(i) without specific concurrence of the Government of the United States of America to such additional exports. The Government of the Republic of Korea may request such concurrence at any time it believes appropriate. The Government of the United States of America shall give due consideration to such request for concurrence and shall respond within 21 days of the receipt of any such request.

7. During any Agreement Year, and within the Aggregate Limit for such Agreement Year, the Group Limits set out in Annex B applicable to such Agreement Year may be exceeded by not more than 15 percent in the case of Group I, by not more than 7 percent in the case of Group II, and by not more than 3 percent in the case of Group III. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 9.

8. During any Agreement Year, and within the Aggregate and applicable Group Limits for such Agreement Year, as they may be adjusted pursuant to paragraphs 7 and 9, any Specific Limit or Sub-Limit set out in Annex B, or pursuant to an amendment to Annex B, or as a

result of the consultation procedure in subparagraph 6(b) may be exceeded by not more than:

- 10 percent if included within Group I,
- 7 percent if included within Group II,
- 5 percent if included within Group III,

provided however, that the Specific Limits and Sub-Limits, for Categories 319, 633/634/635, 638/639, 640 (dress shirts), 640 (other shirts), 641, 643, 645/646, and 647 may not be exceeded by more than 6 percent. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 9.

9. (a) In any Agreement Year, in addition to any adjustments pursuant to paragraphs 7 and 8, exports may exceed by a maximum of 11 percent (7.15 percent during the first Agreement Year) the Aggregate Limit and any Group or Specific Limit or Sub-limit by allocating to such Limit for that Agreement Year an unused portion of the corresponding Limit for the previous Agreement Year ("Carryover") or a portion of the corresponding Limit for the succeeding Agreement Year ("Carry Forward") subject to the following conditions:

(i) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's applicable Limits, provided, however, that no Carryover shall be available for application during the first Agreement Year, or for Specific Limits created pursuant to subparagraph 6(b) for the first year in which they are in existence;

(ii) Except in the first Agreement Year or for the first year of the existence of any Specific Limit created pursuant to subparagraph 6(b), to which Carryover does not apply, the combination of Carryover and Carry Forward shall not exceed 11 percent of the receiving Agreement Year's applicable Limit in any Agreement Year;

(iii) Carry Forward may be utilized up to 7.15 percent of the receiving Agreement Year's applicable Limits and shall be charged against the immediately following Agreement Year's corresponding Limits;

(iv) Carryover of Shortfall (as defined in Subparagraph 9(b)) shall not be applied to any Specific Limits until the Governments of the Republic of Korea and the United States of America have agreed upon the amounts involved. Consultations to consider the amounts involved shall be held promptly upon the request of either Government and in any case within the first six months of the Agreement Year following the Agreement Year in which the Shortfall occurred.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles or textile products of the Republic of Korea to the United States of America during an Agreement Year are below the Aggregate Limit and any applicable Group Limit, Specific Limit or Sub-limit. In the Agreement Year following the Shortfall, such exports from

the Republic of Korea to the United States of America may be permitted to exceed the Aggregate, Group, and Specific Limits and Sub-Limits, subject to conditions of subparagraph 9(a) by Carryover of Shortfalls in the following manner:

(i) The Carryover shall not exceed the amount of Shortfall in either the Aggregate Limit or any applicable Group, Specific Limit or Sub-Limit;

(ii) In the case of Shortfall in a Category or Sub-category subject to a Specific Limit or Sub-limit, the Shortfall shall be used in the Category or Sub-category in which the Shortfall occurred; and

(iii) In the case of Shortfalls not attributable to Categories (or combinations of Categories) or Sub-categories subject to Specific Limits or Sub-limits, the Carryover shall be used in the same Group in which the Shortfall occurred.

(c) The Limits referred to in Sub-paragraphs (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraphs 7 or 8.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Limits permitted by paragraphs 7 and 8.

10.(a) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by subparagraph 10(a) but not in chief value of cotton, wool or man-made fiber shall be classified as:

(i) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;

(ii) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and

(iii) Man-made fiber textiles if neither of the foregoing applies.

11. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

12. (a) The Government of the United States of America shall promptly supply the Government of the Republic of Korea with data on monthly imports of cotton, man-made fiber and wool textiles and

textile products into the United States of America from the Republic of Korea.

(b) The Government of the Republic of Korea shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products from the Republic of Korea to the United States of America.

(c) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

13. The Government of the Republic of Korea shall use its best efforts to space exports from the Republic of Korea to the United States of America within each Category or Sub-Category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

14. If, having regard to the provisions of the Arrangement, the Government of the Republic of Korea considers that the Republic of Korea is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of Korea may request consultations with the Government of the United States of America with a view to taking appropriate remedial action. The Government of the United States of America shall consult with the Government of the Republic of Korea in the event of such a request.

15. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fiber textiles and textile products from the Republic of Korea to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

16. The Government of the Republic of Korea shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of the Republic of Korea in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

17.(a) Subject to agreed certification procedures, exports of the textiles and textile products listed in Annex D, including Taekwondo and Judo suits, from the Republic of Korea to the United States of America shall be exempt from the provisions of this Agreement. Exports of animal toys and similar "non-textile items" from the Republic of Korea to the United States also are not subject to the provisions of this Agreement.

(b) Exports of cotton, wool and man-made fiber textiles and textile products in shipments individually valued at less than \$250.00 shall not be charged to the Limits of this Agreement.

18. The two Governments will consult on appropriate Limits for Category 443 for the third and subsequent Agreement Years prior to

the end of the second Agreement Year. The Government of the Republic of Korea and the Government of the United States of America shall also consult in timely manner (a) on appropriate limits for Category 440, for each Agreement Year, and (b) on appropriate treatment of leather patched apparel subject to this Agreement.

19. During the first Agreement Year, each Government shall maintain records on imports or exports, as appropriate, of cotton suits, the component parts of which were charged to two or more of Categories 333, 334, 335, 342, 347, and 348. If the Government of the United States of America requests consultation with the Government of the Republic of Korea prior to the end of the first Agreement Year with a view to creating a separate Specific Limit for cotton suits, the Government of the Republic of Korea agrees to consult promptly with the Government of the United States of America.

20.(a) The Government of the United States of America and the Government of the Republic of Korea agree to consult, upon the request of either Government, on any question arising in the implementation of this Agreement.

(b) The two Governments agree to undertake a major review of this Agreement no later than the end of the third Agreement Year.

21. The Government of the United States of America and the Government of the Republic of Korea may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

22. Either Government may terminate this Agreement, effective at the end of an Agreement Year, by written notice to the other Government, to be given at least 90 days prior to the end of such Agreement Year.

If the foregoing conforms with the understanding of the Government of the Republic of Korea, this note and Your Excellency's note of confirmation on behalf of the Government of the Republic of Korea shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

WILLIAM BARRACLOUGH

His Excellency

YONG SHIK KIM,

Ambassador of the Republic of Korea.

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
<u>YARN</u>			
300	—Cotton Carded	4. 6	Lb.
301	Combed	4. 6	Lb.
400	—Wool Tops and yarn	2. 0	Lb.
600	—Man-made fiber Textured	3. 5	Lb.
601	Cont. cellulosic	5. 2	Lb.
602	Cont. noncellulosic	11. 6	Lb.
603	Spun cellulosic	3. 4	Lb.
604	Spun noncellulosic	4. 1	Lb.
605	Other yarns	3. 5	Lb.
<u>FABRIC</u>			
310	—Cotton Gingham	1. 0	SYD
311	Velveteens	1. 0	SYD
312	Corduroy	1. 0	SYD
313	Sheeting	1. 0	SYD
314	Broadcloth	1. 0	SYD
315	Printcloths	1. 0	SYD
316	Shirtings	1. 0	SYD
317	Twills and Sateens	1. 0	SYD
318	Yarn-dyed	1. 0	SYD
319	Duck	1. 0	SYD
320	Other fabrics, n.k.	1. 0	SYD
330	Handkerchiefs	1. 7	Dz.
410	—Wool Woolens and worsted	1. 0	SYD
411	Tapestries and upholstery	1. 0	SYD
425	Knit	2. 0	Lb.
429	Other Fabrics	1. 0	SYD
610	—Man-made fiber Cont. cellulosic, n.k.	1. 0	SYD
611	Spun cellulosic, n.k.	1. 0	SYD
612	Cont. noncellulosic, n.k.	1. 0	SYD
613	Spun noncellulosic, n.k.	1. 0	SYD
614	Other fabrics, n.k.	1. 0	SYD
625	Knit	7. 8	Lb.
626	Pile and tufted	1. 0	SYD
627	Specialty	7. 8	Lb.
<u>APPAREL</u>			
331	—Cotton Gloves	3. 5	DPR
332	Hosiery	4. 6	DPR
333	Suit-type coats, M and B	36. 2	Dz.
334	Other coats, M and B	41. 3	Dz.
335	Coats, W, G and I	41. 3	Dz.
336	Dresses (inc. uniforms)	45. 3	Dz.

ANNEX A—Continued

Category	Description	Conversion Factor	Unit of Measure
<u>APPAREL—Continued</u>			
337	—Cotton—Continued		
337	Playsuits, sunsuits, washsuits, creepers	25. 0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7. 2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I	7. 2	Dz.
340	Shirts, n.k.	24. 0	Dz.
341	Blouses, n.k.	14. 5	Dz.
342	Skirts	17. 8	Dz.
345	Sweaters	36. 8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17. 8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17. 8	Dz.
349	Brassieres, etc.	4. 8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns, house coats, and dusters	51. 0	Dz.
351	Pajamas and other nightwear	52. 0	Dz.
352	Underwear (inc. union suits)	11. 0	Dz.
359	Other apparel	4. 6	Lb.
431	—Wool		
431	Gloves	2. 1	DPR
432	Hosiery	2. 8	DPR
433	Suit-type coats, M and B	3. 0	No.
434	Other coats, M and B	4. 5	No.
435	Coats, W, G and I	4. 5	No.
436	Dresses	4. 1	No.
438	Knit shirts and blouses	15. 0	Dz.
440	Shirts and blouses, n.k.	24. 0	Dz.
442	Skirts	1. 5	No.
443	Suits, M and B	4. 5	No.
444	Suits, W, G and I	4. 5	No.
445	Sweaters, M and B	14. 88	Dz.
446	Sweaters, W, G and I	14. 88	Dz.
447	Trousers, slacks, and shorts (outer) M and B	1. 5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1. 5	No.
459	Other wool apparel	2. 0	Lb.
630	—Man-made fiber		
630	Handkerchiefs	1. 7	Dz.
631	Gloves	3. 5	DPR
632	Hosiery	4. 6	DPR
633	Suit-type coats, M and B	36. 2	Dz.
634	Other coats, M and B	41. 3	Dz.
635	Coats, W, G and I	41. 3	Dz.
636	Dresses	45. 3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21. 3	Dz.
638	Knit shirts, (inc. T-shirts), M and B	18. 0	Dz.

ANNEX A—Continued

Category	Description	Conversion Factor	Unit of Measure
<u>APPAREL—Continued</u>			
639	—Man-made fiber—Continued Knit shirts and blouses (inc. T-shirts), W, G and I	15. 0	Dz.
640	Shirts, n.k.	24. 0	Dz.
641	Blouses, n.k.	14. 5	Dz.
642	Skirts	17. 8	Dz.
643	Suits, M and B	4. 5	No.
644	Suits, W, G and I	4. 5	No.
645	Sweaters, M and B	36. 8	Dz.
646	Sweaters W, G and I	36. 8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17. 8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17. 8	Dz.
649	Brassieres, Etc.	4. 8	Dz.
650	Dressing gowns, inc. bath and beach robes	51. 0	Dz.
651	Pajamas and other nightwear	52. 0	Dz.
652	Underwear	16. 0	Dz.
659	Other apparel	7. 8	Lb.
<u>MADE-UPS AND MISC.</u>			
360	—Cotton Pillowcases	1. 1	No.
361	Sheets	6. 2	No.
362	Bedspreads and quilts	6. 9	No.
363	Terry and other pile towels	0. 5	No.
369	Other cotton manufactures	4. 6	Lb.
464	—Wool Blankets and auto robes	1. 3	Lb.
465	Floor covering	0. 1	SFT
469	Other wool manufactures	2. 0	Lb.
665	—Man-made fiber Floor coverings	0. 1	SFT.
666	Other furnishings	7. 8	Lb.
669	Other man-made manufactures	7. 8	Lb.

ANNEX B

AGGREGATE, GROUP SPECIFIC LIMITS AND SUB-LIMITS

Category	Description	Units	1st Year	2nd Year	3rd Year	4th Year	5th Year
Aggregate		Syd.	582, 121, 075	619, 958, 945	660, 256, 276	703, 172, 934	748, 879, 175
Group I—	Yarn, Fabric, Made-up and Misc. Cotton and Man-Made Fiber Products	Syd.	116, 528, 319	124, 265, 371	132, 506, 959	141, 285, 894	150, 647, 118
319	Duck	Syd.	22, 313, 696	23, 038, 891	23, 787, 655	24, 560, 754	25, 358, 978
Group II—	Apparel of Cotton and/or Man- Made Fiber	Syd.	451, 179, 921	481, 136, 611	513, 046, 784	547, 037, 483	583, 244, 003
333/334/335 (333/334)	Cotton coats	Doz.	76, 555	81, 531	86, 831	92, 475	98, 486
340	Men's and boys' Coats, WG&I	Doz.	43, 560	46, 391	49, 407	52, 618	56, 038
347/348 (347)	Shirts, not knit	Doz.	44, 479	47, 370	50, 449	53, 728	57, 221
(348)	Trousers, slacks, and shorts M&B WG&I	Doz.	135, 127	143, 910	153, 264	163, 226	173, 836
	M&B	Doz.	201, 439	214, 533	228, 477	243, 328	259, 145
	WG&I	Doz.	142, 245	151, 491	161, 338	171, 825	182, 994
			109, 554	116, 675	124, 259	132, 336	140, 938

633/634/635	Man-Made fiber coats	Doz.	1, 200, 158	1, 233, 762	1, 281, 879	1, 331, 872	1, 383, 815
(633)	Suit-type coats, M&B	Doz.	153, 403	157, 698	163, 849	170, 238	176, 878
(634)	Other coats, M&B	Doz.	706, 666	726, 452	754, 783	784, 220	814, 805
(635)	Coats, W G&I	Doz.	520, 113	534, 676	555, 529	577, 194	599, 705
638/639	Knit tops	Doz.	4, 823, 998	4, 872, 238	5, 062, 255	5, 259, 683	5, 464, 811
640	Dress shirts, not knit	Doz.	3, 893, 474	4, 002, 491	4, 158, 588	4, 320, 773	4, 489, 284
640	Other shirts, not knit	Doz.	1, 440, 626	1, 480, 964	1, 538, 721	1, 598, 731	1, 661, 082
641	Blouses, not knit	Doz.	896, 397	921, 496	957, 434	994, 774	1, 033, 571
643	Suits, M&B	Nos.	648, 288	654, 771	680, 307	706, 839	734, 406
645/646	Sweaters	Doz.	2, 836, 106	2, 864, 467	2, 976, 181	3, 092, 252	3, 212, 850
647	Trousers, slacks, and shorts, M&B	Doz.	867, 055	891, 333	926, 095	962, 212	999, 738
<hr/>							
Group III—							
433/434	Wool Products	Syd.	14, 412, 835	14, 556, 963	14, 702, 533	14, 849, 558	14, 998, 054
(433)	Wool coats	Nos.	194, 404	196, 348	198, 312	200, 295	202, 298
(434)	Suit-type coats, M&B	Nos.	141, 351	142, 765	144, 192	145, 634	147, 090
(434)	Other coats, M&B	Nos.	72, 493	73, 218	73, 950	74, 690	75, 437
438	Knit shirts and blouses	Doz.	43, 674	44, 111	44, 552	44, 998	45, 448
440	Shirts and blouses, not knit	Doz.	(Subject to consultation)				
443	Suits, M&B	Nos.	320, 448	320, 448	(Subject to consultation)		
444	Suits, W G&I	Nos.	45, 495	45, 950	46, 410	46, 874	47, 343
445/446	Wool Sweaters	Doz.	48, 931	49, 320	49, 915	50, 413	50, 917
447	Trousers, slacks, and shorts, M&B	Nos.	938, 611	947, 997	957, 477	967, 052	976, 722

ANNEX C

U.S./KOREA BILATERAL TEXTILE AGREEMENT
AGREED CONSULTATION LEVEL—1978

Category	Description	Units	Level
Group I			
300	Cotton Carded Yarn	Lbs.	326, 087
301	Cotton Combed Yarn	Lbs.	326, 087
310	Gingham	Syd.	2, 000, 000
313	Sheeting	Syd.	7, 500, 000
314	Broadcloth	Syd.	7, 000, 000
315	Printcloth	Syd.	6, 000, 000
317	Twill and Sateen	Syd.	4, 750, 000
320	Other Cotton Fabric	Syd.	16, 000, 000
330	Handkerchiefs	Doz.	1, 300, 000
362	Bedspreads and Quilts	Nos.	362, 319
363	Terry and Other Pile Towels	Nos.	5, 000, 000
369	Other Cotton Manufactures	Lbs.	4, 082, 609
359pt.	Shoe Uppers (380.3980, 382.3380)	Lbs.	1, 086, 957
600	Textured Yarn	Lbs.	1, 428, 571
601	Cellulosic Yarn	Lbs.	1, 923, 077
605	Other Yarns (Cordage 316.6020)	Lbs.	2, 571, 429
		(Lbs.)	(1, 303, 951)
612	Cellulosic Fabric, NK (Tie Fabric)	Syd. (Syd.)	19, 000, 000 (4, 000, 000)
613	Spun Cellulosic Fabric, NK	Syd.	4, 250, 000
614	Other Fabric, NK	Syd.	2, 300, 000
625	Knit Fabric	Lbs.	641, 026
666	Other Furnishings	Lbs.	256, 410
669	Other MMF Mfgs. (Fishnets) (Tents)	Lbs. (Lbs.) (Lbs.)	2, 100, 000 (250, 357) (1, 410, 256)
Group II			
331	Gloves	DPr.	330, 000
336	Dresses	Doz.	30, 256
337	Playsuits	Doz.	100, 000
338/339	Knit Tops	Doz.	444, 444
341	Blouses	Doz.	89, 655
345	Sweaters	Doz.	27, 174
350	Dressing gowns	Doz.	19, 608
351	Nightwear	Doz.	38, 462
352	Underwear	Doz.	163, 636
359pt.	Other Apparel (excluding shoe uppers)	Lbs.	1, 500, 000
631	MMF Gloves	DPr.	396, 571
632	Hosiery	DPr.	260, 000
636	Dresses	Doz.	124, 754
642	Skirts	Doz.	105, 056
648	Trousers, WG & I	Doz.	337, 079
649	Brassieres	Doz.	218, 750
650	Dressing Gowns	Doz.	17, 647
651	Nightwear	Doz.	28, 846
652	Underwear	Doz.	437, 500
	Other Apparel	Lbs.	5, 128, 205

ANNEX C—Continued

U.S./KOREA BILATERAL TEXTILE AGREEMENT
AGREED CONSULTATION LEVEL—1978—Continued

Category	Description	Units	Level
Group III			
410	Woolen and Worsteds	Syd.	2,750,000
448	Trousers, WG&I	Nos.	87,500
459pt.	Soles and Uppers of Wool Felt	Lbs.	2,850,000
459pt.	Other Than Soles & Uppers of Wool Felt	Lbs.	1,000,000
464	Blankets & Auto Robes	Lbs.	153,846
469	Other	Lbs.	102,500

ANNEX D

- 1) Chima
The long, formless and ample skirt portion of the traditional Korean chima-chogori dress set.
- 2) Chogori
The short halter type blouse or top portion of the traditional Korean chima-chogori dress set.
- 3) Bosun
An ankle boot-type article, wholly of cloth, worn by Korean women indoors.
- 4) Fabrics, not exceeding 24 x 48 inches in size, containing hand embroidered or handpainted Korean scenes, and used primarily as decorations or art objects.
- 5) Handmade carpets, i.e., in which the pile was inserted or knotted by hand and classified by the U.S. Customs under Tsusa numbers 360.10500, 360.1000, 360.1500, or 360.7540.
- 6) Korean style handbags and other flat goods of the type considered by the U.S. Customs to be classified as luggage: women's and children's handbags, and bill-folds, card cases, coin purses, eye-glass cases, and similar flat goods.

The Korean Ambassador to the Secretary of State

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

KAM 77/254

December 23, 1977

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of December 23, 1977, concerning the exports of cotton, wool and man-made fiber textiles and textile products from the Republic of Korea to the United States of America.

I have further the honor to inform Your Excellency that the proposals set forth in Your Excellency's note are acceptable to the Government of the Republic of Korea and to confirm on behalf of the Government of the Republic of Korea that Your Excellency's note and this note in reply thereto shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.



Yong Shik Kim
Ambassador

His Excellency
Cyrus R. Vance
Secretary of State
Department of State
Washington, D.C.

*The Korean Ambassador to the Secretary of State*EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

KAM 77/255

December 23, 1977

Excellency:

With reference to the notes exchanged today concerning the exports of cotton, wool and man-made fiber textiles and textile products from the Republic of Korea to the United States of America, I have the honor, on behalf of my Government, to propose that the Agreement as contained in the said notes will take effect provisionally until the Government of the Republic of Korea notifies the Government of the United States of America of the completion of its domestic legal procedures necessary for the formal entry into force of the above-mentioned Agreement. [1]

If the above proposal is acceptable to your Government, I have further the honor to suggest that this note and Your Excellency's note of acceptance shall constitute an Agreement between the two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.


Yong Shik Kim
Ambassador

His Excellency
Cyrus R. Vance
Secretary of State
Department of State
Washington, D.C.

¹ Feb. 7, 1978.

The Secretary of State to the Korean Ambassador

DEPARTMENT OF STATE
WASHINGTON

December 23, 1977

Excellency:

I have the honor to refer to Your Excellency's note of today's date concerning the provisional nature of the bilateral agreement of December 23, 1977 relating to trade in cotton, wool and man-made fiber textiles. I have further the honor to confirm that the proposal set out in Your Excellency's note is acceptable to the Government of the United States of America and that the bilateral textile agreement of December 23, 1977 is entered into provisionally in accordance with the terms of Your Excellency's note.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:
William Barraclough
His Excellency
Yong Shik Kim,
Ambassador of Korea.

[AMENDING AGREEMENT]

The Secretary of State to the Korean Ambassador

May 23, 1978

Excellency:

I have the honor to refer to the Agreement of December 23, 1977, regarding trade in cotton, wool and man-made fiber textiles and textile products between the Republic of Korea and the United States of America (the Agreement) and to consultations between representatives of the Government of the Republic of Korea and the Government of the United States of America in Seoul on February 16-18, 1978, and in Washington on March 17, 1978, held in accordance with paragraph 18 of the Agreement, concerning appropriate limits for Category 440.

On the basis of these consultations I have the honor to propose, on behalf of the Government of the United States of America, that the Agreement be amended as follows:

1. Paragraph 8 of the Agreement is amended to read as follows:

"8. During any Agreement Year, and within the Aggregate and applicable Group Limits for such Agreement Year, as they may be adjusted pursuant to paragraphs 7 and 9, any Specific Limit or Sub-Limit set out in Annex B, or pursuant to an amendment to Annex B, or as a result of the consultation procedures in subparagraph 6(b) may be exceeded by not more than:

His Excellency

Yong Shik Kim,

Ambassador of Korea.

TIAS 9039

10 percent if included within Group I,
7 percent if included within Group II,
5 percent if included within Group III,
provided however, that the Specific Limits and Sub-Limits
for Categories 319, 633/634/635, 638/639, 640 (dress shirts),
640 (other shirts), 641, 643, 645/646, and 647 may not be
exceeded by more than 6 percent and the Specific Limit
for Category 440 may not be exceeded by more than 3 percent.
Adjustments made pursuant to this paragraph are in addition
to those pursuant to paragraph 9."

2. Annex B is amended by deleting the phrase "(Subject
to consultation--)" opposite Category 440 and inserting in
its place the following Specific Limits for the Agreement
Years specified:

1st Year	2nd Year	3rd Year	4th Year
"199,999	201,999	204,019	206,059
5th Year			
208,120"			

If the foregoing conforms with the understanding of
the Government of the Republic of Korea, this note and
Your Excellency's note of confirmation on behalf of the
Government of the Republic of Korea shall constitute an
amendment to the Agreement.

For the Secretary of State:

William Barraclough

*The Korean Ambassador to the Secretary of State*EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

KAM 78/91

May 26, 1978

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of May 23, 1978, concerning the export of cotton, wool and man-made fiber textiles and textile products from the Republic of Korea to the United States of America.

I have further the honor to inform Your Excellency that the proposals set forth in Your Excellency's note are acceptable to the Government of the Republic of Korea and to confirm on behalf of the Korean Government that Your Excellency's note and this note in reply thereto shall constitute an amendment correcting the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

Yong Shik Kim
Ambassador

His Excellency
Cyrus R. Vance
Secretary of State
Department of State
Washington, D.C.

EGYPT
Agricultural Commodities

*Agreement signed at Cairo December 7, 1977;
Entered into force December 7, 1977.
With agreed minutes
Signed at Cairo December 5, 1977.
And related letter.
And amending agreements
Effectuated by exchange of notes
Signed at Cairo April 20, 1978;
Entered into force April 20, 1978.
And exchange of notes
Signed at Cairo August 3, 1978;
Entered into force August 3, 1978.*

Dec. 7, 1977
Apr. 20, 1978

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC LAW 480 TITLE I^[1] PROGRAM.

The Government of the United States of America and the Government of the Arab Republic of Egypt have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the preamble, Parts I and III, of the P.L. 480, Title I Agreement of June 7, 1974, [²] together with the following Part II:

PART II - PARTICULAR PROVISIONS:

ITEM I. COMMODITY TABLE:

<u>Commodity</u>	<u>Supply Period</u> (U.S. Fiscal Year)	<u>Approximate Maximum Quantity</u> (Metric Tons)	<u>Maximum Export Market Value</u> (Million Dollars)
Wheat/Wheat Flour (Grain Equivalent Basis)	1978	1,500,000	\$ 170.0
Ocean Transportation (Estimated Differential)			0.0
Total			170.0

ITEM II. PAYMENT TERMS: (Convertible Local Currency Credit)

1. Initial Payment - 5 percent
2. Currency Use Payment - None
3. Number of Installment Payments - 31
4. Amount of Each Installment Payment - Approximately equal annual amounts.
5. Due Date of First Installment Payment - Ten years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate - 2 percent.
7. Continuing Interest Rate - 3 percent.

¹ 68 Stat. 455; 7 U.S.C. § 1701 et seq.
² TIAS 7855; 25 UST 1246.

ITEM III. USUAL MARKETING TABLE:

<u>Commodity</u>	<u>Import Period (U.S. Fiscal Year)</u>	<u>Usual Marketing Requirements</u>
Wheat and/or Wheat Flour (Grain Equivalent Basis)	1978	2,000,000 Metric Tons

ITEM IV. EXPORT LIMITATIONS:

- A. The export limitation period shall be Fiscal Year 1978 or any subsequent fiscal year during which commodities financed under this Agreement are being imported or utilized.
- B. For the purpose of Part I, Article III A4 of the Agreement, the commodities which may not be exported are: for wheat/wheat flour -- wheat, wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name).

ITEM V. SELF-HELP MEASURES:

- A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development progress in poor rural areas and enabling the poor to participate actively in increasing agricultural production through small farm agriculture.
- B. The Government of Egypt agrees to undertake the following programs and to provide adequate financial, technical and managerial resources for their implementation:

1. To create an improved capacity within the agricultural sector for planning developmental programs including a major improvement in the processing, marketing and distribution systems for food and agricultural commodities in order to serve a rapidly expanding urban population, to improve returns to the farmer and to more effectively compete on export markets.
2. To insure the availability of requisite farm inputs to producers through institutionalized distributive systems that are responsive to farmers needs with an emphasis toward the encouragement of the private sector (including cooperatives) to facilitate availability of production inputs on a timely and economical basis.
3. To expand and improve the National Water Management Program, including an increased institutional capacity to develop and sustain an improved on-farm water management program. Particular emphasis will be given to (A) accelerating installation of drainage facilities and the laying of tiles to prevent further deterioration and increased salinity, and (B) to establish a major soil and water program for the training of field technicians to work with farmers on soil and water management.

4. To strengthen systems for collection, computation and analysis of agricultural data and information, including import, export and other related trade data for use in determining production, pricing, and marketing policies and for use in planning and implementing agricultural development programs.
5. To develop and implement specific programs which call for increasing and improving storage facilities for agricultural commodities, including specific quantitative targets for port areas, inland terminal locations, market towns, and farm storage; and to carry out the approved projects for construction of stores and sheds for distribution and storage in different parts of the country to reduce waste and spoilage and to improve the marketing of farm commodities.
6. To undertake programs on a selective basis anticipated to have direct results in improved technology with consequent benefit to rural producers. Specific project activity aimed toward improving the lives and status of farmers will be conducted during the current year which also contribute toward the establishment of a economic base supportive to village development.

7. To develop and implement programs for improving basic village services. This will provide for: (A) making available to all levels of society, particularly in the rural poor areas, information on population control/family planning; (B) for the delivery of social services such as health, nutrition and family welfare to rural poor areas.

ITEM VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED:

A. The proceeds accruing to the importing country from the sale of commodities financed under this agreement will be used for financing the self-help measures set forth in the Agreement and for the following economic development sector: agricultural and rural development.

B. In the use of proceeds for these purposes emphasis will be placed on directly improving the levels of the poorest of the recipient country's people and their capacity to participate in the development of their country.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement. DONE at Cairo, in duplicate, this seventh day of December, 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

[¹]

FOR THE GOVERNMENT OF THE
ARAB REPUBLIC OF EGYPT

[²]

¹ Hermann Fr. Eilts

² Zakaria M. Fattah

AGREED MINUTES ON THE NEGOTIATION OF THE U. S. FISCAL YEAR 1978 AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT, UNDER THE PROVISIONS OF TITLE I, PUBLIC LAW 480, OF THE UNITED STATES OF AMERICA

1. Financial Terms: Part II, Item II of the proposed agreement provides for convertible local currency credit terms of 40 years credit, including a grace period of 10 years, with interest at 2 percent during the grace period and 3 percent thereafter.

The American side explained that the financing terms are being changed from dollar credits as in past years to convertible local currency credit terms in FY-1978 to assist the Government of Egypt by stretching out PL-480 payments and extending the grace period on principal payments. The American side cautioned the Egyptian side that payments under the new agreement would, in all likelihood, be required in U. S. dollars, and not local currency.

2. Commodity Composition: As shown in Part II, Item I, the FY-1978 Agreement provides for 1,500,000 metric tons (MT) of wheat and wheat flour on a grain equivalent basis, consisting of 1.0 million MT of wheat and 360,000 MT of wheat flour (equivalent to 0.5 million MT of wheat). The American side advised the Egyptian side that separate

purchase authorizations will be issued for wheat and wheat flour in the amounts set forth above. The American side also pointed out that Part I of the Agreement provides that the export market value specified in Part II may not be exceeded, meaning that the quantity of wheat and wheat flour financed under the Agreement would be less than the approximate quantities shown in Part II if commodity prices increase over those used in calculating the quantities and market values shown in the Agreement. On the other hand, if commodity prices fall, the quantities of commodities to be financed under the Agreement will be limited to those specified in Part II.

3. Usual Marketing Requirements: Part III of the proposed Agreement provides for a usual marketing requirement (UMR) of 2,263,000 MT of wheat and/or wheat flour during FY-1978, consisting of 263,000 carried over from the FY-1977 UMR and a reduced UMR for FY-1978 of 2.0 million MT. The American side called attention to the serious view it takes of failure by Egypt to meet its FY-1977 UMR, and pointed out that the reduction for FY-1978 to 2.0 million MT from the previous year's level of 2.6 million MT should not be considered precedent setting since the UMR will be reviewed each year by supplier countries. It was also emphasized by the American side that Egypt is expected to continue to maintain

commercial imports and to comply with its UMR.

4. Self-Help Measures and the Use of Proceeds: The relevant sections of PL-480 require (1) specific emphasis on implementation of self-help measures so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture, and (2) use of proceeds for purposes which directly improve the lives of the poorest of the recipient country's people and their country. These new requirements are reflected in the text of Items V and VI of Part II of the Agreement.

5. Special Notes: The American side pointed out that recent legislation and amendments to the Title I Regulations require the following:

(a) Purchase authorizations will be issued under the agreement only after the Secretary of Agriculture has determined that (A) adequate storage facilities are available in the recipient country at the time of export so as to prevent the spoilage or waste of the commodity, and (B) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production. This preliminary determination has been made.

(b) Purchases of food commodities under the agreement must be made on the basis of invitations for bid (IFB) publicly advertised in the United States and on the basis of bid offerings which must conform to the IFB. Bid offering must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive, and responsive bid procedures.

(c) The terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager/USDA prior to issuance.

(d) Commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the Agreement.

(e) If the Government of Egypt nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the agreement the GOE must notify the General Sales Manager/USDA in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's office in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

6. The American side requested and received from the Egyptian side the following information:

(a) the type and grade of commodities to be purchased in accordance with official U. S. standards;

(b) the proposed contracting and delivery schedules; and

(c) the names and addresses of banks, both U. S. and foreign, that will be handling financing operations.

7. The American side received assurances from the Egyptian side that appropriate authorities of the Government of Egypt are prepared to make immediate transfers of funds to cover ocean freight costs and any initial payment requirements related to contracts to be concluded pursuant to the agreement. The American side also received assurances from the Egyptian side that appropriate authorities of the Government of Egypt would arrange to forward to its Embassy in Washington all instructions, information and authority necessary to enable timely implementation of the Agreement, including (a) commodity specifications, (b) contracting and delivery periods, (c) names and addresses of U. S. and foreign banks handling transactions (letters of credit for commodities and freight), (d) authority to request and sign purchase

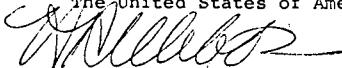
authorizations and other necessary documents, (e) complete instructions, information and authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable), and (f) instructions to contact the Program Operations Division, Office of the General Sales Manager, U. S. Department of Agriculture concerning any of the foregoing.

8. The American side called attention to the fact that the importing country is required to have operative letters of credit for 100 percent of ocean freight charges opened in favor of the supplier of ocean transportation not later than 48 hours prior to the vessel's presentation for loading.

9. The American side reminded the Egyptian side of its responsibilities under the agreement for the timely submission of compliance reports, shipping and arrival reports, and reports on the self-help provisions and use of sales proceeds.

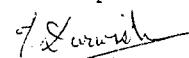
DONE IN CAIRO THIS 5TH DAY OF DECEMBER, 1977.

Representing the Government of
The United States of America:



H. Reiter Webb, Jr.
Agricultural Attaché
American Embassy
5, Sharia Latin America
Garden City
Cairo

Representing the Government of
The Arab Republic of Egypt:



Ibrahim Darwish
Deputy Chairman, General Authority for Supply Commodities
Ministry of Supply
24, Gomhouria Street
Cairo

[RELATED LETTER]



UNITED STATES DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURAL SERVICE

OFFICE OF AGRICULTURAL ATTACHE

American Embassy

Cairo, Egypt

December 7, 1977

Mr. Ibrahim Darwish
Deputy Chairman
General Authority for
Supply Commodities
Ministry of Supply
24, Gomhouria Street
Cairo

Dear Mr. Darwish:

Please refer to the AGREED MINUTES ON THE NEGOTIATION OF THE U. S. FISCAL YEAR 1978 AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT, UNDER THE PROVISIONS OF TITLE I, PUBLIC LAW 480, OF THE UNITED STATES OF AMERICA, which we signed on December 5, 1977, after a meeting and discussion in your office. On the basis of subsequent instructions from Washington, and several telephone conversations with Mr. Agroudy, I wish to propose the changes shown below.

(1) In Part III of the proposed Agreement, the usual marketing requirement (UMR) for wheat and wheat flour during FY-1978 will be shown as 2.0 million metric tons (MT) on a grain equivalent basis. However, it is understood by both Governments that the shortfall of 263,000 MT carried over from the FY-1977 UMR will also be imported by the Government of the Arab Republic of Egypt during FY-1978. In other words, total imports of wheat and wheat flour during FY-1978 of 2,263,000 MT on a grain equivalent basis will be financed by your Government using its own resources.

(2) The quantity of wheat flour being provided under the Agreement will be 375,000 MT, and not 360,000 MT as stated in the Minutes. The difference arises from the fact that a 72 percent extraction rate is used in the United States but a 75 percent rate is used for international sales. The 375,000 MT of wheat flour that will be provided under the Agreement is approximately equal to 500,000 MT of wheat.

(3) My Government suggests that you request at least 3 Purchase Authorizations (PA's) under the Agreement so that only 1 U. S. bank will be used for each PA. If your Government desires to use more than 3 U. S. banks, we suggest that the number of PA's be increased so that only 1 U. S. bank is involved in each. If you decide to request 3 PA's, we suggest that you request 1 for wheat flour and 2 of 500,000 MT each for wheat. This would give you the flexibility of using 2 supply periods for wheat; 1 for January-April and another for May-August. As I mentioned to Mr. Agroudby by telephone, we recommend that you extend the proposed delivery period from January-June to January-August to insure adequate time for shipment.

(4) Finally, my Government wishes to bring to your attention Part I, Article III (I) of the proposed Agreement, which provides that the Government of the importing country shall undertake such measures as may be mutually agreed upon, prior to the delivery of the commodities being provided under the Agreement, for publicity and identification. We will consult with you later as to specific measures to be taken under this part of the Agreement. We understand that the signing ceremony scheduled for 1800 hours on Wednesday, December 7, will receive extensive publicity on Egyptian media. The U. S. Information Service in Cairo also plans to issue a press release concerning the signing.

If the changes in the Minutes proposed above are acceptable please indicate your concurrence by signing in the space provided below.

Sincerely,



H. Reiter Webb, Jr.
Agricultural Attaché

CONCURRED:

Ibrahim Darwish



TIAS 9040

[AMENDING AGREEMENTS]

The American Ambassador to the Egyptian Minister of Commerce and Supply

CAIRO, EGYPT, April 20, 1978

EXCELLENCY:

I have the honor to refer to the Title I Public Law 480 Agricultural Sales Agreement signed by representatives of our two Governments on December 7, 1977 and to propose that the Agreement be amended as follows:

Part II, Item I, Commodity Table

Under the appropriate columns (1) for Wheat/Wheat Flour delete "\$170.0" and insert "\$176.5" and (2) under Maximum Export Market Value, on the line designated as the total, delete "\$170.0" and insert "\$176.5".

All other terms and conditions of the December 7, 1977 Title I Agreement remain the same.

I propose that this Note and your reply concurring therein constitute an Agreement between our two Governments to be effective on the date of your Note in reply.

Accept, Excellency, the assurance of my highest consideration.

HERMANN FR. EILTS

His Excellency

ZAKARIA M. T. ABDUL FATTAH
Minister of Commerce and Supply
Cairo

The Egyptian Minister of Commerce and Supply to the American Ambassador

Minister of Commerce

Cairo, April 20, 1978

Excellency:

I have the honor to acknowledge receipt of your Note of April 20, 1978, which reads as follows:

"I have the honor to refer to the Title I Public Law 480 Agricultural Sales Agreement signed by representatives of our two Governments on December 7, 1977 and to propose that the Agreement be amended as follows:

Part II, Item I, Commodity Table

Under the appropriate columns (1) for Wheat/Wheat Flour delete "\$170.0" and insert "\$176.5" and (2) under Maximum Export Market Value, on the line designated as the total, delete "\$170.0" and insert "\$176.5".

All other terms and conditions of the December 7, 1977 Title I Agreement remain the same."

I have the honor to inform Your Excellency that the terms of the foregoing Note are acceptable to the Government of the Arab Republic of Egypt and that the Government of the Arab Republic of Egypt considers Your Excellency's Note and the present reply as constituting an Agreement between our two Governments on this subject, to enter into force on the date of this reply.

Accept, Excellency, the assurance of my highest consideration.

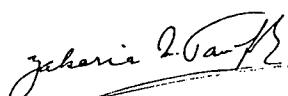
His Excellency

Hermann Frederick Eilts

Ambassador of the

United States of America

Cairo



The American Ambassador to the Egyptian Minister of Supply

CAIRO, EGYPT August 3, 1978

EXCELLENCY:

I have the honor to refer to the Title I Public Law 480 Agricultural Sales Agreement signed by representatives of our two Governments on December 7, 1977, as amended April 20, 1978, and to propose that the Agreement be further amended as follows:

Part II, Item I, Commodity Table

Under the appropriate columns (1) for Wheat/Wheat Flour delete "\$176.5" and insert "\$189.1" and (2) under Maximum Export Market Value, on the line designated as the total, delete "\$176.5" and insert "\$189.1".

All other terms and conditions of the December 7, 1977 Title I Agreement, as amended, remain the same.

I propose that this Note and your reply concurring therein constitute an Agreement between our two Governments to be effective on the date of your Note in reply.

Accept, Excellency, the assurance of my highest consideration.

HERMANN FR. EILTS

[SEAL]

His Excellency

NASSEF ABDEL MAKSOUD I. TAHOUN

Minister of Supply

Cairo

The Egyptian Minister of Supply to the American Ambassador

جامعة مصر العربية
وزارة التموين
كتاب الوزير

Cairo, August 3, 1978

Excellency:

I have the honor to acknowledge receipt of your Note of August 3, 1978, which reads as follows:

"I have the honor to refer to the Title I Public Law 480 Agricultural Sales Agreement signed by representatives of our two Governments on December 7, 1977, as amended April 20, 1978, and to propose that the Agreement be further amended as follows:

Part II, Item I, Commodity Table

Under the appropriate columns (1) for Wheat/Wheat Flour delete "\$176.5" and insert "\$189.1" and (2) under Maximum Export Market Value, on the line designated as the total, delete "\$176.5" and insert "\$189.1".

All other terms and conditions of the December 7, 1977, Title I Agreement, as amended, remain the same."

I have the honor to inform Your Excellency that the terms of the foregoing Note are acceptable to the Government of the Arab Republic of Egypt and that the Government of the Arab Republic of Egypt considers Your Excellency's Note and the present reply as constituting an Agreement between our two Governments on this subject, to enter into force on the date of this reply.

Accept, Excellency, the assurance of my highest consideration.

His Excellency
Hermann Frederick Eilts
Ambassador of the
United States of America
Cairo

[¹]

¹ Nassef Tahoun

JAMAICA
Trade in Textiles

*Agreement effected by exchange of notes
Signed at Washington November 22 and December 20, 1977;
Entered into force December 20, 1977.*

The Secretary of State to the Jamaican Ambassador

November 22, 1977

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 10, 1973,^[1] hereinafter referred to as the Arrangement. I also refer to the discussions between our two Governments in Jamaica on April 14, and 15, 1976 concerning exports of textiles and textile products from Jamaica to the United States. As a result of those discussions and in conformity with Articles 2, 4 and 6 of the Arrangement, I wish to propose the following agreement relating to trade in textiles between Jamaica and the United States.

1. Either Government may at any time request consultations with the other regarding their mutual textile trade.

2. Each Government agrees to respond promptly to requests by the other for consultations and to participate in and conclude such consultations within 60 days of the request, unless the two Governments agree otherwise.

3. In any consultations that may arise, the Government of the United States of America will recognize Jamaica's position as a traditional supplier of textiles and textile products to the United States

His Excellency

Alfred A. Rattray,

Ambassador of Jamaica.

¹ Should read "December 20, 1973". TIAS 7840, 8939; 25 UST 1001; *ante*, p. 2287.

market and, in addition, will seek to formulate and implement measures which will be in accordance with the principles of the Arrangement and which will enable the Jamaican Textile Industry to implement its plans for expansion of production and exports to the United States of America in a manner that does not cause or threaten to cause market disruption in the United States of America.

4. If the Government of the United States of America considers that imports from Jamaica in any cotton or man-made fiber category are increasing so as to cause a risk in the United States of market disruption, bearing in mind Annex A of the Arrangement, the Government of the United States of America may request consultations with the Government of Jamaica.

5. When the Government of the United States of America requests such consultations, the Government of Jamaica shall meet promptly with the Government of the United States of America to work out a mutually satisfactory solution. The consultations shall be concluded within 60 days from the date of the request for such consultations unless the two Governments agree otherwise.

6. During the course of the consultations the Government of Jamaica will limit its exports to the United States in the category or categories affected to a monthly rate equivalent to 120 percent of the average monthly rate of the previous twelve months.

7. Consultations under paragraph 4 will not be requested for any category when imports from Jamaica in such category are at annual levels less than 1,000,000 square yards equivalent for each category other than apparel and 700,000 square yards equivalent for each apparel category.

8. If the two Governments are not able to agree on the level of trade in a particular category, the Government of Jamaica will during the 12 months following the request for consultations restrain its exports to 120 percent of their level for the 12 months preceding the request. The Government of the United States agrees to this provision in the spirit of Article 6, paragraph 3 of the Multifiber Arrangement.

9. In respect to wool textile products, the Government of Jamaica agrees to consult with the Government of the United States of America if it desires to export more than 100,000 square yards annually in any category.

10. During any consultations either Government may request consideration of a mutually acceptable agreement providing quantitative levels covering all or part of their textile trade.

If the foregoing proposal is acceptable to your Government, this note and your Excellency's note of acceptance on behalf of the Government of Jamaica shall constitute an agreement between our two Governments effective on the date of your note of acceptance.

Accept, Excellency, the renewed assurances of my
highest consideration.

For the Secretary of State:

William Barracloough

**UNITED STATES TEXTILE CATEGORY
SYSTEM EFFECTIVE JANUARY 1, 1978**

Category	Description	Conversion Factor	Unit of Measure
<u>YARN</u>			
--- Cotton			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
--- Wool			
400	Tops and yarn	2.0	Lb.
--- Man-made fiber			
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. noncellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun noncellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
<u>FABRIC</u>			
--- Cotton			
310	Gingham	1.0	SYD
311	Velveteens	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloths	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and Sateens	1.0	SYD
318	Yarn-dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other fabrics, n.k.	1.0	SYD

-- Wool

410	Woolens and worsted	1.0	SYD
411	Tapestries and upholstery	1.0	SYD
425	Knit	2.0	Lb.
429	Other Fabrics	1.0	SYD

-- Man-made fiber

610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. noncellulosic, n.k.	1.0	SYD
613	Spun noncellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.

APPAREL**-- Cotton**

330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (inc. uniforms)	45.3	Dz.
337	Playuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts, (inc. T- shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I	7.2	Dz.

340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
343	Suits, M and B	4.5	No.
344	Suits, W, G and I	4.5	No.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer)		
	M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
-- Wool			
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	3.0	No.
434	Other coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.

436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.24.0		Dz.
442	Skirts	1.5	No.
443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
445	Sweaters, M and B	14.88	Dz.
446	Sweaters, W, G and I	14.88	Dz.
447	Trousers, slacks, and shorts (outer)		
	M and B	1.5	No.
448	Trousers, slacks and shorts (outer)		
	W, G and I	1.5	No.
459	Other wool apparel	2.0	Lb.
--- Man-made fiber			
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638	Knit shirts, (inc. T- shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15.0	Dz.

640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	4.5	No.
644	Suits, W, G and I	4.5	No.
645	Sweaters, M and B	36.8	Dz.
646	Sweaters W, G and I	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassieres, Etc.	4.8	Dz.
650	Dressing gowns, inc. bath and beach robes	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.

MADE-UPS AND MISC.

--- Cotton

360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.

-- Wool

464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	Lb.

-- Man-made fiber

665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

The Jamaican Ambassador to the Secretary of State

Ref. C5/12/15.5

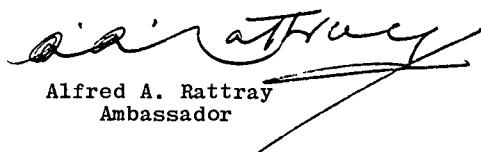
December 20, 1977

Sir,

I have the honour to acknowledge the receipt of your Note of November 22, 1977, relating to trade in textiles and textile products from Jamaica to the United States of America.

I further have the honour to inform you that the proposals set forth in your Note conform with the understanding of the Government of Jamaica and to confirm that your Note and this reply constitute an agreement between our two Governments.

Accept, Sir, the renewed assurances of my highest consideration.



Alfred A. Rattray
Ambassador

The Honourable
Cyrus Vance
Secretary of State of the
United States of America
WASHINGTON, D.C.

TIAS 9041

POLISH PEOPLE'S REPUBLIC
Air Transport Services: Low-Cost Fares

*Agreement modifying the agreement of July 19, 1972, as amended
and extended.*

*Effectuated by exchange of notes
Dated at Warsaw December 13 and 16, 1977;
Entered into force December 16, 1977.*

The American Embassy to the Polish Ministry of Foreign Affairs

No. 39

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to the tariff filings recently made by LOT Polish Airlines and Pan American Airways for various low-fare innovations for travel between the United States and Europe.

The United States is committed to an international aviation policy which features low-fare, competitive international air services. At the same time, the United States believes that these new low fares must be regarded as experimental because their effect upon the competitive structure of North Atlantic passenger rates is as yet unclear. However, the possibility exists that these experimental fares, once introduced, could become permanent even though they might later prove to have a disruptive effect on the market. This is due to the fact that the provisions of Article 10 of the U.S.-Polish Air Transport Services Agreement of 1972^[1] do not easily permit the suspension of existing fares.

In view of this possibility, the United States proposes that the authorities of both countries agree that the new low-fare filings presented by LOT Polish Airlines and Pan American Airways are experimental and will not continue in effect after March 31, 1978, if the summer 1978 season

^[1] TIAS 7535, 8469; 23 UST 4274; 28 UST 242.

succeeding low-fare filings cannot be agreed upon. Moreover, during the 1977-1978 winter season, either government may take action to prevent the continuation of such fares before their respective dates of expiration, provided that it notifies the other government six weeks in advance of its intent to take such action and agrees to consultations if requested by the other government.

The Embassy of the United States of America would appreciate a reply from the Ministry of Foreign Affairs confirming that the foregoing is acceptable to the Government of Poland.

The Embassy of the United States of America takes this opportunity to convey to the Ministry of Foreign Affairs the renewed assurances of its high consideration.

Embassy of the United States of America,

Warsaw, December 13, 1977.

The Polish Ministry of Foreign Affairs to the American Embassy

DPT 2151-1-76

Ministerstwo Spraw Zagranicznych przesyła wyrazy szacunku Ambasadzie Stanów Zjednoczonych i w nawiązaniu do noty Nr 39 z dnia 13 grudnia 1977 r. ma zaszczyt poinformować, że Rząd Polskiej Rzeczypospolitej Ludowej wyraża zgodę na propozycję zawartą w wyżej wymienionej noty, dotyczącą przyjęcia taryf zgłoszonych przez Polskie Linie Lotnicze "LOT" i Pan American Airways, jako taryf, które będą obowiązywały do 31 marca 1978 r. z możliwością 6-tygodniowego wypowiedzenia przez każdą ze Stron.

Kierując się dążeniem do jak najszybszego uregulowania problemu taryf w interesie pasażerów obu państw, Ministerstwo Spraw Zagranicznych proponuje, aby wyżej wymienione taryfy weszły w życie w dniu 20 grudnia 1977 r.

Jednocześnie Ministerstwo Spraw Zagranicznych powinno propozycję przeprowadzenia, tak szybko jak to możliwe, konsultacji w sprawie nierożwiązanych problemów w przewozach lotniczych między PRL a USA.

Ministerstwo Spraw Zagranicznych korzysta z okazji, aby ponownie Ambasadzie Stanów Zjednoczonych wyrazić swego wysokiego poważania.

Warszawa, dnia 16 grudnia 1977 roku.

Ambasada Stanów Zjednoczonych
Ameryki

w Warszawie



JP

TIAS 9042

TRANSLATION

DPT 2151-1-76

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States and, with reference to note No. 39, dated December 13, 1977, has the honor to inform it that the Government of the Polish People's Republic agrees with the proposal contained in the above note concerning the acceptance of the tariffs filed by LOT Polish Airlines and Pan American Airways, which are scheduled to become mandatory on March 31, 1978, with the option for either side to withdraw after giving 6 weeks' notice.

Desiring to resolve the tariff problem as quickly as possible in the interest of passengers from the two countries, the Ministry of Foreign Affairs proposes that the above-mentioned tariffs enter into force on December 20, 1977.

Moreover, the Ministry of Foreign Affairs reiterates its proposal that consultations be carried out as soon as possible regarding the unresolved air transport problems between the Polish People's Republic and the United States of America.

The Ministry of Foreign Affairs avails itself of this opportunity to express to the Embassy of the United States the renewed assurances of its high consideration.

Warsaw, December 16, 1977

[SEAL]

[Initialed]

Embassy of the
United States of America
Warsaw.

BOLIVIA

Assistance to Small Farmers

*Agreement signed at La Paz November 24, 1977;
Entered into force November 24, 1977.*

Préstamo A.I.D. 511-T-059
A.I.D. Loan 511-T-059

Donación A.I.D. 511-0481
A.I.D. Grant 511-0481

A L I A N Z A P A R A E L P R O G R E S O
ALLIANCE FOR PROGRESS

C O N V E N I O D E P R O Y E C T O
PROJECT AGREEMENT

E N T R E
B E T W E E N

L A R E P U B L I C A D E B O L I V I A
REPUBLIC OF BOLIVIA

Y
A N D

L O S E S T A D O S U N I D O S D E A M E R I C A
UNITED STATES OF AMERICA

PROYECTO SECTOR AGROPECUARIO II
AGRICULTURE SECTOR II PROJECT

Fecha: 24 de Noviembre de 1977
Date: November 24, 1977

CONVENIO DE PROYECTO de fecha 24 de noviembre de 1977 (el "Convenio"), entre la República de Bolivia ("Bolivia") y los Estados Unidos de América, actuando a través de la Agencia para el Desarrollo Internacional (A.I.D.).

ARTICULO 1: EL CONVENIO

El objeto de este Convenio es establecer el entendimiento de las partes arriba nombradas con respecto al compromiso asumido por Bolivia en relación al Proyecto descrito en la Sección 2.1. (el "Proyecto") y a la financiación del Proyecto por las partes.

ARTICULO 2: EL PROYECTO

SECCION 2.1. Definición del Proyecto. El Proyecto que se describe más ampliamente en el Anexo 1, consistirá en: (1) medios de almacenamiento y elaboración de las semillas; (2) crédito agrícola para la producción, inversión y desmonte del terreno; (3) desarrollo de recursos humanos; y (4) administración y coordinación del sector agropecuario. La entidad ejecutora del Proyecto será el Ministerio de Asuntos Campesinos y Agropecuarios (el "Ministerio").

El Anexo 1 adjunto, amplía la definición del Proyecto contenida en esta Sección 2.1. Dentro de los límites de la definición del Proyecto en esta Sección 2.1, los elementos de la descripción ampliada enunciados en el Anexo 1, podrán ser cambiados mediante acuerdos por escrito de los representantes autorizados de las

PROJECT AGREEMENT, dated November 24, 1977 (the "Agreement"), between the Republic of Bolivia ("Bolivia") and the United States of America, acting through the Agency for International Development ("A.I.D.").

ARTICLE 1: THE AGREEMENT

The purpose of this Agreement is to set out the understandings of the parties named above with respect to the undertaking by Bolivia of the project described in Section 2.1 (the "Project") and the financing of the Project by the parties.

ARTICLE 2: THE PROJECT

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of: (1) seed processing and storage; (2) agricultural credit for production, investment and land clearing; (3) human resources development; and (4) agriculture sector management and coordination. The implementing agency for the Project will be the Ministry of Agriculture and Campesino Affairs (the "Ministry").

Annex 1, attached, amplifies the definition of the Project contained in Section 2.1. Within the limits of the definition of the Project in Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the parties named in

partes, nombrados en la Sección 9.2, sin necesidad de una enmienda formal de este Convenio. En el Anexo 1 se identifican aquellos elementos del Proyecto que son financiados con fondos de la Donación y los que son financiados con fondos del Préstamo.

Section 9.2 without formal amendment of the Agreement. Annex 1 identifies those elements of the Project which are grant-financed, and those which are Loan-financed.

ARTICULO 3: FINANCIAMIENTO

SECCION 3.1. La Donación; el Préstamo. Para asistir a Bolivia a cubrir los costos de desarrollo del Proyecto, A.I.D. dentro del Programa de la Alianza para el Progreso y de acuerdo con la Ley de Ayuda Extranjera de 1961 y sus enmiendas, conviene en donar a Bolivia, bajo los términos de este Convenio, una cantidad que no excederá los seiscientos mil Dólares Estadounidenses (US\$600,000) (la "Donación"), y prestar a Bolivia, bajo los términos de este Convenio, una cantidad que no excederá los once millones trescientos mil Dólares Estadounidenses (\$11,300,000) (el "Préstamo"). El monto total de desembolsos bajo el Préstamo constituye el capital del Préstamo.

El Préstamo puede ser utilizado para financiar costos en dólares (tal como se define en la Sección 7.1) y costos en pesos bolivianos (tal como se define en la Sección 7.2) de bienes y servicios necesarios para el Proyecto. La Donación puede ser utilizada únicamente para financiar costos de la donación en dólares (tal como se define en la Sección 7.3).

ARTICLE 3: FINANCING

SECTION 3 1 The Grant; the Loan. To assist Bolivia to meet the costs of carrying out the Project, A.I.D., in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to grant to Bolivia under the terms of this Agreement not to exceed six hundred thousand United States Dollars (\$600,000) (the "Grant") and to lend to Bolivia under the terms of this Agreement not to exceed eleven million three hundred thousand United States Dollars (\$11,300,000) (the "Loan"). The aggregate amount of disbursements under the Loan constitutes the principal of the Loan.

The Loan may be used to finance U.S. dollar costs (as defined in Section 7.1) and Bolivian peso costs (as defined in Section 7.2) of goods and services required for the Project. The Grant may be used to finance only U.S. dollar grant costs (as defined in Section 7.3).

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECCION 3.2. Incremento en los Fondos de la Donación. La contribución de A.I.D. a la porción del Proyecto financiada con fondos de la Donación será provista en cuotas, la primera de las cuales estará disponible de acuerdo con la Sección 3.1. Las cuotas subsiguientes de hasta \$1,600,000 y hasta un total de \$2,200,000 estarán sujetas a la disponibilidad de fondos de A.I.D. para este propósito y al mutuo acuerdo de las partes en el momento de la siguiente cuota.

SECCION 3.3. Recursos Aportados por Bolivia para el Proyecto.

- (a) Bolivia conviene en suministrar o hacer que se suministre al Proyecto todos los fondos, además de los del Préstamo y la Donación y todos los recursos razonablemente necesarios para llevar a cabo el Proyecto en forma eficaz y oportuna, de acuerdo con los objetivos de este Convenio.
- (b) Los recursos suministrados por Bolivia para el Proyecto no podrán ser menores que el equivalente de US\$6,030,000 como se establece en el Anexo 1, incluyendo los costos originados en base a prestaciones "en especie".

SECCION 3.4. Fecha de Terminación de Asistencia del Proyecto.

- (a) La Fecha de Terminación de Asistencia del Proyecto ("FTAP"), que es el 24 de Noviembre de 1982, o cualquier otra fecha que las partes convengan por escrito, es la fecha para la cuál las partes estiman que todos los servicios financiados bajo el Préstamo y la Donación habrán sido realizados, y todos los bienes financiados bajo el Préstamo y la Donación habrán sido

SECTION 3.2. Incremental Nature of Grant. A.I.D.'s contribution to the Grant-financed portion of the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. Subsequent increments of up to \$1,600,000, for a total of up to \$2,200,000, will be subject to availability of funds to A.I.D. for this purpose and to the mutual agreement of the parties to proceed at the time of a subsequent increment.

SECTION 3.3. Bolivian Resources for the Project.

- (a) Bolivia agrees to provide or cause to be provided for the Project all funds, in addition to the Loan and Grant, and all other resources reasonably required to carry out the Project effectively and in a timely manner, in accordance with the objectives of this Agreement.
- (b) The resources provided by Bolivia for the Project will be not less than the equivalent of \$6,030,000 million as set forth in Annex 1, including costs borne on an "in kind" basis.

SECTION 3.4. Project Assistance Completion Date.

- (a) The Project Assistance Completion Date ("PACD"), which is November 24, 1982, or such other date as the parties may agree to in writing is the date by which the parties estimate that all services financed under the Loan and Grant will have been performed and all goods financed under the Loan and Grant will have been furnished for the

suministrados para el Proyecto tal como se contempla en este Convenio.

(b) A menos que A.I.D. conviniese en otra forma por escrito, A.I.D. no emitirá o aprobará documentación que autorice desembolsos del Préstamo o la Donación por servicios realizados después de la FTAP o por bienes suministrados al Proyecto, tal como se contempla en este Convenio después de la FTAP.

(c) Las solicitudes de desembolso, acompañadas de la documentación de respaldo necesaria prescrita en las Cartas de Implementación del Proyecto, deberán ser recibidas por A.I.D. o cualquier banco descrito en la Sección 8.1 a más tardar nueve (9) meses después de la FTAP o en otro período convenido por A.I.D. por escrito. Despues de ese período, A.I.D., notificando por escrito a Bolivia puede, en cualquier momento, reducir el monto del Préstamo o de la Donación en su totalidad, o aquella parte del mismo por la que las solicitudes de desembolso acompañadas de la documentación de respaldo necesaria, prescrita en las Cartas de Implementación del Proyecto, no se hubieran recibido antes de la fecha de expiración de dicho período.

ARTICULO 4: TERMINOS DEL PRESTAMO

SECCION 4.1. Interés. Bolivia pagará a A.I.D. intereses sobre el Préstamo a la tasa de dos por ciento (2%) anual durante los diez años siguientes a la fecha del primer desembolso del préstamo, y a la tasa de tres por ciento (3%) anual de ahí en adelante sobre el saldo adeudado del capital y sobre todo interés vencido y pendiente de pago. Los intereses sobre el saldo adeudado de capital se devengarán desde la fecha (según se define en la Sección 8.5) de cada desembolso respectivo y se pagarán semestralmente.

Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement under the Loan or Grant for services performed after the PACD or for goods furnished for the Project, as contemplated in this Agreement, after the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to Bolivia, may at any time or times reduce the amount of the Loan or Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: LOAN TERMS

SECTION 4.1. Interest. Bolivia will pay to A.I.D. interest on the Loan which will accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of principal and on any due and unpaid interest. Interest on the outstanding principal balance will accrue from the date (as defined in Section 8.5) of each respective disbursement.

El primer pago de inetereses vencerá y será pagadero a más tardar seis (6) meses después del primer desembolso del Préstamo, en una fecha que será especificada por A.I.D.

SECCION 4.2. Amortización del Préstamo. Bolivia amortizará el capital a A.I.D. dentro de los cuarenta (40) años, computables a partir de la fecha del primer desembolso del Préstamo en sesenta y un (61) cuotas semestrales aproximadamente iguales de capital e intereses. La primera cuota del capital será pagadera nueve y medio (9 1/2) años después de la fecha en la cuál vence el primer pago de intereses de acuerdo a la Sección 4.1. A.I.D. proveerá a Bolivia con un plan de amortización de acuerdo con la presente Sección, después del desembolso final del préstamo.

SECCION 4.3. Aplicación, Moneda y Lugar de Pago. Todos los pagos de intereses y capital del Préstamo deberán ser efectuados en dólares americanos y serán aplicados primero al pago de los intereses adeudados y después a la amortización del capital. A menos que A.I.D. especifique de otra manera por escrito, todos estos pagos deberán ser efectuados al Contralor, Oficina de Administración Financiera, Agencia para el Desarrollo Internacional, Washington, D.C., 20523 U.S.A., y se considerarán efectuados a su recepción en la Oficina de Administración Financiera.

SECCION 4.4. Pago Adelantado. Al pago de todos los intereses y reintegros entonces vencidos, Bolivia puede pagar por adelantado, sin ningún otro cargo, todo o parte del capital. A menos que A.I.D. conviniese en otra

and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. Bolivia will repay the principal to A.I.D. within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of principal and interest. The first installment of principal will be payable nine and one-half (9 1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide Bolivia with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by such office.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, Bolivia may prepay, without penalty, all or any part of the principal. Unless A.I.D. otherwise agrees in writing,

forma por escrito, dichos pagos adelantados serán aplicados a las cuotas de capital en orden inverso a su vencimiento.

any such prepayment will be applied to the installments of principal in the inverse order of their maturity.

SECCION 4.5. Renegociación de los Términos del Préstamo.

(a) Bolivia y A.I.D. acuerdan en negociar, en todo tiempo en que cualquiera de las partes pudiera requerir, una aceleración de la amortización del Préstamo, en el caso de que hubiese una mejora significativa y continuada de las perspectivas y posición financiera y económica externa e interna de Bolivia que le permitan pagar el capital y los intereses en un plazo diferente.

SECTION 4.5. Renegotiation of Terms.

(a) Bolivia and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Bolivia, which enable Bolivia to repay principal and interest on a different schedule.

(b) Cualquier pedido de cualquiera de las partes a la otra de así negociar, se hará de acuerdo a la Sección 9.2 y dará el nombre y dirección de la persona o personas que representarán a la parte solicitante en dicha negociación.

(b) Any request by either party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting party in such negotiations.

(c) Dentro de los treinta (30) días después de la entrega de la solicitud de negociación, la parte que hubiera recibido la solicitud comunicará a la otra, de acuerdo a la Sección 9.2, el nombre y dirección de la persona o personas que la representarán en tales negociaciones.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested party in such negotiations.

(d) Los representantes de las partes se reunirán para llevar a cabo las negociaciones a más tardar treinta (30) días después de la entrega de la comunicación de la parte requerida, conforme al inciso (c). Las negociaciones se llevarán a cabo en el lugar que se convenga mutuamente por los representantes de las partes, salvo que en ausencia de un convenio mutuo,

(d) The representatives of the parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the parties; provided that, in the absence of

las negociaciones tengan lugar en la Oficina del Instituto Nacional de Financiamiento ("INDEF"), o sus sucesores, en La Paz, Bolivia.

mutual agreement, the negotiations will take place at the office of the National Institute of Finance ("INDEF"), or successors, in La Paz, Bolivia.

SECCION 4.6. Terminación Luego del Pago Total. Al pagarse completamente el capital y todos los intereses devengados, este Convenio y todas las obligaciones de Bolivia y A.I.D. relacionadas con las disposiciones de este Convenio, fenenecerán, con excepción de cualquier obligación incluida en las Secciones B.3 o D.6, del Anexo 2, relacionadas con los fondos de la Donación.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the principal and any accrued interest, this Agreement and all obligations of Bolivia and A.I.D. relating to the provisions of this Agreement will terminate except for any obligations under Sections B.3 or D.6, of Annex 2, [1] with respect to Grant funds.

ARTICULO 5: CONDICIONES PREVIAS AL DESEMBOLSO

SECCION 5.1. Condiciones Previas al Primer Desembolso. Con anterioridad al primer desembolso del Préstamo o de la Donación, o a la emisión por parte de A.I.D. de la documentación conforme a la cual se efectuará el desembolso, Bolivia, actuando mediante el Ministerio de Asuntos Campesinos y Agricultura con excepción de aquello que A.I.D. acordara de diferente modo por escrito, deberá proporcionar a A.I.D. en la forma y substancia que sean satisfactorias a esta última institución:

(a) Un dictamen del Fiscal del Gobierno de Bolivia, ú otro asesor legal aceptable a A.I.D., en sentido de que este Convenio ha sido debidamente autorizado y/o ratificado por Bolivia y celebrado en su nombre, y que constituye una obligación válida y legalmente exigible de Bolivia en conformidad con todos sus términos;

ARTICLE 5: CONDITIONS PRECEDENT TO DISBURSEMENT

SECTION 5.1. Conditions Precedent to Initial Disbursement. Prior to the first disbursement of the Loan or Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, Bolivia will, acting through the Ministry of Campesino Affairs and Agriculture, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A legal opinion of the Attorney General of Bolivia or other counsel acceptable to A.I.D. to the effect that the Project Agreement has been duly authorized and/or ratified by, and executed on behalf of Bolivia, and that it constitutes a valid and legally binding obligation of Bolivia in accordance with all of its terms;

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

(b) Una declaración del nombre de la persona que representa a Bolivia y desempeña el cargo que se especifica en la Sección 9.2, y de cualquier representante adicional, junto con el facsímil de la firma de cada persona especificada en dicha declaración;

(b) A statement of the name of the person for Bolivia holding or acting in the office specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

SECCION 5.2. Condiciones Previas para Desembolsos que no están Destinados a la Asistencia Técnica. Antes del desembolso del Préstamo ó de la Donación, o antes de la emisión, por parte de A.I.D. de documentos según los cuales se realizará el desembolso con otros fines que no sean los de financiar los servicios de asistencia técnica, el Ministerio deberá proporcionar a A.I.D., en forma y substancia satisfactorias a A.I.D., excepto si A.I.D. decidiera lo contrario por escrito, lo siguiente:

(a) un plan financiero para el Proyecto especificando el monto y la fecha de las contribuciones de Bolivia durante la vida del Proyecto;

(b) un calendario de actividades de implementación que cubra todas las actividades del Proyecto;

(c) un plan de mantenimiento para todos los vehículos y el equipo que sean adquiridos con fondos del Préstamo.

SECTION 5.2 Conditions Precedent to Disbursement Other Than for Technical Assistance. Prior to disbursement of the Loan or Grant, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance technical assistance services, the Ministry will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) a financial plan for the Project specifying the amount and timing of Bolivia's contributions during the life of the Project;

(b) a time-phased implementation plan covering all Project activities;

(c) a maintenance plan for all vehicles and equipment to be procured with Loan funds.

SECCION 5.3. Condiciones Previas a los Desembolsos para la Capitalización del Fondo de Crédito. A menos que A.I.D. conviniera en otra forma por escrito, antes de cualquier desembolso o emisión de documentación por A.I.D., de acuerdo a lo cual se hagan desembolsos para financiar la capitalización del fondo

SECTION 5.3. Conditions Precedent to Disbursement for Credit Fund Capitalization. Except as A.I.D. may otherwise agree in writing, prior to any disbursement or the issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance credit fund

de crédito el Ministerio deberá proporcionar a A.I.D., en forma y substancia satisfactorias a A.I.D.:

(a) evidencia de la adopción por parte del Banco Agrícola de Bolivia ("BAB") de un formulario simplificado de solicitud de préstamo para pequeños agricultores tanto para el programa de crédito del Proyecto Sector Agropecuario I (Préstamo A.I.D. 511-T-053) como para los programas de crédito incluidos en este Proyecto;

(b) un plan para la simplificación en el procedimiento de elaboración de la solicitud de préstamo de los pequeños agricultores del BAB, tanto para el programa de crédito del Proyecto Sector Agropecuario I como para los programas de crédito incluidos en este Proyecto, que será incluido en un manual de operaciones;

(c) un plan para asegurar que la planta procesadora de aceite comestible de Villamontes de la Corporación Boliviana de Fomento pague a los agricultores en efectivo por el maní y la soya en el momento de la entrega.

En casos que estos agricultores tengan pagos pendientes al BAB, este plan hará provisión para la cancelación directa al BAB de estas obligaciones.

SECCION 5.4. Condiciones Previas para Desembolsos para cualquier Subproyecto Individual de Construcción. A menos que A.I.D. conviniera en otra forma por escrito, antes de cualquier desembolso o emisión de documentación por parte de A.I.D. de acuerdo a la cual se hagan desembolsos para financiar cualquier subproyecto individual de construcción, el Ministerio deberá proporcionar a A.I.D., en forma y substancia satisfactorias a A.I.D.:

capitalization, the Ministry shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) evidence of the adoption by the Bolivian Agricultural Bank ("BAB") of simplified small farmer loan application form for both the Agriculture Sector I Project (AID Loan 511-T-053) credit program and the credit programs included in this Project;

(b) a plan for the simplification of the BAB small farmer loan application processing procedure for both the Agriculture Sector I project credit program and the credit programs included in this Project, which will be included in an operations manual, and

(c) a plan for ensuring that the Bolivian Development Corporation's ("CBF") edible oil processing plant at Villamontes pays farmers for their peanuts and soybeans at the time of delivery.

In cases where these farmers have payments due to the BAB, this plan will provide for CBF payments directly to the BAB to cancel these obligations.

SECTION 5.4. Conditions Precedent to Disbursement for any Individual Construction Subproject. Except as A.I.D. may otherwise agree in writing, prior to any disbursement or the issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance any individual construction subproject, the Ministry shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) evidencia del título limpio del terreno en el cual la construcción se llevará a cabo;

(b) planes y especificaciones finales, documentos de licitación, adjudicación de propuestas y contratos de construcción para los subproyectos individuales; y

(c) un plan de mantenimiento para las construcciones que sean hechas.

SECCION 5.5. Notificación del Cumplimiento de las Condiciones Previas.
Cuando las condiciones previas especificadas en las Secciones 5.1, 5.2, 5.3 y 5.4 hayan sido satisfactoriamente cumplidas, A.I.D. notificará a Bolivia dentro de los siete días.

SECCION 5.6. Plazos para las Condiciones Previas.

(a) Si todas las condiciones especificadas en la Sección 5.1 no se cumplieran dentro de los 90 días a partir de la fecha de este Convenio, o una fecha posterior que A.I.D. conviniera por escrito, A.I.D. puede, según su criterio, terminar este Convenio mediante previo aviso de siete días por escrito a Bolivia.

(b) Si todas las condiciones especificadas en las Secciones 5.2 y 5.3 no se cumplieran dentro de los 120 días a partir de la fecha de este Convenio, o una fecha posterior que A.I.D. conviniera por escrito, A.I.D. puede, según su criterio, cancelar los saldos del Préstamo y la Donación entonces pendientes de desembolso, en el monto no irrevocablemente comprometido a terceros y puede terminar este Convenio mediante previo aviso de siete días por escrito a Bolivia. En caso

(a) evidence of clear title to the land upon which construction is to take place;

(b) final plans and specifications, bid documents, bid awards and contracts for construction for the individual subprojects; and

(c) a maintenance plan for the facilities to be constructed.

SECTION 5.5. Notification of Meeting Conditions Precedent. When the conditions precedent specified in Sections 5.1, 5.2, 5.3 and 5.4 have been satisfactorily met, A.I.D. will notify Bolivia within seven days.

SECTION 5.6. Terminal Dates for Conditions Precedent.

(a) If all the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by seven days' prior written notice to Bolivia.

(b) If all of the conditions specified in Section 5.2 and 5.3 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balances of the Loan and Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by seven days' prior written notice to Bolivia. In the

de dicha terminación, Bolivia reembolsará inmediatamente el capital pendiente a esa fecha y cualquier interés devengado.

ARTICULO 6: ESTIPULACIONES ESPECIALES

SECCION 6.1. Respaldo Presupuestario para Operaciones. Bolivia se compromete a proveer el respaldo presupuestario adecuado para operaciones a todas las agencias involucradas activamente en el Proyecto.

SECCION 6.2. Mantenimiento del Valor de los Fondos del Crédito. Bolivia se compromete a mantener el valor total de los fondos del crédito para los pequeños agricultores bajo el Proyecto y que los reembolsos para tales fondos serán utilizados para volver a prestar a pequeños agricultores elegibles para créditos de producción e inversión.

SECCION 6.3. Mantenimiento y Reparación. Bolivia se compromete a llevar a cabo un programa efectivo de mantenimiento y reparación, incluyendo financiamiento necesario para dichos fines, para todo el equipo provisto y las construcciones bajo el Proyecto.

SECCION 6.4. Evaluación Anual del Proyecto. Bolivia se compromete evaluar anualmente y junto con la A.I.D. el cumplimiento de los objetivos y propósitos del proyecto en base de un sistema de evaluación a ser establecido como parte del Proyecto.

ARTICULO 7: FUENTES DE ADQUISICION

SECCION 7.1. Costos en Dólares Estadounidenses (Préstamo). Los desembolsos del Préstamo de acuerdo a la Sección 8.1, serán utilizados exclusivamente para financiar los costos de bienes

event of such termination, Bolivia will repay immediately the principal then outstanding and any accrued interest.

ARTICLE 6: SPECIAL COVENANTS

SECTION 6.1. Budgetary Support for Operations. Bolivia covenants to provide adequate operational budgets to all agencies actively involved in the Project.

SECTION 6.2. Maintenance of Value of Credit Funds. Bolivia covenants to maintain the full value of the small farmer credit funds under the Project and that repayments to such funds will be utilized for relending to eligible small farmers for production and investment credit.

SECTION 6.3. Maintenance and Repair. Bolivia covenants to carry out an effective program of maintenance and repair, including necessary funding therefore, for all equipment provided and facilities constructed under the Project.

SECTION 6.4. Annual Project Evaluation. Bolivia covenants to evaluate on an annual basis jointly with A.I.D. progress towards meeting project goals and targets based on the evaluation system to be established as part of the Project.

ARTICLE 7: PROCUREMENT SOURCE

SECTION 7.1. U.S. Dollar Costs (Loan). Disbursements under the Loan pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project

y servicios necesarios para el Proyecto, que tengan su fuente y origen en países incluidos en el Código Geográfico 941 de A.I.D. en vigencia al tiempo de hacerse los pedidos o de suscribirse los contratos para tales bienes y servicios ("costos en dólares") excepto que A.I.D. conviniera por escrito en otra forma y excepto lo previsto en el Anexo 2 de Estipulaciones Standard, Sección C.1(b), con respecto al seguro marítimo.

SECCION 7.2. Costos en Pesos Bolivianos (Préstamo). Los desembolsos del Préstamo, de acuerdo a la Sección 8.2, serán utilizados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto que tengan su fuente y, excepto que A.I.D. conviniera en otra forma por escrito, su origen en Bolivia ("costos en pesos bolivianos").

SECCION 7.3. Costos en Dólares Estadounidenses (Donación). Los desembolsos de la donación de acuerdo a la Sección 8.1, serán utilizados exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y origen en países incluidos en el Código Geográfico 000 de A.I.D. en vigencia al tiempo de hacerse los pedidos o de suscribirse los contratos para tales bienes y servicios ("costos en dólares (Donación)"), excepto que A.I.D. conviniera por escrito en otra forma.

having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("dollar costs"), except as A.I.D. may otherwise agree in writing, and except as provided in Annex 2 (Standard Provisions Annex) Section C.1(b) with respect to marine insurance.

SECTION 7.2. Bolivian Peso Costs (Loan). Disbursements under the Loan pursuant to Section 8.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Bolivia ("Bolivian peso costs").

SECTION 7.3. U.S. Dollar Costs (Grant). Disbursements under the Grant pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services except as A.I.D. may otherwise agree in writing.

ARTICULO 8: DESEMBOLSOSSECCION 8.1. Desembolsos para los Costos en Dolares (Préstamo y Donación).

(a) Despues del cumplimiento de las condiciones previas, Bolivia puede obtener desembolsos de fondos del Préstamo para costos en dólares (Donação) de bienes o servicios requeridos para el Proyecto de acuerdo con los términos de este Convenio, por medio de uno de los siguientes métodos que se convinieran de mutuo acuerdo:

(1) Presentando a A.I.D., junto con la documentación de respaldo necesaria estipulada en las Cartas de Implementación del Proyecto, solicitudes de reembolso por dichos bienes y servicios, o solicitudes para que A.I.D. obtenga artículos y servicios por cuenta de Bolivia para el Proyecto; o

(2) Solicitando a A.I.D. que emita Cartas de Compromiso por montos específicos a uno o más bancos de los Estados Unidos, aceptables a A.I.D., comprometiéndose A.I.D. a reembolsar a dicho banco o bancos por pagos hechos por ellos a los contratistas o proveedores bajo Cartas de Crédito o en otra forma, por tales bienes y servicios.

(b) Los gastos bancarios incurridos por Bolivia en conexión con las Cartas de Compromiso y las Cartas de Crédito, serán financiados por el Préstamo a menos que Bolivia instruya a A.I.D. anticipadamente lo contrario.

ARTICLE 8: DISBURSEMENTSSECTION 8.1. Disbursement for Dollar Costs (Loan and Grant).

(a) After satisfaction of conditions precedent, Bolivia may obtain disbursements of funds under the Loan for dollar costs or under the Grant for the dollar costs (Grant) of goods or services required for the Project in accordance with the terms of the Agreement, by such of the following methods as may be mutually agreed upon;

(1) By submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, requests for reimbursement for such goods or services, or requests for A.I.D. to procure commodities or services on behalf of Bolivia for the Project; or

(2) By requesting A.I.D. to issue Letters of Commitment for specified amounts to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by Bolivia in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless Bolivia instructs A.I.D. in advance to the contrary.

SECCION 8.2. Desembolsos para los Costos en Pesos Bolivianos (Préstamo).

(a) Despues del cumplimiento de las condiciones previas, Bolivia puede obtener desembolso de fondos del Préstamo para los costos en pesos bolivianos requeridos por el Proyecto, de acuerdo con los términos de este Convenio, presentando a A.I.D. con la documentación de respaldo necesaria prescrita en las Cartas de Implementación del Proyecto, solicitudes para financiar dichos costos.

(b) Los pesos bolivianos necesarios para tales desembolsos pueden ser obtenidos por A.I.D. mediante adquisición en compra con dólares estadounidenses.

(c) El equivalente en dólares estadounidenses de los Pesos Bolivianos puestos a disposición en virtud de este Convenio será, en el caso de la subsección (b) anterior, el monto en dólares estadounidenses requerido por A.I.D. para obtener los pesos bolivianos, de acuerdo con las disposiciones de la Sección 8.4.

SECCION 8.3. Otras Formas de Desembolso. Los desembolsos del Préstamo o de la Donación pueden también hacerse a través de otros medios legales que las partes convengan por escrito.

SECCION 8.4. Tipo de Cambio. Excepto en el caso de que se estipule más específicamente en la Sección 8.2, si los fondos provistos por el Préstamo o la Donación son introducidos a Bolivia por A.I.D. o cualquier entidad pública o privada con el objeto de llevar a cabo obligaciones de A.I.D. bajo este Convenio, Bolivia hará los arreglos que sean necesarios a fin de

SECTION 8.2. Disbursement for Bolivian Peso Costs (Loan).

(a) After satisfaction of conditions precedent, Bolivia may obtain disbursement of funds under the Loan for Bolivian peso costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The Bolivian pesos needed for such disbursement hereunder may be obtained by acquisition by A.I.D. with U.S. dollars by purchase.

(c) The U.S. dollar equivalent of the Bolivian pesos made available hereunder will be, in the case of subsection (b) above, the amount of U.S. dollars required by A.I.D. to obtain the Bolivian pesos in accordance with the provisions of Section 8.4.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan or the Grant may also be made through such other legal means as the parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan or the Grant are introduced into Bolivia by A.I.D., or any public or private entity for purposes of carrying out obligations of A.I.D. hereunder, Bolivia will make such arrangements as may be necessary so that such

que tales fondos puedan ser convertidos en pesos bolivianos a la tasa útil más alta de cambio que al tiempo de su conversión, no sea ilegal en Bolivia.

SECCION 8.5. Fecha de los Desembolsos. Se considerará que A.I.D. ha efectuado los desembolsos del Préstamo o la Donación (a) en la fecha en que A.I.D. haga los desembolsos a Bolivia o a su delegado, o a un banco contratista o proveedor en conformidad a una Carta de Compromiso o de Crédito; (b) en la fecha en que A.I.D. desembolse a Bolivia o a su delegado, pesos bolivianos adquiridos de acuerdo con la Sección 8.2(b); o (c) en el caso de desembolsos de acuerdo a la Sección 8.3, en la fecha especificada en las otras formas de documentos de desembolso.

funds may be converted into Bolivian pesos at the highest beneficial rate of exchange which, at the time the conversion is made, is not unlawful in Bolivia.

SECTION 8.5. Date of Disbursement. Disbursements of the Loan and Grant by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to Bolivia or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment or Letter of Credit; (b) on the date on which A.I.D. disburses to Bolivia or its designee Bolivian pesos acquired in accordance with Section 8.2(b); or (c) in the case of disbursements pursuant to Section 8.3, on the date specified in the other form of disbursement documents.

ARTICULO 9: MISCELANEOS

SECCION 9.1. Comunicaciones. Cualquier aviso, solicitud, documento, u otra comunicación dada, hecha o enviada por cualquier parte a la otra en relación con el presente Convenio, deberá ser por escrito o por telegrama o cable y se considerará como debidamente dada o hecha o enviada a la otra parte a la siguiente dirección:

A Bolivia:

Dirección Postal:
Ministerio de Finanzas
a/c INDEF
La Paz, Bolivia

Dirección Cablegráfica:
MINFINANZAS
a/c INDEF
La Paz, Bolivia

ARTICLE 9: MISCELLANEOUS

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To Bolivia:

Mail Address:
Ministry of Finance
c/o INDEF
La Paz, Bolivia

Cable Address:
MINFINANZAS
c/o INDEF
La Paz, Bolivia

A. A.I.D.:

Dirección Postal:
 Misión Económica de los Estados Unidos en Bolivia
 a/c Embajada de los Estados Unidos
 La Paz, Bolivia

Dirección Cablegráfica:
 USAID, AmEmbassy
 La Paz, Bolivia

Todas estas comunicaciones serán en inglés, a menos que las partes convengan lo contrario por escrito. Sin embargo, las comunicaciones a nivel de Bolivia y la Misión de USAID/Bolivia pueden ser en inglés o español. Otras direcciones pueden substituir a las arriba especificadas previo aviso por escrito.

SECCION 9.2. Representantes. Para todos los propósitos relativos a este Convenio, Bolivia estará representada por la persona que desempeñe, titular o interinamente en el cargo de Ministro de Finanzas (o el cargo de Director Ejecutivo de INDEF) y para los propósitos de la ejecución del Proyecto, el Ministro de Asuntos Campesinos y Agricultura y A.I.D. estará representada por la persona que desempeñe, titular o interinamente, el cargo de Director de la Misión quienes podrán designar representantes adicionales mediante aviso por escrito, para cualquier propósito, excepto el de ejercer la facultad de la Sección 2.1, de revisar elementos de la descripción amplificada en el Anexo 1. Los nombres de los representantes de Bolivia con facsímiles de sus firmas, serán proporcionados a A.I.D., que puede aceptar como debidamente autorizado cualquier instrumento firmado por tales representantes en la implementación de este Convenio hasta recibir notificación escrita de revocación de sus poderes.

To A.I.D.:

Mail Address:
 United States AID Mission to
 Bolivia
 c/o United States Embassy
 La Paz, Bolivia.

Cable Address:
 USAID, AmEmbassy
 La Paz, Bolivia

All such communications will be in English, unless the parties otherwise agree in writing. However, communications at the level of the USAID/Bolivia Mission may be in either English or Spanish. Other addresses may be substituted for the above upon the giving of prior notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, Bolivia will be represented by the individual holding or acting in the office of the Minister of Finance (or Executive Director of INDEF) and for purposes of the execution of the Project, the Minister of Campesino Affairs and Agriculture and A.I.D. will be represented by the individual holding or acting in the office of Mission Director; each of whom, by written notice may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of Bolivia, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECCION 9.3. Anexo de Estipulaciones Standard. Se adjunta a este Convenio y forma parte del mismo un Anexo Combinado de Estipulaciones Standard para el Préstamo y la Donación (Anexo 2).

SECCION 9.4. Idioma que Prevalece. El presente Convenio ha sido suscrito en dos versiones, inglés y español. En caso que existiera ambigüedad o conflicto entre las mismas, la versión en inglés prevalecerá.

EN TESTIMONIO DE LO CUAL, la República de Bolivia y los Estados Unidos de América, actuando cada cuál por medio de sus respectivos representantes debidamente autorizados, han suscrito el presente Convenio en sus nombres y lo han otorgado en el día y el año mencionados en el encabezamiento.

REPUBLICA DE BOLIVIA
REPUBLIC OF BOLIVIA

Hugo Banzer Suárez

Presidente de la República
President of the Republic

David Blanco

Ministro de Finanzas
Minister of Finance

Alberto Natusch Busch

Ministro de Asuntos Campesinos
y Agropecuarios
Minister of Agriculture and
Campesino Affairs

SECTION 9.3. Standard Provisions Annex. A Combined Loan and Grant Standard Provisions Annex (Annex 2)^[1] is attached to and forms part of this Agreement.

SECTION 9.4. Controlling Language. This Agreement is executed in both the English and Spanish languages. In case of inconsistency or conflict between the two versions, the English version shall control.

IN WITNESS WHEREOF, the Republic of Bolivia and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ESTADOS UNIDOS DE AMERICA
UNITED STATES OF AMERICA

Frank B. Kimball

Director USAID/Bolivia
USAID/Bolivia Mission Director

Paul H. Boeker

Embajador de los Estados Unidos
United States Ambassador

¹ See footnote 1, p. 3899.

ANEXO I
ANNEX IDESCRIPCION DETALLADA DEL PROYECTO
DETAILED PROJECT DESCRIPTIONRESUMEN

El objetivo del Proyecto es el de incrementar la disponibilidad de los insumos requeridos por los pequeños agricultores, particularmente tierras y semillas mejoradas y proporcionarles el crédito necesario de producción e inversión para la compra de tales componentes. Este objetivo será logrado mediante (1) el incremento de la capacidad de producción de la semilla certificada, (2) el respaldo al programa de crédito de producción e inversión y (3) la realización de un programa de crédito para el pequeño agricultor para el desmonte de tierras. El Proyecto tiene además la finalidad de desarrollar los recursos humanos del sector agropecuario y mejorar su coordinación y conducción.

A. Introducción

El financiamiento por parte de A.I.D. para el Proyecto será por un total de \$13.5 millones, \$11.3 millones de los fondos del préstamo y \$2.2 millones de los fondos de la donación. La contribución local consistirá en \$5,685 millones del Gobierno de Bolivia y \$345 mil del Comité de Desarrollo de Tarija (CODETAR) haciendo un total de \$6,030,000.

Las actividades del Proyecto se centrarán en los valles del sur de los departamentos de Chuquisaca, Potosí y Tarija. Los pequeños agricultores en estas áreas se beneficiarán directamente de las actividades del proyecto en el procesamiento y almacenamiento de semillas, crédito de producción e inversión y crédito para habilitación de tierras. Se beneficiarán indirectamente de las actividades del proyecto en el desarrollo de recursos humanos y en la conducción y coordinación del sector.

SUMMARY

The Project will seek to increase the availability to the small farmer of needed inputs, particularly land and improved seed and to provide him with the production and investment credit necessary for the purchase of such inputs. This objective will be sought through (1) increasing the production capacity of certified seed, (2) supporting a small farmer production and investment credit program and (3) carrying out a small farmer land clearing credit program. The project is also aimed at developing the agricultural sector's human resources and improving its management and coordination.

A. Introduction

A.I.D. financing for the Project will total \$13.5 million, \$11.3 million in loan funds and \$2.2 million in grant funds, which will be provided in accordance with Section 3.2. of this Agreement. The Bolivian contribution will consist of \$5,685,000 from Bolivia and \$345,000 from the Tarija Development Committee (CODETAR) for a total of \$6,030,000.

Project activities will be concentrated in the southern intermountain valleys of Chuquisaca, Potosí and Tarija Departments. Small farmers in these areas will benefit directly from Project-financed seed processing and storage activities, as well as production, investment and land clearing provided by the Project. They will benefit indirectly from Project human resource development and sector management and coordination activities.

B. Elementos del Proyecto

El Proyecto consiste de cuatro elementos: (1) procesamiento y almacenamiento de semillas, (2) crédito, (3) desarrollo de recursos humanos y (4) conducción y coordinación del sector.

1. Procesamiento y Almacenamiento de las Semillas

Las actividades a ser financiadas bajo el Proyecto en esta área incluyen: extensión de la capacidad de procesamiento/almacenamiento de las semillas, capitalización del fondo rotativo para la compra de semillas, capacitación y asistencia técnica.

a. Extensión de la Capacidad de Procesamiento/Almacenamiento de las Semillas

Tres nuevas edificaciones pequeñas para el procesamiento/almacenamiento de las semillas serán construidas y equipadas en el área del proyecto y tres edificaciones ya existentes serán mejoradas significativamente en el área del proyecto Agropecuario I (Prestamo 511-T-053). Nuevas edificaciones para el procesamiento/almacenamiento de semillas serán establecidas en Betanzos (Potosí), Zudáñez (Chuquisaca) y Yacuiba (Tarija). Las edificaciones existentes que serán mejoradas incluyen: Warnes (Santa Cruz), Coña-Coña (Cochabamba) y las Barrancas (Tarija). La contribución de AID a la construcción y mejoramiento de las facilidades de procesamiento y almacenamiento constará de construcción de obras civiles, equipamiento con maquinaria de procesamiento, de laboratorio, de oficina y dotación de vehículos.

B. Project Elements:

The Project consists of four elements: (1) seed processing and storage, (2) agricultural credit for production, investment and land clearing, (3) human resources development and (4) agricultural sector management and coordination.

1. Seed Processing and Storage

Activities to be financed under the Project in this area include: expansion of seed processing/storage capacity, capitalization of the rotating seed purchase fund, training and technical assistance.

a. Expansion of Seed Processing/Storage Capacity

Three new small seed processing/storage facilities will be built and equipped in the Project area, and three existing facilities in the Agriculture Sector I (Loan 511-T-053) project area, i.e. the central valleys and eastern lowlands, will be significantly upgraded. New seed processing/storage facilities will be located at Betanzos (Potosí), Zudáñez (Chuquisaca) and Yacuiba (Tarija). Existing facilities will be upgraded include Warnes (Santa Cruz), Coña-Coña (Cochabamba) and Las Barrancas (Tarija). AID's contribution to the construction and upgrading of these seed processing and storage facilities will consist of construction, processing machinery and equipment, laboratory equipment, office equipment and vehicles.

b. Capitalización del Fondo Rotativo para la Compra de Semillas.

El Préstamo de AID proporcionará hasta la suma de \$250,000 para incrementar la capitalización del Fondo Rotativo para la Compra de Semillas para el Programa Nacional de Semillas administrado por el MACA. El capital actual de este fondo es de \$292,000. Se estima que para 1981, la capitalización necesaria de este fondo será de aproximadamente \$700,000. Por lo tanto, se necesitarán aproximadamente \$150,000 de los recursos del Gobierno Boliviano además de los recursos proporcionados por el Préstamo de AID.

b. Capitalization of Rotating Seed Purchase Fund.

The AID Loan will provide up to \$250,000 to increase the capitalization of the existing National Seed Program Rotating Seed Purchase Fund administered by the Ministry of Campesino Affairs and Agriculture (MACA). The present capitalization of this fund is \$292,000. It is estimated that by 1981 the required capitalization of this fund will be approximately \$700,000. Thus approximately \$150,000 of Bolivian resources will be required in addition to the resources provided by the AID loan.

c. Capacitación

AID financiará capacitación con relación al componente de semillas. Se prevé que uno o dos técnicos recibirían capacitación no académica a largo plazo en los Estados Unidos u otros países del área geográfica 941 de AID y que otros técnicos en Semillas del MACA recibirían entrenamiento en servicio por períodos más cortos en otros países del área geográfica 941 de AID que tengan programas similares de semillas. La capacitación enfocaría el manejo adecuado de las plantas y laboratorio de semillas.

c. Training

AID will finance training in relation to the seed component. It is anticipated that one or two technicians would receive long-term non-degree training in the U.S.A. or other countries in A.I.D. Geographic Code 941 and that other MACA seed technicians would receive in-service training for shorter periods in other countries included in A.I.D. Geographic Code 941 having similar seed programs. Training would focus on the proper operation of seed plants and laboratories.

d. Asistencia técnica

El elemento donación de este proyecto proporcionará 18 meses de asistencia técnica al programa Nacional de Semillas para ayudar al Programa en las áreas de control de calidad, producción, procesamiento y distribución. Además se prestará asistencia técnica a corto plazo financiada por el préstamo según sea necesario en las áreas arriba mencionadas; se necesitarán aproximadamente 7 a 10 meses/hombre de asistencia a corto plazo.

d. Technical Assistance

The grant element of the Project will provide for approximately 18 months of technical assistance to the National Seed Program to assist the Program in the areas of quality control, production, processing, and distribution. In addition, short-term loan-funded technical assistance will be made available as needed in the above areas; approximately 7 to 10 months of short-term assistance will be required.

Además de los 150 mil dólares de los recursos del GOB de Bolivia para capitalización del Fondo Rotativo de Semillas. Bolivia proporcionará fondos para los costos administrativos y de personal incrementado que requerirá la expansión del Programa Nacional de Semillas así como los terrenos donde se edificarán las nuevas facilidades.

2. Crédito Agrícola para Producción, Inversión y Desbosque

Este componente del proyecto extiende la cobertura geográfica del programa de crédito para los pequeños agricultores (PCPA) del Banco Agrícola de Bolivia (BAB) a los valles del sur de Bolivia y amplía el PCPA incluyendo una línea especial de crédito para desbosque de tierras, cuya existencia se considera crucial para el desarrollo de los pequeños agricultores en ciertas áreas de valles del sur.

a. Extensión del Área Geográfica Atendida por el PCPA

El PCPA es un programa de crédito establecido bajo el Préstamo AID 511-T-053 proyectado específicamente para llenar las necesidades de crédito para producción e inversión de los pequeños agricultores. Bajo el Proyecto Sector Agropecuario II, la cobertura geográfica del PCPA será extendida incluyendo el área de los valles del sur de los departamentos de Chuquisaca, Potosí, y Tarija, los cuales no estaban incluidos en el Programa Sector Agropecuario I. La extensión del área del PCPA, de este modo, incluirá los valles centrales y del sur de Bolivia y el desarrollo de los valles de tierras bajas del oriente

In addition to the \$150,000 of Bolivian resources for further capitalization of the Rotating Seed Fund, Bolivia will provide for the increased administrative and personnel costs that the expansion of the National Seed Program will require, as well as the land on which the new facilities will be constructed.

2. Agricultural Credit for Production, Investment and Land Clearing.

This Project component extends the geographic coverage of the Bolivian Agricultural Bank's (BAB) small farmer credit program (SFCP) to Bolivia's southern valleys and broadens the SFCP to include a special credit line for land clearing, the existence of which is deemed crucial for small farmer development in certain areas of the southern valleys.

a. Expansion of the Geographic Area Served by the SFCP

The SFCP is a credit program established under AID Loan 511-T-053, specifically designed to meet the production and investment credit needs of small farmers. Under this Project, the SFCP's geographic coverage will be expanded to include the southern intermountain valley areas of the Departments of Chuquisaca, Potosí and Tarija which were not included in the original program. The expanded SFCP area will thus include Bolivia's central and southern intermountain valleys and the developing eastern lowland valleys.

El capital del préstamo de la línea ordinaria del PCPA será incrementado por una suma total de \$4.7 millones, de los cuales \$3.5 millones provendrán de los fondos del préstamo de AID y \$1.2 millones del tesoro del Gobierno de Bolivia. El monto total será una contribución del Gobierno de Bolivia al capital del BAB, es decir, los reembolsos de capital e intereses del Préstamo de AID serán sufragados por el Gobierno Boliviano y no por el PCPA ni el BAB.

El Gobierno de Bolivia proporcionará la suma de \$400,000 con destino a los costos administrativos del programa a través de la transferencia de su presupuesto ordinario del BAB. Los costos administrativos que excedan esta suma serán financiados de los recursos generados de la tasa de interés. Las ganancias del fondo que no sean requeridas para los gastos administrativos del programa serán destinadas a incrementar el capital del préstamo del PCPA.

Además de su contribución al capital del préstamo, el préstamo de AID proporcionará capacitación en el extranjero, vehículos tipo jeep y equipo de oficina en respaldo al programa de crédito ordinario del PCPA. Dos año/hombre de asistencia técnica de largo plazo financiados por donación serán proporcionados al BAB para ayudar en la implementación, perfeccionamiento y evaluación del programa.

Los empleados del BAB recibirán 25 meses/hombre de capacitación no académica en el extranjero. Alternativamente, cursos de crédito agrícola adecuados, como los que ofrece USDA, serán presentados en Bolivia con fondos de préstamo. Bolivia a través del BAB proporcionará viáticos, pasajes y otros gastos asociados a la realización de seminarios de entrenamiento para los agentes del PCPA. Se anticipa que estos cursos serán organizados por el BAB anualmente.

Loan capital in the SFCP regular line will be increased by a total of \$4.7 million, \$3.5 million of which will come from the AID loan and \$1.2 million of which will come from the Treasury of Bolivia. The total amount will be a contribution by Bolivia to the BAB's capital, i.e. AID loan principal and interest payments will be borne by the Bolivian Treasury and not by the SFCP fund or the BAB.

Bolivia will provide \$400,000 towards the administrative costs of the SFCP through its regular budget transfer to the BAB. Administrative costs in excess of this amount may be financed from resources generated from the interest rate on subloans. Earnings of the fund not required for the program's administrative expenses will be used to increase the lending capital of the SFCP.

In addition to its contribution to loan capital the AID loan will provide overseas training, jeep-type vehicles and office equipment in support of the SFCP regular credit program. Approximately two years of grant-funded long-term technical assistance will be provided BAB to assist in program implementation, refinement and evaluation.

BAB employees will receive 25 worker/months of non-degree training overseas. Alternatively, an appropriate agricultural credit course, such as that offered by the United States Department of Agriculture (USDA), might be brought to or organized in Bolivia and financed by loan funds. Bolivia, through the BAB, will provide the per diem, travel, and other minor local costs associated with in country training seminars of SFCP agents. It is anticipated that such seminars will be organized by the BAB on an annual basis.

El BAB abrirá por lo menos un mínimo de 7 agencias en el área del Proyecto en lugares que sean convenientes por Bolivia y AID. Los fondos del préstamo podrán ser usados para comprar equipo de oficina para estas nuevas agencias. Además, los fondos del préstamo se usarán para compras hasta diez vehículos de tipo jeep para uso en el programa.

La operación del PCPA se regirá por un Manual detallado de procedimientos aprobado por Bolivia y AID antes de la iniciación del PCPA de este Proyecto. Este manual, además de describir las responsabilidades, procedimientos y detalle de los documentos exigidos incluirá los siguientes criterios de elegibilidad de los sub-préstamos:

(1) Demostración de potencial para alcanzar un nivel de producción más allá de los requerimientos de subsistencia familiar (generalmente adoptando nueva tecnología cuya adopción requiere crédito para compra de insumos modernos, para mejorar significativamente la finca, o para permitir al agricultor el cultivo de mayor extensión de tierra).

(2) El límite de tamaño de préstamo para cada préstamo individual no excederá \$5,000 por año para préstamos combinados de producción e inversión.

(3) Una unidad agrícola se considerará fuera del grupo elegido para este programa si su ingreso neto de las actividades agrícolas excede los 1,500 dólares o sus ventas brutas exceden los 2,000 dólares.

(4) Ninguna finca con más de 10 has. de tierra bajo cultivo será elegible para el crédito.

(5) La principal fuente del ingreso familiar debe ser la agricultura.

The BAB will open a minimum of seven new agencies in the Project area, in locations mutually agreed on by Bolivia and AID. Loan funds may be used to purchase office equipment for these new agencies. In addition, loan funds may be used to purchase up to ten jeep-type vehicles for use in the program.

The operation of the SFCP will be governed by a detailed Operations Manual which will be mutually agreed upon by Bolivia and AID prior to the initiation of SFCP activities under this Project. This manual in addition to outlining responsibilities, procedures and samples of required documentation will include the following sub-loan eligibility criteria.

(1) Demonstration of potential to achieve a production level beyond family maintenance requirements (usually involving adoption of a new technique requiring credit for purchase of modern inputs, for significant farm improvements, or to permit the cultivation of larger areas of land).

(2) The loan size limit to any one farm unit will not exceed \$5,000 annually for a combined operating and investment loan.

(3) A farm operating unit will be considered outside of the target group when net income from farming operations exceeds \$1,500 per family or gross off-farm sales exceed \$2,000.

(4) No farm with more than 10 hectares of cultivated land will be eligible for credit.

(5) The principal source of the farm family's income must be agriculture.

(6) El presunto prestatario no debe tener acceso a otras fuentes de crédito en condiciones razonables.

(7) La capacidad de pago del crédito existe de los ingresos de la finca o en combinación de los anteriores y el trabajo eventual realizado fuera de la finca. En el caso de que el ingreso fuera de la finca sea un factor en el pago del crédito, se debe establecer que este trabajo está disponible y que no afecta las mejoras en la finca a las que se refiere el Programa.

Los préstamos se harán para insumos de producción anual, incluyendo el trabajo familiar y jornal contratado o para inversiones en horticultura, ganadería, maquinaria y mejoras en la tierra y granjas. El crédito de inversión puede concederse por un periodo hasta de 8 años con un periodo de gracia adecuado. No hay determinación de la proporción para crédito de producción o inversión; esto puede determinarse por la demanda.

El interés mínimo anual cargado será de 13% por año. Esta tasa puede modificarse posteriormente si convienen mutuamente Bolivia y AID.

b. Extensión del Alcance del PCA para Incluir Desmonte del Terreno

En ciertas áreas de los valles del sur, como son las áreas húmedas del Chaco del departamento de Tarija, el factor principal que limita las oportunidades agropecuarias de los pequeños agricultores es la falta de terrenos adecuadamente preparados. El alcance del PCA será extendido para incluir el desmonte del terreno con el fin de llenar esta necesidad.

(6) The prospective Borrower does not have ready access to other credit sources under reasonable terms and conditions.

(7) Loan repayment ability exists solely from farm income or in combination with seasonal off-farm income. In the event that off-farm income is a factor in loan repayment, it must be established that work is available and that this does not adversely affect carrying out the improved farming program agreed upon.

Loans may be made for annual production inputs, including family and paid labor or for investment in orchards, livestock, machinery, or land and farmstead improvements. Investment credit may be granted for a period of up to eight years with an appropriate grace period. There is no predisposition as to the relative proportions of investment vs production credit; these will be determined by demand.

The minimum annual interest charged on sub-loans shall be thirteen percent per annum. This rate may be subsequently modified if mutually agreed by Bolivia and AID

b. Expansion of the SFCP Scope to Include Land Clearing.

In certain areas of the southern valleys, such as the Humid Chaco area of Tarija Department, a major factor limiting the agricultural opportunities of small farmers is the lack of suitably prepared land. The scope of the SFCP will be expanded under the Project to include land clearing in these areas in order to meet this need.

El componente más importante de AID dentro del programa de desmonte de terreno financiado por el PCPA será por el monto de \$2,450,000 de capital de préstamo para préstamo a pequeños agricultores. Esta suma pagará aproximadamente \$1,135,000 para equipo de desbosque y repuestos, \$90,000 de equipo y herramientas para el taller de mantenimiento y reparación, los servicios de equipo de CODETAR para el primer año del Programa y gastos de operación. En vista de que el costo de desbosque de una hectárea de tierra se estima en \$245, este capital de préstamo debería ser suficiente para proporcionar préstamos a los pequeños agricultores para el desbosque de un total de aproximadamente de 10,000 hectáreas.

Además del capital de préstamo, los fondos de préstamo de AID serán utilizados para financiar aproximadamente 165,000 dólares de equipo de desbosque y repuestos y 135,000 dólares de equipo de taller de reparaciones y herramientas para CODETAR. Estos montos no serán amortizados con cargo a préstamos a pequeños agricultores. Asimismo, serán financiados asistencia técnica de corto plazo a CODETAR y hasta 8 vehículos tipo jeep, equipo de oficina para uso del BAB en el Programa de desbosque de tierras. Los fondos de donación de AID financiarán aproximadamente 5 años-hombre de asistencia técnica de largo plazo a CODETAR para asesorar en la implantación del programa de desbosque.

La contribución del Gobierno de Bolivia consistirá en los servicios de extensión del programa de oleaginosas del IIBTA para promover y organizar la participación de los pequeños agricultores en el programa y una cantidad de \$245,000 destinados a los gastos de operación del BAB. CODETAR financiará (1) la construcción del taller de mantenimiento y reparación, (2) sueldos y beneficios colaterales

AID's most important input into the SFCP-financed land clearing program will be \$2,450,000 of loan capital to the SFCP for sub-loans to small farmers. This amount will pay for approximately \$1,135,000 of land clearing equipment and spare parts, approximately \$90,000 of maintenance and repair shop equipment and tools, equipment services for the first year of the program provided by CODETAR, and operating costs. Since the clearing of one hectare of land is estimated to cost \$245, this loan capital should be sufficient to provide small farmers with loans to clear a total of 10,000 hectares.

In addition to the loan capital, AID loan funds will be used to finance approximately \$165,000 of land clearing equipment and spare parts and approximately \$135,000 of maintenance and repair shop equipment and tools for CODETAR. These amounts will not be amortized through charges to small farmer loans. Short-term technical assistance to CODETAR and up to eight jeep-type vehicles and office equipment for BAB's use in the land clearing activity will also be financed with AID loan funds. AID grant funds will finance approximately 5 man-years of long term technical assistance to CODETAR to advise on the implementation of the land clearing program.

The contribution of Bolivia will consist of the extension services of the Oilseed Program of the Bolivian Institute of Agricultural Technology (IIBTA) in promoting and organizing small farmer participation in the program and \$245,000 towards BAB operating expenses. CODETAR will fund (1) construction of the maintenance and repair workshop, (2) salaries and fringe benefits of central

del personal administrativo de la oficina central, de los supervisores de campo y del supervisor del taller, (3) gastos de viaje y viáticos de dicho personal boliviano, (4) material de oficina y, (5) costos de operación de los 3 vehículos tipo jeep financiados por AID para ser suministrados a la oficina central administrativa.

CODETAR, bajo la supervisión del MACA está encargada de la ejecución de las actividades del Programa de desbosque para los pequeños agricultores del Chaco Húmedo de Tarija. Durante el primer año de la operación del programa, CODETAR usará su equipo existente para este programa. Los años siguientes, CODETAR recibirá en fideicomiso el equipo necesario para completar el desbosque de aproximadamente 10,000 hectáreas de tierra. De los recursos generales por el crédito de desbosque a los pequeños agricultores, CODETAR será reembolsado por el BAB por el costo de capital y de operación de su maquinaria y por los costos de operación de la maquinaria que operará en fideicomiso que al final del proyecto pasará a su propiedad.

Los extensionistas del Programa de Oleaginosas del IETA y agentes de crédito trabajarán en estrecha relación con el personal de CODETAR en la promoción, organización y ejecución del Programa. Las relaciones interinstitucionales, responsabilidades, forma de pago se incorporarán en un convenio interinstitucional forma que será parte del plan de implementación exigido por la Sección 5.2. de este Convenio. Las instituciones bolivianas que serán signatarias del Convenio interinstitucional son MACA, BAB, CBF y CODETAR.

El Manual del PCPA referido anteriormente contendrá una sección especial sobre la operación del crédito de desbosque en la cual se incorporarán los siguientes criterios:

administrative office personnel, the field supervisors and the workshop supervisor, (3) travel and per diem expenses of these Bolivian personnel, (4) office supplies and (5) operating costs of 3 AID loan-financed jeep-type vehicles.

CODETAR, under the supervision of MACA, will be in charge of carrying out the land clearing project activities for small farmers in the Chaco Húmedo area of Tarija. During the first year of the program operation, CODETAR will use its existing equipment for the program. In the following years, CODETAR will receive in trust the necessary equipment to complete the clearing of approximately 10,000 hectares of land. From the resources generated by land clearing loans to small farmers, CODETAR will be reimbursed by the BAB for operating and capital costs of its own machinery and for the operating costs of the machinery which it will operate in trust and which will be turned over to it at the end of the project.

The extensionists in IETA's Oilseed Program and BAB's credit agents will work closely with CODETAR personnel in the promotion, organization and execution of this program. The interinstitutional relationships, responsibilities, and payment scheme will be elaborated in a formal interinstitutional agreement which will form part of the implementation plan required under Section 5.2 of this Agreement. The Bolivian institutions that should be signatories to such an agreement are MACA, BAB, CBF, and CODETAR.

The SFCP Operations Manual mentioned previously will contain a special section on the operation of the land clearing credit in which the following criteria will be incorporated:

Todos los criterios que regulan el PCPA para producción e inversión con exclusión de los números (2) y (5) más los criterios que se detallan abajo:

(1) Los créditos podrán usarse (i) para limpiar tierras boscosas (desmontar), (ii) para remover troncos, tocónes y raíces de la tierra (destroncar) y (iii) para mejorar drenajes y rehabilitar facilidades existentes de riego en la tierra que se desboscó o destroncó bajo este proyecto.

(2) En ningún caso se dará crédito para la construcción de un sistema nuevo de irrigación.

(3) La tierra desboscada bajo el PCPA puede ir desde un mínimo de una hectárea hasta un máximo de diez hectáreas, con la limitación de que la tierra ya desboscada más la por desboscar no sobrepasen las 10 hectáreas.

(4) El crédito para la tierra desboscada se dará sólo para uso dentro de los lineamientos estipulados en el Convenio entre MACA/BAB /CODETAR.

(5) El crédito concedido para desbosque no puede exceder los 3,000 dólares por familia pero puede combinarse con otros créditos de inversión y producción, tales como el PCPA, FRA-2, CROFOC o cualquier otra fuente de crédito.

(6) El plazo máximo del crédito de desbosque será de 5 años. El plan de amortizaciones deberá coincidir con el flujo de caja de los agricultores y podrá concederse períodos de gracia no mayores a un año.

All the criteria governing the SFCP production and investment program less numbers (2) and (5) plus the following criteria will apply to the financing of land clearing activity:

(1) Credits may be used (i) to clear forest land (desmontar), (ii) to remove logs, stumps and roots from land (destroncar), and (iii) to improve drainage and rehabilitate existing irrigation facilities on land which has been cleared or had the logs, stumps and roots removed under this program.

(2) In no case will credit be given for the construction of new irrigation works.

(3) Land to be cleared on any one farm under the SFCP may range from a minimum of one hectare to a maximum of ten hectares, with the limitation that presently cleared land plus the land to be cleared will not exceed a total of ten hectares.

(4) Credit granted for land clearing will be granted only for use within the guidelines established by agreement between MACA/BAB/CODETAR.

(5) Credit granted for land clearing under this line may not exceed \$3,000 per family. It may however, be combined with other production and investment credits such as the regular SFCP line, the SNDC CROFOC line, FRA-2, or any other source of credit.

(6) The maximum loan period for land clearing credit will be five years. The repayment schedule will be suited to the farmer's projected cash flow and an appropriate grace period not to exceed one year may be granted.

3 Desarrollo de Recursos Humanos

Este elemento del proyecto continua a un nivel modesto con los esfuerzos iniciados bajo el Proyecto Sector Agropecuario I para mejorar la calidad de la educación agropecuaria que está siendo impartida en las dos facultades agropecuarias que funcionan en la región, la Universidad Mayor de San Simón en Cochabamba y la Universidad Mayor Gabriel René Moreno en Santa Cruz. Se proporcionará hasta 240 meses de entrenamiento para 12 profesores o presuntos profesores de estas universidades a nivel de maestría en los Estados Unidos u otros países incluidos en el área geográfica 941 en las disciplinas de Economía Agrícola, Sociología Rural, Fitopatología, Ganadería, Suelos, Ingeniería Agronómica, riegos, dendrología y manejo de pastos.

Además de la capacitación de docentes, este componente mejorará las instalaciones del Laboratorio, adquirirá materiales de referencia de biblioteca y auxiliares de enseñanza y comprará equipo limitado de campo para ambas universidades. En la Universidad Mayor de San Simón se construirá un edificio que albergue al Laboratorio Nacional de Entomología, un elemento básico para trabajar en la protección de las plantas. Se adquirirá el equipo para completar el laboratorio de Tecnología en Nutrición. Se proporcionará además equipo de laboratorio para la Universidad Mayor Gabriel René Moreno para equipar parcialmente el Departamento de Ingeniería Agropecuaria.

Ambas escuelas de Santa Cruz y Cochabamba tienen granjas experimentales para novatos las cuales requieren equipo de tracción. El Proyecto proporcionará un tractor y sus implementos para la Universidad de Cochabamba y dos tractores e implementos para la Universidad de Santa Cruz. Ambas universidades recibirán pequeñas cantidades de materiales de referencia de biblioteca y auxiliares de enseñanza.

3. Human Resources Development

This project element continues at the modest level the efforts begun under Agricultural Sector I (A.I.D. Loan 511-T-053) to improve the quality of the agricultural education the Universidad Mayor de San Simón in Cochabamba and the Universidad Mayor Gabriel René Moreno in Santa Cruz. Up to 240 months of training will be provided for twelve current or prospective faculty members of these universities to the M.S. level in the U.S. or other countries included in the A.I.D. Geographic Code 941 in the disciplines of agricultural economics and rural sociology; plant and animal sciences; soils, agricultural engineering and irrigation; and forest and range management.

In addition to faculty training, this component will improve laboratory facilities, acquire library reference materials and teaching aids, and purchase limited field equipment for both universities. At the Universidad San Simón a building will be constructed to house the National Entomology Laboratory, a basic tool for working in plant protection. Equipment will be procured to complete the Food Technology Laboratory. Laboratory equipment will also be provided to the Universidad Gabriel René Moreno to partially equip its Agricultural Engineering Department.

The universities in both Santa Cruz and Cochabamba have experimental farms which require traction equipment. The Project will provide one tractor and its implements for the Universidad San Simón in Cochabamba and two tractors and implements for the Universidad Gabriel René Moreno in Santa Cruz. Both universities will receive small amounts of library reference materials and teaching aids.

El Gobierno de Bolivia contribuirá con los gastos administrativos incluyendo sueldos y gastos de operación.

4. Conducción y Coordinación Sectorial.

Este elemento del proyecto tiene dos componentes principales: mejorar la capacidad de planificación, coordinación y administración sectorial del MACA a nivel central, y mejorar la coordinación intersectorial y el alcance institucional a nivel departamental.

a. Planificación, Coordinación y Administración Sectorial a Nivel Central.

El Proyecto financiará asistencia técnica, procesamiento de datos (marco de la muestra por área) y capacitación en respaldo a los esfuerzos para mejorar la planificación, coordinación y administración sectorial a nivel central.

1) Asistencia Técnica

Se proporcionará asistencia técnica para: planificación sectorial, manejo de datos y organización y métodos.

a) Planificación Sectorial

Tres años/hombre de asistencia técnica se proporcionarán a las oficina de planificación sectorial del MACA para asistir en perfeccionamiento del Plan Quinquenal Agropecuario, desarrollo de la planificación, evaluación y sistemas de control del programa, y perfeccionamiento del modelo de la programación lineal sectorial. Este asesor proporcionará además asesoramiento en la preparación de estudios para política agropecuaria.

Bolivia will contribute administrative costs including salaries and operating expenses for this Project component.

4. Sectoral Management and Coordination

This project element has two major components to improve MACA sectoral planning, coordination, and management capabilities at the central level, and to improve intra-sectoral coordination and institutional outreach at the departmental level.

a. Sectoral Planning, Coordination and Management at the Central Level.

The Project will finance technical assistance, data development (area sample frame) and training in support of efforts to improve sectoral planning, coordination and management at the central level.

1) Technical Assistance

Technical assistance will be provided for sector planning, data management and organization and methods.

a) Sectoral Planning

Approximately three years of technical assistance will be provided to MACA's sectoral planning office to assist in refinement of the Five Year Agricultural Plan, development of program planning, evaluation and control system and refinement of the sectoral linear programming model. This advisor will also provide advice on the preparation of policy studies.

b) Manejo de Datos

Tres años/ hombre de asistencia técnica de un Analista de Sistemas experimentado sera necesario. Este asesor entrenará al personal de la nueva unidad de procesamiento de datos electrónicos del MACA que está por ser organizada con la adquisición de una terminal inteligente financiada bajo el Proyecto Sectorial I. Esta terminal será usada para tener acceso al banco de datos agrícolas que está en proceso de creación. Asimismo, será usado para funciones administrativas, tales como programación, presupuesto y control de inventario.

c) Organización y Métodos

Aproximadamente cuatro años de asistencia técnica serán necesarios para asistir a las oficinas de planeamiento y administración del MACA en el diseño e implementación de los nuevos sistemas administrativos incluyendo presupuestos por programa. Ademas, 10 meses/hombre aproximadamente de asistencia técnica a corto plazo serán proporcionados para reforzar los conocimientos de los asesores a largo plazo financiados por la donación. También se permitirá al MACA la compra de equipo y suministros en el grado que el establecimiento de los nuevos sistemas de administración lo requieran.

**2) Procesamiento de Datos
(Marco Muestral por Área)**

El trabajo de desarrollo del marco muestral por área fue iniciado bajo el Proyecto Sector Agropecuario I. Este proyecto financiará la terminación del marco muestral. Esta tarea requiere la ampliación de aproximadamente 1,450 fotografías aéreas, 160 días/hombre de asistencia a corto plazo proporcionada por USDA y la adquisición de materiales y suministros que fueran necesarios.

b) Data Management

Three man-years of technical assistance of a broad gauge systems analyst/programmer will be provided. This advisor will train the personnel of MACA's new electronic data processing unit which is about to be organized around MACA's Agricultural Sector I financed intelligent computer terminal. This terminal will be used to gain access to the agricultural data banks, which are in the process of being created. The computer will also be used for such administrative functions as program, budget, and inventory control.

c) Organization and Method

Approximately four years of technical assistance will be needed to assist MACA's planning and administrative offices in designing and implementing new administrative systems, including program budgeting. In addition, approximately 10 man-months of short-term technical assistance will be furnished to supplement the skills of the long-term grant-funded advisors. Also, the Project will finance the purchase by MACA of equipment and supplies needed for the establishment of new management systems.

2) Data Development (Area Sample Frame)

Work on the development of an area sampling frame was initiated under the Agriculture Sector I Project. This Project will finance the completion of the area sample frame. This task requires the enlargement of approximately 1,450 aerial photos, 160 man-days of short-term assistance from the USDA or other sources and the purchase of required materials and supplies.

3) Capacitación

Se prevé que este componente del proyecto necesitará capacitación a largo plazo de dos personas, posiblemente a nivel de maestría y capacitación a corto plazo en el extranjero de quizás otras seis personas. Varios cursos o seminarios a corto plazo dentro del país serán llevados a cabo para otras 30 personas.

b. Coordinación Inter-Sectorial y Alcance Institucional a Nivel Departamental

Se proporcionará financiamiento para la construcción y equipamiento de los dos nuevos centros de servicio agrícola en los departamentos de Potosí y Tarija. Al igual que en los centros de servicio agrícola del Proyecto Sector Agropecuario I, estos centros de servicio mejorarán la coordinación a través de la ubicación de todas las instalaciones departamentales del MACA en un solo edificio. Los centros de servicio albergarán dependencias tales como: el servicio de extensión, el departamento de semillas, irrigación, suelos, desarrollo de la comunidad, BAB, etc., así como el Director Departamental del MACA.

C. Plan Financiero

Un resumen ilustrativo del costo estimado y un Plan Financiero se muestra en el Cuadro No. 1.

3) Training

It is anticipated that this Project component will finance the long-term training of two individuals, possibly to the M.S. level, and the short-term training abroad of approximately six additional individuals. Several in-country short-term training courses or seminars will be held for another 30 individuals.

b. Intra-sectoral Coordination and Institutional Outreach at the Departmental Level

Funding will be provided for the construction and equipping of two new agricultural service centers in the Departments of Potosí and Tarija. As in the case of the Agriculture Sector I Project, these service centers will improve coordination through the location of all MACA departmental facilities in one building. The service centers will house the regional offices of INTA, the MACA seed, irrigation and soils departments, the Servicio Nacional de Desarrollo de la Comunidad, and BAB, as well as MACA's Departmental Director.

C. Financial Plan

An illustrative Summary Cost Estimate and Financial Plan is set out in Table 1.

Cuadro 1
Table 1

Resumen Estimado del Costo y Plan Financiero (en Miles de US\$)
Summary Cost Estimate and Financial Plan (\$ Thousand)

	A.	I.	D.	Contribución Local						
				Donación/ Grant			Préstamo/Loan			Bolivia
				M/E/FX	M/E/LC	Total	M/E/FX	M/E/LC	Total	M/E/LC
A Asistencia Técnica/Technical Assistance										
1. Largo Plazo/Long-term	1,850	-	-	280	-	280	1,850	-	-	-
2. Corto plazo/Short-term	-	-	-	-	-	-	-	-	-	1,850
B. Capacitación/Training										
1. En el Extranjero/Overs seas	-	295	-	-	295	295	-	-	-	295
a. Académica/Academic	-	115	-	-	115	115	-	-	-	115
b. No-Académica/Non-academic	-	-	-	-	-	-	50	-	50	50
2. En el país/In-country	-	1,355	-	-	1,355	1,355	-	-	-	1,355
C. Equipo y Vehículos/Equipment and Vehicles										
D Capital de Préstamo/Loan Capital										
1. Fondo Ordinario del FCPA/SRCP Regular Fund	-	3,500	3,500	3,500	3,500	3,500	1,200	-	-	1,200
2. Fondo para Desmonte del Terreno del FCPA/ SRCP Land Clearing Fund	-	1,225	1,225	2,450	2,450	2,450	-	-	-	4,700
E. Fondo Rotativo de Semillas/Seed Rotating Fund										
F. Administración/Administration										
G. Construcción/Construction										
Sub-Total	1,850	3,270	6,150	2,420	11,270	11,270	1,710	290	5,030	16,300
Inflación/Inflation (15%)	260	490	920	1,110	1,670	1,670	710	10	750	2,420
Contingencias/Contingency (%)	90	165	305	170	560	560	235	15	250	810
Total	2,200	3,925	7,375	11,300	13,500	13,500	315	6,030	19,530	-----
Porcentaje/Percent	=====	=====	=====	=====	=====	=====	69%	=====	31%	100%

El Cuadro 2 a continuación presenta el estimado actual de las contribuciones anuales del Gobierno de Bolivia al Proyecto:

Table 2 below presents the current estimate of annual contributions to the Project by Bolivia.

Cuadro 2
Table 2

Costos del Proyecto del Gobierno Boliviano (en Miles de US\$) 1/
GOB Project Costs (\$ Thousands) 1/

	Año Calendario/Calendar Year					<u>Total</u>
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	
<u>A. Gastos en Efectivo/Cash Outlays</u>						
1. Capacitación en el país/ In-country training	10	20	20	-	-	50
2. Capital de Préstamo/Loan Capital	170	205	240	275	310	1,200
3. Fondo Rotativo para Semillas/ Seed Rotating Fund	18	18	38	38	38	150
4. Sueldos al Personal/Personnel Salaries	242	392	424	477	452	1,987
5. Costos de Operación/Operating Costs	57	130	139	112	96	534
Subtotal Efectivo/Subtotal Cash	497	765	861	902	896	3,921
<u>B. Contribución "En Especie". "In-Kind" Contribution</u>						
1. Sueldos al Personal/Personnel Salaries	59	112	111	112	120	514
2. Costos de Operación/Operating Costs	36	66	66	68	69	305
Subtotal "En Especie" Subtotal "In-Kind"	95	178	177	180	189	819
Total	592	943	1,038	1,082	1,085	4,740
Inflación/Inflation (15%)						710
Contingencias/Contingency (5%)						235
Gran Total/Grand Total						5,685

1/ Incluye los costos del MACA y el BAB, pero no los costos de CODETAR.
Includes MACA and BAB, but not CODETAR costs. [Footnote in the original.]

PORUGAL
Basic Sanitation

*Agreement signed at Lisbon September 30, 1977;
Entered into force September 30, 1977.*

A.I.D. Loan Number: 150-K-010

Project Number: 150-0010

PROJECT

LOAN AGREEMENT

BETWEEN

PORtUGAL

AND THE

UNITED STATES OF AMERICA

FOR

BASIC SANITATION II

Dated: September 30, 1977

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Annex 1: Project Description

Attachment 1 to Annex 1: List of Construction Sub-Projects
Tentatively Approved

Attachment 2 to Annex 1: Estimated Financial Plan

A.I.D. Project No. 150-0010

Project Loan Agreement

Dated September 30, 1977

Between

Portugal ("Borrower")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

ARTICLE I

The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE II

The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of the construction

and placing in operation of approximately thirty-eight (38) water supply and/or sewerage handling systems, including sixteen (16) sewerage treatment plants, and the procurement of equipment and services for the basic sanitation sector.

Within the limits of the above definition of the Project, elements of the detailed description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

ARTICLE III

Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Twelve Million United States ("U.S.") dollars (\$12,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used to finance local currency costs, as defined in Section 7.1, and foreign exchange costs, as defined in Section 7.2, of goods and services required for the Project.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.2. Borrower Resources for the Project. The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

SECTION 3.3. Project Assistance Completion Date.

(a) The Project Assistance Completion Date ("PACD"), which is September 30, 1980, or such other date as the Parties agree to in writing, is the date by which the Parties estimate that all portions of the Project financed jointly by them on a Fixed Amount Reimbursement ("FAR") basis will have been completed, that any services financed under the Loan other than on a FAR basis will have been performed, and that any goods financed under the Loan other than on a FAR basis will have been furnished for the Project, as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for FAR portions of the Project completed subsequent to the PACD, or, in the case of portions of the Project financed under the Loan other than on a FAR basis, for services performed subsequent to the PACD or goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement , accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.2 no later than nine (9) months following the PACD, or other such period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE IV

Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of five percent (5%) per annum on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.4) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to

A.I.D. the Principal within twenty-five (25) years from the date of the first disbursement of the Loan in forty-one (41) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable four and one-half (4-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment.

All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Portugal, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made in accordance with Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, in accordance with Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in

the absence of mutual agreement, the negotiations will take place at the office of Borrower's Ministry of Foreign Affairs in Portugal.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE V

Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement for Equipment and Technical Assistance. Prior to the first disbursement under the Loan for equipment and technical assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Attorney General (Procurador Geral da República) of Portugal or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms; and

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and any

additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 5.2. First Disbursement for Construction Sub-Projects.

Prior to the first disbursement under this Loan for construction sub-projects, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower, except as the Parties may otherwise agree in writing, will have satisfied the conditions precedent in Section 5.1 and will furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A description of the arrangements, including the terms and conditions, under which disbursements under the Loan will be made available by the Borrower to the Borrower's Directorate General of Basic Sanitation ("DGSB") of the Ministry of Public Works and by the DGSB to any other institution, for implementation of the Project;

(b) A time-phased implementation plan for carrying out the Project, including construction schedules and a financial plan for the sub-projects identified in Annex 1;

(c) A description of standards, criteria and procedures under the Project for (i) selection and approval and (ii) contracting for construction and engineering services;

(d) Evidence that Borrower has established a segregated fund ("Project Fund") for financing sub-projects identified in Annex 1; and

(e) Evidence that the Borrower has taken steps to manage, coordinate, monitor, supervise and inspect adequately the sub-projects.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1. and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 and 5.2 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

ARTICLE VI

Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will

include, during the implementation of the Project:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Training. Borrower agrees to design and implement training programs and provide training facilities for the professional and sub-professional staffs in the basic sanitation sector.

ARTICLE VII

Procurement Source

SECTION 7.1. Local Currency Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing,

their origin, as defined in a Project Implementation Letter, in Portugal ("Local Currency Costs").

SECTION 7.2. Foreign Exchange Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing.

ARTICLE VIII

Disbursements

SECTION 8.1. Disbursement for Local Currency Costs. After satisfaction of conditions precedent, the Borrower may, from time to time, request disbursement by A.I.D. of United States dollars for the Project in accordance with the terms and conditions of this Agreement. The number of dollars to be disbursed shall be calculated at the time of each disbursement by dividing the number of Portuguese escudos which the Borrower and A.I.D. agree are eligible for reimbursement by the highest rate of exchange at which A.I.D. could legally have purchased escudos in Portugal on the day of disbursement.

SECTION 8.2. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower

may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests for reimbursement for such goods or services;

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by the Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan, unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other names as the Parties may agree to in writing.

SECTION 8.4. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur:

(a) in the case of disbursements pursuant to Section 8.1, on the date on which A.I.D. disburses United States dollars to the Borrower or its designee;

(b) in the case of disbursements pursuant to Section 8.2, on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract or purchase order.

ARTICLE IX

Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:**Mail address:**

Ministry of Finance
Rua da Alfândega
Lisboa 1, Portugal

Alternate address for cables:

Min Fin

To A.I.D.:**Mail address:**

A.I.D. Representative
United States Embassy
Avenida Duque de Loulé, 39
Lisboa, Portugal

Alternate address for telegrams:

American Embassy/Lisboa

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [¹] is attached to and forms part of this Agreement.

SECTION 9.4. Language of Agreement. This Agreement is prepared in both English and Portuguese. [²] In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the Borrower and the United States of

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

² This agreement was signed only in the English language.

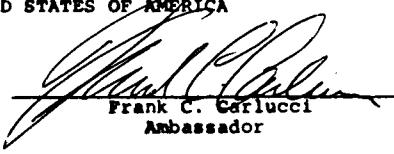
America, each acting through its duly authorized representative,
have caused this Agreement to be signed in their names and
delivered as of the day and year first above written.

PORTUGAL



Dr. Henrique de Medina Carreiro
Minister of Finance

UNITED STATES OF AMERICA



Frank C. Carlucci
Ambassador

ANNEX 1

Project Description

The "Project" consists of:

(a) constructing and placing in operation of approximately thirty-eight (38) water supply and/or sewerage handling systems, all with house connections, and treatment plants in rural areas or municipalities of greatest need in Portugal as mutually agreed between the Borrower and A.I.D. ("Construction Sub-Projects"). Four (4) water supply systems will be located in the Autonomous Region of the Açores, and three (3) will be located in the Autonomous Region of Madeira;

(b) the procurement and installation of approximately five hundred (500) chlorinators to permit chlorination at the source, when and if needed, in both A.I.D. and non-A.I.D.-financed water distribution systems; and

(c) the furnishing of technical consulting and training services and related supplies and equipment for the basic sanitation sector.

Identification of the specific water and sewerage sub-projects and sewerage treatment plants to be financed under the Loan shall be agreed upon by A.I.D. and the Borrower and set forth in Project Implementation Letters. Attachment 1 to this Annex is a list of sub-projects tentatively approved by the Parties hereto as eligible for inclusion under the

Loan.

Prior to the first disbursement of Loan funds for construction costs of each agreed-upon sub-project, A.I.D. will review designs, plans, specifications and cost estimates of each approved sub-project; and, following approval by A.I.D., the Parties hereto shall agree upon a fixed amount to be reimbursed to the Borrower from Loan funds for each approved sub-project. Said fixed amount shall represent not more than seventy-five percent (75%) of the reasonably firm-cost estimate of constructing the sub-project. Any substantial change or modification in approved designs, plans, and/or specifications of sub-projects shall be subject to A.I.D.'s review and approval.

The fixed amounts agreed to by the Parties shall be set forth in Project Implementation Letters and shall not be subject to upward or downward adjustment, except that, in the event that sufficient Loan funds are not available to finance the full amount agreed upon for a sub-project or sub-projects because of exchange rate fluctuations, reimbursement to the Borrower will be made to the extent that Loan proceeds are available for the sub-project or sub-projects. Conversely, A.I.D. may finance

additional facilities should the availability of loan funds permit.

Borrower shall have the right to request disbursement of Loan funds with respect to each approved sub-project when the following events have occurred:

- (a) 10% of the fixed amount as an advance when a construction contract for a sub-project has been executed;
- (b) 21.67% of the fixed amount when 25% of the work on a sub-project has been satisfactorily completed;
- (c) 21.67% of the fixed amount when 50% of the work on a sub-project has been satisfactorily completed;
- (d) 21.66% of the fixed amount when 75% of the work on a sub-project has been satisfactorily completed;
- (e) 15% of the fixed amount when 90% of the work on a sub-project has been satisfactorily completed;
- (f) Remaining 10% upon acceptance of the sub-project by A.I.D.

Acceptance of a sub-project shall take place upon

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completion of the sub-project identified in Attachment 1 hereto. Completion shall be construed as the satisfactory physical completion and satisfactory operation of the sub-project according to plans.

Attachment 2 to this Annex is the Financial Plan currently estimated for the activities comprising the Project, including the anticipated inputs by the Borrower and A.I.D. The amounts allocated for the various components are estimates only, and may be adjusted without amendment to this Agreement.

Attachment 1 to ANNEX 1

List of Construction Sub-Projects Tentatively Approved

District/Region	Concelho/Locality	Type of Sub-Project Water or Sewerage
Açores (Faial) (São Miguel) (São Miguel) (Santa Maria)	Horta	Water
	Nordeste	Water
	Povoação	Water
	Vila do Porto	Water
Aveiro	Castelo de Paiva	Water *
Beja	Almodovar	Sewerage *
	Odemira (São Teotónio)	Water
	Odemira (São Teotónio)	Sewerage
Braga	Vila Nova de Famalicão	Water
Bragança	Carrazeda de Anciães	Water *
	Mogadouro	Water
Castelo Branco	Belmonte (Belmonte)	Sewerage *
	Belmonte (Caria)	Sewerage *
	Belmonte (Colmeal)	Sewerage *
	Belmonte (Maçainhas)	Sewerage *
	Sertã	Sewerage *
Évora	Montemor-o-Novo	Water *
Lisboa	Mafra	Water
	Vila Franca de Xira	Sewerage
Madeira	Funchal (Funchal)	Water
	Funchal (Caminho do Lombo)	Water
	Santana	Water *
Portalegre	Elvas and Campo Maior	Water *
	Nisa (Arez)	Sewerage *
	Nisa (Monte Claro)	Water
Porto	Gondomar	Water
Santarém	Abrantes (Souto)	Water
	Abrantes (Abrantes)	Sewerage *
Setúbal	Palmela (Pinhal Novo)	Water
	Palmela (Pinhal Novo)	Sewerage
	Sesimbra	Water

District/Region	Concelho/Locality	Type of Sub-Project <u>Water or Sewerage</u>
Viana do Castelo	Melgaço	Water *
Vila Real	Alijó (Alijó) Alijó (Favaios) Valpaços (Carrazedo de Montenegro) Valpaços (Carrazedo de Montenegro)	Sewerage * Sewerage * Water Sewerage *
Viseu	São João da Pesqueira Mangualde and Nelas	Water Water

* Denotes sub-project with treatment component.

[Footnote in the original.]

Attachment 2 to ANNEX 1

ESTIMATED FINANCIAL PLAN

(in U.S. \$000)

Source	A.I.D.	Borrower	Total
Study/Design	-0-	685	685
Construction	11,250	3,751	15,001
Supervision/Monitoring	-0-	480	480
Technical Assistance	500	167	667
Chlorinator Equipment/ Installation	250	83	333
Total Project Cost	12,000	5,166	17,166

PEOPLE'S REPUBLIC OF BULGARIA

Fisheries off the United States Coasts

*Agreement signed at Washington December 17, 1976;
Entered into force February 28, 1977.
With agreed minute and related letter.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES

The Government of the United States of America and the Government of the People's Republic of Bulgaria

Considering their common concern for the rational management, conservation and optimum utilization of fish stocks off the coasts of the United States;

Acknowledging the fishery management authority of the United States as set forth in the Fishery Conservation and Management Act of 1976;[¹]

Having regard for the Third United Nations Conference on the Law of the Sea regarding coastal state rights over fisheries off its coasts; and

Desirous of establishing reasonable terms and conditions pertaining to fisheries of mutual concern over which the United States exercises fishery management authority;

Have agreed as follows:

Article I

The purpose of this Agreement is to ensure effective conservation, optimum utilization and rational management of the fisheries of mutual interest off the coasts of the United States and to establish a common understanding of the principles and procedures under which fishing may be conducted by nationals and vessels of the People's Republic of Bulgaria for the living resources over which the United States exercises fishery management authority as provided by United States law.

¹ 90 Stat. 331; 16 U.S.C. § 1801 note.

Article II

As used in this Agreement, the term

1. "living resources over which the United States exercises fishery management authority" means all fish within the fishery conservation zone of the United States, except highly migratory species, all anadromous species of fish that spawn in the fresh or estuarine waters of the United States and migrate to ocean waters, throughout their migratory range, and all living resources of the continental shelf appertaining to the United States;
2. "fish" means all finfish, molluscs, crustaceans, and other forms of marine animal and plant life, other than marine mammals, birds and highly migratory species;
3. "fishery" means
 - a. one or more stocks of fish that can be treated as a unit for purposes of conservation and management and that are identified on the basis of geographical, scientific, technical, recreational and economic characteristics; and
 - b. any fishing for such stocks;
4. "fishery conservation zone" means a zone contiguous to the territorial sea of the United States, the seaward boundary of which is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the breadth of the territorial sea of the United States is measured;
5. "fishing" means
 - a. the catching, taking or harvesting of fish;
 - b. the attempted catching, taking or harvesting of fish;
 - c. any other activity that can reasonably be expected to result in the catching, taking or harvesting of fish; or
 - d. any operations at sea directly in support of, or in preparation for, any activity described in sub-paragaphs a. through c. above, provided that such term does not include other legitimate uses of the high seas, including any scientific research activity conducted by a scientific research vessel;
6. "fishing vessel" means any vessel, boat, ship or other craft that is used for, equipped to be used for, or of a type that is normally used for
 - a. fishing; or
 - b. aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including preparation, supply, storage, refrigeration, transportation or processing;
7. "highly migratory species" means species of tuna which, in the course of their life cycle, spawn and migrate over great distances in waters of the ocean;
8. "marine mammals" means any mammal that is morphologically adapted to the marine environment, including sea otters and members

of the orders Sirenia, Pinnipedia, and Cetacea, or primarily inhabits the marine environment, such as polar bears.

Article III

1. The Government of the United States is willing to allow access for fishing vessels of the People's Republic of Bulgaria to harvest, in accordance with terms and conditions to be established in permits issued under Article VI, an allocation of that portion of the allowable catch for a specific fishery that will not be harvested by United States fishing vessels.

2. The Government of the United States shall determine each year, subject to such adjustments as may be necessitated by unforeseen circumstances affecting the state of the stocks;

- a. the total allowable catch for each fishery on the basis of the best available scientific evidence, including data provided by the People's Republic of Bulgaria and relevant international organizations, taking into account the interdependence of stocks, internationally accepted criteria, and all other relevant factors;
- b. the harvesting capacity of United States fishing vessels in respect of each fishery;
- c. the portion of the total allowable catch for a specific fishery that, on an annual basis, will not be harvested by United States fishing vessels; and
- d. the allocation of such portion that can be made available to qualifying fishing vessels of the People's Republic of Bulgaria.

3. In implementation of paragraph 2. d. of this Article, the United States shall determine each year the measures necessary to prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery.

4. The Government of the United States shall notify the Government of the People's Republic of Bulgaria of the determinations provided for by this Article on a timely basis.

Article IV

In determining the portion of the surplus that may be made available to vessels of the People's Republic of Bulgaria and other countries, the Government of the United States will promote the objective of optimum utilization, taking into account, *inter alia*, traditional fishing, if any, contributions to fishery research and the identification of stocks, previous cooperation in enforcement, previous cooperation with respect to conservation and management of fishery resources of mutual concern, and the need to minimize economic dislocation in cases where vessels have habitually fished for living resources over which the United States now exercises fishery management authority.

Article V

The Government of the People's Republic of Bulgaria shall take all necessary measures to ensure:

1. that nationals and vessels of the People's Republic of Bulgaria refrain from fishing for living resources over which the United States exercises fisheries management authority except as authorized pursuant to this Agreement;
2. that all such vessels so authorized comply with the provisions of permits issued pursuant to this Agreement and applicable laws of the United States; and
3. that the total allocation referred to in Article III, paragraph 2. d. of this Agreement is not exceeded for any fishery.

Article VI

The Government of the People's Republic of Bulgaria may submit an application to the Government of the United States for a permit for each Bulgarian fishing vessel that wishes to engage in fishing in the fishery conservation zone pursuant to this Agreement. Such application shall be prepared and processed in accordance with Annex I to this Agreement, which shall constitute an integral part of this Agreement. The Government of the United States may require the payment of reasonable fees for such permits.

Article VII

The Government of the People's Republic of Bulgaria shall ensure that nationals and vessels of the People's Republic of Bulgaria refrain from harassing, hunting, capturing, or killing, or attempting to harass, hunt, capture or kill, any marine animal within the United States fishery conservation zone, except as may be otherwise provided by an international agreement respecting marine mammals to which the United States is a party, or in accordance with specific authorization for and controls on incidental taking of marine mammals established by the Government of the United States.

Article VIII

The Government of the People's Republic of Bulgaria shall ensure that in the conduct of the fisheries under this Agreement:

1. the authorizing permit for each Bulgarian vessel is prominently displayed in the wheelhouse of such vessel;
2. appropriate position-fixing and identification equipment, as determined by the Government of the United States, is installed and maintained in working order on each such vessel;
3. designated United States observers are permitted to board, upon request, any such fishing vessel, and shall be accorded the equivalent rank of ship's officer while aboard such vessel, and, further, the Government of the United States shall be reimbursed for the costs incurred in the utilization of observers;

4. agents are appointed and maintained within the United States possessing the authority to receive and respond to any legal process issued in the United States with respect to a vessel owner or operator for any cause arising out of the conduct of fishing activities under this Agreement; and

5. all necessary measures are taken to ensure the prompt and adequate compensation of United States citizens for any loss of, or damage to, their fishing vessels, fishing gear or catch that is proximately caused by any fishing vessel of the People's Republic of Bulgaria as determined by applicable United States procedures.

Article IX

1. The Government of the People's Republic of Bulgaria shall take such measures as may be necessary to ensure that each Bulgarian vessel authorized to fish pursuant to this Agreement, and any other Bulgarian fishing vessel that engages in fishing for living resources subject to the fishery management authority of the United States, shall allow and assist the boarding and inspection of such vessel by any duly authorized enforcement official of the United States, and shall cooperate in such enforcement action as may be undertaken pursuant to the laws of the United States.

2. In cases of an enforcement action undertaken by the authorities of the Government of the United States concerning a vessel of the People's Republic of Bulgaria, notification shall be given promptly through diplomatic channels informing the Government of the People's Republic of Bulgaria of the action taken and of any penalties subsequently imposed.

Article X

1. The Government of the United States will impose appropriate penalties, in accordance with the laws of the United States, on Bulgarian vessels, or their owners or operators, that violate the requirements of this Agreement or of any permit issued hereunder.

2. Arrested vessels and their crews shall be promptly released, subject to such reasonable bond or other security as may be determined by the court.

3. The representatives of the United States will recommend to the court in any case arising out of fishing activities under this Agreement that the penalty for violation of fishery regulations not include imprisonment or any other form of corporal punishment.

Article XI

The Government of the People's Republic of Bulgaria undertakes to cooperate with the Government of the United States in the conduct of scientific research required for the purpose of managing and conserving living resources subject to the fishery management authority of the United States, including the compilation of best available scientific information for the management and conservation of stocks

of mutual concern. The competent agencies of the two Governments shall enter into such arrangements as may be necessary to facilitate such cooperation, including the exchange of information and scientists, regularly scheduled meetings between scientists to prepare research plans and review progress, and the implementation and maintenance of a standardized system for the collection and archiving of relevant statistical and biological information in accordance with the procedures in Annex II, which shall constitute an integral part of this Agreement.

Article XII

The Government of the United States and the Government of the People's Republic of Bulgaria shall carry out periodic bilateral consultations regarding the implementation of this Agreement and the development of further cooperation in the field of fisheries of mutual concern, including the establishment of appropriate multilateral organizations for the collection and analysis of scientific data respecting such fisheries.

Article XIII

The Government of the United States undertakes to authorize Bulgarian fishing vessels allowed to fish pursuant to this Agreement to enter designated ports in accordance with United States laws for the purpose of purchasing bait, supplies, or outfits, or effecting repairs, or for such other purposes as may be authorized.

Article XIV

Should the Government of the United States indicate to the Government of the People's Republic of Bulgaria that its nationals and vessels wish to engage in fishing in the fishery conservation zone of the People's Republic of Bulgaria or its equivalent, the Government of the People's Republic of Bulgaria will allow such fishing on the basis of reciprocity and on terms not more restrictive than those established in accordance with this Agreement.

Article XV

Nothing contained in the present Agreement shall affect or prejudice in any manner the positions of either Government with respect to the extent of internal waters, of the territorial sea, of the high seas, or of coastal state jurisdiction or authority for any purpose other than the conservation and management of fisheries.

Article XVI

1. This Agreement shall enter into force on a date to be mutually agreed by exchange of notes, upon the completion of the internal procedures of both Parties,^[1] and shall remain in force until July 1, 1983, unless extended by exchange of notes between the Parties. Notwithstanding the foregoing, either Party may terminate this

¹ Feb. 28, 1977.

Agreement after giving notification of such termination one year in advance.

2. This Agreement shall be subject to review by the two Governments two years after its entry into force or upon the conclusion of a multilateral treaty resulting from the Third United Nations Conference on the Law of the Sea.

IN WITNESS WHEREOF, the undersigned, being duly authorized for this purpose, have signed this Agreement.

DONE in Washington, December 17, 1976, in duplicate, in the English and Bulgarian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF
BULGARIA

ROZANNE L RIDGWAY

LUBOMIR POPOV

ANNEX I

Application and Permit Procedures

The following procedures shall govern the application for and issuance of annual permits authorizing Bulgarian vessels to engage in fishing for living resources over which the United States exercises fishery management authority:

1. The Government of the People's Republic of Bulgaria may submit an application to the Government of the United States for each Bulgarian fishing vessel that wishes to engage in fishing pursuant to this Agreement. Such application shall be made on forms provided by the Government of the United States for that purpose.
2. Any such application shall specify
 - a. the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner and operator thereof;
 - b. the tonnage, capacity, speed, processing equipment, type and quantity of fishing gear, and such other information relating to the fishing characteristics of the vessel as may be requested;
 - c. a specification of each fishery in which each vessel wishes to fish;
 - d. the amount of fish or tonnage of catch by species contemplated for each vessel during the time such permit is in force;
 - e. the ocean area in which, and the season or period during which, such fishing would be conducted; and
 - f. such other relevant information as may be requested, including desired transshipping areas.

3. The Government of the United States shall review each application, shall determine what conditions and restrictions related to fishery management and conservation may be needed, and what fee will be required. The Government of the United States shall inform the Government of the People's Republic of Bulgaria of such determinations.

4. The Government of the People's Republic of Bulgaria shall thereupon notify the Government of the United States of its acceptance or rejection of such conditions and restrictions and, in the case of a rejection, of its objections thereto.

5. Upon acceptance of the conditions and restrictions by the Government of the People's Republic of Bulgaria and the payment of any fees, the Government of the United States shall approve the application and issue a permit for each Bulgarian fishing vessel, which fishing vessel shall thereupon be authorized to fish in accordance with this Agreement and the terms and conditions set forth in the permit. Such permits shall be issued for a specific vessel and shall not be transferred.

6. In the event the Government of the People's Republic of Bulgaria notifies the United States of its objections to specific conditions and restrictions, the two Governments may consult with respect thereto and the Government of the People's Republic of Bulgaria may thereupon submit a revised application.

7. The procedures in this Annex may be amended by agreement through an exchange of notes between the two Governments.

ANNEX II

Data Collection and Reporting Requirements for Bulgarian Vessels

The reporting procedure described below is designed to contribute to continuing needs for assessment of the status of stocks. However, specific needs may develop from time to time which require a change in standard procedures, or additional data for special studies. Also, the pattern of fisheries will change. These aspects require that the procedures for reporting must be flexible enough to accommodate necessary changes. It also implies that some form of archiving of the basic data be developed so that retrieval at a later date in a different format from that specified below is possible.

All data described below for the Atlantic area shall be reported to the Director, Northeast Fisheries Center, National Marine Fisheries Service, Woods Hole, Massachusetts.

1. Statistical Information Requirements for Atlantic Fisheries

a. Catch and Effort: Three months after the close of each quarter, catch-effort statistics for twice-monthly time periods

for 30-minute square areas will be reported by vessel for the previous quarter. These will be reported using 30-minute square Statlant 21 B Forms or magnetic tape, computer cards or printouts for all species and gear types.

Vessel logbook data is to be available for selected, specific joint assessment studies. The collection of samples, specified in 2. below, should also be annotated in the logbook.

2. Procedures for Scientific Samples From Atlantic Fisheries

a. Length-age composition samples

(1) Samples will be taken separately for each gear type (e.g., bottom trawl, pelagic trawl, purse seine) and water layer (e.g., on the bottom, midwater level) combination every month for which fishing is pursued by 30-minute square areas throughout the agreement region. One sample will be taken for every 1,000 tons or fraction thereof within the above categories.

(2) Data to be recorded for each sample:

Vessel classification

Method of fishing; e.g., pelagic

Specific type of trawl including reference to its construction or actual scale drawing

Mesh sizes

Tonnage of the species sampled in the trawl haul

Total weight of the fish sampled

Time of day of haul

Date

Latitude and longitude of haul

(3) Sampling procedures

(a) Species for which the catch is sorted

(i) From a single net haul take 4 random aliquots of approximately 50 fish each. (For species with less than 200 fish in a single trawl haul accumulate samples over trawl hauls until approximately 200 fish are taken.)

(ii) Measure fork length for each fish to nearest cm, except for herring where the measurement will be the total length to the nearest cm below. Where other measurement systems are used, appropriate conversion information must be supplied.

(iii) Take a subsample of one fish from each cm interval and remove scales and otoliths as appropriate. Record the sex of mature individuals.

(b) Species for which catch is not sorted

(i) From a single trawl take 2 random aliquots of approximately 30 kilos each.

- (ii) Sort to individual species (for "river herring" this means sorting to alewife *Alosa pseudoharengus* and blueback *A. aestivalis*).
- (iii) Measure fork length for each fish to nearest cm, except for herring where the measurement will be the total length to the nearest cm below. Where other measurement systems are used, appropriate conversion information must be supplied.
- (iv) Take a subsample of one fish from each cm interval and remove scales and otoliths as appropriate. Record the sex of mature individuals.

b. Length-weight samples

Individuals of one sample of each principal species of fish (e.g., expected yearly catch in the area of agreement of 500 or more tons), per International Commission for the Northwest Atlantic Fisheries (ICNAF) Division per month, will be weighed in grams and measured in millimeters. Each sample will contain 10 fish per centimeter interval for the length range of fish and may be accumulated if necessary from small samples taken over several catches and days. With small fish, where weighing at sea of individuals is not accurate, appropriate numbers os fish of the same length class shall be weighed in aggregate. Sex shall be recorded for mature individuals.

3. Applicable data collection and reporting requirements for fisheries in areas other than the Atlantic will be provided as necessary by the United States.

4. The procedures in this Annex may be amended by agreement through an exchange of notes between the two Governments.

Agreed Minute

The representatives of the Government of the United States and the Government of the People's Republic of Bulgaria have agreed to record the following in connection with the Agreement Between the Government of the United States of America and the Government of the People's Republic of Bulgaria Concerning Fisheries off the Coasts of the United States:

With respect to Article XII of the Agreement, both representatives noted the desirability of cooperation among commercial fishing enterprises of the United States and the People's Republic of Bulgaria.

С П О Г О Д Б А

между Правителството на Съединените Американски Щати и Правителството на Народна Република България,
относно риболова по крайбрежието на Съединените Американски Щати

Правителството на Съединените Американски Щати и Правителството на Народна Република България,

Отчитайки тяхната взаимна заинтересованост от рационалното управление, съхранение и оптимално използване на рибните запаси пред крайбрежието на Съединените Американски Щати;

Признавайки пълномощията на Съединените Американски Щати по управлението на риболова, както е посочено в Закона за съхранение и управление на риболова от 1976 година.

Имайки предвид Третата конференция на ООН по морско право, относно правата на крайбрежните държави върху риболова пред техните крайбрежия;

Ръководени от желанието да установят разумни норми и условия, отнасящи се до риболова от взаимен интерес върху който Съединените Американски Щати упражняват пълномощия по управлението;

се съгласиха за следното:

ЧЛЕН I

Целта на тази спогодба е да осигури ефикасно съхранение, оптимална експлоатация и рационално управление на обектите на риболова от взаимен интерес пред крайбрежието на Съединените Американски Щати и да постигне взаимно разбиране, на принципите и процедурата, при която може да бъде провеждан риболов от лица и кораби на Народна Република България на живи ресурси, върху които Съединените Американски Щати упражнява пълномощия по управлението на риболова, както е предвидено в закона на Съединените Американски Щати.

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ЧЛЕН II

За целите на тази Спогодба определението:

1. "живи ресурси, върху които Съединените Американски Щати упражнява пълномощия по управлението на риболова", означава всички риби в риболовната охранителна зона на Съединените Американски Щати с изключение на далекомигриращите видове, всички анадромни видове риби, които мръстят в сладки или естuarни води на Съединените Американски Щати и мигрират в океански води през целия течен миграционен обхват и всички живи ресурси на континенталния шелф, прилежащ на Съединените Американски Щати.

2. "риба", означава всички перкови риби, мекотели и ракообразни и други форми на морския растителен и животински свят, с изключение на бозайници, птици и силномигриращи видове.

3. "риболовна дейност", означава

а. един или няколко запаса от риба, които могат да бъдат разглеждани като едно цяло, за целите на съхранението и управлението, и които са определени / идентифицирани / въз основа на своите географски, научни, технически, спортни и икономически характеристики; и

в. "риболова" на такива запаси.

4. "риболовна охранителна зона", означава зоната, прилежаща на териториалните води на Съединените Американски Щати, чията морска граница е линията, прекарана по такъв начин, че всяка точка от нея да отстои на 200 морски мили от базисната линия, от която се измерва ширината на териториалните води на Съединените Американски Щати;

5. "Риболоване", означава:

а. Ловене, изземване или събиране на риба,

в. опитите за ловене, изземване или събиране на риба

с. Всяка друга дейност, от която резонно може да се очаква, че ще доведе до ловене, изземване или събиране на риба; или

д. всякакви операции на море в помощ на, или в подготовкa за каквато и да е дейност, описана в подпараграфи от а. до с. по-горе, при условие, че този термин не включва друго използуване на откритите морета, включително всякакви научни изследвания, провеждани от научно-изследователски кораб.

б. "риболовен кораб", означава всеки кораб, лодка, параход или друг плавателен съд, използуван за, оборудван за да бъде използуван за, или от тип, нормално използуван за;

а. риболоване; или

б. подпомагане или вземане участие в операциите на един или повече кораби на море, при упражняване на всякакъв род дейности, отнасящи се до риболова, включително подготовката, снабдяването, складирането, замразяването, транспортирането или преработката;

7. "силно мигриращи видове" означава видове тунци, които през жизнения си цикъл се възпроизвеждат и мигрират на големи разстояния във водите на океана;

8. "морски бозайници" означава всяко млекопитаещо, което морфологически е пригодено към морската среда, включително морски видри и екземпляри от разредите сирения, пинипедия и цетация или населяващи предимно морската среда, каквито са белите мечки.

ЧЛЕН III

1. Правителството на Съединените Американски Щати желае да разреши на риболовни кораби на Народна Република България да ловят, в съответствие със нормите и условията, които ще бъдат посочени в разрешителните издавани съгласно член VI, разпределение / квота / от оази част на допустимия улов от определен запас, която няма да бъде добивна от корабите на Съединените Американски Щати.

2. Правителството на Съединените Американски Щати всяка година ще определя, като това ще е предмет на такива изменения, които могат да бъдат предизвикани по необходимост от непредвидени обстоятелства, отразяващи се върху състоянието на запасите;

a. общия допустим улов за всеки отделен запас, на базата на съществуващите най-добри научни данни, включително данните дадени от Народна Република България и съответни международни организации, като се вземат предвид взаимозависимостта на запасите, международно приети критерий и всички други релевантни фактори;

b. уловните възможности на риболовните кораби на Съединените Американски Щати по отношение на всеки отделен запас;

c. тази част от общия допустим улов, за специфичен запас, който на годишна основа няма да бъде облавян от риболовните кораби на Съединените Американски Щати; и

d. разпределението на такава част, която може да бъде предоставяна на кораби на Народна Република България, носещи разрешителни:

3. При прилагането на параграф 2 / d / на този член, Съединените Американски Щати ще определя всяка година необходимите мерки за избягване на свръхулова при постигане на трайна основа оптималния добив от всеки запас.

4. Правителството на Съединените Американски Щати ще известява своевременно правителството на Народна Република България за решениета, взети съгласно този член.

ЧЛЕН IV

При определяне частта от излишъка, която може да бъде предоставена на кораби на Народна Република България и други страни, прави-

тълството на Съединените Американски Щати ще се придържа към целта за оптимална експлоатация, вземайки предвид, между другото, традиционния риболов, ако има такъв, приноса на научното изследване и идентифицирането на рибните запаси, предишно сътрудничество при прилагането на международния контрол и предишното сътрудничество по отношение съхранението и управлението на рибните ресурси от взаимен интерес и необходимостта да се сведат до минимум икономическите затруднения в случаите, когато корабите обичайно са ловили живи ресурси, върху които сега Съединените Американски Щати упражняват пълномощия по управлението на риболова.

ЧЛЕН V

Правителството на Народна Република България ще предприеме всички необходими мерки за да осигури щото:

1. Лица и кораби на Народна Република България да се въздържат от риболов на живи ресурси, върху които Съединените Американски Щати упражняват пълномощия по управление на риболова, освен така както са упълномочени съгласно тази спогодба.
2. Всички такива оторизирани кораби ще спазват условията в разрешителните, издавани съгласно тази Спогодба и действуващите закони на Съединените Американски Щати.
3. Общата квота, посочена в член III, параграф 2 / d / на тази спогодба, да не бъде превишена за който и да е запас.

ЧЛЕН VI

Правителството на Народна Република България може да представи молби / заявления / пред правителството на Съединените Американски Щати за издаване на разрешителни на всеки български риболовен кораб, който възнамерява да риболовува в риболовната охранителна зона, съгласно тази

спогодба. Тези молби ще се подготвят и разработват съгласно приложение I на тази Спогодба, което съставлява неразделна част от тази спогодба. Правителството на Съединените Американски Щати може да изисква заплащане на разумни такси за такива разрешителни.

ЧЛЕН VII

Правителството на Народна Република България се задължава да забрани на лица и кораби от Народна Република България да безпокоят / заплашват /, ловят или убиват или да правят опити да безпокоят, ловят или убиват каквито и да са морски бозайници в риболовната охранителна зона на Съединените Американски Щати, освен ако се предвижда друго, съгласно някоя международна спогодба, касаеща морските бозайници, в която Съединените Американски Щати членува, или съгласно определено пълномощие за лов и контролиране на случайния лов на същите, предоставено от правителството на Съединените Американски Щати.

ЧЛЕН VIII

Правителството на Народна Република България ще осигури при провеждане на риболова, в съответствие с тази Спогодба:

1. Разрешителното за риболов за всеки български риболовен кораб да се поставя на видно място в командната рубка на кораба.
2. На всеки кораб да се монтира и поддържа в действие подходящо оборудване за фиксиране на местоположението и идентифициране, така, както е определено от правителството на Съединените Американски Щати.
3. Назначените от Съединените Американски Щати наблюдатели да бъдат допускани да се качват на борда на риболовните кораби, при поискване и да им бъде даван еквивалентния ранг от командния състав докато, са на борда на кораба, а на Правителството на Съединените Американски Щати да бъдат заплатени разходите, извършени във връзка с използването на наблюдателите;
4. Да бъдат назначени и да се осигури пребиваването на агенти в Съединените Американски Щати, които да притежават пълномощие да

получават и отговарят пред всеки юридически процес, свикан в Съединените Американски Щати спрямо корабособственик или капитан, за всеки инцидент, възникващ при провеждане на риболовната дейност, в съответствие с тази спогодба; и

5. Да се предприемат всички необходими мерки за осигуряване на бърза и адекватна компенсация за гражданите на Съединените Американски Щати, за всяка загуба или щета на техни риболовни кораби, риболовни уреди или улови, което е доказано, че е причинено от български риболовен кораб, както и определено от прилаганите в Съединените Американски Щати процедури.

ЧЛЕН IX

1. Правителството на Народна Република България ще вземе всички необходими мерки, за да осигури всеки български кораб, упълномощен да рибствува в съответствие с тази Спогодба, и всеки друг български риболовен кораб, зает в риболов на живи ресурси, предмет на пълномощията на Съединените Американски Щати по управлението на риболова, да разрешава и подпомага качването на борда и инспектирането на този кораб от всеки надлежно упълномощен служител по контрола на Съединените Американски Щати, както и да сътрудничи при такива контролни действия, които могат да бъдат предприети, в съответствие със законите на Съединените Американски Щати.

2. При случай на контролни действия, предприети от органи на правителството на Съединените Американски Щати, спрямо кораб на Народна Република България, веднага ще се изпраща съобщение по дипломатически път, с което правителството на Народна Република България ще бъде информирано за предприетите действия и за всички наложени в последствие наказания.

ЧЛЕН X

1. Правителството на Съединените Американски Щати ще налага съответни наказания, съгласно законите на Съединените Американски Щати на български кораби или техните собственици или капитани, които нарушиват изискванията на тази Спогодба или на всяко разрешително издадено съгласно изискванията на Спогодбата.

2. Арестуваните кораби и техните екипажи ще бъдат незабавно освобождавани след внасяне на такава полица или друга гаранция, каквато бъде определена от съда.

3. Представителите на Съединените Американски Щати ще дават препоръки на съда при всяко дело, възникващо от риболовната дейност в съответствие с тази спогодба, наказанието за нарушение на риболовните разпореждания да не включва лишаване от свобода или всяка друга форма на телесни наказания.

ЧЛЕН XI

Правителството на Народна Република България се задължава да сътрудничи с правителството на Съединените Американски Щати при провеждането на научни изследвания, необходими за управлението и съхранението на живите ресурси, предмет на пълномощията на Съединените Американски Щати на управлението на риболова, включително компилацията на най-добрата налична научна информация за управление и съхранение на запасите от взаимен интерес. Компетентните служби на двете правителства ще предприемат всички необходими мерки за подпомагане на такова сътрудничество, включително размяната на информация и научни работници, регулярно свикване на конференции на научните работници за подготвяне на изследователски планове и разглеждане на напредъка в работата, както и прилагане и поддържане на стандартизирана система за набиране и съхраняване на съответна статистическа и биологическа информация, в съответствие с процедурните правила на приложение II, което представлява неразделна част от тази Спогодба.

ЧЛЕН XII

Правителството на Съединените Американски Щати и правителството на Народна Република България се задължават да провеждат периодически двустранни консултации относно прилагането на тази Спогодба и развитието на бъдещото сътрудничество в областта на риболова от взаимен интерес, включително създаването на съответни многостранни организации за събиране и анализ на научните данни във връзка с риболова.

ЧЛЕН XIII

Правителството на Съединените Американски Щати се задължава да упълномощава български риболовни кораби, на които ще им бъде разрешено да риболовуват съгласно тази Спогодба, да влизат в определени пристанища в съответствие със законите на Съединените Американски Щати, със цел закупуване на стръв, продукти или снаряжения или за извършване на ремонт, или за други такива цели, за които могат да бъдат издадени пълномощия.

ЧЛЕН XIV

Ако правителството на Съединените Американски Щати уведоми правителството на Народна Република България, че американски граждани или кораби желаят да риболовуват в рибоохранителната зона на Народна Република България или нейния еквивалент, Правителството на Народна Република България ще разреши такъв риболов на базата на реципрочност и при условия, не по-ограничителни от тези установени в съответствие с настоящата спогодба.

ЧЛЕН XV

Настоящата Спогодба не накърнява позициите на двете Правителства относно обхвата на вътрешните води, териториалното море, откритите морета, или на юрисдикцията или пълномощията на крайбрежната държава за други цели освен съхраняването и управлението на риболова.

ЧЛЕН XVI

1. Тази Спогодба ще влезе в сила от датата, която ще бъде съвместно договорена чрез обмен на ноти, след приключване на вътрешните процедури на двете страни и ще остане в сила до 1 юли 1983 година, ако не бъде продължена чрез размяна на ноти. Настоящата спогодба може да бъде прекратена ако една от страните извести другата една година предварително.

2. Настоящата Спогодба подлежи на преразглеждане от двете правителства две години след влизането й в сила или след сключването на Многостранен договор / конвенция / като резултат от работата на третата международна конференция на ООН по морско право.

В уверение на което долуподписаните, съответно упълномощени за тази цел, подписаха настоящата Спогодба.

Извършено във Вашингтон на 17 декември 1976 година в два екземпляра на английски и български език, като двета текста имат еднаква сила.

ЗА ПРАВИТЕЛСТВО НА
СЪЕДИНЕННИТЕ АМЕРИКАНСКИ ЩАТИ

ЗА ПРАВИТЕЛСТВО НА
НАРОДНА РЕПУБЛИКА БЪЛГАРИЯ



ПРИЛОЖЕНИЕ I**Процедури за издаване на разрешителни**

Следните процедури ще ръководят молбата за, и издаването на годишните разрешителни, упълномощаващи български кораби да извършват риболов за живите ресурси, над които Съединените Американски Щати упражняват пълномощие по управление на риболова:

1. Правителството на Народна Република България може да представи пред Правителството на Съединените Американски Щати молба за всеки български риболовен кораб, който желае да извърши риболов в съответствие с тази Спогодба. Такава молба трябва да бъде направена по образци, представени от правителството на Съединените Американски Щати за тази цел.

2. Всяка такава молба трябва да определи:

a. Името, официалния номер или друга идентификация на всеки, риболовен кораб, за който се иска разрешително заедно с името и адреса на собственика и капитана;

b. Тонаха, вместимостта, скоростта, преработващите съоръжения, вида и количеството на риболовните уреди, както и други такива сведения, отнасящи се до риболовната характеристика на кораба, каквито могат да бъдат изискани;

c. Посочване на всеки запас, който корабът иска да улови;

d. Количество риба или тонаха на улова по видове, планирани за кораба; за времето, когато разрешителното ще е в сила;

e. Океанския район в който сезонна или периода през който ще се провежда този риболов; и

f. Всяка друга информация, каквато може да бъде изискана, включително желаните райони за трансбордиране.

3. Правителството на Съединените Американски Щати ще прегледа всяка молба, ще определи какви условия и ограничения, свързани с риболовното управление и охрана, ще бъдат необходими, а също и каква такса ще се изисква. Правителството на Съединените Американски Щати ще информира Правителството на Народна Република България относно решенията си.

4. Тогава, Правителството на Народна Република България ще уведоми Правителството на Съединените Американски Щати за приемането или отхвърлянето на тези условия и ограничения, и в случай на отхвърлянето им – за възраженията си.

5. При приемането на условията и ограниченията от Правителството на Народна Република България и заплащане на всички такси, Правителството на Съединените Американски Щати ще одобри молбата и ще издае разрешително за всеки български риболовен кораб, който кораб след това ще бъде упълномощен да риболовува в съответствие с тази Спогодба и с условията и положенията, изложени в разрешителното. Тези разрешителни ще бъдат издавани за отделен кораб и не могат да бъдат прехвърлени на друг.

6. В случай, че Правителството на Народна Република България уведоми Съединените Американски Щати за възраженията си относно специфични условия и ограничения, двете правителства могат да проведат консултации в тази връзка след което Правителството на Народна Република България може да представи ревизирана молба.

7. Процедурите в това приложение могат да бъдат изменени по споразумение чрез обмен на ноти между двете Правителства.

ПРИЛОЖЕНИЕ IIИзисквания за българския кораб, относно
събиране на данни и даване на сведения

Процедурата за даване на сведения, описана по-долу, е замислена с цел да съдействува на необходимостта от преценка на състоянието на запасите. Обаче специфичните потребности могат да се развиват, което изисква промяна в стандартните процедури, или допълнителни данни за специални проучвания. Ще се променя и структурата на риболова. Тези положения изискват процедурата за даване на сведения да бъде достатъчно гъвкава, за да се приспособи към необходимите промени. Освен това тя предполага, някои форми на получаване на основните данни да бъдат развити така, че да бъде възможно по-късното им възстановяване във формат различен от описания по-долу;

Всички данни, описани по-долу, за Атлантическата зона, трябва да се отчитат на Директора на адрес: Нортист Фишърис Сентър, Нашънъл Марин Фишърис Сервис, Уудс Хол, Масачузетс.

1. Изисквания за статистическата информация за атлантически риболов: улов и усилие: три месеца след приключване на всяко тримесечие от кораба да се отчитат статистическите данни за улова и усилието два пъти месечно в 30-минутни квадрати, за предишното тримесечие. Тези данни да се отчитат, като се използват статлант 21 Б формуляри за 30-минутни квадрати или магнитна лента, перфокарти или отпечатъци за всеки вид риба и тип риболовно оборудуване.

Данните от корабния дневник трябва да бъдат на разположение за специфични съвместни оценъчни проучвания. Събирането на проби, определени по-долу в точка 2 също да бъде отбелязано в корабния дневник.

2. Процедури за научните проби от Атлантически риболов:

а. Проби за дължина – възраст

/1/ Проби да се вземат отделно за всеки тип риболовно обрудване / т.е. дънен трал, гъргьри / и воден слой / т.е. от дъното, средноводно ниво и др. / за всеки месец, през който риболоването е провеждано чрез 30-минутни квадрати в целия договорен район. Една проба ще се взима на всеки 1000 т. или част от тях в рамките на горните категории.

/2/. Данни, които трябва да се записват за всяка проба:

Класификация на кораба

Метод на риболоване; например пелагичен

Определен тип трал, включително справка за конструкцията му или действителния машаб на чертежите.

Размери на очите

Тонаж на видовете, от които са взети пробы при траленето

Общо тегло на рибата за пробы

Време на деня, по което е проведено траленето

Дата

Координати на мястото на тралене

/3/ Вземане на пробы

а. Видове, на които улова е сортиран

/I/ от едно тралене вземете 4 произволни пробы от около 50 риби всяка. " / За видове; с по-малко от 200 риби в единично тралене, съберете пробы от няколко тралирания, докато се наберат около 200 риби/

/II/ измерете дължината до развилката до най-близкия см, с изключение на херингата, за която измерването ще включва пълната дължина до по-малкия см. Когато се използват други системи за измерване, да се даде подходящ коефициент за приравняване към посочения по-горе способ.

/III/ Вземете по една риба от всеки сантиметров интервал, снемете лъс spitite и отолитите, където е подходящо. Определете пола на зреите индивиди.

b. Видове, на които улова не е сортиран:

/I/ От едно тралене вземете 2 произволни пробы от по около 30 кг всяка.

/II/ сортирайте пробите по видове / за "речна херинга" означава да се сортират на ALOSA PSEUDOHARENGUS ,ALOSA AESTIVALIS.

/III/ измерете дължината до развилката до най-близкия см, с изключение на херингата, за която измерването ще включва пълната дължина до по-малкия см. Когато се използват други системи за измерване, да се даде подходящ коефициент за приравняване към посочения по-горе способ.

/IV/ Вземете по една риба от всеки сантиметров интервал снемете люспите и отолитите, където е подходящо. Определете пола на зрелите индивиди.

c. Проби дължина - тегло

Индивиди от една проба от всеки основен вид / например, очакван годишен улов в определен район - 500 или повече т./, по участъци на ИКНАФ, по месеци, ще се изтеглят в грамове и мерят в миллиметри. Всяка проба ще съдържа по 10 риби от всеки сантиметров интервал за размерния състав и ако е необходимо, може да се извежда от малобройни пробы от няколко тралования и дни. При дребна риба, когато определението на теглото на индивидите на море не е точно, определен подходящ брой риба от единакъв размерен клас / група / ще се претеглят общо. Да се фиксира / записва / пола на зрелите индивиди.

3. Изисквания за събиране и докладване на подходящи данни за риболова в други райони извън Антлантическия океан, ще се предоставяват от Съединените Американски Щати, където е необходимо.

4. Процедурата в това Приложение може да бъде изменена по споразумение чрез размяна на ноти между двете страни.

СЪГЛАСУВАН ПРОТОКОЛ

Представителите на Правителството на Съединените Американски Щати и Правителството на Народна Република България се съгласиха да отбележат следното във връзка със Спогодбата между Правителството на Съединените Американски Щати и Правителството на Народна Република България относно риболова пред бреговете на Съединените Американски Щати:

Относно член XII от Спогодбата, двамата представители отбележаха желателността за сътрудничество между стопански риболовни предприятия на Съединените Американски Щати и Народна Република България.

[RELATED LETTER]

DEPARTMENT OF STATE
WASHINGTON, D.C. 20520

DECEMBER 17, 1976

EXCELLENCY:

In Article XIII of the Agreement Concerning Fisheries off the Coast of the United States signed today between our two Governments, the United States undertook to authorize Bulgarian vessels which have been issued permits pursuant to the Agreement to enter designated ports beginning on the date of entry into force of the Agreement.

I wish to inform you that the Government of the United States will authorize the entry of such Bulgarian fishing, fishery research and fishing support vessels into the ports of: New York, Philadelphia, Boston and Baltimore.

Bulgarian vessels may enter the ports specified above to replenish ship's stores or fresh water, obtain bunkers, provide rest for or make changes in their crews, and to obtain repairs and other services normally provided in these ports.

Entry shall be permitted subject to notice to the United States Coast Guard, forwarded so as to be received four days in advance of the port entry using (1) Telex, using Telex number 89-2427, (2) TWX, using TWX number 710-822-1959, or (3) Western Union, using the address "U.S. Coast Guard Headquarters, 6th and D Streets, S.W., Washington, D.C." All such entries are subject to the applicable laws and regulations of the United States.

The Government of the United States of America at its Embassy in Sofia will accept crew lists in application for visas valid for a period of six months for multiple entry into the specified United States ports. Such a crew list shall be submitted at least 14 days prior to the first entry of a vessel into a port of the United States. Submission of an amended (supplemental) crew list subsequent to departure of a vessel from a Bulgarian port will also be subject to the provisions of this paragraph, provided that visas thereunder shall only be valid for six months from the date of issuance of the original crew list visa. Notification of entry shall specify if shore leave is requested under such multiple entry visa.

In cases where a Bulgarian seaman is evacuated from his vessel to the United States for the purpose of emergency medical treatment, the Bulgarian authorities will ensure that the seaman departs from the United States within 14 days after his release from the hospital. During the period that the seaman is in the United States, a representative of the Government of the People's Republic of Bulgaria will be responsible for him.

The exchange of Bulgarian vessel crews in the specified ports shall be permitted subject to submission to the United States Embassy in Sofia of applications for individual transit visas and crewman visas for

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replacement crewmen. Applications shall be submitted 14 days in advance of the date of the arrival of the crewmen in the United States and shall indicate the names, dates and places of birth, the purpose of the visit, the vessel to which assigned, and the modes and dates of arrival of all replacement crewmen. Individual passports or seaman's documents shall accompany each application. Subject to United States laws and regulations, the United States Embassy will affix transit and crewman visas to each passport or seaman's document before it is returned. In addition to the requirements above, a list of names, dates and places of birth of those crewmen to be paroled into the United States for repatriation to Bulgaria and the dates and manner of their departure from the United States, as well as the name of the vessel and date of its expected departure, shall be submitted to the Department of State 14 days in advance of the vessel's arrival.

Special provisions shall be made as necessary regarding the entry of Bulgarian research vessels which are engaged in a mutually agreed research program in accordance with the terms of Article XI of the Agreement. Requests for visits of fishery research vessels should be forwarded to the United States Department of State, Washington, D.C. through diplomatic channels.

Sincerely,

ROZANNE L RIDGWAY

Rozanne L. Ridgway
*Ambassador of the
United States of America
for Oceans and Fisheries
Affairs*

His Excellency

LIUBOMIR POPOV,
*Ambassador of the
People's Republic
of Bulgaria.*

FEDERAL REPUBLIC OF GERMANY

**Atomic Energy: Gas-Cooled Reactor Concepts
and Technology**

*Agreement signed at Bonn February 11, 1977;
Entered into force February 11, 1977.*

AGREEMENT BETWEEN THE UNITED STATES ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AND THE FEDERAL MINISTER FOR RESEARCH AND TECHNOLOGY OF THE FEDERAL REPUBLIC OF GERMANY IN THE FIELD OF GAS-COOLED REACTOR CONCEPTS AND TECHNOLOGY

The United States Energy Research and Development Administration (ERDA) and the Federal Minister for Research and Technology of the Federal Republic of Germany (BMFT), hereinafter called the Parties;

having a mutual interest in developing the High Temperature Gas-Cooled Reactor (HTR) and the Gas-Cooled Fast Breeder Reactor (GCFR), both types of reactors hereinafter referred to as Gas-Cooled Reactors (GCR);

recognizing the important roles of both ERDA and BMFT in such research and development;

believing that the solution to problems of obtaining energy from the GCR should also provide for an amelioration of environmental problems;

believing that the introduction and utilization of gas-cooled reactors should provide needed energy options;

and recognizing the need to establish procedures governing the protection of privileged information provided in connection with activities under this Agreement;

have agreed as follows:

ARTICLE 1

Cooperation between the Parties in the development of the GCR will be directed towards finding solutions to mutually agreed upon problems connected with the design, development, construction and operation of nuclear power systems utilizing GCR's, and to exchange information developed during the resolution of these problems. This cooperation may include: exchange of experience and results of theoretical, experimental and conceptual design programs, and agreed upon research and development projects. This cooperation may also lead to joint planning, construction, operation and utilization of experimental and demonstration type facilities, as may be agreed in the future. Cooperation between the two Parties will be on the basis of mutual benefit, equality and reciprocity.

ARTICLE 2

The areas of cooperation in the development of GCR's covered by this Agreement may include:

1. Development of GCR technology including work on fuels, graphites, materials, fission product and coolant technology, primary circuit components, pressure vessel and thermal barrier technology and design, construction and operation of prototype and demonstration plants.
2. HTR fuel recycle technology including work on reprocessing, refabrication, waste treatment and disposal, recycle fuel-element performance, engineering and economic studies and the design, construction, operation and utilization of associated test, pilot plant, experimental and demonstration type facilities.
3. HTR steam cycle (HTR-SC) technology including all related R&D work, components, design, construction and operation of test, prototype and demonstration facilities.
4. HTR direct cycle (HTR-DC) technology including work on the reactor and turbomachinery systems, fission product effects, reactor fuels, materials and components, design, construction and operation of test, prototype and demonstration facilities.
5. Very High Temperature Reactor and Process Heat (HTR-PH) technology including work on reactor fuels, materials, components, systems and chemical heat pipe technology, design, construction and operation of test, prototype and demonstration facilities.

6. Development of GCFR technology including related R&D work, components, fuel fabrication and testing, design, construction and operation of test, prototype and demonstration facilities.
7. Safety technology as it relates to all the gas-cooled reactor activities listed above.
8. Economic and environmental studies in the field of GCR's.

Other areas of cooperation may be added by mutual agreement.

ARTICLE 3

Cooperation in accordance with this Agreement may include but is not limited to the following forms:

1. Exchange of scientists, engineers and other specialists for participation in agreed to research, development, analysis, design and experimental activities conducted in scientific centers, laboratories, engineering offices and reactor facilities of each of the Parties or its contractors for agreed upon periods.
2. Exchange of samples, materials, instruments and components for testing; and exchange of scientific and technical information and results and methods of research and development.
3. The organization of seminars and other meetings on agreed to topics covering basic problems of research and development in the areas enumerated in Article 2, in a manner agreed to by the Joint Committee (Article 5).
4. Short visits by specialist teams or individuals to GCR facilities of the other Party.

Other specific forms of cooperation may be jointly agreed to by the Parties and approved by the Joint Committee (Articles 5 and 6).

ARTICLE 4

1. It is recognized by the Parties that there are organizational differences in their respective programs, and that BMFT may implement this Agreement through a GCR development company, which may also serve on behalf of BMFT as the focal point for communication and coordination for the ERDA/BMFT GCR research and technology exchange. ERDA may implement this Agreement, in whole or in part, through its contractors and subcontractors. In the event that any or all of the cooperative activities under this Agreement are implemented by a contractor, subcontractor or GCR development company, as contemplated above, such implementation shall in all respects be in accordance with the provisions of this Agreement.
2. Entities of other countries which become participants in the GCR program of the Federal Republic of Germany may then participate in this Agreement on terms to be agreed by the Parties.
3. BMFT and ERDA agree that the French CEA has the option to join this Agreement on terms to be agreed upon by the Parties.

ARTICLE 5

1. For the implementation of this Agreement, there is established a Joint ERDA/BMFT Committee on Cooperation in the Field of GCR's. This committee will implement, coordinate and review all aspects of this Agreement and, where necessary, make recommendations which each of the delegations will present to its Party covering specific means by which this Agreement shall be implemented.
2. The United States members of the Joint Committee shall be appointed by ERDA. The German members of the Joint Committee shall be appointed by BMFT. Each Party shall appoint the head of its delegation to the Joint Committee.
3. The Joint Committee will consist of ten members, five of which will be appointed by each of the Parties to this Agreement, meeting as agreed upon by the heads of the two delegations, at least once a year or at other times by agreement (alternately in the United States of America and in the Federal Republic of Germany) at an agreed to place. Each Party has the right to invite advisers as necessary. The head of the delegation of the receiving Party shall act as Chairman of the Joint Committee whenever it meets.
4. At least once a year, the Parties will provide the Joint Committee with a comprehensive review of GCR program status and plans which concern cooperation under this Agreement.

ARTICLE 6

1. Major new proposals for cooperation by either of the Parties would be reviewed, if deemed sufficiently important, by either the Joint Committee or by a joint ad hoc group appointed by the Joint Committee.
2. Where a cooperative program or project under this Agreement necessitates a formalized specific memorandum of agreement executed by both Parties, the specific agreement should cover all detailed provisions for implementing that agreement, including such matters as patents, exchange of equipment and information disclosure specific to the particular program or project.

ARTICLE 7

1. The Parties will exchange, as agreed on a mutually beneficial basis, scientific and technical information, documents and results of research and development related to work carried out under this Agreement. Such information will be limited to that which they have the right to disclose, either in their possession or available to them, from the technical areas described in Article 2.
2. Seminar proceedings and reports of joint programs carried out under this Agreement will be published as joint publications, as mutually agreed to by both Parties.
3. Both Parties agree that information developed or exchanged under this Agreement should be given wide distribution. Such information, except as noted in paragraphs 4 and 5, may be made available to the public by either Party through customary channels and in accordance with normal procedures of the Parties.
4. It is recognized by both Parties that in the process of exchanging information, or in the process of other cooperation, the Parties may provide to each other "industrial property of a proprietary nature". Such property, including trade secrets, inventions, patent information and know-how, made available hereunder, but acquired by either Party prior to, or outside, the course of those activities, and which bears a restrictive designation, shall be respected by the receiving Party and shall not be used for commercial purposes or made public without the consent of the transmitting

Party. Such property is defined as:

- a. Of a type customarily held in confidence by commercial firms;
 - b. Not generally known or publicly available from other sources;
 - c. Not having been made available previously by the transmitting Party or others without an agreement concerning its confidentiality; and
 - d. Not already in the possession of the receiving Party or its contractors.
5. Recognizing that "industrial property of a proprietary nature", as defined above, may be necessary for the conduct of a specific cooperative project or may be included in an exchange of information, such property shall be used only in the furtherance of GCR programs in the receiving country. Its dissemination will, unless otherwise mutually agreed upon, be limited as follows:
- a. To individuals within or employed by the receiving Party and to other concerned Government agencies and institutions of the receiving Party; and
 - b. To prime or subcontractors of the receiving Party for use only within the territory of the receiving Party and within the framework of their contract(s) with the respective Party engaged in work relating to the subject matter of the information so disseminated;

provided that the information disseminated to any person under subparagraphs a. or b. above shall bear a marking restricting dissemination outside the recipient's organization. Each Party will use its best efforts to ensure that the dissemination of information so marked is controlled as prescribed herein.

ARTICLE 8

The information exchanged under this Agreement shall be subject to the patent provisions in Article 10.

ARTICLE 9

The application or use of any information exchanged or transferred between the Parties under this Agreement shall be the responsibility of the Party receiving it, and the transmitting Party does not warrant the suitability of such information for any particular use or application.

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ARTICLE 10

1. With respect to any invention or discovery made or conceived in the course of or under this Agreement, if not agreed upon otherwise (especially under Article 6):
 - a. If made or conceived by personnel of one Party (the Assigning Party) or its contractors while assigned to the other Party (Recipient Party) or its contractors, in connection with exchanges of scientists, engineers and other specialists:
 - (1) The Recipient Party will acquire all right, title and interest in and to any such invention, discovery, patent application, or patent in its own country and in third countries; and
 - (2) The Assigning Party will acquire all right, title, and interest in and to any such invention, discovery, patent application, or patent in its own country.
 - b. If made or conceived by a Party or its contractors as a direct result of employing information which has been communicated to it under this Agreement by the other Party or its contractors or communicated during seminars or other joint meetings, the Party making the invention or discovery will acquire all right, title and interest in and to any such invention, discovery, patent application, or patent in all countries.

- c. With regard to other specific forms of cooperation, including exchanges of materials, instruments and equipment for special joint research projects, the Parties shall provide for appropriate distribution of rights to inventions resulting from such cooperation. In general, however, each Party should normally determine the rights to such inventions in its own country, and the rights to such inventions and discoveries in other countries should be agreed upon by the Parties on a equitable basis.
- d. It is understood that after the European Patent Conventions (Uebereinkommen ueber die Erteilung europaeischer Patente, Uebereinkommen ueber das europaeische Patent fuer den Gemeinsamen Markt) have come into force, either Party may request a modification of this paragraph 1 for the purpose of according equivalent rights as provided in subparagraphs 1.a. - c. above under the European Patent Conventions.
2. The Party owning a patent covering any invention or discovery referred to in paragraph 1 above shall license the patent to nationals or licensees of the other Party upon request of such other Party on non-discriminatory terms and conditions. At the time of such a request, the other Party will be informed of all licenses already granted under such patent.
3. Each Party waives any and all claims against the other Party for compensation, royalty or award as regards any invention, discovery, patent application, or patent, made or conceived under this Agreement, and releases

the other Party with respect to any and all such claims, including any claims under the provisions of the U.S. Atomic Energy Act of 1954, as amended,^[1] and the German Employees' Inventions Law (Arbeitnehmererfindergesetz) of July 25, 1957 (BGBI, 1957, Part I, page 756), as amended.

¹ 68 Stat. 919; 42 U.S.C. § 2011 *et seq.*

ARTICLE 11

1. By mutual agreement the sending Party may provide equipment to be utilized in joint projects and experiments. In such cases the sending Party shall supply as soon as possible a detailed list of the equipment to be provided together with the relevant specifications and technical and informational documentation.
2. The equipment and necessary spare parts supplied by the sending Party for use in joint projects and experiments shall remain its property and shall be returned to the sending Party upon completion of the joint project or experiment, unless otherwise agreed.
3. The above-mentioned equipment shall be brought into operation at the host establishment only by mutual agreement between the Parties or between their senior representatives at the host establishment.
4. The host establishment shall provide the necessary premises for the equipment and shall provide for electric power, water, gas, etc., in accordance with technical requirements which shall be mutually agreed upon.
5. The responsibility and expenses for the transport of equipment and materials from the United States of America by plane or ship to an authorized port of entry in the Federal Republic of Germany convenient to the ultimate destination and return, and also responsibility for their safekeeping and insurance en route shall rest with ERDA.

6. The responsibility and expenses for the transport of equipment and materials from the Federal Republic of Germany by plane or ship to an authorized port of entry in the United States of America convenient to the ultimate destination and return, and also responsibility for their safekeeping and insurance en route shall rest with the BMFT.
7. The equipment provided by the sending Party for carrying out joint projects or experiments will be considered to be scientific, not having a commercial character.

ARTICLE 12

1. Each Party shall ensure the selection of adequate staff with the skills and competence necessary to conduct agreed upon joint projects. In carrying out such joint projects, selected staff of both Parties shall be attached to the host establishment.
2. Each Party shall be responsible for the salaries, insurance and allowances to be paid to its personnel.
3. Each Party shall pay for the travel and living expenses of its personnel when staying at the establishment of the host Party unless otherwise agreed.
4. The host establishment shall arrange for comparable accommodations for the other Party's personnel and their families on a mutually agreeable reciprocal basis.
5. Each Party shall provide all necessary assistance to the specialists (and their families) of the other Party as regards administrative formalities (travel arrangements, etc.).
6. The personnel of each Party shall conform to the general rules of work and safety regulations in force at the host establishment.

ARTICLE 13

Both Parties agree that the following provisions shall apply concerning compensation for damages incurred during the implementation of joint projects. It is understood that such compensation will be in accordance with the laws of the country on whose territory damages will have been incurred, except as otherwise provided.

1. First and Second Party Damages

- a. Each Party shall alone be responsible for payment of compensation for damages suffered by its staff regardless of where the damages have been incurred, and will not bring suit or lodge any other claims against the other Party for damages to its property, except as noted, in subparagraphs 1.b and 1.c.
- b. If the damages suffered by the staff of one of the Parties are due to the gross negligence or intentional misconduct of the staff of the other Party, the latter shall reimburse the former an agreed sum of money which the former would be obliged to pay to the person or persons suffering the damages.
- c. If damages to the property of one Party are due to the gross negligence or intentional misconduct of the staff of the other Party, the latter shall compensate the former for the damages suffered.

2. Third Party Damages

a. Defective Equipment

Damages caused to the staff or property of a Third Party by defective equipment of a Party will be compensated for by the Party to which the equipment belongs, except as noted in subparagraph 2.c.

b. By Staff

Damages caused to the staff or property of a Third Party by the staff of a Party will be compensated for by the Party in whose territory the damages occurred, except as noted in subparagraph 2.c.

c. Gross Negligence or Intentional Misconduct

If damages referred to in subparagraphs 2.a. and 2.b. were due to the gross negligence or intentional misconduct of the staff of a Party, that Party will bear the financial responsibility in regard to the Third Party.

d. Damages by Third Party

In the event of damages of any kind caused by a Third Party to the staff or property of one or both of the Parties, each of the two contracting Parties, upon the request of the other Party, will render the other aid in the corroboration of claims on the Third Party.

e. Resolution of Questions

The Party on whose territory the damages were incurred will, in consultation with the other Party, take upon itself the resolution, with the Third Party, of

all questions connected with the determination of the causes, extent and necessity for compensation for damages incurred. Any such resolution shall have the concurrence of the other Party. After resolution of the matter, both Parties will decide, between themselves, the questions relating to compensation for damages incurred.

3. In the event of any dispute between the two Parties, a Committee shall be appointed by the Parties, with equal representation. The conclusions of the Committee will be presented to ERDA and BMFT who will review the conclusions and arrive at a mutual agreement concerning final disposition.
4. The foregoing provisions of this Article shall have no applicability to damages caused by a nuclear incident as defined by the laws of the Parties. Compensation for damage caused by such a nuclear incident shall be in accordance with the laws of the Parties.
5. Definitions
 - a. "Staff" of a Party means the employees of the Party, its contractors and subcontractors performing services under this Agreement, and employees of these contractor and subcontractors performing services under this Agreement.
 - b. "Equipment" or "Property" of a Party means the equipment or property owned by that Party, or by the contractor and subcontractors of that Party who perform services in connection with joint projects under this Agreement.

ARTICLE 14

1. The provisions of this Agreement shall not affect the rights or duties of the Parties hereto under other agreements or arrangements. This Agreement also in no way precludes commercial firms or other legally constituted enterprises in each of the two countries from engaging in commercial dealings in accordance with the applicable laws of each country; nor does it preclude the Parties from engaging in activities with other Governments or persons except that industrial property of a proprietary nature will have limited distribution as set forth in Article 7, paragraphs 4 and 5, of this Agreement. Moreover, it is expected that the present Agreement should facilitate industrial and commercial exchanges in the field of GCR between the firms of the countries of the Parties with a view to mutual benefits from such exchanges for both countries.
2. ERDA and BMFT will act as the point of coordination for contracts and arrangements between commercial firms of the United States of America and the Federal Republic of Germany when such firms act on behalf of their respective governments under the terms of this Agreement. It is understood that all such contracts and arrangements shall conform with applicable laws and regulations of the Parties. BMFT has a right to designate a GCR development company as stated in Article 4. ERDA has a right to implement this Agreement, in whole or in part, through its industrial contractors and subcontractors, as stated in Article 4.

ARTICLE 15

Cooperation under this Agreement shall be in accordance with laws and regulations of the respective countries. All questions related to the Agreement arising during its term shall be settled by the Parties by mutual agreement.

ARTICLE 16

Each Party shall bear the costs of its participation in the activities under this Agreement. It is understood that the ability of the Parties to carry out their obligations is subject to the availability of appropriated funds.

ARTICLE 17

This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the United States of America within three months from the date of entry into force of this Agreement.

ARTICLE 18

1. This Agreement shall enter into force upon signature, shall continue for a ten-year period and shall be extendable by mutual consent. The implementation of, and progress under, this Agreement may be subject to annual review by the Parties.
2. This Agreement may be terminated at any time at the discretion of either Party, upon one year's advance notification in writing by the Party seeking to terminate the Agreement. Such termination shall be without prejudice to the rights which may have accrued under this Agreement to either Party up to the date of such termination.
3. In the event that during the period of this Agreement, the nature of either Party's GCR program should change substantially, whether this be by substantial expansion, reduction, transformation or amalgamation of major elements with the GCR Program of a Third Party, either Party shall have the right to request revisions in the scope and/or terms of this Agreement.
4. All joint efforts and experiments not completed at the termination of the Agreement will be continued with their completion under terms of this Agreement.

Done at Bonn in duplicate in the English and German languages,
each text being equally authentic,
this 11th day of February 1977.

Walter Stoessel

[¹]

For The United States
Energy Research and
Development Administration

Hans Matthöfer

[²]

The Federal Minister for
Research and Technology
of the Federal Republic
of Germany

¹ Walter J. Stoessel, Jr.
² Hans Matthöfer

Vereinbarung
zwischen dem Bundesminister für Forschung und Technologie
der Bundesrepublik Deutschland

und der Energy Research and Development Administration
der Vereinigten Staaten von Amerika

auf dem Gebiet der
Konzepte und Technologie für gasgekühlte Reaktoren

TIAS 9046

Der Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland (BMFT) und die Energy Research and Development Administration der Vereinigten Staaten von Amerika (ERDA), im folgenden als Vertragsparteien bezeichnet -

im Hinblick auf ihr gemeinsames Interesse an der Entwicklung des gasgekühlten Hochtemperaturreaktors (HTR) und des gasgekühlten Schnellen Brutreaktors (GCFR), im folgenden als gasgekühlte Reaktoren (GCR) bezeichnet;

in Erkenntnis des wichtigen Beitrags des BMFT und der ERDA zu dieser Forschung und Entwicklung;

in der Überzeugung, daß eine Lösung der Probleme der Energiegewinnung mit Hilfe des GCR auch eine Linderung der Umweltprobleme mit sich bringen dürfte;

in der Überzeugung, daß die Einführung und Verwendung gasgekühlter Reaktoren benötigte alternative Energiequellen liefern dürfte;

in Erkenntnis der Notwendigkeit, Verfahren zum Schutz bevorrechtigter Informationen einzuführen, die im Zusammenhang mit Tätigkeiten im Rahmen dieser Vereinbarung zur Verfügung gestellt werden -

sind wie folgt übereingekommen:

Artikel 1

Die Zusammenarbeit zwischen den Vertragsparteien bei der Entwicklung des gasgekühlten Reaktors dient der Suche nach Lösungen für gemeinsam ausgewählte Probleme im Zusammenhang mit der Projektierung, der Entwicklung, der Errichtung und dem Betrieb von Kernenergiesystemen unter Verwendung gasgekühlter Reaktoren und dem Austausch von im Zuge der Lösung dieser Probleme entwickelten Informationen. Diese Zusammenarbeit kann sich auch auf den Austausch von Erfahrungen und Ergebnissen aus theoretischen und experimentellen Programmen und Konzeptstudien sowie auf beschlossene Forschungs- und Entwicklungsvorhaben erstrecken. Diese Zusammenarbeit kann auch zur gemeinsamen Planung, Errichtung und Nutzung sowie zum gemeinsamen Betrieb von Versuchs- und Demonstrationsanlagen führen, wie sie etwa künftig vereinbart werden. Die Zusammenarbeit zwischen den beiden Vertragsparteien erfolgt auf der Grundlage des beiderseitigen Nutzens, der Gleichberechtigung und der Gegenseitigkeit.

Artikel 2

Die Zusammenarbeit bei der Entwicklung gasgekühlter Reaktoren (GCR) im Rahmen dieser Vereinbarung kann folgende Bereiche umfassen:

1. Entwicklung der GCR-Technologie einschließlich Arbeiten auf den Gebieten Brennstoffe, Graphite, Werkstoffe, Spaltprodukt- und Kühlmitteltechnologie, Reaktorkomponenten, Technologie der Druckgefäße und der thermischen Isolierung sowie Projektierung, Errichtung und Betrieb von Prototyp- und Demonstrationsanlagen;
2. Technologie der HTR-Brennstoffrückführung einschließlich Arbeiten auf den Gebieten Wiederaufarbeitung, Refabrikation, Abfallbehandlung und -lagerung, Leistung der rückgeführten Brennelemente, technische und wirtschaftliche Untersuchungen sowie Projektierung, Errichtung und Betrieb entsprechender Test-, Modell- sowie Versuchs- und Demonstrationsanlagen;
3. Technologie des HTR-Dampfkreislaufs (HTR-SC) einschließlich aller damit zusammenhängender Forschungs- und Entwicklungsarbeiten, Komponenten sowie Projektierung, Errichtung und Betrieb von Test-, Prototyp- und Demonstrationsanlagen;
4. Technologie des HTR-Direktkreislaufs (HTR-DC) einschließlich Arbeiten auf den Gebieten Reaktor- und Turbogruppen, Spaltproduktwirkungen, Reaktorbrennstoffe, Werkstoffe, Komponenten sowie Projektierung, Errichtung und Betrieb von Test-, Prototyp- und Demonstrationsanlagen;
5. Technologie der Reaktoren für sehr hohe Temperaturen zur Erzeugung von Prozeßwärme (HTR-PH) einschließlich Arbeiten auf den Gebieten Reaktorbrennstoffe, Werkstoffe, Komponenten, Systeme, Technologie der chemischen "heat pipe" sowie Projektierung, Errichtung und Betrieb entsprechender Test-, Prototyp- und Demonstrationsanlagen;

6. Entwicklung der Technologie der gasgekühlten Schnellen Brutreaktoren (GCFR) einschließlich der damit zusammenhängenden Forschungs- und Entwicklungsarbeiten, Komponenten, Brennstoffherstellung und -erprobung sowie Projektierung, Errichtung und Betrieb von Test-, Prototyp- und Demonstrationsanlagen;
7. Sicherheitstechnologie, soweit sie sich auf alle eben aufgeführten Tätigkeiten auf dem Gebiet der gasgekühlten Reaktoren bezieht;
8. Wirtschaftlichkeits- und Umweltschutzuntersuchungen für gasgekühlte Reaktoren.

Die Zusammenarbeit kann in gegenseitigem Einvernehmen auf weitere Bereiche ausgedehnt werden.

Artikel 3

Die Zusammenarbeit nach Maßgabe dieser Vereinbarung kann folgende Formen umfassen, braucht sich jedoch nicht darauf zu beschränken:

1. Austausch von Wissenschaftlern, Ingenieuren und anderen Spezialisten zur Beteiligung an vereinbarten Forschungs-, Entwicklungs-, Analyse-, Projektierungs- und Versuchstätigkeiten in wissenschaftlichen Zentren, Laboratorien, Ingenieurbüros und Reaktoranlagen der beiden Vertragsparteien oder ihrer Auftragnehmer für einen jeweils vereinbarten Zeitraum;
2. Austausch von Proben, Werkstoffen, Geräten und Komponenten für Testzwecke und Austausch wissenschaftlicher und technischer Informationen sowie der Ergebnisse und Methoden der Forschung und Entwicklung;
3. Veranstaltung von Seminaren und anderen Tagungen über vereinbarte Themen im Bereich grundlegender Forschungs- und Entwicklungsprobleme in den in Artikel 2 aufgeführten Bereichen gemäß den vom Gemeinsamen Ausschuß vereinbarten Modalitäten (Artikel 5);
4. Kurzbesuche von Spezialistenteams oder Einzelpersonen in den GCR-Anlagen der anderen Vertragspartei.

Andere spezifische Formen der Zusammenarbeit können von den Vertragsparteien vereinbart und vom Gemeinsamen Ausschuß gebilligt werden (Artikel 5 und 6).

Artikel 4

- (1) Es wird von den Vertragsparteien anerkannt, daß ihre jeweiligen Programme sich in organisatorischer Hinsicht unterscheiden und daß der BMFT die unmittelbare Durchführung dieser Vereinbarung einer GCR-Entwicklungsgesellschaft übertragen kann, die auch für den BMFT als zentrale Kommunikations- und Koordinierungsstelle für den Forschungs- und Technologieaustausch zwischen BMFT und ERDA auf dem Gebiet der gasgekühlten Reaktoren dienen kann. Die ERDA kann die unmittelbare Durchführung dieser Vereinbarung ganz oder teilweise ihren Auftragnehmern oder Unterauftragnehmern übertragen. Für den Fall, daß die Durchführung einiger oder aller gemeinschaftlichen Tätigkeiten im Rahmen dieser Vereinbarung wie oben erwogen einem Auftragnehmer, einem Unterauftragnehmer oder einer GCR-Entwicklungsgesellschaft übertragen wird, muß die Durchführung in jeder Hinsicht in Übereinstimmung mit dieser Vereinbarung erfolgen.
- (2) Juristische Personen anderer Länder, die sich an dem GCR-Programm der Bundesrepublik Deutschland beteiligen, dürfen dann zu von den Vertragsparteien zu vereinbarenden Bedingungen an dieser Vereinbarung teilnehmen.
- (3) BMFT und ERDA kommen überein, daß das französische CEA die Wahl hat, sich dieser Vereinbarung zu von den Vertragsparteien zu vereinbarenden Bedingungen anzuschließen.

Artikel 5

- (1) Zur Durchführung dieser Vereinbarung wird ein Gemeinsamer BMFT/ERDA-Ausschuß für die Zusammenarbeit auf dem Gebiet der gasgekühlten Reaktoren gebildet. Dieser Ausschuß sorgt für die Durchführung, Koordinierung und Überprüfung aller Aspekte dieser Vereinbarung und gibt erforderlichenfalls Empfehlungen, die jede der Delegationen ihrer Vertragspartei vorlegt, in bezug auf spezifische Maßnahmen zur Durchführung der Vereinbarung ab.
- (2) Die Mitglieder des Gemeinsamen Ausschusses aus den Vereinigten Staaten werden von der ERDA ernannt. Die deutschen Mitglieder des Gemeinsamen Ausschusses werden vom BMFT ernannt. Jede Vertragspartei ernennt den Leiter ihrer Delegation im Gemeinsamen Ausschuß.
- (3) Der Gemeinsame Ausschuß besteht aus zehn Mitgliedern, von denen jeweils fünf von einer der beiden Vertragsparteien ernannt werden; diese tagen nach Absprache zwischen den beiden Delegationsleitern mindestens einmal jährlich oder einvernehmlich zu anderen Zeiten (abwechselnd in der Bundesrepublik Deutschland und in den Vereinigten Staaten von Amerika) an einem zu vereinbarenden Ort. Jede Vertragspartei hat das Recht, nach Bedarf Berater einzuladen. Der Delegationsleiter der gastgebenden Vertragspartei führt den Vorsitz bei Sitzungen des Gemeinsamen Ausschusses.
- (4) Mindestens einmal im Jahr legen die Vertragsparteien dem Gemeinsamen Ausschuß einen umfassenden Bericht über Stand und Planung des GCR-Programms vor, soweit sie die Zusammenarbeit im Rahmen dieser Vereinbarung betreffen.

Artikel 6

- (1) Wichtige neue Vorschläge der Vertragsparteien für die Zusammenarbeit werden, sofern sie als wichtig genug erachtet werden, entweder durch den Gemeinsamen Ausschuß oder durch eine vom Gemeinsamen Ausschuß bestellte gemeinsame ad hoc-Gruppe geprüft.
- (2) Soweit ein Programm oder Vorhaben der Zusammenarbeit im Rahmen dieser Vereinbarung eine besondere förmliche Vereinbarung zwischen den Vertragsparteien erfordert, soll diese besondere Vereinbarung alle Einzelbestimmungen über ihre Durchführung einschließlich Angelegenheiten wie Patente, Austausch von Ausrüstungsgegenständen und Weitergabe von Informationen in bezug auf das jeweilige Programm oder Vorhaben regeln.

Artikel 7

- (1) Die Vertragsparteien tauschen vereinbarungsgemäß zum beiderseitigen Nutzen wissenschaftliche und technische Informationsunterlagen sowie Forschungs- und Entwicklungsergebnisse in bezug auf die im Rahmen dieser Vereinbarung durchgeföhrten Tätigkeiten aus. Derartige Informationen sind auf diejenigen in ihrem Besitz befindlichen oder ihnen zugänglichen Informationen aus den in Artikel 2 bezeichneten Fachbereichen beschränkt, zu deren Preisgabe sie berechtigt sind.
- (2) Seminarprotokolle und Berichte über gemeinsame Programme im Rahmen dieser Vereinbarung werden nach Absprache zwischen beiden Vertragsparteien als gemeinsame Veröffentlichungen herausgegeben.
- (3) Beide Vertragsparteien stimmen darin überein, daß im Rahmen dieser Vereinbarung erarbeitete oder ausgetauschte Informationen einem großen Kreis zugänglich gemacht werden sollten. Sofern in den Absätzen 4 und 5 nichts anderes bestimmt ist, können derartige Informationen der Öffentlichkeit von jeder der beiden Vertragsparteien auf dem üblichen Weg und in Übereinstimmung mit den üblichen Verfahren der Vertragsparteien zugänglich gemacht werden.
- (4) Die Vertragsparteien sind sich der Tatsache bewußt, daß sie im Verlauf des Informationsaustausches oder der sonstigen Zusammenarbeit einander möglicherweise "rechtlich geschütztes gewerbliches Eigentum" zur Verfügung stellen. Derartiges Eigentum, einschließlich Betriebsgeheimnisse, Erfindungen, Patentinformationen und Know-how, das im Rahmen dieser Vereinbarung zur Verfügung gestellt wird, aber durch eine der beiden Vertragsparteien vor Beginn oder außerhalb dieser Tätigkeiten erworben wurde und mit einem seine Weitergabe einschränkenden Vermerk gekennzeichnet ist, wird von der empfangenden Vertragspartei berücksichtigt und darf nicht für gewerbliche Zwecke verwendet oder ohne Zustimmung der übermittelnden Vertragspartei veröffentlicht werden. Als derartiges Eigentum gilt Eigentum,

- a) das seiner Art nach von Handelsfirmen üblicherweise vertraulich behandelt wird,
 - b) das nicht allgemein bekannt oder öffentlich aus anderen Quellen zugänglich ist,
 - c) das nicht zuvor von der übermittelnden Vertragspartei oder von anderen ohne vorherige Vereinbarung hinsichtlich der Vertraulichkeit zugänglich gemacht wurde
- und
- d) das sich nicht bereits im Besitz der empfangenden Vertragspartei oder ihrer Auftragnehmer befindet.
- (5) Da "rechtlich geschütztes gewerbliches Eigentum" im obigen Sinne möglicherweise zur Durchführung eines bestimmten Vorhabens der Zusammenarbeit erforderlich ist oder in einen Informationsaustausch miteinbezogen wird, soll derartiges Eigentum nur zur Förderung der GCR-Programme in dem empfangenden Land verwendet werden. Seine Weitergabe wird, soweit nicht etwas anderes vereinbart wird, beschränkt
- a) auf natürliche Personen, die sich innerhalb der empfangenden Vertragspartei befinden oder von ihr beschäftigt werden, sowie auf andere beteiligte staatliche Stellen und Einrichtungen der empfangenden Vertragspartei und
 - b) auf Haupt- und Unterauftragnehmer der empfangenden Vertragspartei zur ausschließlichen Verwendung im Hoheitsgebiet der empfangenden Vertragspartei und im Rahmen ihres Vertrags (ihrer Verträge) mit der betreffenden Vertragspartei, die Arbeiten im Zusammenhang mit dem Gegenstand der auf diese Weise weitergegebenen Informationen durchführt,
- mit der Maßgabe, daß die nach Buchstabe a oder b an irgend eine Person weitergegebenen Informationen mit einem Vermerk

gekennzeichnet werden, der die Verbreitung außerhalb der Organisation des Empfängers beschränkt. Jede Vertragspartei wird alle Anstrengungen unternehmen, um sicherzustellen, daß die Weitergabe von so gekennzeichneten Informationen entsprechend dieser Vorschrift beschränkt wird.

Artikel 8

Die auf Grund dieser Vereinbarung ausgetauschten Informationen unterliegen den Regelungen betreffend Patente in Artikel 10.

Artikel 9

Die empfangende Vertragspartei ist für die Anwendung oder Verwendung einer zwischen den Vertragsparteien auf Grund dieser Vereinbarung ausgetauschten oder übermittelten Information verantwortlich, und die übermittelnde Vertragspartei übernimmt keine Gewähr dafür, daß diese Information für eine bestimmte Verwendung oder Anwendung geeignet ist.

Artikel 10

- (1) Für jede während der Laufzeit oder im Rahmen dieser Vereinbarung gemachte oder konzipierte Erfindung oder Entdeckung gilt folgendes, falls nicht etwas anderes (insbesondere nach Artikel 6) vereinbart wird:
- a) Sofern sie vom Personal einer Vertragspartei (der abordnenden Vertragspartei) oder ihren Auftragnehmern während der Abordnung zur anderen Vertragspartei (der empfangenden Vertragspartei) oder ihren Auftragnehmern im Zusammenhang mit dem Austausch von Wissenschaftlern, Ingenieuren und anderen Spezialisten gemacht oder konzipiert wurde,
1. erwirbt die empfangende Vertragspartei sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, der Entdeckung, der Patentanmeldung oder dem Patent in ihrem Land und in Drittländern und
 2. erwirbt die abordnende Vertragspartei sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, der Entdeckung, der Patentanmeldung oder dem Patent in ihrem Land.
- b) Sofern die Erfindung oder Entdeckung von einer Vertragspartei oder ihren Auftragnehmern als unmittelbares Ergebnis der Verwendung von Informationen, die ihr auf Grund dieser Vereinbarung durch die andere Vertragspartei oder ihre Auftragnehmer oder während eines Seminars oder einer anderen gemeinsamen Tagung mitgeteilt wurden, gemacht oder konzipiert wurde, erwirbt die Vertragspartei, welche die Erfindung oder Entdeckung gemacht hat, sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, der Entdeckung, der Patentanmeldung oder dem Patent in allen Ländern.
- c) In bezug auf andere besondere Formen der Zusammenarbeit einschließlich des Austausches von Werkstoffen, Geräten und Ausrüstungsgegenständen für besondere gemeinsame

Forschungsvorhaben sorgen die Vertragsparteien für eine angemessene Aufteilung der Rechte an Erfindungen, die sich aus dieser Zusammenarbeit ergeben. Im allgemeinen soll jedoch jede Vertragspartei über die Rechte an derartigen Erfindungen in ihrem Land verfügen, und über die Rechte an derartigen Erfindungen und Entdeckungen in anderen Ländern sollen die Vertragsparteien auf der Grundlage der Billigkeit einvernehmlich verfügen.

- d) Es gilt als vereinbart, daß jede Vertragspartei nach Inkrafttreten der Europäischen Patentübereinkommen (Übereinkommen über die Erteilung europäischer Patente; Übereinkommen über das europäische Patent für den Gemeinsamen Markt) eine Änderung dieses Absatzes 1 beantragen kann, damit im Rahmen der Europäischen Patentübereinkommen Rechte eingeräumt werden, die den unter den Buchstaben a bis c gewährten Rechten entsprechen.
- (2) Eine Vertragspartei, die ein Patent auf eine in Absatz 1 genannte Erfindung oder Entdeckung besitzt, erteilt Staatsangehörigen oder Lizenznehmern der anderen Vertragspartei auf Antrag dieser anderen Vertragspartei eine Lizenz auf das Patent zu nichtdiskriminierenden Bedingungen. Zum Zeitpunkt eines solchen Antrags wird die andere Vertragspartei über alle bereits auf das Patent gewährten Lizenzen unterrichtet.
- (3) Jede Vertragspartei verzichtet auf alle Ansprüche auf Vergütung, Gebühren oder Entschädigung gegen die andere Vertragspartei in bezug auf Erfindungen, Entdeckungen, Patentanmeldungen oder Patente, die im Rahmen dieser Vereinbarung gemacht oder konzipiert wurden, und stellt die andere Vertragspartei von allen derartigen Ansprüchen frei; hierzu gehören auch Ansprüche nach den Bestimmungen des US Atomic Energy Act von 1954 in der jeweils geltenden Fassung und des deutschen Arbeitnehmererfindergesetzes vom 25. Juli 1957 (BGBl. 1957 I S. 756) in der jeweils geltenden Fassung.

Artikel 11

- (1) Im gegenseitigen Einvernehmen kann die entsendende Vertragspartei Ausrüstungsgegenstände für die Verwendung in gemeinsamen Vorhaben und Versuchen zur Verfügung stellen. In derartigen Fällen stellt die entsendende Vertragspartei so bald wie möglich eine ausführliche Liste der zu liefernden Ausrüstungsgegenstände einschließlich der einschlägigen Spezifikationen und der technischen und informativen Dokumentation zur Verfügung.
- (2) Die von der entsendenden Vertragspartei für die Verwendung in gemeinsamen Vorhaben und Versuchen zur Verfügung gestellten Ausrüstungsgegenstände und erforderlichen Ersatzteile bleiben ihr Eigentum und werden ihr nach Beendigung des gemeinsamen Vorhabens oder Versuchs zurückgegeben, sofern nichts anderes vereinbart ist.
- (3) Die genannten Ausrüstungsgegenstände werden in der gastgebenden Einrichtung nur in gegenseitigem Einvernehmen zwischen den Vertragsparteien oder ihren maßgebenden Vertretern in dieser Einrichtung eingesetzt.
- (4) Die gastgebende Einrichtung stellt die für die Ausrüstung erforderlichen Räumlichkeiten zur Verfügung und sorgt für elektrischen Strom, Wasser, Gas usw. entsprechend den gemeinsam zu vereinbarenden technischen Erfordernissen.
- (5) Die Verantwortung und die Kosten für den Hin- und Rücktransport der Ausrüstung und des Materials auf dem Luft- oder Seeweg zwischen den Vereinigten Staaten von Amerika und einem zugelassenen Eingangshafen in der Bundesrepublik Deutschland in der Nähe des endgültigen Bestimmungsorts sowie die Verantwortung für die sichere Verwahrung und die Transportversicherung trägt die ERDA.
- (6) Die Verantwortung und die Kosten für den Hin- und Rücktransport der Ausrüstung und des Materials auf dem Luft- oder Seeweg zwischen der Bundesrepublik Deutschland und einem zugelassenen Eingangshafen in den Vereinigten Staaten von

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Amerika in der Nähe des endgültigen Bestimmungsorts sowie die Verantwortung für die sichere Verwahrung und die Transportversicherung trägt der BMFT.

- (7) Die von der entsendenden Vertragspartei für die Durchführung gemeinsamer Vorhaben oder Versuche zur Verfügung gestellte Ausrüstung gilt als wissenschaftliche Ausrüstung, die keinen kommerziellen Charakter hat.

Artikel 13

Beide Vertragsparteien stimmen überein, daß hinsichtlich der Entschädigung für während der Durchführung gemeinsamer Vorhaben verursachte Schäden folgende Bestimmungen gelten sollen. Es gilt als vereinbart, daß diese Entschädigung sich nach den Gesetzen des Landes richtet, in dessen Hoheitsgebiet der Schaden eingetreten ist, sofern nichts anderes vereinbart wurde.

(1) Schäden zwischen den Vertragsparteien

- a) Jede Vertragspartei ist allein verantwortlich für die Zahlung von Entschädigungen für Schäden, die ihrem Personal entstanden sind, unabhängig davon, wo der Schaden eingetreten ist, und verlangt von der anderen Vertragspartei keinerlei Ersatz für Schäden, die an ihrem Eigentum entstanden sind, sofern unter den Buchstaben b und c nichts anderes bestimmt ist.
- b) Falls der dem Personal einer Vertragspartei entstandene Schaden grob fahrlässig oder vorsätzlich durch das Personal der anderen Vertragspartei verursacht wurde, erstattet die letztere der ersteren eine vereinbarte Summe, welche die erstere der Person oder den Personen, die den Schaden erlitten haben, zu zahlen verpflichtet wäre.
- c) Falls ein Schaden am Eigentum einer Vertragspartei grob fahrlässig oder vorsätzlich durch das Personal der anderen Vertragspartei verursacht wurde, entschädigt die letztere die erstere für den entstandenen Schaden.

(2) Schäden mit Beteiligung Dritter

a) Schadhafte Ausrüstung

Für Schäden, die dem Personal oder am Eigentum Dritter durch die schadhafte Ausrüstung einer Vertragspartei entstehen, leistet die Vertragspartei Schadensersatz, der die Ausrüstung gehört, sofern unter Buchstabe c nichts anderes bestimmt ist.

b) Durch das Personal

Für Schäden, die dem Personal oder am Eigentum Dritter durch das Personal einer Vertragspartei verursacht werden, leistet die Vertragspartei Schadensersatz, in deren Hoheitsgebiet der Schaden eingetreten ist, sofern unter Buchstabe c nichts anderes bestimmt ist.

c) Grob fahrlässiges oder vorsätzliches Handeln

Wurde der unter den Buchstaben a und b bezeichnete Schaden durch grob fahrlässiges oder vorsätzliches Handeln des Personals einer Vertragspartei verursacht, so trägt diese Vertragspartei die finanzielle Verantwortung gegenüber Dritten.

d) Durch Dritte verursachte Schäden

Für den Fall, daß dem Personal oder am Eigentum einer der beiden oder beider Vertragsparteien durch einen Dritten irgendwelcher Schaden entsteht, leistet jede der beiden Vertragsparteien der anderen auf deren Ersuchen hin Hilfe bei der Durchsetzung ihrer Forderung gegenüber dem Dritten.

e) Klärung von Fragen

Die Vertragspartei, in deren Hoheitsgebiet der Schaden eingetreten ist, nimmt es auf sich, in Abstimmung mit der anderen Vertragspartei alle mit der Feststellung von Ursachen, Ausmaß und Notwendigkeit der Ersetzung des Schadens zusammenhängenden Fragen mit dem Dritten zu klären. Jede diesbezügliche Einigung bedarf der Zustimmung der anderen Vertragspartei. Nach Regelung der Angelegenheit einigen sich beide Vertragsparteien einvernehmlich hinsichtlich des Schadensersatzes.

- (3) Bei Meinungsverschiedenheiten setzen die Vertragsparteien einen paritätisch besetzten Ausschuß ein. Die Beschlüsse des Ausschusses werden dem BMFT und der ERDA vorgelegt, die sie prüfen und gemeinsam eine endgültige Entscheidung treffen.

(4) Die vorstehenden Bestimmungen gelten nicht für durch ein nukleares Ereignis verursachte Schäden im Sinne der Gesetze der Vertragsparteien. Die Entschädigung für durch ein nukleares Ereignis verursachte Schäden richtet sich nach den Gesetzen der Vertragsparteien.

(5) Begriffsbestimmungen

- a) "Personal" einer Vertragspartei sind die Bediensteten der Vertragspartei, ihre Auftragnehmer und Unterauftragnehmer, die im Rahmen dieser Vereinbarung Leistungen erbringen, sowie die Bediensteten dieser Auftragnehmer und Unterauftragnehmer, die im Rahmen dieser Vereinbarung Leistungen erbringen.
- b) "Ausrüstung" oder "Eigentum" einer Vertragspartei sind die Ausrüstung oder das Eigentum, die der betreffenden Vertragspartei oder dem Auftragnehmer oder den Unterauftragnehmern der betreffenden Vertragspartei, die im Zusammenhang mit den gemeinsamen Vorhaben im Rahmen dieser Vereinbarung Leistungen erbringen, gehören.

Artikel 14

- (1) Die Bestimmungen dieser Vereinbarung berühren nicht die Rechte und Pflichten der Vertragsparteien aus anderen Übereinkünften oder Absprachen. Diese Vereinbarung schließt auch nicht aus, daß Handelsfirmen oder andere nach Maßgabe der Gesetze gegründete Unternehmen in jedem der beiden Länder im Rahmen der in dem betreffenden Land geltenden gesetzlichen Bestimmungen Handelsgeschäfte tätigen; sie schließt auch nicht aus, daß die Vertragsparteien mit anderen Regierungen oder Personen zusammenarbeiten, wobei jedoch die Weitergabe rechtlich geschützten gewerblichen Eigentums gemäß Artikel 7 Absätze 4 und 5 eingeschränkt ist. Darüber hinaus wird erwartet, daß diese Vereinbarung den gewerblichen und kommerziellen Austausch auf dem Gebiet der GCR zwischen den Firmen der Länder der Vertragsparteien im Hinblick auf die den beiden Ländern aus einem solchen Austausch erwachsenden Vorteile erleichtern wird.
- (2) Der BMFT und die ERDA dienen als Koordinierungsstelle für Verträge und Vereinbarungen zwischen Handelsfirmen der Bundesrepublik Deutschland und der Vereinigten Staaten von Amerika, wenn diese Firmen im Auftrag ihrer jeweiligen Regierung im Rahmen dieser Vereinbarung handeln. Es gilt als vereinbart, daß alle derartigen Verträge und Vereinbarungen den in den Ländern der Vertragsparteien geltenden Gesetzen und sonstigen Vorschriften genügen müssen. Der BMFT hat das Recht, eine GCR-Entwicklungsgesellschaft nach Artikel 4 zu benennen. Die ERDA hat das Recht, die unmittelbare Durchführung dieser Vereinbarung nach Artikel 4 ganz oder teilweise ihren industriellen Auftragnehmern und Unterauftragnehmern zu übertragen.

Artikel 15

Die Zusammenarbeit im Rahmen dieser Vereinbarung erfolgt in Übereinstimmung mit den Gesetzen und sonstigen Vorschriften der betreffenden Länder. Alle Fragen in bezug auf diese Vereinbarung, die sich während ihrer Laufzeit ergeben, werden von den Vertragsparteien einvernehmlich geregelt.

Artikel 16

Jede Vertragspartei trägt die Kosten ihrer Beteiligung an den Tätigkeiten im Rahmen dieser Vereinbarung. Es wird davon ausgegangen, daß die Fähigkeit der Vertragsparteien, ihre Verpflichtungen zu erfüllen, von der Verfügbarkeit dafür bewilligter Mittel abhängt.

Artikel 17

Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten der Vereinbarung eine gegenteilige Erklärung abgibt.

Artikel 18

- (1) Diese Vereinbarung tritt mit ihrer Unterzeichnung in Kraft, hat eine Laufzeit von zehn Jahren und kann im gegenseitigen Einvernehmen verlängert werden. Die Durchführung und Fortschritte im Rahmen dieser Vereinbarung können einer jährlichen Prüfung durch die Vertragsparteien unterliegen.
- (2) Jede Vertragspartei kann diese Vereinbarung jederzeit kündigen, indem sie der anderen Vertragspartei ihre Absicht ein Jahr im voraus schriftlich notifiziert. Die Kündigung erfolgt unbeschadet der Rechte, die eine Vertragspartei während der Dauer der Vereinbarung bis zum Zeitpunkt des Außerkrafttretens erworben hat.
- (3) Für den Fall, daß während der Laufzeit dieser Vereinbarung das GCR-Programm einer Vertragspartei sich wesentlich ändert, sei es durch erhebliche Erweiterung, Verringerung, Umgestaltung oder durch Verschmelzung von wichtigen Elementen mit dem GCR-Programm eines Dritten, hat jede Vertragspartei das Recht, eine Revision in bezug auf den Umfang und/oder die Bedingungen dieser Vereinbarung zu verlangen.
- (4) Alle bei Außerkrafttreten der Vereinbarung noch nicht abgeschlossenen gemeinsamen Arbeiten und Versuche werden bis zu ihrem Abschluß nach den Bestimmungen der Vereinbarung weitergeführt.

Geschehen zu Bonn 11 am 11 February 1977
in zwei Urschriften, jede in deutscher und englischer Sprache,
wobei jeder Wortlaut gleichermaßen verbindlich ist.

Der Bundesminister für For-
schung und Technologie der
Bundesrepublik Deutschland

Johannes Röhl

Für die Energy Research and
Development Administration
der Vereinigten Staaten

Werner Staessens

MULTILATERAL

Atomic Energy: Gas-Cooled Reactor Concepts and Technology

Agreement amending the agreement of February 11, 1977 between the United States of America and the Federal Republic of Germany.

*Done at Bonn September 30, 1977;
Entered into force September 30, 1977.*

ADDENDUM TO THE AGREEMENT CONCLUDED ON FEBRUARY 11, 1977 BETWEEN THE UNITED STATES ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AND THE FEDERAL MINISTER FOR RESEARCH AND TECHNOLOGY OF THE FEDERAL REPUBLIC OF GERMANY IN THE FIELD OF GAS-COOLED REACTOR CONCEPTS AND TECHNOLOGY

WHEREAS The United States Energy Research and Development Administration (ERDA) and the Federal Minister for Research and Technology of the Federal Republic of Germany (BMFT) have concluded on February 11, 1977 an Agreement in the field of gas-cooled reactor concepts and technology;^[1]

The Atomic Energy Commission of the French Republic (CEA) also has an interest in the development of gas-cooled reactors (GCR), in view of their possible application as high temperature gas-cooled reactors (HTR) for steam cycle, direct cycle or process heat, or possibly as gas-cooled fast breeder reactors (GCFR); the Swiss office of Science and Research (AWF) also has an interest in the development of the high-temperature gas-cooled reactor (HTR) and the gas-cooled fast breeder reactor (GCFR), both types of reactors hereinafter referred to as gas-cooled reactors (GCR);

Now, THEREFORE The United States Energy Research and Development Administration (ERDA), the Federal Minister for Research and Technology of the Federal Republic of Germany (BMFT), the Atomic Energy Commission of the French Republic (CEA), and the Swiss office of Science and Research (AWF), hereinafter called the parties,

¹ TIAS 9046; *ante*, p. 3983.

HAVE AGREED as follows:

ARTICLE 1

From the date of execution of this Addendum, the Agreement concluded on February 11, 1977, between ERDA and BMFT in the field of gas-cooled reactor concepts and technology shall become a Quadripartite Agreement (hereinafter called the Agreement) among ERDA, BMFT, CEA and AWF.

ARTICLE 2

For the implementation of the Agreement, it is agreed that if one of the parties has no specific interest in part or all of one or more of the areas of cooperation defined in Article 2 of the Agreement, such party shall not be obliged to participate in the collaboration in such areas or parts of areas. It is understood that such non-participation by such party shall not be construed as a non-fulfillment of such party's commitments under the Agreement. Moreover, such party shall be kept informed of the overall extent and progress of the work such as objectives, plans, funding and policy considerations in the areas or part of areas in which it does not participate. Further, such party shall have the option of joining the collaboration at a later stage, subject to the terms and conditions set forth below.

The rights and obligations of a party under the Agreement shall not apply to areas in which it does not participate, unless the joint committee unanimously agrees otherwise. The joint committee shall unanimously determine the rights and obligations of a party which participates to a limited extent in any particular area. In the event a party wishes to enter the collaboration in any area at a later stage as contemplated above, the members of the joint committee representing this party and such parties already participating in the collaboration in this area, shall unanimously determine the consequent rights and obligations of that party, including the degree of access to information previously utilized in and arising from the cooperation in such area. In determining all of the aforementioned rights and obligations, the joint committee shall be guided by the principles of mutual benefit, equality and reciprocity.

ARTICLE 3

The relevant wording of the Agreement shall be considered as amended to take into account the fact that four parties are involved (e.g., "the other party" or "between the parties" is amended to become "the other parties" or "any other party" or "one of the other parties" or "among the parties") as applicable.

It is agreed that each of the parties may implement the Agreement, in whole or in part, through its contractors or subcontractors, or through an industrial company. Each of the parties shall act as the point of coordination for contracts and arrangements between commercial firms of the countries of the respective parties when such firms act on behalf of their respective governments under the terms

of the Agreement. Article 4 subparagraph 1, and Article 14, subparagraph 2 are amended accordingly.

It is agreed that the joint committee described in Article 5 of the Agreement shall be a joint ERDA/BMFT/CEA/AWF committee consisting of four members each for ERDA and BMFT, two members for CEA and one member for AWF.

As provided in Article 1 of the Agreement, cooperation among the parties shall be on the basis of mutual benefit, equality and reciprocity. It is agreed that one of the functions of the joint committee shall be to evaluate the status of cooperation under the agreement. This evaluation shall include an annual comprehensive review of each party's GCR program status and plans, an assessment of the balance of the exchanges among the parties in the various areas of cooperation listed in Article 2 of the Agreement, and a consideration of measures required to correct any imbalances among the parties.

The provisions of Article 11 subparagraphs 5 and 6, shall apply mutatis mutandis to the transport of equipment and materials between and among the countries of each party.

It is agreed that each party may terminate its participation under the Agreement upon one year's advance notification in writing. Article 18, paragraph 2 is amended accordingly.

The parties agree that additional parties may join the Agreement on terms to be agreed upon by the parties.

ARTICLE 4

All the other provisions of the Agreement not amended by this Addendum shall be applicable and binding on the four parties.

ARTICLE 5

CEA shall prepare a version in the French language of the Agreement as signed between ERDA and BMFT, which version, after approval by ERDA, BMFT and AWF, shall be considered as equally authentic as the existing versions in the English and German languages.

ARTICLE 6

This Addendum shall enter into force upon signature.

DONE at Bonn, in quadruplicate in the English, German and French languages, each text being equally authentic, this thirtieth day of September 1977.

FOR THE UNITED STATES
ENERGY RESEARCH AND
DEVELOPMENT
ADMINISTRATION

RAYMOND E. VENER

FOR THE ATOMIC ENERGY
COMMISSION OF THE FRENCH
REPUBLIC

REMY WUSTNER

FOR THE FEDERAL MINISTER
FOR RESEARCH AND
TECHNOLOGY OF THE
FEDERAL REPUBLIC OF
GERMANY

REINHARD LOOSCH

FOR THE SWISS OFFICE OF
SCIENCE AND RESEARCH

MICHAEL U. R. von SCHENCK

TIAS 9047

**AVENANT A L'ACCORD SIGNE LE 11 FEVRIER 1977 ENTRE
L'ADMINISTRATION DES ETATS-UNIS POUR LA RE-
CHERCHE ET LE DEVELOPPEMENT DE L'ENERGIE ET
LE MINISTRE DE LA RECHERCHE ET DE LA TECH-
NOLOGIE DE LA REPUBLIQUE FEDERALE D'ALLEMAGNE
DANS LE DOMAINE DES CONCEPTIONS ET DE LA
TECHNOLOGIE DES REACTEURS REFROIDIS AU GAZ.**

ATTENDU que l'Administration des Etats-Unis pour la Recherche et le Développement de l'Energie (ERDA) et le Ministre de la Recherche et de la Technologie de la République Fédérale d'Allemagne (BMFT) ont signé le 11 février 1977 un accord dans le domaine des conceptions et de la technologie des réacteurs refroidis au gaz;

Que le Commissariat à l'Energie Atomique (CEA) de la République Française s'intéresse également au développement des réacteur refroidis au gaz (GCR) en vue de leur utilisation possible comme réacteurs à haute température refroidis au gaz (HTR) avec cycle vapeur, cycle direct ou production de chaleur industrielle, ou éventuellement comme réacteurs surrégénérateurs à neutrons rapides refroidis au gaz (GCFR);

Que l'Office de la Science et de la Recherche de la Confédération Helvétique (AWF) s'intéresse également au développement du réacteur à haute température refroidis au gaz (HTR) et du réacteur surrégénérateur à neutrons rapides refroidis au gaz (GCFR), ces deux types de réacteurs étant désignés ci-après comme réacteurs refroidis au gaz (GCR);

EN CONSEQUENCE, le Commissariat à l'Energie Atomique (CEA) de la République Française, l'Administration des Etats-Unis pour la Recherche et le Développement de l'Energie (ERDA), le Ministre de la Recherche et de la Technologie de la République Fédérale d'Allemagne (BMFT) et l'Office de la Science et de la Recherche de la Confédération Helvétique (AWF), ci-après désignés les Parties,

SONT CONVENUS de ce qui suit:

ARTICLE 1

Dès la date de signature de cet avenant, l'Accord signé le 11 février 1977 entre l'ERDA et le BMFT dans le domaine des conceptions et de la technologie des réacteurs refroidis au gaz deviendra un accord quadripartite (ci-après désigné l'Accord) entre le CEA, l'ERDA, le BMFT et l'AWF.

ARTICLE 2

Pour l'exécution de cet Accord, il est convenu que si l'une des Parties n'est pas intéressée d'une façon spécifique par tout ou partie de l'un ou de plusieurs des domaines de coopération définis à l'article 2 de l'Accord, cette Partie ne sera pas obligée de participer à la collaboration dans ces domaines ou partie de domaines. Il est entendu qu'une

telle absence de participation par une telle Partie ne sera pas considérée comme un défaut d'accomplissement par cette Partie de ses obligations découlant de l'Accord. En outre, ladite Partie sera tenue informée de manière globale de l'étendue et de l'avancement des travaux, à savoir les objectifs, les prévisions, le financement et la politique suivie dans les domaines ou partie de domaines auxquels elle ne participe pas. De plus, ladite Partie aura la possibilité de se joindre à la collaboration à une étape ultérieure sous réserve des dispositions fixées ci-dessous.

Les droits et obligations d'une Partie découlant de l'Accord ne s'appliqueront pas aux domaines auxquels elle ne participe pas, à moins que le Comité Mixte n'en convienne autrement à l'unanimité. Le Comité Mixte fixera à l'unanimité les droits et obligations d'une Partie qui participe partiellement à l'un des domaines donnés. Au cas où une Partie désirerait participer à la collaboration dans l'un des domaines à une étape ultérieure, ainsi qu'il est envisagé ci-dessus, les membres du Comité Mixte représentant ladite Partie et les Parties qui participent déjà à la collaboration dans ce domaine fixeront à l'unanimité les droits et obligations en résultant pour cette Partie, y compris l'étendue de l'accès aux informations utilisées et développées antérieurement au cours de la coopération dans ce domaine. Pour fixer les droits et obligations susmentionnés, le Comité Mixte sera guidé par un souci d'avantage mutuel, d'égalité et de réciprocité.

ARTICLE 3

Les termes concernés de l'Accord seront considérés comme modifiés pour tenir compte du fait que quatre Parties sont impliquées (par exemple les expressions "l'autre Partie" ou "entre les Parties" sont modifiées en "les autres Parties" ou "tout autre Partie" ou "l'une des autres Parties" ou "entre toutes les Parties ou certaines l'entre elles") en tant que de besoin.

Il est convenu que chacune des Parties peut mettre en œuvre l'Accord, en tout ou partie, par l'intermédiaire de ses sous-traitants directs ou indirects, ou par l'intermédiaire d'une société industrielle. Chacune des Parties servira de point de coordination pour les contrats et les conventions entre les firmes commerciales des pays des différentes Parties, lorsque de telles firmes agissent, dans le cadre de l'Accord, pour le compte de leurs gouvernements respectifs. Le sous-paragraphe 1 de l'article 4 et le sous-paragraphe 2 de l'article 14 sont modifiés en conséquence.

Il est convenu que le Comité Mixte décrit à l'article 5 de l'Accord sera un Comité Mixte CEA/ERDA/BMFT/AWF comprenant quatre membres respectivement pour l'ERDA et le BMFT, deux membres pour le CEA et un membre pour l'AWF.

Comme prévu à l'article 1 de l'Accord, la coopération entre les Parties se fera sur la base d'un avantage mutuel, de l'égalité et de la réciprocité. Il est convenu que l'une des fonctions du Comité Mixte sera d'estimer l'état de la coopération dans le cadre de l'Accord.

Cette estimation inclura un examen annuel et complet de l'état du programme et des prévisions de chaque Partie dans le domaine des GCR, une appréciation de l'équilibre des échanges entre les Parties dans les différents domaines de coopération énumérés à l'article 2 de l'Accord, et un examen des mesures nécessaires pour corriger tout déséquilibre entre les Parties.

Les dispositions des sous-paragraphes 5 et 6 de l'article 11 s'appliqueront "mutatis mutandis" au transport des équipements et des matériels entre les pays de chaque Partie.

Il est convenu que chaque Partie pourra mettre fin à sa participation à l'Accord sous réserve d'une notification écrite un an à l'avance. Le paragraphe 2 de l'article 18 est modifié en conséquence.

Les Parties conviennent que de nouvelles parties pourront se joindre à l'Accord selon des conditions à convenir par les Parties.

ARTICLE 4

Toutes les autres dispositions de l'Accord qui ne sont pas modifiées par le présent Avenant s'appliqueront et s'imposeront aux quatre Parties.

ARTICLE 5

Le CEA préparera une version en français de l'Accord tel qu'il a été signé par l'ERDA et le BMFT. Après approbation par l'ERDA, le BMFT et l'AWF, cette version sera considérée comme faisant également foi, au même titre que les textes en anglais et en allemand.

ARTICLE 6

Cet avenant entrera en vigueur dès sa signature.

Fait à Bonn en quatre exemplaires en anglais, en allemand et en français, chaque texte faisant également foi, Le 30 Septembre 1977

POUR LE COMMISSARIAT A L'
ENERGIE ATOMIQUE DE LA
REPUBLIQUE FRANCAISE:

REMY WUSTNER

POUR L'ADMINISTRATION DES
ETATS-UNIS POUR LA RE-
CHERCHE ET LE DEVELOP-
PEMENT DE L'ENERGIE:

RAYMOND E. VENER

POUR LE MINISTRE DE LA
RECHERCHE ET DE LA TECH-
NOLOGIE DE LA REPUBLIQUE
FEDERALE D'ALLEMAGNE:

REINHARD LOOSCH

POUR L'OFFICE DE LA SCIENCE
ET DE LA RECHERCHE DE LA
CONFEDERATION HELVETI-
QUE:

MICHAEL U. R. VON SCHENCK

ZUSATZVEREINBARUNG ZU DER VEREINBARUNG ZWISCHEN DEM BUNDESMINISTER FÜR FORSCHUNG UND TECHNOLOGIE DER BUNDESREPUBLIK DEUTSCHLAND UND DER ENERGIEFORSCHUNGS- UND -ENTWICKLUNGSBEHÖRDE DER VEREINIGTEN STAATEN VON AMERIKA AUF DEM GEBIET DER KONZEPTE UND TECHNOLOGIE FÜR GASGEKÜHLTE REAKTOREN VOM 11. FEBRUAR 1977.

IN DER Erwägung, dass der Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland (BMFT) und die Energieforschungsund -entwicklungsbehörde der Vereinigten Staaten von Amerika (ERDA) am 11. Februar 1977 eine Vereinbarung auf dem Gebiet der Konzepte und Technologie für gasgekühlte Reaktoren geschlossen haben;

das Atomenergiekommissariat der französischen Republik (CEA) ebenfalls ein Interesse an der Entwicklung gasgekühlter Reaktoren (GCR) im Hinblick auf ihren möglichen Einsatz als gasgekühlte Hochtemperaturreaktoren (HTR) für Zweikreis-, Minkreisoder Prozesswärmeanlagen, oder möglicherweise als gasgekühlte schnelle Brutreaktoren (GCFR) hat; das Amt für Wissenschaft und Forschung der Schweizerischen Eidgenossenschaft (AWF) ebenfalls ein Interesse an der Entwicklung des gasgekühlten Hochtemperaturreaktors (HTR) und des gasgekühlten schnellen Brutreaktors (GCFR) hat, wobei beide Reaktortypen im folgenden als gasgekühlte Reaktoren (GCR) bezeichnet werden;

SIND

der Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland (BMFT), die Energieforschungs- und -entwicklungsbehörde der Vereinigten Staaten von Amerika (ERDA), das Atomenergiekommissariat der französischen Republik (CEA) und das Amt für Wissenschaft und Porschung der Schweizerischen Eidgenossenschaft (AWF), im folgenden als Vertragsparteien bezeichnet,

WIE FOLGT übereingekommen:

ARTIKEL 1

Vom Zeitpunkt der Unterzeichnung dieser Zusatzvereinbarung an wird die am 11. Februar 1977 auf dem Gebiet der Konzepte und Technologie für gasgekühlte Reaktoren zwischen BMFT und ERDA geschlossene Vereinbarung (im folgenden die Vereinbarung genannt) eine vierseitige Vereinbarung zwischen BMFT, ERDA, CEA und AWP.

ARTIKEL 2

Für die Durchführung der Vereinbarung wird festgelegt, daß eine Vertragspartei, die teilweise oder insgesamt kein Interesse an

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einem oder mehreren Zusammenarbeitsbereichen hat, die in Artikel 2 der Vereinbarung aufgeführt sind, nicht verpflichtet ist, sich an der Zusammenarbeit auf solchen Gebieten oder Teilgebieten zu beteiligen. Eine solche Nichtbeteiligung einer Vertragspartei stellt keine Nichterfüllung der Verpflichtungen dar, die der betreffenden Vertragspartei aus der Vereinbarung erwachsen. Ferner wird die betreffende Vertragspartei auf den Gebieten oder Teilgebieten, an denen sie sich nicht beteiligt, in allgemeiner Weise über den Umfang und den Fortschritt der Arbeiten wie z.B. über Ziele, Planung, Finanzierung und Grundsatzüberlegungen auf dem laufenden gehalten. Weiter hat eine solche Vertragspartei die Wahl, die Mitarbeit entsprechend den nachstehend festgelegten Bedingungen und Voraussetzungen zu einem späteren Zeitpunkt aufzunehmen.

Die Rechte und Pflichten einer Vertragspartei aus der Vereinbarung beziehen sich nicht auf Gebiete, in denen sie nicht mitarbeitet, sofern der Gemeinsame Ausschuß nicht einstimmig etwas anderes beschließt. Der Gemeinsame Ausschuß legt einstimmig die Rechte und Pflichten einer Vertragspartei fest, die auf einem bestimmten Gebiet nur begrenzt mitarbeitet. Für den Fall, daß eine Vertragspartei—wie oben erwähnt—die Mitarbeit in einem Bereich zu einem späteren Zeitpunkt aufzunehmen wünscht, werden diejenigen Mitglieder des Gemeinsamen Ausschusses, welche diese Vertragspartei sowie die in dem betreffenden Bereich bereits zusammenarbeitenden Vertragsparteien vertreten, einstimmig die entsprechenden Rechte und Pflichten der künftig mitarbeitenden Vertragspartei festlegen. Hierbei wird auch der Umfang des Zugangs zu Informationen bestimmt, die vorher auf diesem Gebiet verwendet wurden und die aus der Zusammenarbeit auf diesem Gebiet entstanden sind. Bei der Festlegung aller vorgenannten Rechte und Pflichten läßt sich der Gemeinsame Ausschuß vom Grundsatz des wechselzeitigen Nutzens, der Gleichberechtigung und der Gegenseitigkeit leiten.

ARTIKEL 3

Der einschlägige Wortlaut der Vereinbarung wird insofern als geändert betrachtet, als vier Vertragsparteien beteiligt sind (z.B. "die andere Vertragspartei" oder "zwischen den Vertragsparteien" wird geändert in "die anderen Vertragsparteien" oder "eine andere Vertragspartei" oder "eine der anderen Vertragsparteien" oder "unter den Vertragsparteien", was immer anwendbar ist).

Es wird vereinbart, dass jede der Vertragsparteien die Durchführung dieser Vereinbarung ganz oder teilweise ihren Auftragnehmern oder Unterauftragnehmern oder einem Industrieunternehmen übertragen kann. Jede der Vertragsparteien dient als Koordinierungsstelle für Verträge und Vereinbarungen zwischen Unternehmen aus den Ländern der entsprechenden Vertragsparteien, wenn diese Unternehmen im Auftrag ihrer jeweiligen Regierung im Rahmen dieser Vereinbarung handeln. Artikel 4, Absatz 1 und Artikel 14, Absatz 2 werden entsprechend geändert.

Es wird vereinbart, dass der Gemeinaame Ausschuss gem. Art. 5 der Vereinbarung ein Gemeinaamer Ausschuss von SMPT, ERDA, CEA und AWP sein wird, der aus je vier Mitgliedern für SMFT und ERDA, zwei Mitgliedern für CEA und einem Mitglied für AWP besteht.

Wie in Artikel 1 der Vereinbarung vorgesehen, wird die Zusammenarbeit der Vertragsparteien auf der Grundlage des wechselseitigen Nutzens, der Gleichberechtigung und der Gagenseitigkeit erfolgen. Es wird vereinbart, dass eine der Aufgaben des Gemeinsamen Ausschusses darin besteht, den Stand der Zusammenarbeit in Rahmen der Vereinbarung zu bewerten. Diese Bewertung wird einschliessen:

Einen jährlichen unifassenden Überblick über Stand und Planung des GCR-Programms jeder Vertragspartei, eine Uewertung der Gleichgewichtigkeit des Austauschs unter den Vertragsparteien in den verschiedenen Zusaerwaenarbeitsbereichen gemäss Artikel 2 der Vereinbarung und die Prüfung von Masnahmen, die notwendig sind, um eine Ungleichgewichtigkeit zwischen den Vertragsparteien auszugleichen.

Die Vorschriften des Artikels 11, Absatz 5 und 6 gelten sinngemäss für den Transport von Ausrüstung und Material zwischen den Ländern der Vertragsparteien.

Es wird vereinbart, dass jede Vertragspartei die Mitarbeit in Rahmen der Vereinbarung durch eine schriftliche Kündigungserklärung, die ein Jahr im voraus erfolgt, beenden kann. Artikel 18, Absatz 2, wird entsprechend geändert.

Die Vertragsparteien kommen überein, dass zusätzliche Parteien der Vereinbarung unter von den Vertragsparteien noch zu vereinbarten Bedingungen beitreten können.

ARTIKEL 4

Alle anderen Bestimmungen der Vereinbarung, die nicht durch diese Zusatzvereinbarung geändert werden, sind auf die vier Vertragsparteien anwendbar und für sie bindend.

ARTIKEL 5

Das CEA wird eine Fassung der zwischen BHFT und ERDA unterzeichneten Vereinbarung in französischer Sprache erstellen, die nach Zustimmung durch BMFT, ERDA und AGF die gleiche Verbindlichkeit wie die deutsche und englische Fassung haben wird.

ARTIKEL 6

Diese Zusatzvereinbarung tritt mit ihrer Unterzeichnung in Kraft.

GESCHEHEN zu Bonn am 30. September 1977 in vier Urschriften, jede in deutscher, englischer und französischer Sprache, wobei jeder Wortlaut gleichermassen verbindlich ist.

FÜR DEN BUNDESMINISTER
FÜR FORSCHUNG UND
TECHNOLOGIE DER
BUNDESREPUBLIK
DEUTSCHLAND

REINHARD LOOSCH

FÜR DAS
ATOMENERGIEKOMMAISSARIAT
DER FRANZÖSISCHEN
REPUBLIK

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FÜR DIE
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ENTWICKLUNGSBENÖROE
DER VEREINIGTEN
STAATEN VON AMERIKA

RAYMOND E. VENER

FÜR DAS AMT FÜR
WISSENSCHAFT UND
FORSCHUNG DER
SCHWEIZERISCHEN
SIDGENOSSENSCHAFT

MICHAEL U. R. VON SCHENCK

JAMAICA
Commodity Import Loan

*Agreement signed at Kingston December 15, 1977;
Entered into force December 15, 1977.*

A.I.D. Loan Number 532-K-011

LOAN AGREEMENT

BETWEEN

THE GOVERNMENT OF JAMAICA

AND THE

UNITED STATES OF AMERICA

FOR THE

COMMODITY IMPORT LOAN

DATED: December 15, 1977

TIAS 9048

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A.I.D. Loan No. 532-K-011

Commodity Import Loan Agreement

Dated December 15, 1977

Between

The Government of Jamaica ("Borrower")

And

The United States of America, acting through the Agency for International Development ("A. I.D.").

Article 1: The Loan.

To finance the foreign exchange costs of certain commodities and commodity-related services ("Eligible Items") necessary to promote the economic and political stability of Jamaica, the United States, pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to lend the Government of Jamaica under the terms of this Agreement, not to exceed Nine Million Five Hundred Thousand United States dollars (\$9,500,000) ("Loan"). The aggregate amount of disbursements under this Loan is referred to as "Principal".

Article 2: Loan Terms.

SECTION 2.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 5.5) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 2.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9 1/2) years after the date on which the first interest payment is due in accordance with Section 2.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

¹75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 2.3. Application, Currency, and Place of Payment.

All payments of interest and Principal hereunder will be made in United States dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 2.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 2.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Jamaica, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 8.3., and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 8.3., the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Finance in Jamaica.

SECTION 2.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 3: Conditions Precedent to Disbursement.

SECTION 3.1. Conditions Precedent. Prior to the first disbursement under this Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D. :

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement representing and warranting that the named person or persons have the authority to act as the representative or representatives of the Borrower pursuant to Section 8.2., together with a specimen signature of each person certified as to its authenticity.

SECTION 3.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 3.1 have been met, it will promptly notify the Borrower.

SECTION 3.3. Terminal Date for Conditions Precedent. If all the conditions specified in Section 3.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may specify in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 4: Procurement, Eligibility, and Utilization of Commodities.

SECTION 4.1. A.I.D. Regulation 1. This Loan and the procurement and utilization of commodities and commodity-related services financed under it are subject to the terms and conditions of A.I.D. Regulation 1 as from time to time amended and in effect, except as A.I.D. may otherwise specify

in writing. If any provision of A.I.D. Regulation 1 is inconsistent with a provision of this Agreement, the provision of this Agreement shall govern.

SECTION 4.2. Eligible Items. The commodities eligible for financing under this Loan shall be those mutually agreed upon by the Parties and specified in the Implementation Letters issued to Borrower in accordance with Section 8.1 of this Agreement. Commodity-related services as defined in A.I.D. Regulation 1 are also eligible for financing under this Loan. Eligible Items will be subject to the requirements and Special Provisions of Parts I, II and III of the A.I.D. Commodity Eligibility Listing which will be transmitted by Implementation Letter. Other commodities or services shall become eligible for financing only with the written agreement of A.I.D. A.I.D. may decline to finance any specific commodity or commodity-related service when in its judgment such financing would be inconsistent with the purposes of the Loan or of the Foreign Assistance Act of 1961, as amended, or other applicable laws.

SECTION 4.3. Procurement Source. All Eligible Items shall have their source and origin in the United States of America (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such Eligible Items) except as A.I.D. may specify in Implementation Letters or as it may otherwise agree in writing.

SECTION 4.4. Eligibility Date. No commodities or commodity-related services may be financed under the Loan if they were procured pursuant to orders or contracts firmly placed or entered into prior to November 1, 1977, except as A.I.D. may otherwise agree in writing.

SECTION 4.5. Procurement for Public Sector. With respect to procurement under this Loan by or for Borrower, its departments and instrumentalities, the provisions of Section 201.22 of A.I.D. Regulation 1 regarding formal competitive bid procedures will apply unless A.I.D. otherwise agrees in writing.

SECTION 4.6. Special Procurement Rules.

(a) None of the proceeds of this Loan may be used to finance the purchase, sale, long-term lease, exchange or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States, except as A.I.D. may otherwise agree in writing.

(b) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

SECTION 4.7. Financing Physical Facilities. Not more than \$1,000,000 from the proceeds of this Loan shall be used for the purchase of commodities or commodity-related services for use in the construction, expansion, equipping, or alteration of a physical facility or related physical facilities without prior A.I.D. approval, additional to the approvals required by A.I.D. Regulation 1, except as A.I.D. may otherwise agree in writing. "Related physical facilities" shall mean those facilities which, taking into account such factors as functional interdependence, geographic proximity, and ownership, constitute a single enterprise in the judgment of A.I.D.

SECTION 4.8. Utilization of Commodities.

(a) Borrower will assure that commodities financed under this Loan will be effectively used for the purposes for which the assistance is made available. To this end, the Borrower will use its best efforts to assure that the following procedures are followed:

(i) accurate arrival and clearance records are maintained by customs authorities; commodity imports are promptly processed through customs at ports of entry; such commodities are removed from customs and/or bonded warehouses within ninety (90) calendar days from the date the commodities are unloaded from the vessel at ports of entry, unless the importer is hindered by force majeure or A.I.D. otherwise agrees in writing; and

(ii) the commodities are consumed or used by the importer not later than one (1) year from the date the commodities are removed from customs, unless a longer period can be justified to the satisfaction of A.I.D. by reason of force majeure or special market conditions or other circumstances.

(b) Borrower will assure that commodities financed under this Loan will not be reexported in the same or substantially the same form, unless specifically authorized by A.I.D.

Article 5: Disbursement.

SECTION 5.1. Letters of Commitment to Banks. After satisfaction of the conditions precedent, Borrower may obtain disbursements of funds under this Loan by submitting Financing Requests to A.I.D. for the issuance of letters of commitment for specified amounts to one or more banking institutions in the United States designated by Borrower and satisfactory to A.I.D. Such letters will commit A.I.D. to reimburse the bank or banks on behalf of the Borrower for payments made by them to suppliers or contractors, under letters of credit or otherwise, pursuant to such documentation requirements as A.I.D. may prescribe. Banking charges incurred in connection with letters of commitment and disbursements shall be for the account of Borrower and may be financed by this Loan.

SECTION 5.2. Other Forms of Disbursement Authorizations. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing. Use of an Irrevocable Special Letter of Credit is hereby expressly agreed to.

SECTION 5.3. Terminal Date for Requests for Disbursement Authorizations. No letter of commitment or other disbursement authorization will be issued in response to a request received after twelve (12) months from the date of signing of this Agreement, except as A.I.D. may otherwise agree in writing.

SECTION 5.4. Terminal Date for Requests for Disbursement. No disbursement of Loan funds shall be made against documentation submitted after eighteen (18) months from the date of signing of this Agreement, except as A.I.D. may otherwise agree in writing.

SECTION 5.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a letter of commitment or other form of disbursement authorization.

Article 6: General Covenants.

SECTION 6.1. Taxation. This Agreement and the Loan will be free from, and the principal and interest will be paid free from, any taxation or fees imposed under laws in effect in Jamaica.

SECTION 6.2. Reports and Records. In addition to the requirements in A.I.D. Regulation 1, the Borrower will:

(a) furnish A.I.D. such reports and information relating to the goods and services financed by this Loan and the performance of Borrower's obligations under this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, such books and records relating to this Loan as may be prescribed in Implementation Letters. Such books and records may be inspected by A.I.D. or any of its authorized representatives at all times as A.I.D. may reasonably require, and shall be maintained for three years after the date of last disbursement by A.I.D. under this Loan; and

(c) permit A.I.D. or any of its authorized representatives at all reasonable times during the three-year period to inspect the commodities financed under this Loan at any point, including the point of use.

SECTION 6.3. Completeness of Information. The Borrower confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Loan, are accurate and complete, and include all facts and circumstances that might materially affect the Loan and the discharge of responsibilities under this Agreement; and

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Loan or the discharge of responsibilities under this Agreement.

SECTION 6.4. Other Payments. Borrower affirms that no payments have been or will be received by any official of the Borrower in connection with the procurement of goods or services financed under the Loan, except fees, taxes, or similar payments legally established in the country of the Borrower.

SECTION 6.5. Minimum Size of Transactions. No foreign exchange allocation or letter of credit issued pursuant to this Agreement shall be in an amount less than Five Thousand Dollars (\$5,000), except as A.I.D. may otherwise agree in writing.

SECTION 6.6. Use of Local Currency. The Jamaican currency accruing to the Borrower as a result of the sale or importation of the Eligible Items will be used as from time to time may be agreed upon by the representatives named in Section 8.2 for activities in the following fields: agriculture, education, nutrition, health, population, and such other sectors as may be agreed upon.

SECTION 6.7. Account for Local Currency. Borrower will establish in the Bank of Jamaica a special account exclusively for deposit of the Jamaican currency referred to in Section 6.6. Borrower will make deposits of the Jamaican currency into the account in accordance with a schedule to be agreed upon by A.I.D. and the Borrower and to be submitted by Implementation Letter. If the total accruals of Jamaican currency to the Borrower exceed the amounts deposited pursuant to the schedule, Borrower shall make an additional deposit equal to the excess.

SECTION 6.8. Exchange Rate. The exchange rate applicable to determine the amount of Jamaican currency accruing to the Borrower as a result of the sale or importation of each Eligible Item shall be the highest lawful rate (i.e. the rate giving the most Jamaican currency per U.S. Dollar) applicable to the Eligible Item on the date of its sale or importation.

Article 7: Termination Remedies.

SECTION 7.1. Cancellation by Borrower. The Borrower may, by giving A.I.D. 30 days written notice, cancel any part of the Loan which has not been disbursed or committed for disbursement to third parties.

SECTION 7.2. Events of Default; Acceleration. It will be an "Event of Default" if Borrower shall have failed:

- (a) to pay when due any interest or installment of Principal required under this Agreement, or

(b) to comply with any other provision of this Agreement, or

(c) to pay when due any interest or installment of Principal or other payment required under any other loan, guaranty or other agreement between the Borrower or any of its agencies and A.I.D. or any of its predecessor agencies.

If an Event of Default shall have occurred, then A.I.D. may give the Borrower notice that all or any part of the unrepaid Principal will be due and payable sixty (60) days thereafter, and, unless such Event of Default is cured within that time:

(1) such unrepaid Principal and accrued interest hereunder will be due and payable immediately, and

(2) the amount of any further disbursements made pursuant to then outstanding commitments to third parties or otherwise will become due and payable as soon as made.

SECTION 7.3. Suspension. If at any time:

(a) An Event of Default has occurred; or

(b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement; or

(c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or

(d) The Borrower shall have failed to pay when due any interest, installment of principal or other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies; then, in addition to remedies provided in A.I.D. Regulation 1, A.I.D. may:

- (1) suspend or cancel outstanding commitment documents to the extent they have not been utilized through irrevocable commitments to third parties or otherwise, giving prompt notice thereof to the Borrower;
- (2) decline to issue additional commitment documents or to make disbursements other than under existing ones; and
- (3) at A.I.D.'s expense, direct that title to goods financed under the Loan be vested in A.I.D. if the goods are in a deliverable state and have not been off-loaded in ports of entry of Borrower's country. Any disbursement made under the Loan with respect to such transferred goods will be deducted from Principal.

SECTION 7.4. Cancellation by A.I.D. If, within sixty (60) days from the date of any suspension of disbursements pursuant to Section 7.3, the cause or causes thereof have not been corrected, A.I.D. may cancel any part of the Loan that is not then disbursed or irrevocably committed to third parties.

SECTION 7.5. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursements, or acceleration of repayment, the provisions of this Agreement will continue in effect until the payment in full of all Principal and accrued interest hereunder.

SECTION 7.6. Refunds.

(a) In addition to any refund otherwise required by A.I.D. pursuant to A.I.D. Regulation 1, if A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is in violation of United States law, or is not made or used in accordance with the terms of this Agreement, A.I.D. may require the Borrower to refund the amount of such disbursement in U.S. dollars to A.I.D. within sixty (60) days after receipt of request therefor. Refunds paid by the Borrower to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement and shall be available for reuse under the Agreement if authorized by A.I.D. in writing. Any refund which reduces the amount of A.I.D. assistance hereunder will be applied to the installments of Principal in the inverse order of their maturity.

(b) The right to require such a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three (3) years from the date of the last disbursement under this Agreement.

SECTION 7.7. Non-Waiver of Remedies. No delay in exercising or omitting to exercise, any right, power, or remedy accruing to A.I.D. under this Agreement will be construed as a waiver of such rights, powers, or remedies.

Article 8: Miscellaneous.

SECTION 8.1. Implementation Letters. From time to time, for the information and guidance of both parties, A.I.D. will issue Implementation Letters describing the procedures applicable to the implementation of this Agreement. Except as permitted by particular provisions of this Agreement, Implementation Letters will not be used to amend or modify the text of this Agreement.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID, Jamaica, each of whom, by written notice, may designate additional representatives. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: Minister of Finance
30 National Heroes Circle
Kingston, Jamaica

Alternate address Minister of Finance
for cables: Kingston, Jamaica

To A.I.D.:

Mail Address: Mission Director
USAID/Jamaica
c/o American Embassy
Kingston, Jamaica

Alternate address Mission Director
for cables: USAID/Jamaica
c/o American Embassy
Kingston, Jamaica

Other addresses may be substituted for the above upon giving
of notice.

IN WITNESS WHEREOF, the Borrower and the United States
of America, each acting through its duly authorized
representative, have caused this Agreement to be signed in
their names and delivered as of the day and year first above
written.

GOVERNMENT OF JAMAICA

By: David Coore
David Coore

Title: Deputy Prime Minister
and Minister of Finance

UNITED STATES OF AMERICA

By: Donor M. Lion
Donor M. Lion

Title: Mission Director,
USAID Jamaica

BANGLADESH
Rural Electrification

*Agreement signed at Dacca December 15, 1977;
Entered into force December 15, 1977.*

A.I.D. Project Number
388-0021

PROJECT AGREEMENT
BETWEEN
THE PEOPLE'S REPUBLIC OF BANGLADESH
AND
THE UNITED STATES OF AMERICA
FOR
RURAL ELECTRIFICATION PROJECT

Dated: December 15, 1977

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A.I.D. Project No. 388-0021

Project Agreement

Dated: December 15, 1977

Between

The People's Republic of Bangladesh (Borrower/Grantee)

And

The United States of America, acting through the
Agency for International Development (A.I.D.)

Article 1 : The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above ("Parties") with respect to the undertaking by the Borrower/Grantee of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2 : The Project

SECTION 2.1 Definition of Project. The Project, which is further described in Annex 1, will provide for the development of a central institution, the Rural Electrification Board (REB), for the purpose of administering, constructing and operating rural electric distribution systems throughout Bangladesh; and will provide for commodities and technical assistance necessary to construct, operate and maintain selected local electric systems through local institutions,

Palli Bidyut Samiti (PBS), associated with the REB. The principal objectives of the Project are to provide reliable electric service at reasonable rates in order to develop and improve living standards in rural Bangladesh. For this purpose the REB will take on the responsibilities of promoting, coordinating, financing and technically supervising a nationwide rural electric distribution network, and of providing essential training and materials to the initial PBS organizations to insure the provision of electric service to as many consumers as possible in the selected target areas at rates which will eventually allow the PBSs to be self-financing.

Annex 1 attached amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description in Annex 1 may be changed by written agreement of the authorized representatives of the parties named in Section 10.3 without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project. (a) It is anticipated that A.I.D.'s contribution to the Project will be provided in increments the initial ones being made available in accordance with Section 3.1 and 3.2 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) In the event that A.I.D. does not add a contemplated

increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Loan/Grant Project Standard Provisions Annex [¹] Section D.1, provided, that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

(c) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D. based upon consultation with the Borrower/Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1 The Loan. To assist the Borrower/Grantee to meet the costs of carrying out the Project, AID, pursuant to the Foreign Assistance Act of 1961 as amended, [²] agrees to lend the Borrower/Grantee under the applicable terms of this Agreement not to exceed sixteen million United States (U.S.) Dollars (\$16,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 3.2 The Grant. To assist the Borrower/Grantee to

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

² 75 Stat. 424; 22 U.S.C. § 2151 note.

meet the costs of carrying out the Project and in addition to the Loan funds to be provided under Section 3.1 above, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Borrower/Grantee under the terms of this Agreement not to exceed twenty-one million United States (U.S.) Dollars (\$21,000,000) ("Grant").

SECTION 3.3 Use of Loan and Grant Funds. Both the Loan and Grant may be used to finance foreign exchange costs, as defined in Section 7.1 and local currency costs as defined in Section 7.2, of goods and services required for the Project, provided however that the Principal of sixteen million United States (U.S.) Dollars (\$16,000,000) under the Loan must be totally disbursed in accordance with Article 8 of this Agreement prior to the disbursement of any funds under the Grant.

SECTION 3.4 Borrower/Grantee Resources for the Project.

(a) The Borrower/Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Loan and Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Borrower/Grantee for the Project will be not less than the equivalent of nine-million two hundred fifty thousand U.S. Dollars (\$9,250,000) including costs borne on an "in-kind" basis.

SECTION 3.5 Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is seventy two (72) months from the date of this Agreement, or such other date as the parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan and Grant will have been performed and all goods financed under the Loan and Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan or Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to Borrower/Grantee, may at any time or times reduce the amount of the Loan or Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1 Interest. The Borrower/Grantee shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement as such date is defined in Section 8.4 and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2 Repayment. The Borrower/Grantee shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. shall provide the Borrower/Grantee with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3 Application, Currency and Place of Payment.

All payments of interest and Principal hereunder shall be made in United States Dollars and shall be applied first to the payment of interest

due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Controller, Office of Financial Management, Agency for International Development, Washington D.C., 20523, U.S.A. and shall be deemed made when received by the Office of Financial Management.

SECTION 4.4 Prepayment. Upon payment of all interest and refunds then due, the Borrower/Grantee may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5 Renegotiation of Terms. (a) The Borrower/Grantee and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Bangladesh which enable the Borrower/Grantee to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 10.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 10.2, the name and address of the person or persons who will represent the

requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of a requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiation will take place at the office of Borrower/Grantee's Secretary or Joint Secretary, External Resources Division, Ministry of Planning.

SECTION 4.6 Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. relating to the Loan provisions under it will cease. However with respect to any obligations arising out of the expenditure of Grant funds this Agreement will remain in full force and effect.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1 First Disbursement. Prior to the first disbursement under the Loan or Grant for consultant services or to the issuance by A.I.D. of any commitment documents for consultant services, the Borrower/Grantee will, except as the Parties may otherwise agree in writing, furnish to

A.I.D. in form and substance satisfactory to A.I.D.

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by and executed on behalf of, the Borrower/Grantee and that it constitutes a valid and legally binding obligation of the Borrower/Grantee in accordance with all of its terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower/Grantee specified in Section 10.3 and a specimen signature of each person specified in such statement;

(c) Evidence of Borrower/Grantee approval of the Project including the funding arrangements and levels therefor, and of the establishment by the Borrower/Grantee of a budget for the first year (1977/78) of the project.

(d) A copy of an executed contract or contracts with a firm or firms to perform consultant services for the Project.

SECTION 5.2 Disbursement for Other than Consultant Services:

Except as AID may otherwise agree in writing, prior to any disbursement under the Loan or Grant other than disbursement set forth in Section 5.2 and Section 5.3 or to the issuance any commitment documents for such disbursements, the Borrower/Grantee shall furnish in form and substance satisfactory to AID evidence with respect to the following:

(a) The legal establishment of the REB, appointment of REB members and a proposed initial rate structure;

(b) Assignment to the REB of Power Development Board personnel,

organizational units and logistics support necessary for the initial implementation of the Project;

(c) Selection of the initial PBS board members in each of the subproject areas; and

(d) Establishment of procedures for expeditious clearance of imported Project commodities.

SECTION 5.3 Disbursement from Incremental Funds. Prior to disbursement, or the issuance of documentation pursuant to which disbursement will be made, under this Project Agreement as amended to provide incremental funding during or after AID's fiscal year 1979, the Borrower/Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. evidence of:

(a) Completion of transfer of Power Development Board staff and facilities to the REB;

(b) Establishment of the rate structure for the Project reflecting the following criteria:

1. All PBS's to eventually be self financing subject to interest free loans from REB; and

2. Domestic service to be provided at rates lower than rates for other user classes.

(c) Installation of a financial management system for the REB;

(d) Establishment of the PBS's as legal entities;

(e) Assignment of one staff person to each PBS from the

Bangladesh Small and Cottage Industries Corporation (BSCIC) and the

Bangladesh Agricultural Development Corporation (BADC); and

(f) Completion of the initial evaluation carried out under the Project and agreement on the implementation of resulting recommendations.

SECTION 5.4 Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1, 5.2 and 5.3 have been met, it will promptly notify the Borrower/Grantee.

SECTION 5.5 Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower/Grantee

(b) If all of the conditions specified in Section 5.2 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Loan/Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower/Grantee. In the event of such termination, the Borrower/Grantee will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate, except with respect to any obligations arising out of the expenditure of Grant funds.

Article 6: Special Covenants

SECTION 6.1 REB Finances and Consumer Levels. The Borrower/Grantee shall ensure that the REB both establishes and maintains sound financial and operational criteria and adheres to the minimum consumer levels in determining the eligibility of individual PBS organizations for loans.

SECTION 6.2 Power Supply. The Borrower/Grantee shall cause the Power Development Board to supply electric power to the PBS systems in the Project areas as demand required and at a rate equal to the national average marginal cost for production of electricity.

SECTION 6.3 Consumer Rates. The Borrower/Grantee shall, upon reasonable request from A.I.D., review the consumer rates approved for the PBS areas and adjust such rates to ensure adequate progress toward financial self-sufficiency of the PBS organizations while at the same time maintaining maximum feasible service to low income domestic users.

SECTION 6.4 PBS Budgets. The Borrower/Grantee shall

cause REB promptly to disburse sufficient funds to the PBS organizations for the purpose of meeting normal and usual operating costs incurred during the Project which cannot be met by PBS generated revenues.

SECTION 6.5 Cooperation with PBSs. The Borrower/Grantee shall cause all Borrower/Grantee agencies and corporations located or working in the PBS electrification areas to cooperate and assist in all means possible in the development of the PBS organizations, distribution systems, and power use programs.

SECTION 6.6 Program Loans. The Borrower/Grantee shall cause the REB and PBSs to administer house-wiring, irrigation, and small industries loans in a sound financial manner and on the condition that such loans are to be extended only to potential electric consumers who without such a loan could not otherwise afford electric services.

SECTION 6.7 AID Project Documentation. The Borrower/Grantee shall cause REB to carry out the Project in a general manner acceptable to AID and in accordance with proper plans, designs standards, specifications, work schedules and construction methods, and shall cause REB promptly to furnish AID such plans, designs standards, specifications and work schedules, and any material modifications made thereon, in such detail as AID shall reasonably request.

SECTION 6.8 Project Evaluation. (a) The Parties agree to establish an evaluation program as an integral part of the Project.

Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (i) evaluation of progress toward attainment of the objectives of the Project further described in 6.8(b) below; (ii) identification and evaluation of problem areas or constraints which may inhibit such attainment; and (iii) assessment of how such information may be used to help overcome such problems, in this or other projects.

(b) The objectives of this Project are to (i) develop effective and efficient financial, administrative, operations and training systems within the REB, (ii) develop financially self-sufficient PBSs in selected target areas, each PBS having the capability to administer, operate and maintain their local electric distribution system, (iii) construct and/or rehabilitate approximately 4,300 miles of 11 KV or less distribution line and 29 transformer substations, (33/11 KV) and (iv) connect a minimum of 250,000 domestic and 18,000 commercial, agricultural and small industrial consumers to the targeted systems. Evaluations using methodologies as mutually agreed to by the Parties will be conducted at least annually throughout the Project life to determine progress toward the above objectives. This will permit modifications to be made as necessary while the Project is underway.

Article 7: Procurement Sources

SECTION 7.1 Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the cost of goods and services required for the Project having their source and origin in countries defined in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services and in Bangladesh ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, except that ocean shipping shall be financed in any eligible source country except Bangladesh, and except as provided in Section C.1 (b) of Annex 2 hereto with respect to marine insurance.

SECTION 7.2 Local Currency Costs. Except as A.I.D. may otherwise agree in writing, disbursements, pursuant to Section 8.2 will be used exclusively to finance the costs of goods and services for the Project having their source and origin in Bangladesh ("Local Currency Costs").

Article 8: Disbursement

SECTION 8.1 Disbursement for Foreign Exchange Costs. (a) After satisfaction of appropriate conditions precedent, the Borrower/Grantee may obtain disbursements of funds initially under the Loan and, upon total disbursement of the Loan Principal per Section 3.3, then under the Grant, for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(i) by submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or (b) requests for A.I.D. to procure commodities or services in the Borrower/Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by the Borrower/Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Loan and/or Grant unless the Borrower/Grantee instructs A.I.D. to the contrary, such other charges as the Parties may agree to may also be financed under the Loan and/or Grant.

SECTION 8.2 Disbursement for Local Currency Costs.

(a) After satisfaction of appropriate conditions precedent, the Borrower/Grantee may obtain disbursements of funds initially under the Loan and upon total disbursement of the Loan Principal per Section 3.3 then under the Grant, for local currency costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as

prescribed in Project Implementation Letters, request to finance such costs.

(b) The Local Currency needed for such disbursement may be obtained through purchase of local currency by A.I.D. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by A.I.D. to obtain the local currency.

SECTION 8.3 Other Forms of Disbursements. Disbursements of the Loan and Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4 Date of Disbursement. Disbursement by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower/Grantee or its designee, or to a banking institution pursuant to a Letter of Commitment or Credit.

SECTION 8.5 Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan and/or Grant are introduced into Bangladesh by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower/Grantee will make such arrangements as may be necessary so that such funds may be converted into the currency of Bangladesh at the official rate of exchange in Bangladesh at the time the conversion is made.

Article 9: Cancellation and Suspension

SECTION 9.1 Events of Default; Acceleration. If any one or more of the following events ("Events of Default") shall occur:

- (a) The Borrower/Grantee shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) The Borrower/Grantee shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- (c) The Borrower/Grantee shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between the Borrower/Grantee or any of its agencies and A.I.D., or any of its predecessor agencies;

Then A.I.D. may, at its option, give to the Borrower/Grantee notice that all or any part of the unpaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days:

- (i) such unpaid Principal and accrued interest shall be due and payable immediately; and
- (ii) the amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

SECTION 9.2 Suspension and Disbursement. In the event that at any time:

- (a) An Event of Default has occurred; or
- (b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan and/or Grant will be attained or that the Borrower/Grantee will be able to perform its obligations under this Agreement; or
- (c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or
- (d) The Borrower/Grantee shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan, any guaranty, or any other agreement between the Borrower/Grantee or any of its agencies and the Government of the United States or any of its agencies;

Then A.I.D. may, at its option:

- (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through irrevocable commitments to third parties or otherwise, in which event A.I.D. shall give notice to the Borrower/Grantee promptly thereafter;
- (ii) decline to make disbursements other than then outstanding commitment documents;
- (iii) decline to issue additional commitment documents;
- (iv) at A.I.D.'s expense, direct that title to goods financed

under the Loan and/or Grant shall be transferred to A.I.D. if the goods are from a source outside Bangladesh, are in a deliverable state, and have not been offloaded in ports of entry of Bangladesh. Any disbursement made or to be made under the Loan and/or Grant with respect to such transferred goods shall be deducted from Principal.

SECTION 9.3 Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 9.2, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan and/or Grant that is not then either disbursed or subject to irrevocable Letters of Credit.

SECTION 9.4 Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

SECTION 9.5 Expenses of Collection. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 9.1 may be charged to the Borrower/Grantee and reimbursed to A.I.D. in a manner mutually agreed to by the Parties.

Article 10: Miscellaneous

SECTION 10.1 Investment Guaranty Project Approval. The Borrower/Grantee agrees that the contracts to be financed under this Agreement may be insured by the Overseas Private Investment Corporation, an agency of the United States of America.

SECTION 10.2 Communication. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Borrower/Grantee:

Alternate address for cables: BAHISAMPAD, DACCA BANGLADESH

To A.I.D.:

Mail Address: U. S. A. I. D. Mission/Bangladesh
American Embassy
G.P.O. Box #323, Ramna,
Dacca-2, Bangladesh

Alternate address for cables: USAID, DACCA, BANGLADESH

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notices.

SECTION 10.3 Representatives. For all purposes relevant to this Agreement, the Borrower/Grantee will be represented by the individual

holding or acting in the office of Secretary or Joint Secretary, External Resources Division, Ministry of Planning and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D. Mission/Bangladesh, each of whom by written notice may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower/Grantee, with specimen signatures, will be provided to A.I.D. which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 10.4 Standard Provisions Annex. A "Project Loan and Grant Standard Provisions Annex" (ANNEX 2) [¹] is attached to and forms part of this Agreement.

¹ See footnote 1, p. 4071.

IN WITNESS WHEREOF, the Borrower/Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

THE PEOPLE'S REPUBLIC OF
BANGLADESH

THE UNITED STATES OF
AMERICA

By: A.M.A. Muhith
Title: Secretary, External
Resources Division

By: Joseph S. Toner
Title: Director, USAID

ANNEX 1

Project Description

The Project includes construction and/or rehabilitation of 4,300 miles of distribution line (11 KV or less) and 29 transformer substations (33/11 KV), connection and metering of approximately 268,000 rural domestic, commercial irrigation and small industrial consumers to the system, assistance in internal wiring for consumers, and establishment of one central and 12 or more local organizations to construct, maintain, administer and promote these systems. Initial Project areas will cover 49 Thanas (4373 sq. mi.) and 1,088,000 households, these areas to be divided into 12 or more sub-projects. These figures are approximate and represent Project targets. Project life is six years.

The purpose of the Project is to provide electricity at reasonable cost for rural employment creation and community service facilities, and for rural households, especially those for the poor. In light of the high percentage of landless laborers and underemployed workers in rural Bangladesh, it is of particular importance that this Project will provide power for agricultural processing, non-farm rural industries and irrigation. Domestic services will be widespread based on an estimated 75 percent of households able to afford electric service in the Project areas.

The central organization for implementation of the Bangladesh rural electrification program and this Project will be the Rural Electrification

Board (REB). The REB will be co-equal with the existing Power Development Board, and both will come under the Ministry of Power, Flood Control and Water Resources.

The REB will coordinate the Borrower/Grantee's rural electrification activities with related rural development efforts; coordinate the assistance offered to rural electrification by all donors; conduct feasibility studies of proposed local distribution projects and provide interest free, long-term loans to local user organizations to finance sub-projects; assist local groups in contracting for construction services and supervising construction; promote development of rural enterprises using electricity by providing technical assistance and credit; determine and enforce safety and design standards; arrange the purchase of bulk power at favorable prices from the Power Development Board for rural user groups; provide training to local groups in operating and maintaining distribution systems; and arrange for the import or local purchase, storage, inventory and allocation of equipment and materials to local groups for construction of local distribution systems.

The Power Development Board, presently responsible for all power generation, transmission and rural distribution, will retain responsibility for generation and transmission up to the Project area substations from which power will be distributed by local user groups.

The Project will also establish local user organizations, or Palli Bidyut Samity (PBS), in each of the 12 sub-project areas. Each PBS will be responsible for operation and maintenance of the local distribution system, for maximizing the number of connections and for service billings and collection. Each PBS will be assisted by the REB through technical assistance, training, financing, contracting assistance, construction supervision and supply of construction equipment and materials.

The PBSs will each serve an area including approximately 30 Unions, with each Union having a PBS representative. All area residents desiring electric service will be eligible for membership in the PBS. Payment of a nominal membership fee and deposit will entitle prospective consumers to a service connection at no additional cost. Housewiring loans are also to be made available to potential consumers who could not otherwise afford service.

The institutional framework for this Project has been specifically established as a basis for future Borrower/Grantee and donor activity in rural electrification. Future activities should include both the establishment of new PBSs and the procurement of additional equipment, materials and services for use by the initial PBSs after completion of this Project.

The total Project costs are estimated at \$66.667 million. The AID contribution will include an initial \$16.0 million loan and \$21.0 million

grant and a subsequent \$13.0 million grant for the life of the Project.

The Borrower/Grantee will be financing the balance of \$16.667 million

in local currency equivalent. Project inputs will be financed as follows:

	(U.S. \$ 000)			Borrower/Grantee			Total		
	A.I.D. FX	A.I.D. LC	Total	Borrower/Grantee FX	Borrower/Grantee LC	Total	Total FX	Total LC	Total
Construction Commodities	32,875	3,130	36,005	-	5,465	5,465	32,875	8,595	41,470
Technical Assistance	4,000	1,000	5,000	-	3,500	3,500	4,000	4,500	8,500
Support Commodities	438	700	1,138	-	1,502	1,502	438	2,202	2,640
Housewiring Loans	-	-	-	-	2,500	2,500	-	2,500	2,500
Small Industries Loan	-	-	-	-	2,500	2,500	-	2,500	2,500
Construction Equipment	1,900	-	1,900	-	-	-	1,900	-	1,900
Contingency	5,957	-	5,957	-	1,200	1,200	5,957	1,200	7,157
	45,170	4,830	50,000	-	16,667	16,667	45,170	21,497	66,667

The Parties agree that the figures shown in this financial plan may be modified as project planning is finalized.

PAKISTAN
Trade in Textiles

*Agreement effected by exchange of notes
Signed at Washington January 4 and 9, 1978;
Entered into force January 9, 1978;
Effective January 1, 1978.*

The Acting Secretary of State to the Pakistani Ambassador

January 4, 1978

Excellency:

I have the honor to refer to the Agreement concerning trade in cotton textiles of May 6, 1975, as amended, [¹] between the United States and Pakistan (hereinafter referred to as the Agreement) and to recent discussions between Representatives of our two Governments concerning exports of cotton textiles from Pakistan to the United States. As a result of those discussions, I wish to propose the following Agreement relating to trade in cotton textiles between Pakistan and the United States, effective January 1, 1978.

1. The term of this Agreement shall be from January 1, 1978 through June 30, 1982. During such term, the Government of Pakistan will limit exports of cotton textiles to the United States during each agreement period, to aggregate, group, and specific limits at the levels specified in the following paragraphs.

2. The Agreement is divided into four agreement periods, with the following terms:

First Agreement Period	January 1, 1978 through December 31, 1978
Second Agreement Period	January 1, 1979 through December 31, 1979
Third Agreement Period	January 1, 1980 through December 31, 1980
Fourth Agreement Period	January 1, 1981 through June 30, 1982.

His Excellency

Sahabzada Yaqub-Khan,

Ambassador of Pakistan.

¹ TIAS 8071, 8675, 26 UST 869, 28 UST 6151.

TIAS 9050

3. For the first agreement period, the aggregate limit will be 150,000,000 square yards equivalent.

4. Within the applicable aggregate limit, the following group limits shall apply for the first agreement period.

Square Yards Equivalent

Group I (Categories 300-320,

360-369) 130,000,000

Group II (Categories 330-359) 22,000,000

5. Within the applicable aggregate and group limits, the following specific limits will apply for the first agreement period:

Group I Square Yards Equivalent

Category 313 (Sheeting) 56,419,000

Category 319 (Duck) 13,321,000

Category 363 2,350,000

(Terry and other pile towels)

Group II Units Square Yards Equivalent

Category 338

(Knit shirts,

M and B) 1,597,222 dozen 11,500,000

-- Sublimit TSUSA

380.0650 799,583 dozen 5,757,000

Category 339

(Knit shirts,

W, G and I) 347,222 dozen 2,500,000

-- Sublimit TSUSA

382.0670 122,083 dozen 879,000

6. For the second and third agreement periods, the aggregate, group and specific limits shall be 107 percent of the applicable limits for the preceding period. For

the fourth agreement period, the aggregate, group and specific limits shall be 164.24 percent of the applicable levels for the third agreement period.

7(a) Within the aggregate limit, the Group I limit may be exceeded in any agreement period by 15 percent, and the Group II limit by 7 percent.

(b) Within the aggregate and applicable group limits, as they may be adjusted pursuant to this paragraph, specific limits in Categories 300-320, 360-369 may be exceeded in any agreement period by 10 percent and in Categories 330-359 by 7 percent.

8(a) In any agreement period, exports may exceed by a maximum of 11 percent the aggregate limit and any group or specific limit by allocating to the limits for that period an unused portion of the applicable limit for the previous agreement period (carryover) or a portion of the applicable limit for the succeeding agreement period (carry forward).

(i) Carryover may be utilized as available up to 11 percent of the receiving period's applicable limits;

(ii) Carry forward may be utilized up to 6 percent of the receiving period's applicable limits and charged against the next period's applicable limits;

(iii) The combination of carryover and carry forward may not exceed 11 percent of the receiving period's applicable limits in any agreement period.

(b) For purposes of this Agreement, a shortfall occurs when exports from Pakistan to the United States during an agreement period are below the aggregate limits

in this Agreement or the limits in force for the year ending December 31, 1977, provided in the Agreement referred to above. In the agreement period following the shortfall, exports from Pakistan to the United States may be permitted to exceed the aggregate, group, and specific limits in accordance with the provisions of subparagraph (a) and (b) of this paragraph by carryover of shortfalls in the following manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit; and
- (ii) In the case of shortfalls in the categories (or combination of categories) subject to specific limits, the shortfalls shall be used in the same category (or combination of categories) in which the shortfall occurred; and
- (iii) In the case of shortfalls not attributable to categories (or combination of categories), subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred.

(c) The limits referred to in subparagraphs (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraph 7 above.

(d) The total adjustment under this paragraph shall be in addition to the adjustment permitted by paragraph 7 to the limits for any agreement period.

9(a) Categories not given specific limits are subject to consultation levels and to the aggregate and applicable

group limits. In the event the Government of Pakistan wishes to permit exports from Pakistan to the United States in any category in excess of the applicable consultation level during any agreement year, the Government of Pakistan shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Pakistan shall limit exports from Pakistan to the United States in the category in question to the consultation level. Consultation levels applicable for the first, second and third agreement periods for certain categories not given specific limits are listed in Annex A. For each category not given a specific limit and not listed in Annex A, the consultation level for the first, second and third agreement periods will be 1,000,000 square yards equivalent in Categories 300-320, 360-369; and 700,000 square yards equivalent in Categories 330-359.

(b) For the fourth agreement period, the consultation level for each category listed in Annex A shall be 150 percent of the level given in Annex A. For each category not given a specific limit and not listed in Annex A, the consultation level will be 1,500,000 square yards equivalent in Categories 300-320 and 360-369, and 1,050,000 square yards equivalent in Categories 330-359.

10. The Government of Pakistan shall use its best efforts to space exports from Pakistan to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

11. The two Governments recognize that the successful implementation of this agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the

Government of Pakistan with data on monthly imports of cotton textiles from Pakistan. The Government of Pakistan shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

12. In the implementation of this agreement, the system of categories and the rates of conversion into square yards equivalent listed in Annex B hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether a chief weight or chief value criterion is used, the chief value criterion used by the Government of the United States of America shall apply.

13. The Government of Pakistan and the Government of the United States of America agree to consult on any question arising in the implementation of this agreement.

14. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement, including differences in points of procedure or operation.

15. If the Government of Pakistan considers that, as a result of limitation specified in this agreement, Pakistan is being placed in an inequitable position vis-a-vis a third country, the Government of Pakistan may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as a reasonable modification of this agreement. These consultations will begin within 30 days from the date of request, unless mutually agreed otherwise.

16. During the term of this Agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from Pakistan to the United States under terms other than those contained in this Agreement. The applicability of any international Agreement to which both countries are parties to trade in textiles between Pakistan and the United States shall be otherwise unaffected by this Agreement.

17. The Government of the United States of America may assist the Government of Pakistan in implementing the limitation provisions of this Agreement by controlling imports of cotton textiles covered by the Agreement.

18. Exports of handloom fabrics of the cottage industry, hand-made cottage industry products made of such handloomed fabrics, and traditional folklore handicraft textile products, also known as "Pakistan Items", are not within the purview of this Agreement. A list of Pakistan Items with definitions, as identified by representatives of both Governments, is attached to this Agreement as Annex C, and will serve as a basis for implementing this provision of the Agreement. Additional items may be subsequently added to this list by mutual agreement.

19. The export visa system and certificaton procedure for hand-made cottage industry products and Pakistan Items, which has been implemented by previous administrative arrangements, will be continued in force.

20. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time to problems which have been the subject of consultations under this Agreement or its related documents, either Government may, after notification to the other

Government, refer such problems to such international organizations to which both Governments are parties which deal with the subject matter of this Agreement.

21. Either Government may terminate this Agreement effective at the end of any Agreement period by written notice to the other Government to be given at least 90 days prior to the end of such agreement period. Either Government may at any time propose revisions in the terms of this Agreement.

If this proposal is acceptable to the Government of Pakistan, this note and your Excellency's note of confirmation on behalf of the Government of Pakistan shall constitute an Agreement between the Government of Pakistan and the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State:

William Barraclough

ANNEX A

DESIGNATED CONSULTATION LEVELS

Group I		Square Yards Equivalent
Category 315 (Printcloth)		26,049,000
Category 317 (Twill & Sateen)		6,512,000
Category 369 part		9,002,000
(Miscellaneous manufactures		
excluding bar mops - TSUSA 366.1855)		
GROUP II	Units	Square Yards Equivalent
Category 352		
(Underwear)	245,455 dozen	2,700,000
Category 340		
(Blouses)	102,621 dozen	1,488,000
Category 359		
(Other Apparel)	266,739 lbs.	1,227,000

ANNEX B

Categories	Description	Conversion Factor/Unit
300	Cotton carded yarn	4.6/Lb.
301	Cotton combed yarn	4.6/Lb.
310	Gingham	1.0/Syd.
311	Velveteen	1.0/Syd.
312	Corduroy	1.0/Syd.
313	Sheeting	1.0/Syd.
314	Broadcloth	1.0/Syd.
315	Printcloth	1.0/Syd.
316	Shirtings	1.0/Syd.
317	Twill and sateens	1.0/Syd.
318	Yarn-dyed	1.0/Syd.
319	Duck	1.0/Syd.
320	Other Fabrics, n.e.s.	1.0/Syd.
330	Handkerchiefs	1.7/Doz.
331	Gloves	3.5/DPr.
332	Hosiery	4.6/DPr.
333	Suit-type coats, Men's and Boys'	36.2/Doz.
334	Other coats, Men's and Boys'	41.3/Doz.
335	Coats, Women's, girls' and infants'	41.3/Doz.
336	Dresses	45.3/Doz.
337	Playsuits	25.0/Doz.
338	Knit shirts, Men's and boys'	7.2/Doz.
339	Knit shirts and blouses, W, G and I	7.2/Doz.
340	Shirts, not knit	24.0/Doz.
341	Blouses, not knit	14.5/Doz.
342	Skirts	17.8/Doz.
343	Suits, Men's and boys'	4.5/No.

344	Suits, Women's, girls' and infants'	4.5/No.
345	Sweaters	36.8/Doz.
347	Trousers, Men's and boys'	17.8/Doz.
348	Trousers, Women's girls' and infants'	17.8/Doz.
349	Brassieres, etc...	4.8/Doz.
350	Dressing gowns	51.0/Doz.
351	Nightwear	52.0/Doz.
352	Underwear	11.0/Doz.
359	Other Apparel	4.6/Lb.
360	Pillowcases	1.1/No.
361	Sheets	6.2/No.
362	Bedspreads and quilts	6.9/No.
363	Terry and other pile towels	0.5/No.
369	Other cotton Manufactures	4.6/Lb.

ANNEX C

Definition

"Pakistan items" are those items that are uniquely and historically traditional Pakistani products cut, sewn or otherwise fabricated by hand in the cottage industry. They are limited to the products enumerated below and such other items as may be agreed upon from time to time.

List of Pakistan Items

1. Shisha Embroidered Dresses - Traditional mirror embroidery on plain, printed or striped material, worn by the people of Sind and Baluchistan. Short, medium or long in length according to the areas from which they come.
2. Dastkari Kurta and/or Gharara - A Kurta is a type of halter blouse worn with the Gharara. A Gharara is a traditional form of the pajama worn by ladies of the Moghul courts. Each leg of the Gharara measures about one yard across the bottom opening. Both made of cotton material with multi-colored embroidery and with drawstrings at the top and waist, in the tradition of the Moghul Kings.
3. Multani Kurat - Crochet worked shorts or long tunic worn by the peasants in Punjab. Crocheted work located at the neck and front and has triangular inserts at the armpits.
4. Embroidered Kurta - Type of shirts or loose tunic worn throughout Pakistan over loose trousers. Is embroidered in different colors. Adapted from Angarkha by King Ahmad Shah Abdali. Worn short or long and has tringular inserts at the armpits.

5. Multani Choli - (If in part of set) Fitted blouse worn with either a Lungi (i.e. a scarf) or Sari in Punjab & Sind. Choli is embroidered in different colors or hand printed, tied either in front or back.
6. Rilli Kurta - Kurta of heavy fabric with patchworked decorations appliqued by hand, worn by the women of Sind.
7. Burga - Loose tunic or dress with hood attached worn by ladies when going out of the house. Worn as as outer covering an often gaily embroidered or hand printed.
8. Quetta Jackets - Loose vest worn over Kurta by men and women. Made either of printed material or of embroidered material with mirrors on plain colors.
9. Ghagra - Ankle length, loose fitting skirt with drawstrings around the waist or hooks worn with either a fitted or loose choli, with traditional colors embroidered or hand printed. Worn in the Tharparkar area of Sind.
10. Batwa - (Drawstring pouches, bags, purses and string bags). Accessories for all Pakistani dresses for carrying betel nuts and other personal things. Gaily printed or hand embroidered or with mirrors, or made with colored strings.
11. Shindi Julaba - Very loose ankle length garment in handloom or hand-blocked material with a hood attached, with tie string at V opening in neck and side slits at lower part extending to lower hem. Worn with or without hood in the villages of Sind and can also be embroidered.

TIAS 9050

12. Izarban - Cotton belt in multi colored continuous lengths of unwoven threads.
13. Baluchi Kameez - Embroidered top worn by the women of Baluchistan over Shalwar or Turkish trousers. Flared tunic with extra wide sleeves tapering to a buttoned cuff.
14. Cotton Embroidered Kaftan - Kaftan in the traditional embroidery of Multan, Makran, Derz Ghazi Khan and Nuchki. Long, loose fitting dress with embroidery around top and bottom with side slits of about 18 inches to the lower hem.
15. Cholistan Kurta - Colorful striped heavy, unbleached fabric worn by the camel drivers of the Cholistan Desert with stand up collar band and sleeves made into the body of the garment.
16. Chilaf - Embroidered decorative tubular case open at both ends with drawstring enclosures.
17. Dupatta - (If in part of a set) Long scarf about 4 feet or more long and three feet or more wide of thin cotton fabric with colorful design worn by women to cover the head.
18. Cimmerband - Antique and embroidered wide belts worn around the waist, with heavy mirrored embroidery.

The Pakistani Ambassador to the Secretary of State

EMBASSY OF PAKISTAN
2315 MASSACHUSETTS AVENUE, N. W.
WASHINGTON, D. C. 20008

January 9, 1978

AMBASSADOR OF PAKISTAN

Excellency,

I have the honour to refer to your note of January 4, 1978, proposing an agreement on trade in Cotton Textiles between Pakistan and the United States of America.

I confirm on behalf of the Government of Pakistan that the proposal contained in your note is acceptable to my Government, and that your note and this note in reply, constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

A handwritten signature in black ink, appearing to read "Yaqub Khan".

(Sahabzada Yaqub Khan)

The Honorable
Cyrus R. Vance,
Secretary of State,
Washington DC 20520

TUNISIA
Rural Community Health

*Agreement signed at Tunis December 29, 1977;
Entered into force December 29, 1977.*

A.I.D. Loan Number 664-U-053
Project Number 664-0296
Dated: DEC 29 1977

PROJECT

LOAN AND GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF TUNISIA
and the
UNITED STATES OF AMERICA

for
RURAL COMMUNITY HEALTH

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A.I.D. Loan No. 664-U-053
A.I.D. Project No. 664-0296

LOAN AND GRANT AGREEMENT

Dated DEC 29 1977

BETWEEN

The Republic of Tunisia (Cooperating Country)

and

The United States of America, acting through the
Agency for International Development ("A.I.D.")

Article I: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Cooperating Country of the Project described below, and the financing thereof by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of redefining the tasks of the non-physician personnel and retraining of front line health workers, integrating preventive and curative primary health services including family planning, expanding outreach components of the primary care system, constructing and renovating facilities and providing equipment for primary care, all in the framework of the Tunisian regulations. Annex 1, attached, contains the detailed Project description cited in this Section 2.1. and identifies those elements of the Project for which Grant financing will be employed, and those for which Loan financing will be employed. Within the

limits of the above definition of the Project, elements of the description contained in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2. without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of the Grant

(a) A.I.D.'s grant contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of grant funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed with the project.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant; the Loan. To assist the Cooperating Country to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to allot one million United States (\$U.S.) Dollars (\$1,000,000) in grant funds for technical assistance over the life of the project, of which six hundred eighty thousand dollars (\$680,000) will be released in Fiscal year 1978. A.I.D. also agrees to lend the Cooperating Country

^[1] 75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

under the terms of this agreement not to exceed three million U. S. Dollars (\$3,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan and the Grant together are referred to as the "Assistance".

The Assistance may be used to finance foreign exchange costs, as defined in Section 7.1., and local currency costs, as defined in Section 7.2 of goods and services required for the Project.

SECTION 3.2. Cooperating Country Resources for the Project.

(a) The Cooperating Country agrees to provide or cause to be provided for the Project all funds, in addition to the Assistance, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Cooperating Country for the Project will be approximately the equivalent of U.S. \$1,615,850 including costs borne on an "in-kind" basis, but not less than 25% of the total cost of the Project.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Assistance will have been performed and all goods financed under the Assistance will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Assistance for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D. by giving notice in writing to the Cooperating Country, may at any time or times reduce the amount of the Assistance by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Cooperating Country will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5.) of each respective

disbursement, and will be computed on the basis of a 365-day year. Interest will be payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Cooperating Country will repay the Principal to A.I.D. within thirty (30) years from the date of the first disbursement of the Loan in forty-one (41) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Cooperating Country with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Cooperating Country may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Cooperating Country and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Tunisia, which enable the Cooperating Country to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1., and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1., the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Sub-section (c). The

negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Cooperating Country's Ministry of Foreign Affairs in Tunisia.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Cooperating Country and A.I.D. relating to the Loan provisions of this Agreement will cease. However, with respect to any remaining obligations arising out of the expenditure of Grant funds, this agreement will remain in full force and effect.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1 First Disbursement. Prior to the first disbursement of the assistance the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Cooperating Country and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the Office of the Cooperating Country specified on Section 9.2. and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A request from the Cooperating Country for A.I.D. to directly procure consulting services of an architect to advise on the health service aspects of the buildings being financed by the loan.

SECTION 5.2. Additional Disbursements. Prior to the disbursement of assistance for other than the consultant services contemplated in Section 5.1. the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.;

(a) A request from the Cooperating Country for A.I.D. to directly procure the health services technical assistance;

(b) A set of criteria by which the health centers will be deemed operational;

(c) A preliminary training plan; and

(d) A preliminary evaluation plan.

SECTION 5.3. Disbursements for Construction and Renovation.

Prior to the disbursement of funds for construction or renovation, the Cooperating Country will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Final designs, specifications, and cost estimates for the construction and renovation of health centers;

(b) A final training plan;

(c) A final evaluation plan;

(d) A list of construction and renovation sites and evidence that clear title to each has been obtained, the reimbursement for each site being considered in relation with the title for such site;

(e) A list of the equipment to be provided under the project, together with a procurement schedule and a delivery schedule; and

(f) A work plan for the construction and renovations.

SECTION 5.4. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1., 5.2. and 5.3. have been met, it will promptly notify the Cooperating Country.

SECTION 5.5. Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 5.8. have not been met within 90 days from the date of this Agreement or such later date as A.I.D. may agree to in writing, A.I.D. may, at its option, terminate this Agreement by written notice to the Cooperating Country.

(b) If all of the conditions specified in Section 5.2. have not been met within 180 days from the date of this Agreement, or if all of the conditions specified in Section 5.3. have not been met within 300 days from the date of this Agreement, or such later dates as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Assistance, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Cooperating Country. In the event of such termination the Cooperating Country will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full and payments for irrevocably committed amounts, this Agreement and all obligations of the Parties hereunder will terminate, except with respect to any obligations arising out of the expenditure of Grant funds.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and
- (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Counterparts. Prior to the arrival in Tunisia of the technical assistance team, unless A.I.D. shall otherwise agree in writing, the Cooperating Country shall furnish, in form and substance satisfactory to A.I.D., evidence that the Government of Tunisia has designated appropriate counterparts in both Siliana and Sidi Bou Zid provinces and in Tunis.

SECTION 6.3. Facilities. The Cooperating Country agrees to assist USAID/Tunisia in obtaining such housing, offices and other facilities as are needed in the project area to support the work of the technical assistance team.

SECTION 6.4. Technical Assistance. The Cooperating Country agrees to collaborate with AID in the selection of a qualified US technical assistance contractor to implement a program of work along the general lines described in "Design Study II: Integrated Rural Health Services in Siliana and Sidi Bou Zid Provinces, Tunisia", July 28, 1977, Family Health Care, Inc., Washington, D.C.

Article 7. Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services or in Tunisia ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Standard Provisions Annex,^[1] Section C.1.

(b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Tunisia ("Local Currency Costs").

Article 8. Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.
(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursements of funds under the Loan or the Grant

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. [Footnote added by the Department of State.]

for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of the Agreement, by such of the following methods as may be mutually agreed upon:

- (1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters,
 - (A) requests for reimbursement for such goods or services, or,
 - (B) requests for A.I.D. to procure commodities or services in the Cooperating Country's behalf for the Project; or
- (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by the Cooperating Country in connection with Letters of Commitment and Letters of Credit will be financed under the Assistance unless the Cooperating Country instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Assistance.

SECTION 8.2. Disbursement for Local Currency Costs.

- (a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursement of funds under the Loan for Local

Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The schedule of reimbursements is as follows:

30% of the total amount allocated for construction and renovation as an advance, upon the satisfaction of the Conditions Precedent listed in Section 5.3. of this Agreement;

40% of the agreed amount for each center when renovation or construction is completed;

30% of the agreed amount for each center when it is operational.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan or the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Funds provided under the Loan or the Grant by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. under Section 8.2. will be calculated at the highest rate of exchange which, at the time disbursement is made, is not unlawful in Tunisia.

SECTION 8.5. Date of Disbursement. Disbursements of the Assistance by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Cooperating Country or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Cooperating Country:

Ministère des Affaires Etrangères
Direction de la Coopération Internationale
Avenue Mohamed V
Tunis, Tunisia

To A.I.D.

Agency for International Development
c/o American Embassy
144 Avenue de la Liberté
Tunis, Tunisia

Alternate address for cables:

Director, USAID
Amembassy, Tunis

All such communications will be in English or French. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Cooperating Country will be represented by the individual holding or acting in the Office of Minister of Foreign Affairs and

A.I.D. will be represented by the individual holding or acting in the office of Director, USAID to Tunisia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the detailed description in Annex 1. The names of the representatives of the Cooperating Country, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Combined Loan and Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this agreement.

SECTION 9.4. Language of Agreement. This Agreement, its annexes and Project Implementation Letters are prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the Republic of Tunisia and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Republic of Tunisia

Brahim Turki
By: Brahim Turki, Secrétaire d'Etat aux Affaires
Ministry of Foreign Affairs Etrangères

United States of America

H. Davis
By: Hermon S. Davis
Director/USAID

Edward W. Mulcahy
By: Edward W. Mulcahy, Ambassador.

¹ See footnote 1, p. 4127. [Footnote added by the Department of State.]

Annex 1

PROJECT DESCRIPTION

The proposed project will improve the quality and coverage of health services in two predominantly rural provinces of Tunisia (Silliana and Sidi Bou Zid) through technical assistance aimed at redefining the tasks of the paramedical personnel and the integrated rural health delivery system and through capital assistance to upgrade the facilities and equipment used by the health system in those facilities.

The project is expected to be carried out over a three-year period starting in FY 1978 and will require a \$1,000,000 grant for technical assistance and a \$3,000,000 loan for capital assistance, which will be supplemented by an estimated \$1,615,850 contribution from the Tunisian Government.

The bulk of the grant funds for technical assistance will provide for nine person-years of resident technical advisors, one person-year of short-term consultants, and short-term training in the United States for five Tunisians. The technical assistance package is designed as five distinct but complementary components. They are:

Technical Assistance (Grant Funded)

1. Job restructuring and the retraining of frontline health workers.
2. The detailed conceptualization and design of both the system management and the patient record system to support newly integrated preventive and curative services for rural areas.

3. The training and orientation of rural delivery system supervisors and managers, as well as the orientation of community leaders.

4. Support for improved clinical experience in medicine and public health for interns assigned to Siliana and Sidi Bou Zid.

5. Design and implementation of a program of research and evaluation covering the technical and capital assistance areas mentioned in this summary.

Capital Assistance (Loan Funded)

The capital assistance activities include:

The design, renovation, construction and equipping of 41 health facilities which will provide integrated primary health services at the delegation, regroupment and village level.

A portion of the funds is needed for the renovation and equipping of the existing facilities: 8 Type A, 1 Type B and 10 Type C centers in the two provinces. The bulk of the money will be used to finance the construction of new health facilities: 6 Type A, 1 Type B, and 15 Type C centers.

Financial Plan

The following are the financial requirements of this project:

From A.I.D. :

GRANT

Technical Assistance	\$812,000
Participant Training	20,000
Library	8,000
Training Materials and Equipment	60,000
Field Trials	<u>100,000</u>
	\$1,000,000

LOAN

Facilities Renovation	461,250
New Construction	2,011,530
Equipment	323,345
Contingency	<u>203,875</u>
	\$3,000,000

From the Cooperating Country : (\$ equivalents)

Construction and Renovation (2% of materials labor and transport)	
Design of buildings and administration of contracts	844,220
Acquisition of land (1)	-0-
8 Project vehicles	160,000
Incremental operating costs for new and expanded centers	(2) 486,630
Training support costs (living expenses)	10,000
Support of US contract team	<u>115,000</u>
	\$1,615,850

- (1) Cooperating Country assumes responsibility at no cost to project.
- (2) Includes incremental operating costs for the three years of the project, provided but not separately identified in MOH budget.

Funds will be required according to the following schedule.
(All figures are thousands of dollars.)

FY 1978 1/

A.I.D.

1. Upon satisfaction of the conditions precedent to the first disbursement.

GRANT FUNDS

Architectural services	10
------------------------	----

2. Upon satisfaction of conditions precedent to additional disbursements:

GRANT FUNDS

Technical assistance contract	586
Library materials	8
Training materials and equipment	38
Field trials	25
Participant Training	13
Total	<u>680</u>

LOAN FUNDS

Purchase of equipment	323
-----------------------	-----

3. Upon satisfaction of conditions precedent to disbursements for construction and renovation:

LOAN FUNDS

Advance to GOT for 30% of US share (75%) of construction and renovation costs.	742
--	-----

GRANT	680
LOAN	1065
Total	<u>1745</u>

Cooperating Country: (\$ equivalents)

25% material, labor	330
Design of plans	20
2 Project vehicles	40
Incremental operating costs (including transport)	p.m.
Training costs (GOT budget)	p.m.
Trust Fund	51
Total	<u>524</u>

1/ The fiscal year of the Cooperating Country corresponds to the calendar year.

FY 1979

A.I.D.:

GRANT FUNDS

Technical assistance contract	216
Training materials	22
Field trials	75
Participant training	7
	<u>320</u>

LOAN FUNDS

40% of US share construction and renovation costs	989
GRANT	320
LOAN	<u>989</u>
Total	<u>1309</u>

Cooperating Country:

Construction cost	450
Incremental operating costs	160
Training costs (MOH budget)	4
Trust Fund	32
3 vehicles	60
Total.	<u>706</u>

FY 1980

A.I.D. :

LOAN FUNDS

30% of U.S. share of construction and renovation costs	<u>742</u>
Total	742

Cooperating Country:

Construction cost	44
Incremental operating costs	247
Training costs (MOH budget)	3
Trust Fund*	32
3 vehicles	60
Total	<hr/> 386

(Contingency)

The annual figures above appear to leave unexpended the \$203,875 contingency amount of A.I.D. financing. It may be expected that these funds will actually be used during project implementation as circumstances require.

Total	204.
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Disbursement Procedures

AID assistance to the renovation or construction of rural health centers is provided to reimburse local costs and will be disbursed under a modified Fixed Amount Reimbursement procedure that provides financing in increments that correspond generally to the disbursements made by the Cooperating Country to construction contractors. One advance payment will share the burden of disbursements during construction. The second reimbursement will be made for each center as construction or renovation is completed and accepted, and the final reimbursement for each center will be made when the center is operational. The schedule of reimbursements is as follows:

30% of the total amount allocated for construction and renovation as an advance, upon the satisfaction of the Conditions Precedent listed in Section 5.3. of this Agreement;

40% of the agreed amount for each center when renovation or construction is completed;

30% of the agreed amount for each center when it is operational.

Completion of renovation or construction will be certified by appropriate officers of the Government of Tunisia and of A.I.D. The Tunisian project manager and a member of the contract technical assistance team will certify when each center has become operational, according to a set of criteria that will be established pursuant to Section 5.2 of this Agreement. The Fixed Reimbursement Amount for each center will be the subject of agreement between representatives of the Government of Tunisia and of A.I.D., on the basis of the final designs and cost estimates that are referred to in Section 5.3 of this Agreement. The amount agreed will be the amount reimbursed, with no adjustment for any difference between anticipated cost and actual cost.

Reimbursements for Fixed Reimbursement Amounts will be claimed by the Cooperating Country as the centers are completed, or become operational, but not more often than once in three months. Reimbursement will be made in U.S. dollars.

Disbursements for other elements of the project will be by Letter of Commitment, Letter of Credit or other established disbursement procedure, as appropriate to each type of element.

Prêt AID No. 664-U-053
Projet No. 664-0296
Date: DEC 29 1977

P R O J E T
DE
S A N T E R U R A L E

ACCORD DE PRET ET DE SUBVENTION

ENTRE

LA REPUBLIQUE TUNISIENNE

ET

LES ETATS-UNIS D'AMERIQUE

TABLE DES MATIERES
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ANNEXE 1

DESCRIPTION DU PROJET	1
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TIAS 9051

Prêt AID No. 664-T-053

Projet A.I.D. No. 664-0296

ACCORD DE PRÉT ET DE SUBVENTION

Entre

La République Tunisienne (Pays Coopérant)

et

les Etats-Unis d'Amérique, agissant par l'intermédiaire de
l'Agence pour le Développement International (A.I.D.)Article 1 - L'Accord

Le but du présent Accord est de définir l'accord intervenu entre les parties sus-visées ("Parties") concernant la réalisation par le Pays Coopérant du Projet décrit ci-dessous et son financement par les Parties Concernées.

Article 2 - Le Projet

SECTION 2.1. Définition du Projet. Le projet, décrit en plus de détails à l'Annexe 1, consistera en la redéfinition des tâches du personnel para-médical et le recyclage des agents sanitaires, l'intégration des services de santé de base préventifs et curatifs, y compris le planning familial, l'expansion du rayon d'action des centres de santé de base, la construction et la rénovation des installations et la fourniture d'équipement pour les soins de base, et ce dans le cadre de la réglementation tunisienne en vigueur. L'Annexe 1 ci-jointe contient la description détaillée du projet citée dans cette Section 2.1. et identifie les éléments du Projet qui seront financés par le Prêt.

Tout en restant dans les limites de la définition du Projet donnée ci-dessus, certains aspects de la description détaillée présentée à l'Annexe 1, peuvent être modifiés par accord écrit des représentants autorisés des Parties mentionnées à la Section 9.2., sans procéder pour autant à l'amendement officiel du présent Accord.

SECTION 2.2. Réalisation Echelonnée de la Subvention.

(a) La contribution de l'A.I.D. au titre de la subvention au Projet sera versée par tranches, la première sera fournie conformément à la Section 3.1. du présent Accord. Les tranches ultérieures seront sous réserve de disponibilité de fonds à l'A.I.D., au titre de la subvention, à cette fin, et de l'accord des Parties, à la date de versement d'une tranche, pour poursuivre l'exécution du Projet.

(b) Dans les limites du délai fixé dans cet Accord pour l'Achèvement de l'Assistance au Projet, et sur la base de ses consultations avec le Bénéficiaire, l'A.I.D. peut spécifier dans des Lettres d'Exécution de Projet, des délais appropriés pour l'utilisation des fonds fournis par l'A.I.D. sous forme d'une tranche de l'assistance prévue.

Article 3 - Le Financement

SECTION 3.1. La Subvention, Le Prêt. Pour aider le Pays Coopérant à couvrir les coûts de réalisation du Projet, et en application de la Loi de 1961 sur l'Assistance à l'Etranger telle que modifiée, l'A.I.D. accepte d'allouer une subvention de un million de dollars au titre de l'assistance technique pour la durée du Projet. De ce montant, 630.000 dollars seront débloqués durant l'année fiscale 1978.

à titre de subvention et un montant n'excédant pas trois millions de dollars U.S. (\$3,000,000) à titre de Prêt.

Le montant total des déboursements dans le cadre du Prêt est dénommé "Le Principal". La Subvention et le Prêt ensemble sont dénommés "L'Assistance".

L'Assistance peut servir à financer les coûts en devises étrangères tels que définis à la Section 7.1 et les coûts en monnaie locale tels que définis à la Section 7.2, des biens et des services requis par le Projet.

SECTION 3.2. Ressources du Pays Coopérant pour le Projet

(a) Le Pays Coopérant accepte de fournir, ou de veiller à ce que soit fourni au Projet, outre l'Assistance, tous les fonds et toutes les autres ressources nécessaires pour réaliser le Projet d'une manière efficace et en temps voulu.

(b) Les ressources fournies au Projet par le Pays Coopérant seront approximativement l'équivalent de \$1,631.850, y compris les coûts en nature, mais ne peuvent être inférieures à 25% du coût total du Projet.

SECTION 3.3. Date Finale d'Assistance au Projet.

(a) La "Date Finale" d'Assistance au Projet (DFAP), fixée au 30 Septembre, 1980, ou toute autre date convenue par écrit entre les Parties, est la date à laquelle, selon l'estimation desdites Parties, tous les services et tous les biens financés dans le cadre de l'Assistance auront été respectivement réalisés ou fournis au Projet, tel que prévu dans le présent Accord.

(b) Sauf accord contraire de l'A.I.D. notifié par écrit, l'A.I.D. n'émettra ni approuvera des documents autorisant le déboursement de l'Assistance pour des services rendus ou des biens fournis, conformément au présent accord, à une date ultérieure à la Date Finale d'Assistance au Projet.

(c) Les demandes de déboursement, accompagnées des documents justificatifs nécessaires prescrits dans les Lettres d'Exécution du Projet, devront parvenir à l'A.I.D. ou toute banque désignée à la Section 8.1. dans un délai n'excédant pas neuf (9) mois après la Date Finale d'Assistance au Projet, ou à toute autre période convenue par écrit par l'A.I.D. Après cette date, et moyennant notification écrite au Pays Coopérant, l'A.I.D. peut à n'importe quel(s) moment(s) réduire le montant de l'Assistance de la totalité ou de toute partie de cette Assistance pour laquelle des demandes de déboursement, accompagnées des documents justificatifs prescrits dans les Lettres d'Exécution du Projet, n'auront pas été reçues avant l'expiration de ladite période.

Article 4. Conditions du Prêt

SECTION 4.1. Les Intérêts. Le Pays Coopérant paiera à l'A.I.D. les intérêts cumulés au taux annuel de deux pour cent (2%) pendant les dix années qui suivent la date du premier déboursement dans le cadre du Prêt et, par la suite, au taux annuel de trois pour cent (3%) sur le reliquat impayé du Principal et sur tous les intérêts dûs et impayés. Les intérêts sur le reliquat impayé commenceront à courir à compter de la date de chaque déboursement respectif (telle que définie à la

Section 8.5) et seront calculés sur la base de 365 jours par an. Les intérêts seront payables au plus tard six (6) mois après le premier déboursement dans le cadre du Prêt, à une date à spécifier par l'A.I.D.

SECTION 4.2. Remboursement. Le Pays Coopérant remboursera le principal à l'A.I.D. dans les trente (30) ans qui suivent la date du premier déboursement du Prêt, en quarante et une (41) tranches semestrielles du Principal et des intérêts, d'une valeur approximativement égale. La première tranche du Principal viendra à échéance neuf ans et demi (9-1/2) après la date à laquelle le premier paiement d'intérêts sera dû, conformément à la Section 4.1. L'A.I.D. fournira au Pays Coopérant un calendrier d'amortissement conforme à cette Section, après le dernier déboursement dans le cadre du Prêt.

SECTION 4.3. Imputation, Monnaie et Lieu de Paiement. Tous les paiements des intérêts et du Principal dans le cadre de ce prêt se feront en dollars U.S. et seront imputés en premier lieu au paiement des intérêts échus puis au remboursement du Principal. Sauf indication contraire de l'A.I.D. notifiée par écrit, les paiements seront effectués à l'ordre du Chef du Service de Gestion Financière, Agence pour le Développement International, Washington, D.C., 20523, U.S.A., et seront considérés avoir été effectués dès qu'ils auront été reçus par le Service de Gestion Financière.

SECTION 4.4. Remboursement Anticipé. Dès paiement de tous les intérêts et de tous les remboursements dûs à cette date, le Pays Coopérant pourra, sans encourir aucune pénalisation, procéder au remboursement anticipé de la totalité ou d'une partie du Principal. Sauf si l'A.I.D.

en convienne autrement par écrit, tout paiement anticipé sera imputé aux tranches du Principal dans l'ordre inverse de leur arrivée à échéance.

SECTION 4.5. Renégociation des Conditions du Prêt

(a) Le Pays Coopérant et l'A.I.D. acceptent de négocier, à tout moment et à la demande de l'une des deux Parties, l'accélération du remboursement du Prêt, s'il y a amélioration importante et continue de la situation et des perspectives économiques et financières intérieures et extérieures de la Tunisie permettant au Pays Coopérant de rembourser le Prêt dans un délai plus court.

(b) Toute demande par l'une des parties concernant de telles négociations devra être faite conformément à la Section 9.1 indiquant le nom et l'adresse de la (les) personne(s) devant représenter la Partie ayant demandé ces négociations.

(c) Dans les trente (30) jours qui suivent le dépôt d'une demande de négociation, la Partie requise indiquera à l'autre, conformément à la Section 9.1., le nom et l'adresse de la (des) personne(s) devant la représenter dans de telles négociations.

(d) Les représentants des Parties se rencontreront pour ces négociations au plus tard trente (30) jours après que la Partie requise ait fourni les indications demandées conformément au paragraphe (c). Les négociations se tiendront en un lieu décidé d'un commun accord par les représentants des Parties. En l'absence de cet accord commun, ces négociations auront lieu au Ministère des Affaires Etrangères de la Tunisie.

SECTION 4.6. Résiliation après Paiement Intégral. Dès paiement intégral du Principal et des intérêts cumulés, le présent Accord et toutes les obligations du Pays Coopérant et de l'A.I.D. dans le cadre de cet Accord seront résiliés. Cependant, en ce qui concerne toutes les obligations restantes relatives à l'utilisation des fonds de la subvention, le présent Accord restera pleinement valable et en vigueur.

Article 5. Conditions Suspensives de Déboursement.

SECTION 5.1. Premier Déboursement. Avant le premier déboursement dans le cadre de l'Assistance et, à moins que l'A.I.D. n'en convienne autrement par écrit, le Pays Coopérant fournira à l'A.I.D. les documents suivants établis, dans leur fond et dans leur forme, à la satisfaction de l'A.I.D.

(a) Un avis d'un conseiller juridique acceptable à l'A.I.D. certifiant que le présent Accord a été dûment autorisé et ratifié par le Pays Coopérant et signé en son nom, et qu'il constitue une obligation valide et légalement irrévocable pour le Pays Coopérant, conformément à l'ensemble de ses termes.

(b) Une attestation indiquant le nom de la personne détenant le poste de responsabilité de direction dans les Services du Pays Coopérant mentionné à la Section 9.2., aussi bien que tous les représentants additionnels, ainsi qu'un spécimen de signature de chaque personne mentionnée dans cette attestation.

(c) Une demande du Pays Coopérant invitant l'A.I.D. à agir directement pour l'obtention des services d'un architecte devant fournir des

conseils sur l'agencement des services de santé à l'intérieur des centres financés par le prêt.

SECTION 5.2. Déboursements Complémentaires - Avant tout déboursement dans le cadre de l'assistance destinée à toute autre fin que les services des consultants prévus à la Section 5.1. et sauf si l'A.I.D. en convienne autrement par écrit, le Pays Coopérant fournira à l'A.I.D. les documents suivants établis, dans leur fond et dans leur forme, à la satisfaction de l'A.I.D.

(a) Une demande du Pays Coopérant invitant l'A.I.D. à agir directement pour l'obtention de l'assistance technique pour les services de santé.

(b) Un ensemble de critères permettant de considérer les centres de santé comme étant opérationnels.

(c) Un plan de formation préliminaire.

(d) Un plan d'évaluation préliminaire.

SECTION 5.3. Avant tout déboursement de fonds pour la construction ou la rénovation des centres, et sauf si l'A.I.D. en convienne autrement par écrit, le Pays Coopérant fournira à l'A.I.D. les documents suivants établis, dans leur fond et dans leur forme à la satisfaction de l'A.I.D.

(a) Les plans définitifs, les cahiers des charges et les devis estimatifs pour la construction et la rénovation des centres;

(b) Un plan définitif de formation;

(c) Un plan définitif d'évaluation;

(d) Une liste des sites de construction et de rénovation de centres et l'attestation qu'un titre de propriété libre de toute hypothèque a été

obtenu pour chacun d'eux, le déboursement pour chaque site étant considéré en relation avec le titre de propriété de tel site;

(e) Une liste de l'équipement devant être fourni dans le cadre du projet, ainsi qu'un calendrier des achats et des livraisons; et

(f) Un calendrier pour les travaux de construction et de rénovation.

SECTION 5.4. Notification. Dès que l'A.I.D. aura constaté que les conditions suspensives spécifiées aux Sections 5.1. et 5.2. ont été satisfaites, elle s'empressera d'en aviser le Pays Coopérant.

SECTION 5.5. Dates Finales des Conditions Suspensives.

(a) Si toutes les conditions spécifiées à la Section 5.1. n'auront pas été satisfaites dans les 90 jours qui suivent la date du présent Accord ou à toutes autres dates ultérieures convenues par écrit par l'A.I.D., celle-ci pourra à son gré, résilier le présent Accord moyennant notification écrite au Pays Coopérant.

(b) Si toutes les conditions spécifiées à la Section 5.2. n'auront pas été satisfaites dans les 180 jours qui suivent la date du présent Accord, ou si l'ensemble des conditions spécifiées à la Section 5.3. n'auront pas été satisfaites dans les 300 jours qui suivent la date du présent Accord, ou à toute autre date ultérieure convenue par écrit par l'A.I.D., celle-ci pourra, à son gré, annuler le reliquat de l'Assistance non déboursé à cette date, dans la mesure où il n'aura pas été irrévocablement engagé par des tiers, et pourra résilier le présent Accord moyennant notification écrite au Pays Coopérant. En cas de résiliation, le Pays Coopérant remboursera immédiatement le Principal dû et les intérêts cumulés à cette date. Au reçu de ces paiements en entier et des

paiements des montants irrévocablement engagés, le présent Accord et toutes les obligations des Parties dans le cadre de cet Accord seront résiliés, à l'exception des obligations relatives à l'utilisation des fonds de la Subvention.

Article 6. Conventions Spéciales

SECTION 6.1. Evaluation du Projet. Les Parties conviennent d'établir un programme d'évaluation en tant que partie du Projet. Sauf si les Parties en disposent autrement par écrit, ce programme comportera, durant l'exécution du Projet et une ou plusieurs fois par la suite:

- (a) l'évaluation du progrès accompli vers la réalisation des objectifs du projet,
- (b) l'identification et l'évaluation des problèmes ou contraintes susceptibles d'empêcher la réalisation de ces objectifs,
- (c) l'examen de la manière dont ces renseignements peuvent être utilisés afin de surmonter de telles difficultés,
- (d) l'évaluation autant que possible de l'impact général du Projet en matière de développement.

SECTION 6.2. Personnel Homologue. Avant l'arrivée en Tunisie d'une équipe d'assistance technique et, à moins que l'A.I.D. n'en convienne autrement par écrit, le Pays Coopérant fournira une attestation satisfaisante à l'A.I.D. dans son fond et dans sa forme, certifiant que le Gouvernement Tunisien a désigné un personnel homologue approprié dans les Gouvernorats de Siliana et Sidi Bou Zid aussi bien qu'à Tunis.

SECTION 6.3. Facilités Offertes. Le Pays Coopérant consent à aider l'USAID/Tunisie à obtenir les logements, les locaux administratifs et

autres facilités nécessaires dans la zone du projet pour soutenir le travail de l'équipe d'assistance technique.

SECTION 6.4. Assistance Technique. Le Pays Coopérant accepte de collaborer avec l'A.I.D. pour choisir un contractant américain qualifié en matière d'assistance technique pour exécuter un programme de travail suivant les lignes générales indiquées dans "L'Etude du Plan II. Services de Santé Rurale Intégrés dans les Gouvernements de Siliana et Sidi Bou Zid, Tunisie", 28 Juillet 1977, "Family Health Care, Inc, Washington, D.C.".

Article 7 - Source d'Acquisition

SECTION 7.1. Coûts en Devises Etrangères. A moins que l'A.I.D. n'en convienne autrement par écrit, des déboursements effectués conformément à la Section 8.1. seront utilisés uniquement pour financer les coûts des biens et des services nécessaires au Projet ayant pour source et origine les pays inclus au Code Géographique de l'A.I.D. No. 941, tel qu'il est en vigueur aux dates auxquelles des commandes sont passées et des contrats conclus pour l'acquisition des biens et services susvisés ou en Tunisie, sauf si l'A.I.D. en convienne autrement par écrit et sauf dispositions prévues à l'Annexe des Dispositions Générales, Section C.1. (b) concernant l'assurance maritime.

SECTION 7.2. Coûts en Monnaie Locale. Des déboursements effectués conformément à la Section 8.2. seront utilisés uniquement pour financer les coûts des biens et des services nécessaires au Projet ayant leur source et, sauf si l'A.I.D. en dispose autrement

par écrit, leur origine en Tunisie ("Coûts en Monnaie Locale").

Article 8 - Déboursements

SECTION 8.1. Déboursements pour les Coûts en Devises Etrangères

(a) Une fois les conditions suspensives satisfaites, le Pays

Coopérant pourra obtenir des déboursements de fonds dans le cadre du Prêt ou de la Subvention pour les Coûts en Devises Etrangères des biens et des services nécessaires au Projet conformément aux termes du présent Accord, selon l'une des méthodes définies ci-dessous, tel qu'il sera convenu entre les Parties:

(1) en soumettant à l'A.I.D., avec les documents justificatifs prescrits dans les Lettres d'Exécution de Projet, (A) des demandes de remboursement pour ces biens ou services, ou (B) des demandes chargeant l'A.I.D. d'acquérir, pour le compte du Pays Coopérant, des biens et des services nécessaires au Projet.

(2) En demandant à l'A.I.D. d'émettre des Lettres d'Engagement pour des montants spécifiés (A) à une ou plusieurs banques américaines satisfaisantes à l'A.I.D., engageant l'A.I.D. à rembourser cette ou ces banque(s) pour les paiements qu'elles auront effectués à des contractants ou des fournisseurs, par Lettre de Crédit ou autrement, pour lesdits biens et services, ou (B) directement à un ou plusieurs contractants ou fournisseurs, engageant l'A.I.D. à payer ces contractants ou fournisseurs pour lesdits biens et services.

(b) Frais de Banque. Les frais de banque encourus par le Pays Coopérant à propos des Lettres d'Engagement et des Lettres de Crédit seront financés dans le cadre de l'Assistance, sauf instructions contraires

du Pays Coopérant à l'A.I.D. Tous autres frais convenus par les Parties peuvent également être financés dans le cadre de l'Assistance.

SECTION 8.2. Déboursements pour les Coûts en Monnaie Locale.

(a) Une fois les conditions suspensives satisfaites, le Pays Coopérant pourra obtenir des déboursements de fonds dans le cadre du Prêt pour les coûts en Monnaie Locale du Projet conformément aux termes du présent Accord, en soumettant à l'A.I.D., avec les documents justificatifs prescrits dans les Lettres d'Exécution du Projet, des demandes pour le financement de ces coûts.

(b) Les déboursements seront effectués comme suit:

30% du montant total alloué pour la construction et la rénovation comme avance, à la satisfaction des conditions suspensives mentionnées à la Section 5.3. de cet Accord;

40% du montant prévu pour chaque centre par accord mutuel à l'achèvement des travaux de construction ou de rénovation;

30% une fois les centres devenus opérationnels.

SECTION 8.3. Autres Formes de Déboursement

Des déboursements du Prêt ou de la Subvention peuvent également être effectués par tels autres moyens convenus par écrit par les deux Parties.

SECTION 8.4. Taux de Change

Les fonds fournis dans le cadre du Prêt ou de la Subvention par l'A.I.D. ou un tout autre organisme public ou privé pour l'exécution des obligations de l'A.I.D., conformément à la Section 8.2., seront calculés au taux de change le plus élevé qui, à la date de déboursement n'est pas considéré illégal en Tunisie.

SECTION 8.5. Date de Déboursement. Les déboursements de l'Assistance par l'A.I.D. seront réputés avoir lieu à la date à laquelle l'A.I.D. effectue un déboursement au Pays Coopérant ou à son représentant désigné, à une banque, un contractant ou un fournisseur, conformément à une Lettre d'Engagement, un contrat ou une commande d'achat.

Article 9 - Divers

SECTION 9.1. Communications. Tous les préavis, demandes, documents ou autres communications soumis par l'une des Parties à l'autre dans le cadre du présent Accord devront l'être par écrit ou par télégramme ou cable, et seront considérés dûment donnés ou envoyés à leur destinataire dès qu'ils auront été livrés à l'autre Partie aux adresses suivantes:

Au Pays Coopérant: Ministère des Affaires Etrangères

Direction de la Coopération Internationale

Avenue Mohamed V

Tunis, Tunisie

A l'A.I.D. : Agence pour le Développement International

c/o Ambassade des Etats-Unis d'Amérique

144, Avenue de la Liberté

Tunis, Tunisie

Toutes ces communications devront être en anglais ou en français. D'autres adresses remplaçant celles citées ci-dessus peuvent être notifiées par écrit à l'autre Partie.

SECTION 9.3. Représentants. Pour tout ce qui concerne le présent Accord, le Pays Coopérant sera représenté par la personne détenant le

poste de responsabilité ou de direction au Ministère des Affaires Etrangères. L'A.I.D. sera représentée par la personne détenant le poste de Directeur de l'USAID/Tunisie ou agissant en cette qualité. Chacun d'eux pouvant, par notification écrite, désigner d'autres représentants à toutes fins autres que l'exercice des pouvoirs définis à la Section 2.1. pour réviser les aspects de la description détaillée présentée à l'Annexe 1. Les noms des représentants du Pays Coopérant, avec leurs spécimens de signatures, seront soumis à l'A.I.D. qui peut accepter tout document signé par ces représentants comme étant un document dûment autorisé pour l'exécution du présent Accord, jusqu'à notification de l'A.I.D. que les pouvoirs délégués à ces représentants ont été révoqués.

SECTION 9.3. Annexe des Dispositions Générales. Une Annexe des Dispositions Générales communes au Prêt et à la Subvention (Annexe 2) est jointe au présent Accord et en fait partie.

SECTION 9.4. Langue de Rédaction de l'Accord. Le présent Accord, ses annexes et les Lettres d'Exécution de Projet sont préparés en anglais aussi bien qu'en français. En cas d'ambiguïté ou de contradiction entre les deux textes, le texte rédigé en langue anglaise fera foi.

EN FOI DE QUOI, la République Tunisienne et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de ses représentants dûment autorisés, ont fait le nécessaire pour que le présent Accord soit signé en leur nom et remis à la date indiquée en première page.

Pour la République Tunisienne
signé par Brahim Turki
Titre Brahim Turki
Secrétaire d'Etat aux
Affaires Etrangères

Pour les Etats-Unis d'Amérique
signé par Edward W. Mulcahy
Titre Edward W. Mulcahy
Ambassadeur

H. Davis
Hermon S. Davis, Directeur
USAID

Prêt AID No. 664-T-053

Annexe 1

DESCRIPTION DU PROJET

Le projet proposé vise à améliorer la qualité et l'étendue des services de santé dans deux gouvernorats à prédominance rurale en Tunisie (Siliana et Sidi Bou Zid) par une assistance technique pour redéfinir les tâches du personnel para-médical et le système rural intégré d'administration de soins et par une assistance financière pour améliorer les installations et l'équipement utilisés par les services de santé.

Le projet doit, selon les prévisions, être exécuté sur une période de trois ans à compter de l'Année Fiscale 1978 et nécessitera une subvention de \$1.000.000 pour l'assistance technique et un prêt de \$3.000.000 pour l'assistance financière, qui sera complétée par une contribution du Gouvernement Tunisien estimée à \$1.615.350.

La majeure partie des fonds de la subvention pour l'assistance technique permettra de financer les services de conseillers techniques résidents estimés à 9 "personnes/années", les services de consultants engagés pour de courtes périodes estimées à 1 "personne/année", et des stages de formation pour cinq tunisiens. L'ensemble de l'assistance technique se répartit en cinq catégories distinctes mais complémentaires. Ce sont:

L'Assistance Technique (financée par la Subvention)

1. Réorganisation du travail et recyclage des agents sanitaires.
2. La conception et l'élaboration détaillée du système de gestion et du système d'enregistrement des patients pour soutenir les services préventifs et curatifs nouvellement intégrés pour les zones rurales.

TIAS 9051

3. La formation et l'orientation des contrôleurs et des directeurs du système d'administration de soins dans les zones rurales, aussi bien que l'orientation des responsables locaux.
4. Soutien pour l'amélioration de l'expérience clinique en médecine et en santé publique pour les internes affectés à Siliana et Sidi Bou Zid.
5. Elaboration et exécution d'un programme de recherches et d'évaluation couvrant les domaines de l'assistance technique et financière mentionnée dans le présent sommaire.

L'Assistance Financière (Financée par le Prêt)

Les activités de l'assistance financière incluent:

L'établissement des plans, la rénovation, la construction et l'équipement de 41 centres de santé qui fourniront des services de santé de base intégrés aux niveaux de la délégation, du regroupement et du village.

Une partie des fonds est requise pour la rénovation et l'équipement des centres existants: 8 centres de Type A, 1 de Type B et 10 de Type C, dans les deux gouvernorats. La majeure partie de ces fonds sera utilisée pour financer la construction de nouveaux centres: 6 centres de Type A, 1 de Type B et 15 de Type C.

PLAN FINANCIER

Les besoins financiers du Projet sont comme suit:

Ressources fournies par l'A.I.D.:

SUBVENTION

Assistance Technique	\$812,000
Programme d'étude et de formation	20,000
Bibliothèque	8,000
Ouvrages et équipement de formation	60,000
Essais sur le terrain	<u>100,000</u>
	\$ 1,000,000

PRET

Rénovation de Centres	461,250
Nouvelles constructions	2,011,530
Équipement	323,345
Imprévus	<u>203,375</u>
	\$ 3,000,000

Ressources fournies par le Pays Coopérant:
(en équivalents de dollars)

Construction et Rénovation (25% des matériaux, de la main d'oeuvre et du transport)	PM
Plan des bâtiments, administration	
Contrats	844,220
Acquisition de terres (1)	PM
Véhicules pour le projet	160,000
Coûts de fonctionnement pour les nouveaux centres et les centres élargis *y compris 8 véhicules) (2)	486,630 (PM)
Coûts de soutien aux stages de formation (indemnité journalière)	10,000
Soutien à l'équipe américaine sous contrat: (Compte du Trust Fund)	<u>115,000</u>
	\$ 1,615,850

(1) Le Pays Coopérant assume ses responsabilités sans aucune charge au projet.

(2) Y compris les coûts de fonctionnement pendant les trois années du projet, prévus mais non indiqués séparément dans le budget du Ministère de la Santé.

Les fonds seront requis selon le calendrier ci-dessous
(Tous les chiffres sont donnés en milliers de dollars)

ANNEE FISCALE 1976 1/

A.I.D.

1. Dès satisfaction des conditions suspensives du premier déboursement:

FONDS DE SUBVENTION	
Services d'architecte	10

2. Dès satisfaction des conditions suspensives pour les déboursements additionnels

FONDS DE SUBVENTION	
Contrat d'assistance technique	586
Cuvrages et équipement de bibliothèque	8
Ouvrages et équipement pour la formation	38
Essais sur le terrain	25
Ouvrages et équipement de formation	<u>13</u>
	680

FONDS DU PRET	
Achat d'équipement	323

3. Dès satisfaction des conditions suspensives des déboursements pour la construction et la rénovation

FONDS DU PRET	
Avance au Gouvernement Tunisien, 30% de la contribution américaine (fixée à 75%) aux coûts de construction et de rénovation	742

SUBVENTION	690
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PRET	<u>1065</u>
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TOTAL	1745
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Pays Coopérant (en équivalents de dollars)

Matériaux et main d'œuvre	330
Préparation des plans	20
2 véhicules	40
Coûts de fonctionnement (Y compris le transport)	80 PM
Coûts de la Formation (Budget du Gouvernement Tunisien)	3
Compte du Trust Fund	<u>51</u>
TOTAL	524

1/ L'année fiscale du Pays Coopérant correspond à l'année calendrière

ANNEE FISCALE 1979

A.I.D.

FONDS DE SUBVENTION

Contrat d'assistance technique	216
Materiaux et équipement pour la formation	22
Essais sur le terrain	75
Programmes d'études et de formation	7
	<u>320</u>

FONDS DU PRET

40% de la contribution américaine aux coûts de construction et de renovation	989
SUBVENTION	320
PRET	<u>989</u>
Total	<u>1309</u>

Pays Coopérant

Coûts de Construction	450
Coûts de fonctionnement échelonnés	160 PM
Coûts de la formation (budget du Ministère de la Santé)	4 PM
Compte du Trust Fund	32
3 véhicules	60
Total	<u>706</u>

ANNEE FISCALE 1980

A.I.D.

FONDS DU PRET

30% de la contribution américaine aux coûts de construction et de rénovation	742
Total	<u>742</u>

Pays Coopérant

Construction	44
Coûts de fonctionnement échelonnés	247 PM
Coûts de la Formation (Budget du Ministère de la Santé)	3 PM
Compte du Trust Fund	32
3 véhicules	60
Total	<u>386</u>

IMPREVUS

Les chiffres annuels donnés ci-dessus semblent laisser inutilisé le montant de \$203.875 inscrit à la rubrique "Dépenses Imprévues" financées par le prêt AID. Il est à prévoir que ces fonds seront effectivement utilisés en cours d'exécution du projet, si les circonstances l'exigent

Total	204
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Procédures de Déboursement

L'assistance de l'AID au projet de rénovation ou de construction des centres de santé ruraux est destinée au remboursement des coûts locaux et sera versée selon une procédure revisée de "Remboursement de Montants Fixes" qui prévoit un financement par tranches correspondant généralement aux déboursements effectués par le Pays Coopérant en faveur des entrepreneurs de construction.

Un paiement anticipé couvrira les déboursements effectués durant la construction. Le second remboursement sera effectué, pour chaque centre, après l'achèvement et l'acceptation des travaux de construction ou de rénovation, et le remboursement final pour chaque centre aura lieu quand le centre est déclaré opérationnel. Le calendrier des remboursements est fixé comme suit:

- 30% du montant total alloué par la construction et la rénovation, et ce dès qu'auront été satisfaites les Conditions Suspensives définies à la Section 5.3. du présent Accord.
- 40% du montant convenu pour chaque centre dès que celui-ci devient opérationnel.

L'achèvement des travaux de rénovation ou de construction sera constatée par les responsables compétents du Gouvernement Tunisien et de l'AID. Le directeur tunisien du projet et un membre de l'équipe d'assistance technique sous contrat consignerait la date à laquelle chaque centre est déclaré opérationnel selon un ensemble de critères qui seront établis conformément à la Section 5 du présent Accord.

Le montant des Remboursements Fixes pour chaque centre sera l'objet d'un accord entre les représentants du Gouvernement Tunisien et de l'AID, sur la base des plans et des devis finals mentionnés à la Section 5 du présent

Accord. Le montant convenu sera le montant remboursé, sans qu'il y ait réajustement pour toute différence entre le coût prévu et le coût réel.

Les Remboursements de Montants Fixes seront demandés par le Pays Coopérant quand les centres sont achevés, ou deviennent opérationnels mais pas plus qu'une fois par trimestre. Le remboursement sera effectué en dollars U.S.

Les déboursements pour d'autres éléments du projet se feront par Lettre d'Engagement, Lettre de Crédit ou autre procédure de déboursement établie et convenant à l'élément considéré.

SRI LANKA

Agricultural Commodities

*Agreement signed at Colombo January 9, 1978;
Entered into force January 9, 1978.
With agreed minutes of January 5, 1978.
And amending agreement
Effectuated by exchange of notes
Signed at Colombo April 12, 1978;
Entered into force April 12, 1978.*

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA
FOR SALES OF AGRICULTURAL COMMODITIES UNDER
PUBLIC LAW 480, TITLE I PROGRAM**

The Government of the United States of America and the Government of the Republic of Sri Lanka agree to the sales of agricultural commodities specified below.

This Agreement shall consist of the Preamble, Parts I and III, of the Title I Agreement signed March 25, 1975, [¹] together with the following Part II:

Part II - PARTICULAR PROVISIONS

Item I. Commodity Table:

<u>Commodity</u>	<u>Supply Period (U.S.Fiscal Year)</u>	<u>Approximate Maximum Quantity (Metric tons)</u>	<u>Maximum Export Market Value (Millions)</u>
Wheat/Wheat Flour (Flour basis)	1978	100,000	\$17.4
	Total		\$17.4

Item II. Payment Terms: (Convertible Local Currency Credit)

1. Initial Payment - 3 percent
2. Currency Use Payment - None
3. Number of Installment Payments - 31
4. Amount of Each Installment Payment - Approximately equal annual amounts
5. Due Date of First Installment Payment - Ten years after date of last delivery of commodities in each calendar year

¹ TIAS 8107; 26 UST 1245.

6. Initial Interest Rate - 2 percent
7. Continuing Interest Rate - 3 percent

Item III. Usual Marketing Table:

<u>Commodity</u>	<u>Import Period (U.S. Fiscal Year)</u>	<u>Usual Marketing Requirement (Metric tons)</u>
Wheat/Wheat Flour (Flour Basis)	1978	188,000

Item IV. Export Limitations:

- A. The export limitation period shall be U.S. Fiscal Year 1978 or any subsequent U.S. Fiscal Year during which commodities financed under this Agreement are being imported or utilized.
- B. For the purpose of Part I, Article III A4 of the Agreement, the commodities which may not be exported are: for wheat/wheat flour -- wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same product under a different name).

Item V. Self-Help Measures

- A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.
- B. The Government of the Republic of Sri Lanka agrees to increase agricultural productivity with particular emphasis on food production. The Government of the Republic of Sri Lanka further agrees to:

1. Improve coordination between deliveries of grain made by donor countries and domestic production so that current storage and warehousing facilities do not become overfilled, thus lessening the possibility of grain loss due to pests and spoilage.

2. Develop better statistical procedures for estimating foodgrain production forecasts and consumption requirements.

3. Continue with improvements in on-farm water delivery facilities and management techniques, as well as rehabilitate and expand village water storage.

4. Intensify and decentralize agricultural research which can complement production oriented extension programs addressing the needs of farmers holding small and medium-sized plots (1-5 acres).

5. Encourage participation of the rural farming population in the decision making process through increased reliance on cooperatives and other district level organizations.

6. Make more effective use of land affected by land reform; including those distributed for settlement; and adopt a program of clearance and leveling of swamp and jungle land.

Item VI. Economic Development Purposes for which Proceeds

Accruing to Importing Country are to be Used:

A. The proceeds accruing to the importing country from the sales of the commodities financed under this Agreement will be used for financing the self-help measures set forth in Item V and for agricultural

development objectives identified in the National Budget of the Government of the Republic of Sri Lanka, including the following: irrigation, land development, and population planning.

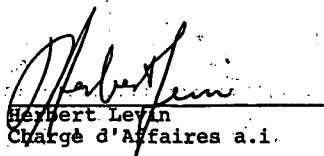
B. In the use of proceeds for these purposes emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

Item VII. Other Provisions

In case of an inconsistency between the Sinhala and English texts of this Agreement, the English text shall prevail.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement. Done at Colombo, in duplicate, in English and Sinhala, this ninth day of January, 1978.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:


Herbert Levin
Charge d'Affaires a.i.

FOR THE GOVERNMENT OF THE
REPUBLIC OF SRI LANKA:


C.P. Chanmugam
Deputy Secretary to the
Treasury

ଯରନ ପିଲି 480, 1 ଲକ୍ଷ ଟିକଟ, ସୁଧି ପାଇଁ ତାହା ଏବେ
ଜାହାଙ୍ଗରିମା କୁଳର ପିଲିକିଲ ପାଇଁ ଅପେକ୍ଷା ରହେବାର ରତ୍ନପଦ ଆଜ୍ଞାପିଲବ
କୁ ଲାଗୁ ରହ ରହ ଆଜ୍ଞାପିଲବ ଅଶର ଉଦ୍‌ଦିତ ଫର୍ମିଲାପିଲି.

ଓেଣି ଲାଗା ଦୟରୀ ଏବି ଜାଇନାରୀକ ଦୂରି ଉପିକିତି ଲାଗି ତୁ ରହ ରହ ଆଶ୍ରମରୀ ଅବେଳିକା ପରେବି ତଥାପି ଆଶ୍ରମରୀ ପରେବି ରହି ରି ଏତି । ପେଟ ଉପିକିତ 1975 ମେରୀ 25 ମାର୍ଚ୍ଚ ଦିନ ଫର୍ମାନ କିମ୍ବା 1 ମାର୍ଚ୍ଚ ଦିନ ଉପିକିତ ପ୍ରସାରିତ କରିଛି । ଏବି ପତ୍ର 111 ମାତ୍ର ମୋହିତ ହିଲ୍‌ସ୍ଟର୍ ଦ ପରି ଯାଇବାରେ 11 ମାତ୍ର ମୋହିତ ହିଲ୍‌ସ୍ଟର୍ ଦ ପରିଷରିକ ହିନ୍ଦ ଯୁଦ୍ଧ ।

11 වන ගොටු - විශේෂ ප්‍රතිඵලිය :

1 වන විශය - කුට්ඨරා ව්‍යුහ

କୁଳିତା	ପ୍ରାଚୀଯିତା ଓ ଜୀବନ ଧୂମଗୀର୍ହ (ଏ.ରୀ.ପୀ. ପ୍ରଦୀପ ପାତ୍ର)	ଫାରେଟ୍ ପ୍ରାଚୀଯିତା (ଲୋରୀ- ରେଟର୍ ପାତ୍ର)	ଅଭିଭାବକ ଉପରେକ୍ଷଣ କୌଣସି ପ୍ରାଚୀଯିତା ପାଇଁ (ଏଥିରେ ବ୍ୟାପକ ପାଇଁ)
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విల్కు/విల్కు ప్రి

(ପିତ୍ର ପଦ୍ମଳ)

1978

1,00,000

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5.0.5.6(a), 17-4

11 වෙළු විභයය - ගෙවීමේ කොන්සේල්ස් : (පරිවර්තන දේශීය ප්‍රාදේශීය ජාත්‍ය)

1. ප්‍රිල් ගෙවීම - සියලු 3
 2. එන්ටුර ප්‍රිල් පරිභක ගෙවීම - සියලු 14.
 3. ගෙවීම එටිකයේ ගණ - 31.
 4. ගෙවත රිත් රිත් එටිකයේ ප්‍රාග්ධන - ආහත් වශයෙන් ප්‍රාග්ධන එටික එටික
 5. ප්‍රිල් එටිකය ගෙවීමට හිමිත දිජය - රිත් රිත් උප් වර්ෂයේදී කුව්ස අවශ්‍ය මූල්‍ය ගෙවීම යාරදාත් දිජයට අවුරුදු 10 නාලු ප්‍රාග්ධන
 6. ප්‍රිල් ගෙවී ප්‍රාග්ධන - සියලු 2
 7. ප්‍රාග්ධන ගෙවී ප්‍රාග්ධන - සියලු 3

111. වන විපයය - පුරුදු අලේවී සිරිමේ වතුය:

କୁଳିଶାର ଆସନ୍ତ କ୍ଷାଲଦୀପିତା
 (ଅ.ରୀ.ରୀ.ପ୍ରିମ୍ବାଦେ
 ଓରିଆର)

ପିଲ୍ଲେ/ପିଲ୍ଲୁ ପରି

(ପ୍ରକାଶତମ)

1978

1,88,000

iv. වන විජය - දෙපාත්‍රතා සිමු කිටීම්:

(අ). අභයන සිමු කිටීමේ නාලිකාව, 1978 අ.එ.ඡ. මූදල විරෝධ හෝ සෙම හිටුම් යටතේ වැය අනු ලුණ ගොනා දෙපාත්‍රතා තොරතු තේ උපයෝගී තර ගැනීම රහ් පුදුව එක්සේන් ආ.රී.ඡ. මූදල විරෝධ හෝ විය යුතුය.

(ආ). මිටිපුම් 1 වන තොටේ, 111 ට වත්තන්සියේ අ 4 හි චරයන් යදා අභයන නාල නොහැකි දුව්‍ය තම්: මිටියු/මිටිය පිටි යැතා - මිටියු, මිටිය පිටි, මැඩි මිටියු, සෙපෙන්දිකා, පුරිකා සහ බ්ලූර් (නො වළ හිජාකිතයට වෙනත් තට්තින්).

v. වන විජය - ජ්‍යෙෂ්ඨ - දෙපාත්‍ර පියවර:

(අ). සෙම ජ්‍යෙෂ්ඨ - දෙපාත්‍ර මුද්‍ය සාමා මිටිපිටිකා, දිනිසු ගිවිසා පෙනෙන් වල සංවර්ධන ප්‍රයිතය තෙක්ස්ථ දෙපාත්‍රියේ, ප්‍රා ගොරීලඹුවා තෙක්සාපය මින් තාක්කාර්ථි විෂ්ඩානය විරිතිය තර ගැනීම් දිනිසු අඩංගු තාව සුළුයලු සහකෘතිව තැනි ගැනීම්වත් ඇති තර විශ්වාසී මිටිවා අවධාන ගෙවුම් මෙයෙනු අ ඇති.

(ආ). ආකර හිජාකිතය සෙරෙන් විශේෂ අඩංගා දත්ත්වීන් තාක්කාර්ථි පලකාර විරිතිය තර ගැනීම් හි ලාභ ජන රඟ ආස්ථිව එක් වෙයි.

මි ලාභ ජන රඟ ආස්ථිව,

1. පැලිවේබි සහ අපෙක්ෂාවී මියා දින ණාම් හාම් සිදුවීමේ දෙනු ඇති ය ජැංඩා දැනුව පිළිබා ගැනීම් පැහැදුම් සහ එම්පු රජුපුත්‍ර මිඛුවට එහා ප්‍රයෝගතාවට නොයෙනා තේවේන් ඇති තරඟු පින්ය සහ ගැනීමායය රෙවල් වෙතින් සෙරෙන් දින නා ගාරදීම් දේ සිජානයන් අතර එහා හැඳ ගැවෙන්නාගේ ඇති පිටි.
2. ආකර දින නා හිජාකිත දුරටත් ප්‍රාථමික ප්‍රායෝගාත්මක අඩංගාවත් ඇත්තාවීන් මිටිව යැතා වෙනු තෙක්ද පාඨ්‍ය අවධාන තරඟ පරියාචින් ඇති තර ගැනීම්.
3. ශෙවිප්‍රේලඳ ජලය යැඹැවීමේ පැහැදුම් සහ ජල තාවත් තුළ බැඳුරටියේ එයිඩුසු මිටිව දහ ගැනීම් පැලිව පැලිව පැලිව පිටිමේ මුදුසු ප්‍රායෝගාත්මක - ජනය මිටිවී.
4. ඇම් යා එධ්‍ය ප්‍රායෝගාත්මක (අඩංග 1 - 5) මිටි තිවි වල ගොවියෙන් තරඟ ගොවියෙන් අවධාන සෙරෙන් යැඹැවීම් දැනුවෙන් සිජානයිලා විනාශී වැඩ ගැනීම් අනුශ්‍රාරාත තා තැනි තාක්කාර්ථි පරියේජන තැපුණු දිපුණු මිටිව කා විශිෂ්ටතා මිටිවී.
5. ස්ථූලාත්‍ර සහ දිස්ත්‍රික්ක එවිටිලේ එවෙන් සැවීම් තොරතු වැඩි විශ්වාසය නැවීම් මිටිව, මින් ගැනීම් මියාලුදීව සහකෘති විශ්වාස ගැවිසා ගොවි ජැත්තු උත්තු තරවීම්.

6. ඉවත් ප්‍රධාන්‍යෝගක්ද බුජාමට හැඳුවූ මධ්‍යම විධාන පළාතායි ගෙය ප්‍රයෝගකට ගැනීමේ, රැකාභාය සඳහා බොඟ දුෂ්‍ර ඉවත් ද මෙහි ඇතුළත් චෙයි. තැබූ ඉවත් ද එම දහ එශුරු වීම් එම් මිටිට හා ගොඩ මිටිල මිනිස රැකි පිළිගෙවෙන් යොදා යැයි.

යන ඇ ප්‍රයෝගකට ද වැනි කුරට්ට එකතු ගෙයි.

v1 ටික විභය - අංශයනය තරත රට වෙත යෝමික ප්‍රිඛල් යෙදවීමට අදහස් තරත
ආරම්භ පාලනයින තාක්ෂණය් :

(ආ). මෙම ගිවිසුම් පරිගේ වැද දරා ලබා ගැනීම ද්‍රව්‍ය විකිණීමෙන් ඇතාන්‍යාය තරත රට වෙත යෝමික ප්‍රිඛල්, ට විත නොපෙන් ඇත්තෙන්න යෝමියා-දුෂ්‍රාර පියවර එල වැද ඇත්තෙන්ද යට ජාතාව ඇම ඇතුළත්තේ, ස්ථ ලෙස රැක අභ්‍යුත්වේ ජාතිය අය-වැය උෂ්ප්‍රක්‍රීත ජාතාව් තෙවරත මාන්‍යාර්ථීම පාලනයින අරුණු යානා ද යොදවනු ඇත. එයින්, ඉවත් පාලනයින ජාතාගත ප්‍රිඛල් ප්‍රතිපූරී පවතුණු.

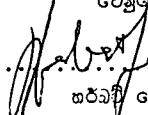
(ඇ). මෙම අරුණු උගෙනා ප්‍රිඛල් යෙදවීමේදී, ආමිර ලෙස රැවී දිකුණාවී ජන නොවැස් වල පිටත තත්ත්වය තෙක්ෂණීය වර්ධනය මිටිම තෙරෙනින් මුළුවේ රැවී පාලනයින හාරුණයෙන් ආ පහාදි විවිධ ප්‍රිඛල් ප්‍රිඛල් මිටිම අවධානය නොවුම් තෙවරනු ඇත.

v11 ටික විභය - වෙතත් ප්‍රතිඵල්:

මෙම ගිවිසුම් ඉතුළු හා සිංහල පෙළ අතර සිංහල් ප්‍රතිච්චිතයාවේ ඇතුළුවනාය් ඉතුළු පෙළ දිනා පෙළ පෙළ අත්තාවා සිංහල පෙළ පෙළ පෙළ පෙළ.

මෙම ගිවිසුම් ගාන්ත් වෘයෝග් එම නාරාය සඳහා සිංහ දේ බැඳු පාලන පාලන ලැබු එ එයෙක් විසින් මෙම ගිවිසුම් අත්තාවා තරත ලදී. ඉතුළු හා සිංහල මිටිම දෙනු ලබන් ප්‍රිඛල් මෙම ගිවිසුම් 1978 ජනවාරි මස දී තෙවෙන් දී අත්තාවා තරත ලදී.

අමෙරිකා රැකාභාව පාලනය ආණ්ඩුව
වෙනුවෙන්


.....
නරායින් ලෙවින්
අමෙරිකා තියෙකින්
කාජපති.

ඡ්‍රී ලංකා රැක අණ්ඩුව
වෙනුවෙන්

.....
ස්. ඩේලා පාලන
සි. විජුත්ති
මහා භාණ්ඩාරයින තියෙකින්
ග්‍රේම්.

[AGREED MINUTES]



EMBASSY OF THE
UNITED STATES OF AMERICA
Colombo, Sri Lanka

January 5, 1978

Mr. S. Velayutham
Director
External Resources Division
Ministry of Planning & Economic Affairs
Ceylinco House - 2nd Floor
Colombo 1

Dear Mr. Velayutham:

This letter will constitute the agreed minutes of our negotiations on the Agreement between our Governments to be signed on January 9, 1978, for sales of agricultural commodities.

Discussions began with a general review of the provisions of Public Law 480^[1] and of A.I.D.'s airgram AIDTO Circular A-487 dated July 4, 1974, the contents of which are incorporated herein by reference. It was further understood and agreed that:

1. Purchase authorizations issued under this Agreement will contain requirements that invitations for bids (IFBs) for both commodity and freight must be submitted to the Office of the General Sales Manager, U.S. Department of Agriculture (USDA), Washington, for review prior to their release to prospective bidders. The primary purpose of this requirement is to enable the USDA to ensure that invitations do not contain terms or conditions which may be in conflict with purchase authorization terms and P.L. 480 financing regulations. Prior review of invitations will also give the USDA specialists an opportunity to provide advice and assistance in assuring realistic commodity delivery schedules and maximum flexibility in matching the available shipping to the commodity contracts.

¹ 68 Stat. 454; 7 U.S.C. § 1701 et seq.

2. Purchases of food commodities under the Agreement must be made on the basis of IFBs publicly advertised in the United States and on the basis of bid offerings which must conform to the IFBs. Bid offerings must be received and publicly opened in the United States. After bids have been opened, Sri Lankan tendering officials in the United States may consult with appropriate Ministry officials in Colombo prior to making awards. All awards under IFBs must be consistent with open, competitive, and responsive bid procedures.
3. In making awards, the recipient country must normally accept the lowest FAS price offered in conformity with IFB specifications. However, if the buyer can demonstrate that an award at a higher FAS price, in combination with a lower freight cost, would result in the lowest landed cost, the USDA is prepared to allow an exception to this rule.
4. Commissions, fees, or other payments to any selling agent are prohibited in any purchase of commodities under the Agreement.
5. If the Government of Sri Lanka nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the Agreement, the Government of Sri Lanka must notify the General Sales Manager, USDA, in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's office in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.
6. Recent legislation amending Section 401 of P.L. 480 provides that no agricultural commodity may be financed or otherwise made available under P.L. 480 except upon determination by the U.S. Secretary of Agriculture that: (i) adequate storage facilities are available in the recipient country at the time of exportation to prevent the spoilage or waste of the commodity, and (ii) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production in that country. Purchase authorizations will be issued only after these determinations have been made.
7. With regard to the determination of adequate storage facilities, the Government of Sri Lanka will provide the Embassy with a statement with supporting analysis that adequate facilities are expected to be available to handle (including port facilities), store, and distribute the commodity provided under the Agreement during the proposed

TIAS 9052

delivery periods without spoilage or waste. This information will have to be updated at a later date based on actual conditions (including port congestion) relevant to specific delivery periods prior to the issuance of each purchase authorization.

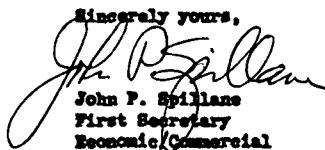
8. While the Embassy has made a preliminary determination that distribution of the commodity provided under the Agreement would not be a significant disincentive to the domestic production of rice, the situation with regard to other potential wheat substitutes is not clear. As empirical evidence on the disincentive effects of concessional food imports on domestic production is scarce, the Government of Sri Lanka agreed to commission a detailed study of this subject.
9. To assist the U.S. Secretary of Agriculture in making the necessary determinations, the Government of Sri Lanka will provide the Embassy with the following information at least three working days before signing the Agreement: (i) the type and grade of commodity to be purchased in accordance with U.S. official standards; (ii) the proposed contracting and delivery schedules; (iii) the name and addresses of banks, both U.S. and foreign, which will be handling financial operations; and (iv) the assurance that appropriate authorities of the Government of Sri Lanka are prepared to make immediate transfers of funds to cover ocean freight costs and to meet the initial payment requirement related to contracts to be concluded pursuant to the Agreement. As a general rule, purchase authorizations will not be issued until the USDA has received this information by cable from the Embassy.
10. Arrangements have also been made by the Government of Sri Lanka to relay to the Sri Lanka Embassy in Washington all instructions, information, and authority necessary to enable timely implementation of the Agreement, including: (i) commodity specifications, (ii) contracting and delivery periods, (iii) the names and addresses of U.S. and foreign banks handling transactions (e.g. letters of credit for commodity and freight), (iv) authority to request and sign purchase authorizations and other necessary documents, (v) complete instructions, information, and authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable), and (vi) instructions to contact the Program Operations Division, Office of the General Sales Manager, USDA, regarding the foregoing.
11. The Government of Sri Lanka was informed that commodity suppliers in the United States are refusing to load vessels when acceptable letters of credit for both commodity and freight suppliers are not available at the time of loading. This has resulted in costly claims by vessel owners for demurrage and/or detention of claims and carrying charges by commodity suppliers. Delays in opening letters of credit and settlement of the final ten percent of freight will also result in higher commodity prices and freight rates. As a consequence, letters of credit must be opened for 100 percent of the ocean freight

- charges in favor of the supplier of ocean transportation not later than 48 hours prior to the vessel's presentation for loading.
12. The usual marketing requirement (UMR) in Part II, Item III, of the Agreement is 188,000 metric tons of wheat flour (or 250,000 metric tons of wheat on a grain equivalent basis) for import through normal commercial channels during U.S. Fiscal Year 1978. This UMR is the same as that contained in the Title I Agreement signed October 29, 1976, and is substantially below the five year average of commercial imports (FY 1972 to 1976). In future agreements the Government of the United States would look for increases in the UMR until it returns to the full level of the five year average.
 13. Taking into account Sri Lanka's current economic and financial situation, Part II, Item II, of the Agreement provides for an initial payment of 3 percent, rather than the normally required 5 percent, and no currency use payment.
 14. Particular attention was drawn to Part I, Article I (E), of AIDTO Circular A-487, which provides that the export market value specified in Part II may not be exceeded. This means that if commodity prices increase over those used in announcing the quantities and market values indicated in Part II of the Agreement, the quantity to be financed under the Agreement will be less than the approximate maximum quantity set forth in Part II. Should commodity prices decrease, however, the quantities of commodities to be financed will be limited to those specified in Part II.
 15. Recent legislation amending Section 106 (B) and 109 (A) of P.L. 480 requires: (i) specific emphasis on implementation of self-help measures so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture; and (ii) use of proceeds for purposes which directly improve the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country. These requirements are reflected in the Agreement text Part II, Items V and VI.
 16. Reporting is an essential part of the P.L. 480, Title I program. Discussions were held with the Government of Sri Lanka about its responsibilities for submission of timely reports on compliance, shipping and arrival information (ADP sheets), self-help and use of sales proceeds, as required under Part I, Article III (D), of the Agreement signed March 25, 1975.
 17. For identification and publicity of the commodities to be received, in accordance with Part I, Article III (I), of the March 25, 1975,

Agreement, the Government of Sri Lanka will insure insofar as practicable that food commodities are marked or identified at point of distribution or sale as being provided on a concessional basis to the Government of Sri Lanka by the people of the United States. In addition, the Government of Sri Lanka will publicize to the people of Sri Lanka, by public media and other means, including newspapers and radio, that the commodities are being provided on a concessional basis through the friendship of the American people. Quarterly reports on measures taken to implement these requirements will be submitted on the same schedule as other quarterly reporting required under the Agreement.

16. The Government of the United States, cognizant of the new economic policy of the Government of Sri Lanka, takes note of the request of the Government of Sri Lanka for an additional 100,000 metric tons of wheat flour beyond that provided under this Agreement. The Government of the United States and Sri Lanka recognize, however, that the provision of an additional amount of wheat flour beyond that amount to be provided under this Agreement is dependent upon a number of factors, including, but not limited to, budgetary restraints and commodity availability in the United States.

Please sign and return to me the attached copy of this letter to serve as a record of the matters on which we have agreed during negotiations of the new P.L. 480, Title I Sales Agreement.

Sincerely yours,

John P. Spillane
First Secretary
Economic/Commercial

I concur in the above statements

S. Velayutham

S. Velayutham, Director
Division of External Resources
Ministry of Planning &
Economic Affairs

[AMENDING AGREEMENT]

The American Ambassador to the Ceylonese Secretary, Ministry of Finance and Planning

EMBASSY OF THE UNITED STATES OF AMERICA

No. 69

COLOMBO, April 12, 1978

DEAR SIR:

I have the honor to refer to the Public Law 480 Title I Agricultural Sales Agreement signed by representatives of our two countries on January 9, 1978, and to propose that the Agreement be amended as follows: In Part II, Item I. Commodity Table: under appropriate columns (1) for the line designated Wheat/Wheat Flour, delete "100,000" and "\$17.4" and insert "200,000" and "\$35.4"; and under Maximum Export Market Value of the line designated Total, delete "\$17.4" and insert "\$35.4".

All other terms and conditions of the January 9, 1978, Title I Agreement would remain the same.

I propose that this note and your reply concurring therein constitute an Agreement between our two Governments effective on the date of your note in reply.

Accept, Sir, the renewed assurances of my highest consideration.

W. HOWARD WRIGGINS

DR. W. M. TILAKARATNE

Secretary

*Ministry of Finance and Planning
Colombo*

*The Ceylonese Secretary, Ministry of Finance and Planning, to the
American Ambassador*

MINISTRY OF FINANCE & PLANNING
SECRETARIAT
GALLE FACE
COLOMBO 1

12 APRIL 1978

EXCELLENCY,

I have the honour to acknowledge receipt of your Note No. 69 of today's date, which reads as follows:

TIAS 9052

"I have the honor to refer to the Public Law 480 Title I Agricultural Sales Agreement signed by representatives of our two countries on January 9, 1978, and to propose that the Agreement be amended as follows:

In Part II, Item I. Commodity Table: under appropriate columns (1) for the line designated Wheat/Wheat Flour, delete "100,000" and "\$17.4" and insert "200,000" and "\$35.4"; and under Maximum Export Market Value of the line designated Total, delete "\$17.4" and insert "\$35.4".

All other terms and conditions of the January 9, 1978, Title I Agreement would remain the same.

I propose that this note and your reply concurring therein constitute an Agreement between our two Governments effective on the date of your note in reply."

I concur in the proposals set out in the note under reference.

Accept, Excellency, the renewed assurances of my highest consideration.

W M TILAKARATNA

(W M Tilakaratna)

Secretary

Ministry of Finance & Planning

His Excellency PROFESSOR W. HOWARD WRIGGINS,
Ambassador of the United States of America,
Colombo

IRAN

Air Transport Services: Low-Cost Fares

Agreement modifying the agreement of February 1, 1973.

Effectuated by exchange of notes

Dated at Tehran November 6 and December 19, 1977;

Entered into force December 19, 1977.

The American Embassy to the Iranian Ministry of Foreign Affairs

No. 619

The Embassy of the United States of America presents its compliments to the Imperial Ministry of Foreign Affairs and has the honor to inform the Imperial Ministry that it has been requested that we forward the following message to you:

"We have the honor to refer to tariff filings recently made by Iran Air for various low fare innovations for travel between the United States and Europe.

"The United States is committed to an international aviation policy which features low fare, competitive international air services. At the same time, the United States believes that these new low fares must be regarded as experimental because their effect upon the competitive structure of North Atlantic passenger rates is as yet unclear. However, the possibility exists that these experimental fares, once introduced, could become permanent even though they might later prove to have a disruptive effect on the market. This is due to the fact that the provisions of Article 10 of the U.S.-Iran Air Services Agreement of 1973^[1] do not easily permit the suspension of existing fares.

"In view of this possibility, the United States proposes that the authorities of both countries agree that the new low fare filings presented by Iran Air are experimental and will not continue in effect after March 31, 1978, if the Summer 1978 season succeeding low fare filings cannot be agreed upon.

"Moreover, during the 1977-1978 Winter season, either government may take action to prevent the continuation of such fares before their respective dates of expiration, provided that it notifies the other

^[1] TIAS 8149; 26 UST 1950.

government six weeks in advance of its intent to take such action and agrees to consultations if requested by the other government.

"We would appreciate a reply from you confirming that the foregoing is acceptable to your government."

Should the Government of Iran agree to the above proposal, the following text, which has been used by other governments, is suggested for your reply: "The competent authorities of the Government of Iran are in agreement to consider the new low fares presented by Iran Air as experimental and subject to the conditions outlined in the Embassy's note of November 6, 1977."

We wish to point out that the new low fare innovations mentioned above cannot be allowed to come into effect until the ad hoc agreement has been concluded.

The Embassy of the United States of America avails itself of this opportunity to renew to the Imperial Ministry of Foreign Affairs the assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA

TEHRAN, *November 6, 1977*

The Iranian Ministry of Foreign Affairs to the American Embassy

اداره حقوقی
شماره ۱۶۵۴۴/۱۱
آیینه ۴۰۴۷/۹۷۴۲
پرست

یادداشت



وزارت امور خارجه

وزارت امور خارجه شاهنشاهی تعارفات خود را بسفارت مالک متحده آمریکا اظهار و احتراماً عطف به یادداشت شماره ۶۱۹ مورخ ۶ نوامبر ۱۹۷۷ (۱۰ آبان ۱۳۵۶) — اشعار میدارد :

طبق پیشنهاد آنسفارت مقامات صالحه ایرانی موافقت دارد که نزخ های ارزان قیمت پیشنهادی ایران از را آزمایش طلق نموده و مشروط بشرایط مندرج در یادداشت فوق الاشعار (یادداشت شماره ۶۱۹ مورخ ۶ نوامبر ۱۹۷۷) محسوب دارند .

لزوماً " خاطرنشان می‌سازد که بنظر مقامات هوایی ایران ارتباً می‌بین سیاست لیبرال چارتر از طرف ایران و اجرای نزخ های ارزان قیمت وجود ندارد . موقع را برای تجدید احترامات فائقه مختار می‌شمارد .

سفارت مالک متحده آمریکا — تهران

TRANSLATION

To: U.S. Embassy, Tehran
From: Ministry of Foreign Affairs, Legal Division
No: Memorandum No. 12544-18
Date: December 19, 1977

The Iranian Ministry of Foreign Affairs presents its compliments to the Embassy of the United States and, with reference to Memorandum No. 619 of November 6, 1977, respectfully informs the Embassy of the following:

Pursuant to the proposal of the United States Embassy, the competent Iranian authorities agree that the low-cost rates proposed by Iran Air be considered experimental, based on the provisions of note No. 619 of November 6, 1977.

It is further pointed out that in the view of the Iranian aviation authorities there is no connection between Iran's liberal charter policy and the implementation of the regulations on low-cost rates.

The Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

ANTIGUA
Defense Areas and Facilities

*Agreement signed at Washington December 14, 1977;
Entered into force January 1, 1978.
With memorandum of understanding and agreed minute.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE
GOVERNMENT OF ANTIGUA REGARDING
UNITED STATES DEFENCE AREAS AND FACILITIES IN ANTIGUA

The Government of Antigua, with the consent and authority of the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America;

Having participated in a review of the Agreement relating to United States Defence Areas in the Federation of the West Indies signed at Port of Spain on February 10, 1961; [1]

Desiring to strengthen the firm friendship and understanding between them;

Desiring also to contribute to the defence of the Western Hemisphere and to the maintenance of peace and security within the framework of the Charter of the United Nations;

Believing that practical cooperation as provided for in this Agreement will greatly assist in the attainment of these objectives;

Have agreed as follows:

ARTICLE I

Definitions

In this Agreement, the expression:

"Contractor personnel" means employees of a United States contractor who are not ordinarily resident in Antigua and who are there solely for the purposes of this Agreement;

"Defense Area" means an area in respect of which the Government of the United States of America (hereinafter called "the United States Government") is for the time being entitled to have and enjoy, in accordance with the terms and conditions of this Agreement, the rights, power and authority described in Article II;

"Dependents" means the spouse and children under 21 of a person in relation to whom it is used; and, if they are dependent upon him for their support, the parents and children over 21 of the person;

"Members of the United States Forces" means:

(a) military members of the United States Forces on active duty;

¹ TIAS 4734, 7375; 12 UST 408; 23 UST 1145.

(b) civilian personnel accompanying the United States Forces and in their employ who are not ordinarily resident in Antigua and who are there solely for the purposes of this Agreement; and

(c) dependents of the persons described in (a) and (b) above;

"Military purposes" means:

(a) the installation, construction, maintenance and use of military equipment and facilities, including facilities for the training, accommodation, hospitalisation, recreation, education and welfare of members of the United States Forces; and

(b) all other activities of the United States Government, United States contractors and authorised service organizations carried out for the purposes of this Agreement;

"United States contractor" means any person, body or corporation ordinarily resident in the United States of America that is in Antigua for the purposes of this Agreement by virtue of a contract with the United States Government, and includes a subcontractor;

"United States Forces" means the land, sea and air armed services of the United States, including the Coast Guard.

ARTICLE II

General Description of Rights

The United States Government shall have and enjoy, in accordance with the terms and conditions of this Agreement, the rights, power and authority which are necessary for the development, use, operation and protection for military purposes of the defence areas which are described in the Annex hereto. The United States Government shall have and enjoy such rights of access, rights of way and easements as may be necessary for these purposes.

ARTICLE III

Flags

The flags of the United States and of Antigua shall fly side by side over each defence area.

ARTICLE IV

Defence Areas and Property

(1) The defence areas, rights of access, rights of way and easements shall be available to the United States for the term of this Agreement;

and shall be provided free of rent and all other charges except as expressly stated in the leases concluded by appropriate United States military authorities and the Government of Antigua.

(2) Except with the prior approval of the Government of Antigua, the United States Government shall not transfer or assign any rights conferred by or under this Agreement, nor shall the United States Government permit the defence areas to be used in any way whatsoever by any other person, body or Government.

(3) The United States Government may at any time notify the Government of Antigua that it has vacated and no longer requires a defence area or a specified portion thereof and thereupon such defence area or such portion thereof shall, for the purposes of this Agreement, cease to be, or to be a portion of, a defence area, as the case may be.

(4) Except for the purposes of this Agreement or with the concurrence of the Government of Antigua, the United States Government shall not remove or demolish or otherwise dispose of any permanent construction or installation in a defence area. No compensation shall be payable to the United States Government in respect of any such construction or installation. The United States Government shall be entitled to remove free of any restrictions any other construction or installation and other property owned by it from the area while it is a defence area or within a reasonable time thereafter. No compensation shall be payable to the United States Government in respect of any construction or installation or other property not so removed.

(5) The United States Government shall be under no obligation to restore the defence areas to the condition in which they were at any time prior to their ceasing to be defence areas.

(6) All minerals (including oil), antiquities and treasure trove in the defence areas and all rights relating thereto are reserved to the Government of Antigua, but any exploitation thereof shall be with the concurrence of the United States Government.

ARTICLE V

Entry and Departure of Members of the United States Forces

(1) Members of the United States Forces who may be brought into Antigua for the purposes of this Agreement shall be exempt from passport and visa requirements, immigration inspection and any registration or control as aliens. Such persons shall be furnished with appropriate identification cards, specimens of which shall be supplied to the Government of Antigua.

(2) No military member of the United States Forces shall be discharged in Antigua without the consent of the Government of Antigua. The

United States Government shall inform the Government of Antigua of any change in the status of any other member of the United States Forces and shall be responsible for taking such steps as are open to it for his removal from Antigua if the Government of the latter should so request.

(3) The United States Government shall take steps to ensure the correct behaviour of all members of the United States Forces and shall, at the request of the Government of Antigua, remove as soon as possible any member of the United States Forces whose conduct renders his presence in Antigua undesirable to the Government of Antigua.

ARTICLE VI

Local Purchases and Employment of Local Labour

(1) The United States Government and United States contractors may purchase locally goods and services required for the purposes of this Agreement. Subject to United States policies or regulations, preference shall be given to the procurement of goods in, and to the employment of contractors and workers from, Antigua.

(2) In the fixing of terms of employment for such contractors and workers, particularly in respect of wages and conditions of work, supplementary payments, insurance and conditions for the protection of workers, clubs and recreational facilities, full regard shall be given to employment practices generally obtaining for similar employment in Antigua, and in no case shall the terms of employment for such workers be inferior to those laid down by any legislation in force in Antigua, or any international convention the provisions of which have been adopted by the United States Government and which apply to Antigua.

ARTICLE VII

Public Services and Facilities

(1) The United States Forces, United States contractors and the members of the United States Forces and contractor personnel may use the public services and facilities belonging to or controlled or regulated by the Government of Antigua. The terms of use, including charges, shall be no less favourable than those available to other users unless otherwise agreed. No landing charges shall, however, be payable by the United States Government by reason of the use by aircraft owned or operated by or on behalf of the United States Government of any airport in Antigua. There shall be such contribution by the United States Government to the maintenance and operating costs of any airport as may be fair and reasonable, having regard to the use made of it by such aircraft. The amount of such contribution shall be subject to agreement between the United States Government and the Government of Antigua.

(2) There shall be no toll charges, including light and harbour dues, on United States Government vessels using port facilities in Antigua, nor shall such vessels be subject to compulsory pilotage.

(3) Lights and other aids to navigation of vessels and aircraft placed or established in the defence areas and territorial waters adjacent thereto or in the vicinity thereof by the United States Government shall conform to the system in use in Antigua. The position and characteristics of any such lights or other aids and any alterations thereof shall be determined in consultation with the appropriate authority of Antigua.

ARTICLE VIII

Fiscal Exemptions

(1) No taxes or duties of customs shall be imposed upon the importation or exportation of:

(a) materials and equipment imported by or for the use of the United States Forces and United States contractors for the purposes of this Agreement and, if required, certified as such on behalf of the United States Government;

(b) the personal effects and household goods, including privately owned automobiles, imported by members of the United States Forces, United States contractors and contractor personnel on first arrival in Antigua or within six months thereafter and related thereto.

(2) No excise, consumption or other duty shall be levied or charged on any goods or materials purchased locally by or for the use of the United States Government for the purposes of this Agreement.

(3) Where the legal incidence of any form of taxation in Antigua depends on residence or domicile, periods during which members of the United States Forces, United States contractors or contractor personnel are in Antigua solely by reason of this Agreement shall not be considered as periods of residence (or as creating a change of residence or domicile) for the purposes of such taxation. Members of the United States Forces, United States contractors and contractor personnel shall be exempt from taxation in Antigua on the salary and emoluments received by them as such, on any tangible movable property within a defence area and on the ownership of such property outside a defence area which is in Antigua solely by reason of this Agreement.

(4) Nothing in this Article shall prevent taxation of members of the United States Forces, United States contractors or contractor personnel with respect to any profitable enterprise other than their employment as such in which they may engage in Antigua, and except as regards salary and emoluments and the tangible movable property referred to in the preceding paragraph, nothing in this Article shall prevent taxation to

which, even if regarded as resident or domiciled outside Antigua, such persons are liable under the law of Antigua.

(5) United States Government vehicles shall be exempted from all fees, taxes and other charges. Each vehicle shall carry in addition to its registration number a distinct nationality mark in front and rear. A list of all such vehicles and their registration numbers shall be furnished to the Government of Antigua. Privately owned automobiles imported by members of the United States Forces which qualify for exemption under paragraph (1)(b) of this Article shall also be exempt from Motor Vehicles Tax, or any other tax, duty or charge of a similar nature.

(6) The authorities of the United States Forces and Antigua shall collaborate in measures to be taken to prevent abuse of the privileges granted under this Article.

ARTICLE IX

Criminal Jurisdiction

(1) Subject to the provisions of this Article,

(a) the military authorities of the United States shall have the right to exercise within Antigua all criminal and disciplinary jurisdiction conferred on them by United States law over all persons subject to the military law of the United States;

(b) the authorities of Antigua shall have jurisdiction over members of the United States Forces with respect to offences committed within Antigua and punishable by the law in force there.

(2) (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offences, including offences relating to security, punishable by the law of the United States but not by the law in Antigua.

(b) The authorities of Antigua shall have the right to exercise exclusive jurisdiction over members of the United States Forces with respect to offences, including offences relating to security, punishable by the law in force in Antigua but not by the law of the United States.

(c) For the purposes of this paragraph and of paragraph (3) of this Article, an offence relating to security shall include

(i) treason;

(ii) sabotage, espionage or violation of any law relating to official secrets or secrets relating to national defence.

(3) In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over a member of the United States Forces in relation to

(i) offences solely against the property or security of the United States or offences solely against the person or property of another member of the United States Forces;

(ii) offences arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offence the authorities of Antigua shall have the primary right to exercise jurisdiction.

(c) If the authorities having the primary right decide not to exercise jurisdiction, they shall notify the other authorities as soon as practicable. The United States authorities shall give sympathetic consideration to a request from the authorities of Antigua for a waiver of their primary right in cases where the authorities of Antigua consider such waiver to be of particular importance. The authorities of Antigua will waive, upon request, their primary right to exercise jurisdiction under this Article, except where they in their discretion determine and notify the United States authorities that it is of particular importance that such jurisdiction be not waived.

(4) The foregoing provisions of this Article shall not imply any right for the military authorities of the United States to exercise jurisdiction over persons who belong to, or are ordinarily resident in, Antigua unless they are military members of the United States Forces.

(5) (a) To the extent authorised by law, the authorities of Antigua and the military authorities of the United States shall assist each other in the service of process and in the arrest of members of the United States Forces in Antigua and in handing them over to the authorities which are to exercise jurisdiction in accordance with the provisions of this Article.

(b) The authorities of Antigua shall notify promptly the military authorities of the United States of the arrest of any member of the United States Forces.

(c) Unless otherwise agreed, the custody of an accused member of the United States Forces over whom the authorities of Antigua are to exercise jurisdiction shall, if he is in the hands of the United States authorities, remain with the United States authorities until he is charged. In cases where the United States authorities may have the responsibility for custody pending the completion of judicial

proceedings, the United States authorities shall, upon request, make such a person immediately available to the authorities of Antigua for purposes of investigation and trial and shall give full consideration to any special views of such authorities as to the way in which custody should be maintained.

(6) (a) To the extent authorised by law, the authorities of Antigua and of the United States shall assist each other in the carrying out of all necessary investigations into offences, in providing for the attendance of witnesses and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offence. The handing over of such objects may, however, be made subject to their return within the time specified by the authorities delivering them.

(b) The authorities of Antigua and of the United States shall notify one another of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

(7) A death sentence shall not be carried out in Antigua by the military authorities of the United States if the legislation of Antigua does not provide for such punishment in a similar case.

(8) Where an accused has been tried in accordance with the provisions of this Article and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offence within Antigua. Nothing in this paragraph shall, however, prevent the military authorities of the United States from trying a military member of the United States Forces for any violation of rules of discipline arising from an act or omission which constituted an offence for which he was tried by the authorities of Antigua.

(9) Whenever a member of the United States Forces is prosecuted by the authorities of Antigua he shall be entitled:

- (a) to a prompt and speedy trial;
- (b) to be informed in advance of trial of the specific charge or charges made against him;
- (c) to be confronted with the witnesses against him;
- (d) to have compulsory process for obtaining witnesses in his favour if they are within the jurisdiction of Antigua;
- (e) to have legal representation of his own choice for his defence or to have free or assisted legal representation under the conditions prevailing for the time being in Antigua.

(f) if he considers it necessary, to have the services of a competent interpreter; and

(g) to communicate with a representative of the United States and, when the rules of the court permit, to have such a representative present at his trial which shall be public except when the court decrees otherwise in accordance with the law in force in Antigua.

(10) Where a member of the United States Forces is tried by the military authorities of the United States for an offence committed outside a defence area or involving a person, or the property of a person, other than a member of the United States Forces, the aggrieved party and representatives of Antigua and of the aggrieved party may attend the trial proceedings except where this would be inconsistent with the rules of the court.

(11) A certificate of the appropriate United States commanding officer that an offence arose out of an act or omission done in the performance of official duty shall be conclusive, but the commanding officer shall give consideration to any representation made by the Government of Antigua.

(12) Regularly constituted military units or formations of the United States Forces shall have the right to police the defence areas. The military police of the United States Forces may take all appropriate measures to ensure the maintenance of order and security within such defence areas.

ARTICLE X

Civil Claims

(1) The United States Government agrees to pay just and reasonable compensation in settlement of civil claims (other than contractual claims) arising out of acts or omissions of members of the United States Forces done in the performance of official duty or out of any other act, omission or occurrence for which the United States Forces are legally responsible.

(2) All such claims shall be processed and settled in accordance with the applicable provisions of United States law.

ARTICLE XI

Surveys

The United States Government may with the concurrence of the Government of Antigua make topographic, hydrographic and other similar surveys (which may include the taking of aerial photographs) in Antigua, including the territorial waters thereof. When any survey is to be made

outside the defence areas, the United States Government shall notify the Government of Antigua, which may designate an official representative to be present. Copies of the data resulting from such surveys shall be furnished without cost to the Government of Antigua.

ARTICLE XII

Frequencies

The use of radio frequencies, powers and band widths for communication, detection, and research and test operations for the purposes of this Agreement shall be subject to the concurrence of the Government of Antigua.

ARTICLE XIII

Post Offices

The United States Government may establish and operate United States post offices in the defence areas for domestic use between such post offices, and between such post offices and other United States post offices. These post offices shall be for the exclusive use of the United States Government and members of the United States Forces and of United States contractors, contractor personnel, United States diplomatic or consular representatives in Antigua and their dependents.

ARTICLE XIV

Commissariat

The United States Government shall have the right to establish and operate in the defence areas agencies such as commissary stores, military service exchanges and social clubs for the use of members of the United States Forces and of United States contractors, contractor personnel, United States diplomatic or consular representatives in Antigua and their dependents. Such agencies and the merchandise and services sold or dispensed by them shall be free of all taxes, duties and imposts. The authorities of the United States Forces and of Antigua shall collaborate in measures to be taken to prevent abuse of the privileges granted under this Article.

ARTICLE XV

Health and Sanitation

The appropriate authorities shall collaborate in the enforcement in the defence areas of the health and quarantine laws in force in Antigua. These authorities shall also collaborate in making arrangements for the improvement of sanitation and the protection of health in areas outside, but in the vicinity of, the defence areas.

ARTICLE XVI

Use of Currency

(1) The United States Government shall collaborate with the Government of Antigua in ensuring compliance with any foreign exchange law in force in Antigua. The United States Forces and United States contractors may possess and use United States currency for official purposes, including the payment of personnel, and may purchase and use local currency.

(2) Members of the United States Forces and contractor personnel may use for internal transactions and export United States currency received from the United States Forces or United States contractors.

(3) The appropriate authorities shall collaborate in the establishment of facilities to permit the purchase of local currency with United States currency and to prevent unauthorised transactions in either currency.

ARTICLE XVII

Driving Permits

(1) The Government of Antigua shall honour without driving test or fee driving permits issued by the United States or a subdivision thereof to members of the United States Forces and to United States contractors, contractor personnel and their dependents, or issue its own driving permits without test or fee to such persons who hold such United States permits. Members of the United States Forces and United States contractors, contractor personnel and their dependents who do not hold driving permits issued by the United States or a subdivision thereof shall be required to obtain licences in accordance with the law in force in Antigua.

(2) The United States authorities in collaboration with the authorities of Antigua shall issue appropriate instructions to members of the United States Forces and to United States contractors, contractor personnel and their dependents, fully informing them of the traffic laws in force in Antigua and requiring strict compliance therewith.

Article XVIII

General Obligations

(1) Save as is expressly provided in this Agreement, nothing herein shall be so construed as to impair the authority of the Government of Antigua with regard to the affairs of Antigua.

(2) Members of the United States Forces, United States contractors and contractor personnel in Antigua for the purposes of this Agreement shall respect the laws of Antigua and refrain from any activity inconsistent with the spirit of this Agreement. Such persons shall not take part directly or indirectly in the political affairs of Antigua.

(3) In the exercise of the privileges and facilities granted under this Agreement, the United States Government shall take every practicable measure to ensure the safety and safeguard the interests of the peoples of Antigua.

Article XIX

Local Participation

The United States Government shall permit, where agreed to be practicable and on such conditions as may be agreed, the use of installations and facilities in the defence areas for the apprenticeship and industrial training of persons from Antigua, and also for training programmes designed to permit proper participation by such persons in the performance of functions connected with defence and security. On such conditions as may be agreed, welfare communications facilities in the defence areas may be used for educational, cultural and social programmes of general interest to the people of Antigua.

Article XX

Competent Authorities

Nothing in this Agreement shall impair the freedom of movement within Antigua of its competent authorities. The designation of competent authorities in respect of a defence area shall be with the concurrence of the United States authorities. Access may not be granted to secure areas within the defence areas.

Article XXI

Consultation

There shall be established a Joint Consultative Board, consisting of representatives of the United States Government and the Government of Antigua, which shall keep the implementation of this Agreement under review.

Article XXII

Special Provisions

The provisions contained in the Annex hereto shall be read and construed as part of this Agreement.

Article XXIII

Supersession

Upon the coming into force of this Agreement, the provisions of the following Agreement (including any amendments, modifications and extensions thereof)--

Agreement of February 10, 1961 concerning United States Defense Areas in the Federation of the West Indies,

and of any other Agreement between the Government of the United Kingdom and the United States Government concerning the grant of rights to the United States Government with respect to defence facilities in Antigua shall, save as expressly provided in this Agreement, cease to have any force or effect in so far as they relate to Antigua.

Article XXIV

Duration

(1) This Agreement shall come into force on January 1, 1978, and shall remain in force through December 31, 1988.

(2) As early as practicable in the year 1988, the United States Government and the Government of Antigua will consult concerning the renewal or extension of this Agreement beyond December 31, 1988. If acceptable to both Governments they shall enter into negotiations to renew or extend the Agreement for a mutually acceptable period of time.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Washington on the 14th day of December, 1977.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

 [¹]

FOR THE GOVERNMENT OF ANTIGUA

 [²]

¹ Sally Angela Shelton

² V. C. Bird

ANNEXDefence Areas, Rights of Way and Easements

(1) The attached map No. 1 shows, but not definitively, the defence areas, certain rights of access, rights of way and easements. The defence areas shall as soon as may be practicable be definitely described by agreement between the United States Government, and the Government of Antigua.

Nature of Rights

(2) (a) The rights vested in the United States Government by virtue of this Agreement include the right to maintain and operate within the defence areas an electronic research and test station and an oceanographic research station, including their associated instrumentation, detection and communications systems. The United States Government shall also have the right to launch, fly and land test vehicles.

(b) No wireless station, submarine cable, land line or other installation shall be established by the United States Government outside the defence areas except at such place or places as may be agreed. Any submarine cable or wireless station shall be sited and operated in such a way that it will not cause interference with established civil communications.

(c) When submarine cables are no longer required for the purpose of this Agreement, their disposal or further use shall be subject to consultation between the parties and, in the absence of agreement, they shall be removed by and at the expense of the United States Government.

(d) The United States Government shall have such use of the foreshore and of the internal and territorial waters adjacent to the defence areas as shall be mutually agreed. Any such agreed use shall not interfere with navigation but may entail the restriction of anchoring, fishing and landing in agreed areas.

Roads

(3) (a) The roads running through the defence area which are open generally for public use on the date of signature of this Agreement shall remain open for such use; provided, however, that nothing shall be done to interfere with the carrying out of the purposes of this Agreement.

(b) The United States Government shall consult from time to time with the Government of Antigua for the purpose of agreeing upon the extent of any damage to roads which may have been caused by United States operations, and the repairs which are necessary. The United States Government shall either make those repairs or reimburse their cost to the Government of Antigua.

Coolidge Field

(4) (a) Aircraft owned or operated by or on behalf of the United States Government shall at all times be entitled to unrestricted use of Coolidge Field airport on the terms and conditions as to landing charges and contributions set out in paragraph (1) of Article VII of this Agreement; but no charges shall be payable for any airport services provided in respect of such use.

(b) The United States Government and the United States contractors may, without charge, use the pier at Coolidge Field for the purposes of this Agreement.

Parham Peninsula

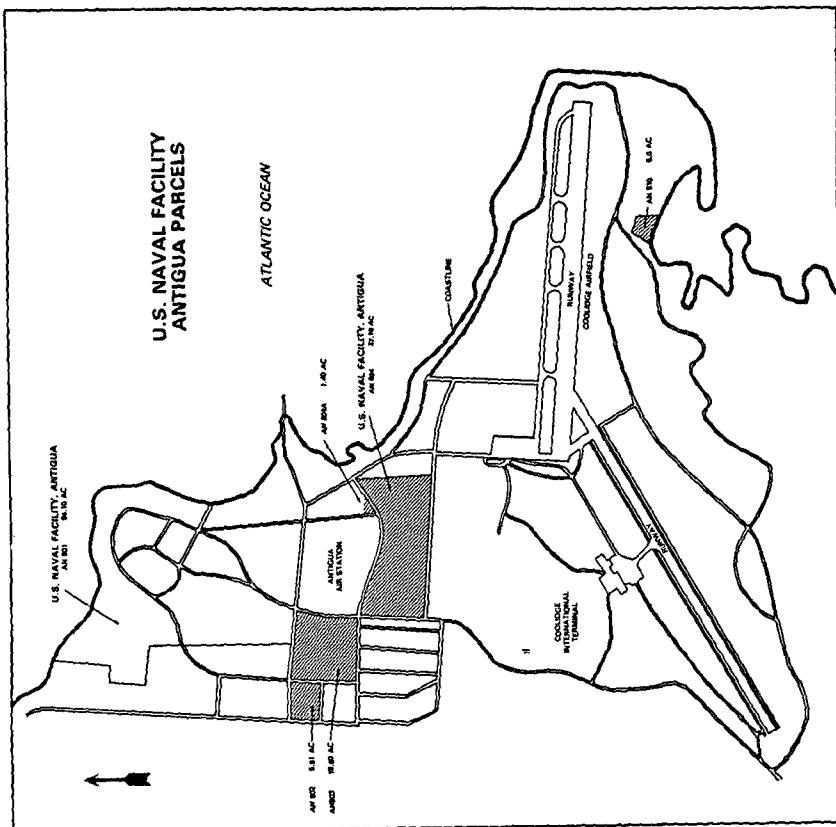
(5) (a) The United States Government may operate on Parham Peninsula

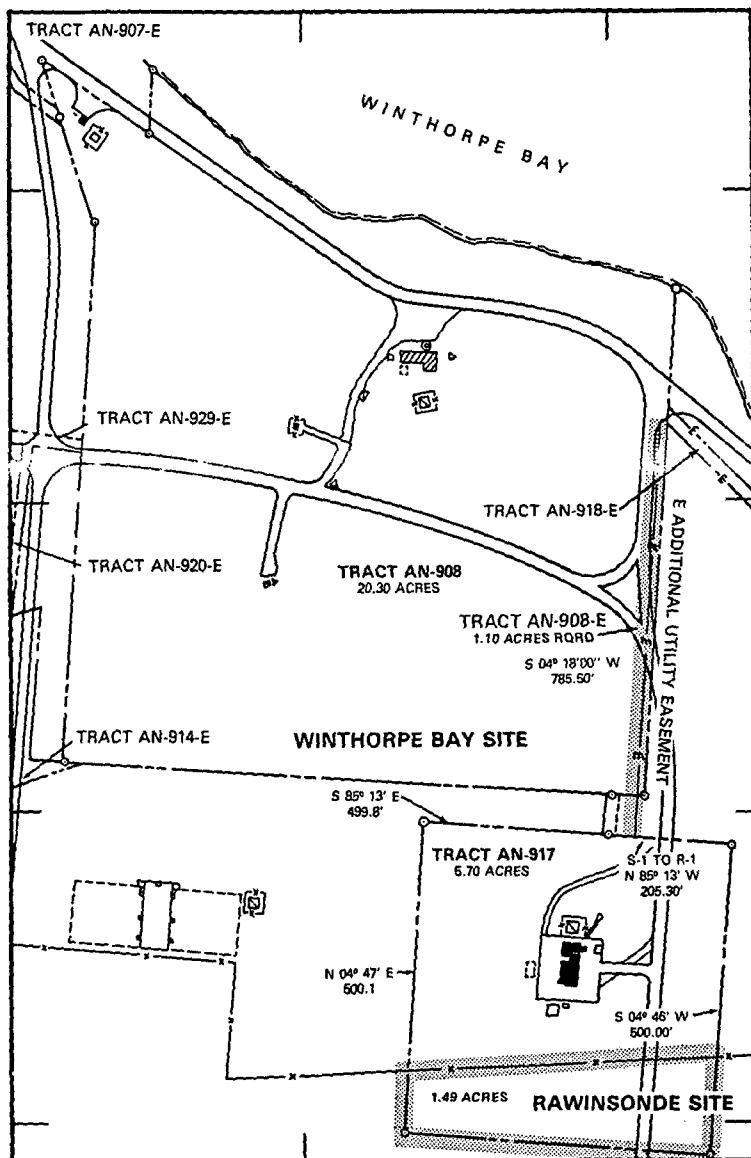
(i) approximately ten antennae arrays (each array to consist of four poles, each approximately 90 feet high, set in a rhombic pattern, each side of which extends approximately 300 feet) together with necessary connecting lines, power lines, underground cables and support wires; and

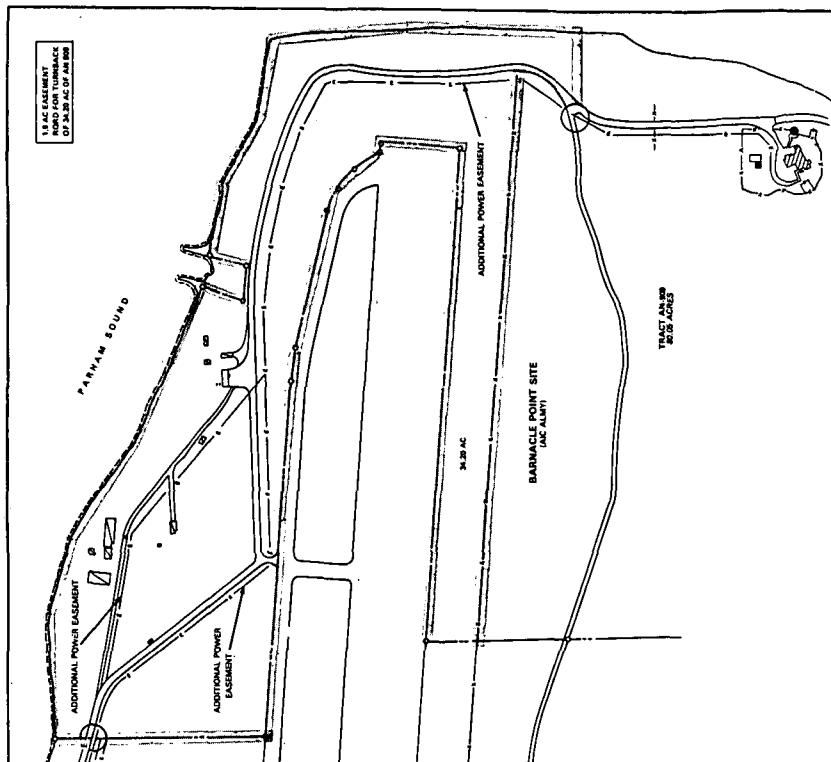
(ii) a communications building approximately 50' x 100' in size with an access road thereto.

Persons authorised by the United States Government may enter and move freely on the Peninsula for purposes related to the operation and maintenance of the antennae.

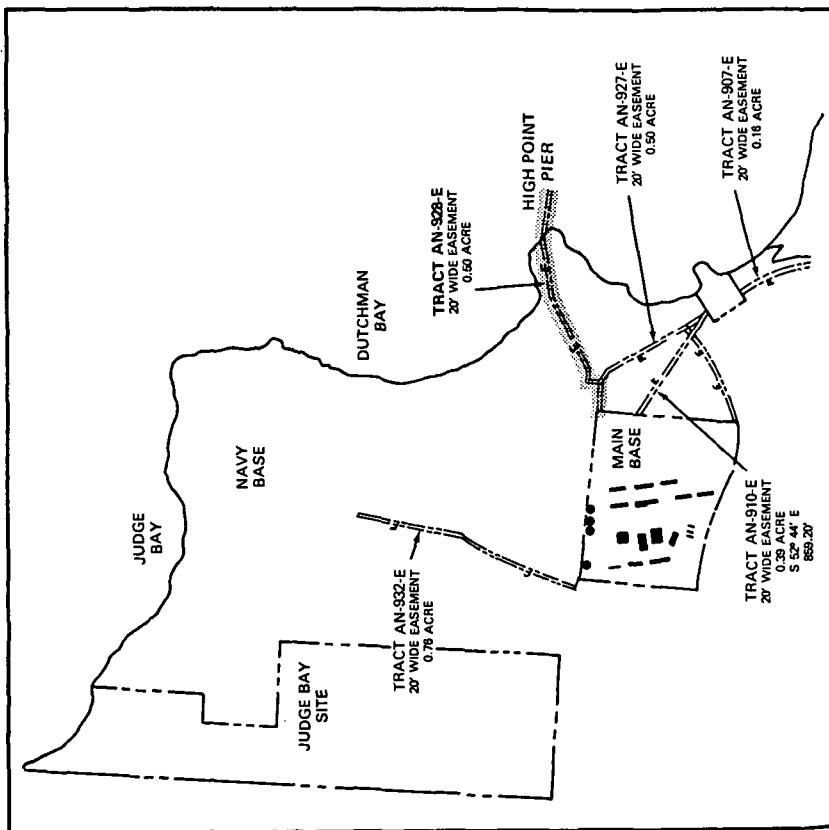
(b) Land under and adjacent to the antennae may be used for agricultural purposes, provided that such use does not interfere with the operation of the antennae.

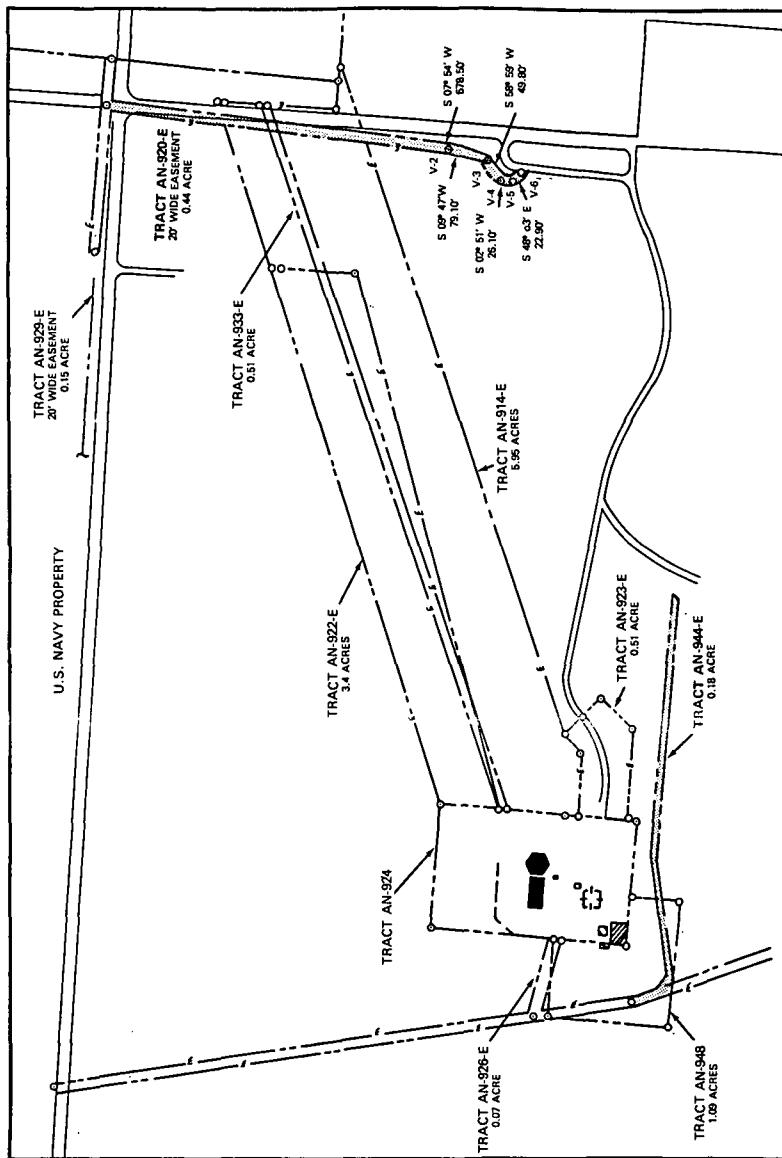






TIAS 9054





MEMORANDUM OF UNDERSTANDING

1. The United States Government and the Government of Antigua have reached the following understandings with regard to the Agreement signed this day concerning United States defense areas and facilities in Antigua.

(a) With respect to paragraph (1) of Article VII, it is understood that the words "other users" mean those persons who, where preferential rates apply to certain users, are charged at the lowest rate.

(b) With respect to paragraph (3) of Article VIII, it is understood that United States contractors will be exempt from taxation on any income received under a contract with the United States Government for the purposes of the Agreement and will also be exempt from any tax in the nature of a licence with respect to any work performed for the United States Government for the purposes of the Agreement.

(c) (i) With respect to Article XII, it is understood that the United States Government may continue to use all those radio frequencies, powers and band widths for communications, detection, research and test operations that it is entitled to use in Antigua at the date of signature of the Agreement.

(ii) It is also understood that the United States Government will continue to be responsible for notifying to the International Frequency Registration Board (I.F.R.B.), as appropriate, those frequencies, powers and band widths used in connexion with United States operations under the Agreement. Prior to notifying the I.F.R.B. of any change in registered frequencies, the United States Government will reach agreement with the Government of Antigua regarding the proposed change.

(iii) The Government of Antigua and the United States Government have informed the I.F.R.B. that this arrangement which has been entered into between them provides for the necessary coordination regarding frequencies used by the United States Government and authorises the United States Government to obtain international registration of agreed frequencies.

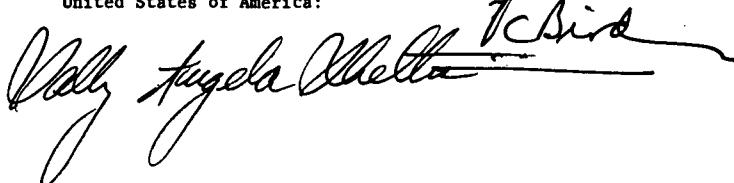
(d) (i) With respect to paragraph (2) of Annex to the present agreement it is understood that the electronic text and research station which the United States Government will operate pursuant to this provision will be used in connexion with United States text and research programmes in the fields of electronic surveillance and communications. Research and test operations at the station will include detection, tracking, telemetry, data read-out, reception, transmission and communications related to both missile and space programmes.

(ii) It is also understood that, while the general nature and purposes of the station will remain as described above, technical changes in equipment and operations will be made from time to time in order that the station may carry out its role in the surveillance and communications programmes.

2. It is also the understanding of the two Governments that the local administrative agreements or other arrangements in effect on the date of signature of the Agreement, including existing arrangements on matters which under paragraph (3) of Article VII and sub-paragraphs (b) and (d) of paragraph (2) of Annex to the present agreement would require consultation between or concurrence by the appropriate United States and local authorities, shall remain in effect, without prejudice to the right of the appropriate authorities to request a review of these administrative agreements or other arrangements.

Done in duplicate at Washington on the fourteenth day of December 1977.

For the Government of the
United States of America:

 Walter J. Sweeney

For the Government of Antigua:

TIAS 9054

AGREED MINUTE WITH RESPECT TO ARTICLE X OF THE
AGREEMENT SIGNED THIS DAY CONCERNING
UNITED STATES DEFENSE AREAS AND FACILITIES IN ANTIGUA

1. With respect to paragraph (2) of Article X, the United States delegation explained that in handling claims under this provision United States authorities would exercise the broad authority provided under United States laws relating to Foreign Claims and regulations issued thereunder. These laws provide for simple, administrative procedures for the settlement of claims against the United States overseas. Under these procedures any inhabitant of Antigua who believes he has a valid claim would, upon application to any United States authority, be referred to the appropriate United States Foreign Claims Commission which is authorised by law to settle foreign claims.
2. A Claims Commission's procedures in considering claims referred to it are expeditious and very informal, although a full record is developed in each case. A Claims Commission is not bound by judicial rules of evidence and may consider any material which is relevant to the claim. Claims must be presented to a Commission within two years from the time of the loss or injury.
3. Except where settlement is accepted in full satisfaction, a claimant is not precluded from pursuing such remedies as local law provides.
4. The United States delegation explained that in settling claims which are described in paragraph (1) of Article X as arising ". . . . out of any other act, omission or occurrence for which the United States Forces are legally responsible", United States authorities would take into consideration local law and practice. An example would be a claim based upon an injury caused by a falling structure that was under the full control of the United States Forces.
5. It was understood that should the procedures provided for under Article X prove to be unsatisfactory, upon the request of the Government of Antigua a new claims article would be adopted which would be equivalent in substance to paragraph (5) of Article VIII of the NATO Status of Forces Agreement.

T.C.Bird Dally Taylor Mello

Washington
14 December 1977

FEDERAL REPUBLIC OF GERMANY

**Atomic Energy: Technical Exchange and
Reactor Safety Research**

*Agreement signed April 26 and May 6, 1977;
Entered into force May 6, 1977.
With administrative understandings.*

AGREEMENT
ON RESEARCH PARTICIPATION AND TECHNICAL EXCHANGE
BETWEEN
THE UNITED STATES NUCLEAR REGULATORY COMMISSION (USNRC)
AND
THE FEDERAL MINISTER FOR RESEARCH AND TECHNOLOGY OF THE
FEDERAL REPUBLIC OF GERMANY (BMFT)
IN
THE USNRC POWER BURST FACILITY (PBF) AND
HEAVY SECTION STEEL TECHNOLOGY (HSST) RESEARCH PROGRAMS
AND THE BMFT FUEL BEHAVIOR AND
SUPERHEAT STEAM REACTOR (HDR) SAFETY PROGRAMS
COVERING A FOUR-YEAR PERIOD

The Contracting Parties

Considering that the United States Nuclear Regulatory Commission (USNRC) and the Federal Minister for Research and Technology of the Federal Republic of Germany (BMFT)

- (a) have a mutual interest in cooperation in the field of reactor safety research;
- (b) have as a mutual objective improving and thus ensuring the safety of reactors on an international basis;
- (c) have as a mutual objective the achievement of full reciprocity in the exchange of technical information in the field of reactor safety research;
- (d) have entered into a Technical Exchange and Cooperation Arrangement in the Field of Research and Development on Reactor Safety, dated the sixth day of March 1974;[¹]
- (e) recognize that their respective Countries are member nations of the International Energy Agency which encourages cooperative programs on reactor safety research; and

¹ TIAS 8347; 27 UST 2736.

- (f) have expressed their intention to participate cooperatively in
(i) the USNRC-funded Power Burst Facility (PBF) research program at
the Idaho National Engineering Laboratory, which is owned by the
United States Government and operated under contractual arrangement
between the EG&G, Inc. and the U.S. Energy Research and Development
Administration (USERDA); (ii) the USNRC-funded Heavy Section Steel
Technology (HSST) Program at the Oak Ridge National Laboratory, which
operated under contractual arrangement between the Union Carbide
Corporation and USERDA; (iii) the Superheat Steam Reactor (HDR)
program, and (iv) the Fuel Behavior program, both operated by the
Gesellschaft fur Kernforschung mbh (GfK) Karlsruhe, under contract
to BMFT,

Have AGREED as follows:

ARTICLE I - PROGRAM COOPERATION

The USNRC and the BMFT, in accordance with the provisions of this
Agreement and subject to applicable laws and regulations in force in
their respective Countries, will join together for cooperative research
in the USNRC PBF program (Appendix A), the HSST program (Appendix B),
the HDR program (Appendix C), and the Fuel Behavior program (Appendix D).

ARTICLE II - SCOPE OF AGREEMENT

A. Scope of Responsibility - USNRC

1. The USNRC, in consideration of the technical benefits received by
its participation in the Fuel Behavior and HDR programs and by its
receipt of information under this Agreement, agrees to permit the
BMFT to participate in the PBF and HSST programs.
2. Subject to the availability of funds, the USNRC agrees to provide
the necessary personnel, materials, equipment, and services for
the performance of the PBF and HSST programs, as described in
Appendices A and B, or as amended.
3. The USNRC agrees to permit the BMFT to assign one mutually
agreed upon technical expert to each of the PBF and HSST programs
for participation in the conduct and analysis of program
experiments.

4. In addition, the USNRC agrees to permit the BMFT to assign one technical expert as a consultant to each of the PBF and HSST program review groups, which periodically review the status of the current programs and of future program plans.
5. The USNRC agrees to grant the BMFT and its assignees access to all experimental data and results of analyses generated by the PBF and HSST programs during the period of this Agreement.
6. The USNRC agrees to provide the BMFT access to operational computer codes developed to analyze experimental data generated by the PBF and HSST programs. Access to proprietary codes and data will not be provided except by written authorization of the owner.
7. The USNRC agrees to bear the total costs of transportation, living expenses and any other costs arising from its participation in the Fuel Behavior and HDR programs, and for the transport and related costs for apparatuses and other equipment furnished by the USNRC.
8. The USNRC agrees to provide the BMFT access to all results obtained from USNRC's analyses of information and experimentation developed for the Fuel Behavior and HDR programs during the period of this Agreement, including nonproprietary computer codes used in such analyses.

B. Scope of Responsibility - BMFT

1. The BMFT in consideration of the technical benefits received by its participation in the PBF and HSST programs and by its receipt of information under this Agreement, agrees to permit the USNRC to participate in the Fuel Behavior and HDR programs.
2. Subject to the availability of funds, the BMFT agrees to provide the necessary personnel, materials, equipment, and services for the performance of the HDR and Fuel Behavior programs, as described in Appendices C and D, or as amended.
3. The BMFT agrees to permit the USNRC to assign one mutually agreed upon technical expert to each of the Fuel Behavior and HDR programs for participation in the conduct and analysis of program experiments.

4. In addition, the BMFT agrees to permit the USNRC to assign one technical expert to each of the Fuel Behavior and HDR program review or planning groups which periodically review the status of the current programs and of future program plans.
5. The BMFT agrees to grant the USNRC and its assignees access to all experimental data and results of the analyses generated by the Fuel Behavior and HDR programs during the period of this Agreement.
6. The BMFT agrees to provide the USNRC access to operational computer codes developed to analyze experimental data generated by the Fuel Behavior and HDR programs. Access to proprietary codes and data will not be provided except by written authorization of the owner.
7. The BMFT agrees to bear the total costs of transportation, living expenses and any other costs arising from its participation in the PBF and HSST program under this Agreement, and for the transport and related costs for apparatuses and other equipment furnished by the BMFT.
8. The BMFT agrees to provide the USNRC access to all results obtained from BMFT's analyses of information and experimentation developed for the PBF and HSST programs during the period of this Agreement, including nonproprietary computer codes used in such analyses.

ARTICLE III - PATENTS

- A. With respect to any invention or discovery made or conceived during the period of, and in the course of or under, this Agreement for BMFT participation in the PBF and HSST programs, the USNRC on behalf of the United States Government, as the recipient party, and the BMFT as assigning party, and for USNRC participation in the HDR and Fuel Behavior programs, the BMFT as the recipient party, and the USNRC as assigning party, hereby agree that:
 1. If made or conceived by personnel of one party (the assigning party) or its contractors while assigned to the other party (the recipient party) or its contractors:

- (a) The recipient party shall acquire all right, title, and interest in and to any such invention, discovery, patent application or patent in its own Country and in third countries, subject to a non-exclusive, irrevocable, royalty-free license to the assigning party, with the right to grant sublicenses under any such invention, discovery, patent application or patent for use in the production or utilization of special nuclear material or atomic energy; and
 - (b) The assigning party shall acquire all right, title and interest in and to any such invention, discovery, patent application, or patent in its own Country, subject to a non-exclusive, irrevocable, royalty-free license to the recipient party with the right to grant sublicenses under any such invention, discovery, patent application or patent for use in the production or utilization of special nuclear material or atomic energy.
2. If made or conceived other than by personnel in paragraph 1 above and while in attendance at meetings or when employing information which has been communicated under this Exchange Agreement by one party or its contractors to the other party or its contractors, the party making the invention shall acquire all right, title and interest in and to any such invention, discovery, patent application or patent in all countries, subject to the grant to the other party of a royalty-free, non-exclusive, irrevocable license, with the right to grant sublicenses in and to any such inventions, discovery, patent application or patent in all countries, for use in the production or utilization of special nuclear material or atomic energy.
- B. Neither party shall discriminate against citizens of the country of the other party with respect to granting any license or sublicense under any invention pursuant to subparagraphs A(1) and A(2) above.
- C. Each party waives any and all claims against the other party for compensation, royalty or award as regards any such invention or discovery, patent application, or patent, and releases the other party with respect to any and all such claims, including any claims under the provisions of the U.S. Atomic Energy Act of 1954, as amended.^[1] and the German Labor Law (Arbeitnehmererfindergesetz) of July 25, 1957.

^[1] 68 Stat. 919; 42 U.S.C. § 2011 *et seq.*

ARTICLE IV - EXCHANGE OF SCIENTIFIC INFORMATION AND USE OF RESULTS OF PROGRAM

- A. Both parties agree that, pending the grant by the transmitting party of approval to publish, information developed or transmitted under this Agreement will be freely available to governmental authorities and organizations cooperating with the parties. Such information, except as noted below in paragraphs B and C, may, as required by the administrative procedure in its own country, also be made available to the public by either party through customary channels and in accordance with the normal procedures of the parties.
- B. It is recognized by both parties that in the process of exchanging information, or in the process of other cooperation, the parties may provide to each other "industrial property of a proprietary nature." Such property, including trade secrets, inventions, patent information, and know-how, made available hereunder and which bears a restrictive designation, shall be respected by the receiving party and shall not be used for commercial purposes or made public without the consent of the transmitting party. Such property is defined as:
 - (a) Of a type customarily held in confidence by commercial firms;
 - (b) Not generally known or publicly available from other sources;
 - (c) Not having been made available previously by the transmitting party or others without an agreement concerning its confidentiality; and
 - (d) Not already in the possession of the receiving party or its contractors.
- C. Recognizing that "industrial property of a proprietary nature," as defined above, may be necessary for the conduct of a specific cooperative project or may be included in an exchange of information, such property shall be used only in the furtherance of nuclear safety programs in the receiving country. Its dissemination will, unless otherwise mutually agreed, be limited as follows:
 - (a) To persons within or employed by the receiving party, and to other concerned government agencies of the receiving party, and
 - (b) To prime or subcontractors of the receiving party for use only within the country of the receiving party and within the framework of its contract(s) with the respective party engaged in work relating to the subject matter of the information so disseminated, and

(c) On an as-needed, case-by-case basis, to organizations licensed by the receiving party to construct or operate nuclear production or utilization facilities, provided that such information is used only within the terms of the license and in work relating to the subject matter of the information so disseminated, and

(d) To contractors of licensed organizations in subparagraph (c) receiving such information, for use only in work within the scope of the license,

PROVIDED that the information disseminated to any person under subparagraph (b), (c) and (d) above shall be pursuant to an agreement of confidentiality.

D. The application or use of any information exchanged or transferred between the parties under this Agreement shall be the responsibility of the party receiving the information, and the transmitting party does not warrant the suitability of the information for any particular use or application.

ARTICLE V - FINAL PROVISIONS

- A. Any dispute between the parties concerning the interpretation or application of this Agreement which is not settled by negotiation or other agreed mode of settlement shall be referred to a tribunal of three arbitrators to be chosen by the parties, and who shall also choose the chairman of tribunal. Should the parties fail to agree upon the composition of the tribunal or the selection of the chairman, the President of the International Court of Justice shall, at the request of the parties, exercise those responsibilities. The tribunal shall decide any such dispute by reference to the terms of this Agreement and any applicable laws and regulations, and its decision on all questions of facts shall be final and binding on the parties. Contractors, subcontractors or consultants to the parties hereto shall be regarded as parties to this Agreement for the purpose of this paragraph.
- B. This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the United States within three months from the date of entry into force of this Agreement.
- C. This Agreement shall enter into force upon signature of the parties and shall remain in force for a period of 4 years.

- D. Either party may withdraw from the present Agreement after providing the other party written notice 6 months prior to its intended date of withdrawal.
- E. The USNRC may at its option participate in a continuation of the BMFT Fuel Behavior and HOR programs beyond the 4-year period of this Agreement under mutually acceptable terms and conditions.
- F. The BMFT may at its option participate in a continuation of the USNRC PBF and HSST programs beyond the 4-year period of this Agreement under mutually acceptable terms and conditions.

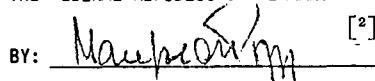
FOR THE UNITED STATES
NUCLEAR REGULATORY COMMISSION

BY:  [¹]

TITLE: Executive Director For
Operations

DATE: April 26, 1977

FOR THE FEDERAL MINISTER FOR
RESEARCH AND TECHNOLOGY OF
THE FEDERAL REPUBLIC OF GERMANY

BY:  [²]

TITLE: Head of Energy Research and
Technology Subdivision

DATE: May 6, 1977

¹ Lee V. Gossick
² Manfred Popp

ADMINISTRATIVE UNDERSTANDINGS

BETWEEN THE USNRC AND THE BMFT

An Agreement between the BMFT and USNRC on BMFT participation in the USNRC PBF and HSST programs and on USNRC participation in the BMFT Fuel Behavior and HDR programs within the framework of the US-FRG bilateral arrangement has been negotiated. This Agreement would also be within the framework of an IEA multilateral cooperative agreement for the PBF, HSST, HDR programs when negotiated.

The coordinators for the bilateral technical information exchange arrangement have arrived at the following Administrative Understandings of the details of the BMFT participation in the PBF and HSST programs and of the USNRC participation in the HDR and German Fuel Behavior programs.

1. The Gesellschaft für Kernforschung mbH, Karlsruhe (GFK) is acting as agent for the BMFT in executing this Agreement.
2. Under special circumstances BMFT and USNRC may desire to send one or more technical experts for a short period of time to review or investigate a specific technical problem related to the analysis or experiments of the respective projects. Short term visits by BMFT and USNRC technical experts may be arranged by mutual agreement on a case-by-case basis. The NRC and the BMFT will provide the technical experts making such visits data and documents (excluding proprietary information) concerning the technical problem to the best of their ability within the constraints of available manpower and minimum interference with the program.
3. The Agreement states the categories, data, documents, computer codes, etc. that are to be made available to the USNRC and the BMFT. Other information which may be withheld includes that which deals with organizational, budgetary, personnel or management related matters.
4. BMFT and USNRC will endeavor to select as technical experts for assignment to the program individuals who can contribute positively to the program. BMFT and USNRC technical experts assigned to the program for extended periods will be considered visiting scientists (non-salaried) within the project and will be expected to participate in the conduct of the analysis and experiments of the program as directed.
5. The Agreement states that each party is permitted to assign one technical expert to each of the partner's projects. Both parties agree that one other technical expert may be assigned if so desired.

BMFT and USNRC technical experts will be assigned to mutually acceptable positions within organizational structures of the respective projects.

Both parties recognize the desire of their partner to have one of their technical experts assigned to a position in the organization of each of the partner's projects where they may be able to have an overview of the technical programs. Both parties will endeavor to the best of their ability to fulfill their partner's desire in this regard.

6. Both partners will have access to all reports written by their partner's technical experts assigned to the respective projects which derive from their participation in those projects.
7. Administrative details concerning questions such as security, indemnity and liability related to the assignees will be negotiated and will appear in personnel assignment agreements between USNRC contractors and BMFT contractors.

Both partners will recommend their assigning parties these agreements to be concluded on the basis of a standard arrangement agreed upon by USNRC and BMFT.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION

BY: Saul Levine [¹]

TITLE: Director, Office of
Nuclear Regulatory Research

DATE: April 28, 1977

FOR THE FEDERAL MINISTER FOR
RESEARCH AND TECHNOLOGY OF THE
FEDERAL REPUBLIC OF GERMANY

BY: Heinz Seipel [²]

TITLE: Head, Nuclear Safety
Research Section

DATE: May 6, 1977

^¹ Saul Levine
^² Heinz Seipel

APPENDIX A

THE POWER BURST FACILITY (PBF) PROGRAM

The Facility:

The Power Burst Facility is a water cooled and moderated reactor contained in an open top steel vessel. The PBF is operated for the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC) by the EG&G Idaho, Inc. (EG&G).

The present reactor core is designed for both steady state operation (to 40 MW) and pulsed mode operation (to 1500 MWsec). A new reactor core interchangeable with the original core should be available sometime after late 1977. The new core is designed for steady state operation for testing large assemblies (clusters) of low enrichment irradiated or unirradiated fuel elements at high power densities.

Table 1 describes the general facility characteristics and compares the test capabilities of the first and second PBF cores.

The PBF currently operates on a two shift basis, but 3 or 4 shift operation during the next few years is probable. At present, reactor tests are scheduled at 7 day to 30 day intervals, with 7 to 16 tests scheduled per 8-month operating year. Four months are allowed each year for reactor certification and maintenance.

The Test Train:

Fuel elements and fuel element assemblies to be tested, one to 25 fuel rods in the first core and one to 64 rods in the second core, are fitted into a test train, together with necessary test instrumentation. The assembled test train is then fitted into a heavy walled vertical pressurizable cylindrical metal tube (the IPT) mounted concentric to the vertical axis of the reactor core and the containing vessel.

The in-pile tube head has six openings, permitting the active use of up to 100 pairs of instrumentation test leads. Typical test instrumentation includes inlet and/or exit flow meters (up to 5 per test), absolute and differential pressure transducers for monitoring fluid and fuel element plenum pressures, surface and internal thermocouples for monitoring fuel, clad, plenum and coolant temperatures, ultrasonic thermometers, linear variable differential transformer (deflection indicators) radiation flux monitor wires and foils and self-powered neutron detectors. Suitable instrumentation, signal conditioning equipment, and data accumulation and reduction equipment and services are available.

The Program:

The program for the four year period, June 1975 - June 1979, encompasses tests in each of the following areas: (a) Power-cooling mismatch (PCM), 9 reactor tests (FY76, early FY77), (b) Irradiation effects, 14 reactor tests (FY76, FY77), (c) Loss of Coolant Accident (LOCA), 11 to 18 reactor tests, (late FY77, 78, 79), (d) Inlet Flow Blockage, 5 reactor tests (late FY77, 78), (e) Reactivity Initiated Accident (RIA), 7 to 18 reactor tests, (FY77-79), (f) Gap Conductance and PCM Parameters, 17 to 23 reactor tests, (FY76-79).

This program is subject to continuous review and selective modification as test results are evaluated and further behavior demonstration and model verification needs are identified. The overall PBF test program is based on balanced support of the following Fuel Behavior Branch, RES:RSR, NRC objectives:

1. In-reactor study of fuel properties
2. In-reactor study of fuel rod and fuel rod assembly properties
3. In-reactor study of fuel rod and fuel rod assembly behavior under accident conditions
4. Support of fuel element behavior model development
5. Support of fuel element behavior model evaluation

The several PBF test series are described in the Small Cluster Program Requirements Section of the WRSR Fuel Behavior Program Description prepared by the Systems Safety Research Division, EG&G Idaho, Inc. The test series descriptions may be summarized as follows:

- (a) Power-Cooling Mismatch Tests: These tests will study CHF and post-CHF fuel behavior of single rods (4 at a time) and 9 rod clusters under a variety of power and cooling conditions. Coolant flow, stored energy, and test termination temperatures will be measured.
- (b) Irradiation Effects Tests: These tests will study the effects of irradiation and burnup of the thermal-mechanical properties of cladding materials and single fuel rods and the behavior of fuel rods at high power ratings. Post CHF cladding deformation will be one of the dependent test variables measured.
- (c) Loss of Coolant Tests: These tests will study fuel rod behavior, e.g., clad deformation and oxidation of multiple rod assemblies, under PWR loss of coolant conditions. Results will be correlated

With ex-reactor tests. Parameters to be varied include irradiation history and cold internal pressures. Test loop modifications will provide heatup and blowdown capability late in the 4-year test period.

- (d) Inlet Flow Blockage Tests: These tests will study fuel rod behavior, e.g., clad temperature profiles of multiple rod assemblies under inlet flow blockage conditions. Blockages of 80% and greater will be investigated. Test loop modifications will be required for these tests.
- (e) Reactivity Initiated Accident Tests: These tests will study irradiated and unirradiated fuel rod behavior under rod drop and rod ejection conditions. Independent rod tests, cluster tests and model development/evaluation tests will be performed. The effects of irradiation, cluster size, coolant flow, and initial power level will be studied.
- (f) Gap Conductance and PCM Parameter Tests: These tests will study gap conductance and fuel rod behavior of irradiated and unirradiated rods. Parameters to be varied include irradiation history, gap size, fill gas and pressure and pellet densities. Power oscillation (transfer function technique) and integral k-dt methods will be compared.

TABLE 1
PBF TEST CAPABILITIES

<u>Test Space Size</u>	<u>Core 1*</u>	<u>Core 2*</u>
Diameter	15.5 cm	
Active length	91 cm	91 cm (nominal) 15.5 cm. minimum
<u>Test Coolant Flow Rate:</u>	0 - 3000 l/min	0 - 3000 l/min
<u>Coolant Pressure:</u>	0.3-15.6 MPa (154 atm, std)	0.3-15.6 MPa (154 atm, std)
<u>Coolant Temperature:</u>	Ambient - 343°C (650°)	Ambient - 343°C (650°F)
<u>Test Power Density (max):</u>	a) 18 kw/ft in a 16 rod array of highly enriched 17 x 17 type PWR fuel rods	a) 21 kw/ft in a 36 rod array irradiated (to 40,000 MWd/M) 17 x 17 type PWR fuel rods maximum initial enrichment 3.1 w/o 235U.
	b) 18 kw/ft in a 25 rod array of highly enriched BWR-6 type fuel rods	b) 21 kw/ft in a 25 rod array irradiated (to 40,000 MWd/M) BWR-6 type fuel rods with maximum initial enrichment 2.0 w/o 235U.
<u>Test Power Rate of Change:</u>		
Steady State	100%/min power increase 15%/sec power decrease	100%/min power increase 15%/sec power decrease
Pulse Mode	Periods as short as 1.3 msec - natural burst (to 1500 mw sec sloped burst)	

TIAS 9055

APPENDIX B

THE HEAVY SECTION STEEL TECHNOLOGY (HSST) PROGRAM

The Program

The Heavy-Section Steel Technology (HSST) Program is a major Nuclear Regulatory Commission (NRC) sponsored safety engineering research activity devoted to development of a quantitative basis for assuring adequate margins of safety against fracture of the primary coolant pressure boundaries of water-cooled nuclear power reactors. The principal objects of study are the thick-walled pressure vessels of these reactor systems. All relevant aspects of the technology of the steels and weldments commonly used in reactor pressure vessels are being investigated. Another important part of the program is to establish quantitative relationships between the characteristics of materials and loading conditions under which fracture would occur in a flawed structure.

The specific objectives of the program are to provide a thorough quantitative assessment of heavy-section reactor vessel steel fracture characteristics including a realistic assessment of fracture potential and development of fracture prevention criteria. The program will include the effects of irradiation, flaw growth mechanisms, and the effects of thermal shock, with crack propagation and arrest characteristics under both stress and toughness gradients.

Table 1 describes the general test program capabilities.

The program has been underway since 1967 and over 70 technical reports or progress reports have been produced. The program is extending into studies of thermal shock, weld heat affected zones and failure under pneumatic loads.

Research Areas

The HSST program is comprised of the seven major research areas listed below:

Elastic-Plastic Fracture Analysis Development & Evaluation:

This part of the program has been set up to develop new methods of elastic-plastic fracture analysis and to evaluate existing methods. The required fracture toughness testing is performed in this area. Also this research area provides the analytical support for the thermal shock and the pneumatically loaded intermediate test vessel (ITV) programs.

Fatigue Crack Growth and LWR Crack Growth Analyses: In this research area, the investigators are to continue to develop fatigue crack growth rate data including the effects of material, LWR water chemistry, temperature, R-ratio, cyclic rate, hold time, loading rate, etc., and to determine a realistic upper bound relationship between da/dN and delta K. From these data, the investigator will update the crack growth analyses for LWR pressure vessels.

Irradiation Effects: The purpose of this research area is to determine the static and dynamic toughness of irradiated reactor vessel materials. Included among the FY 1975 tasks are completion of a 4T-CT program, and performance of a study of a method utilizing a "plug" of irradiated material surrounding the crack tip in an otherwise standard CT specimen. An irradiation program, using different heats of A533 B1, A508-2 and weld material "plugs", is being performed to characterize thoroughly the static and dynamic fracture toughness of reactor vessel steels.

Intermediate Vessel Testing: The ITV tests were completed and a report on all ITV tests prepared. Currently a weld defect in ITV-9 is being characterized and ITV-7 is being prepared for pneumatic testing.

Thermal Shock: The aim of this research area is to verify the method of analysis that is used to predict crack propagation in a reactor vessel subjected to emergency core cooling system (ECCS) operation following a postulated loss-of-coolant accident (LOCA). Thermal shock tests on 21-inch OD test cylinders will be completed and initial tests started on 39-inch OD cylinders.

Pneumatic ITV Testing: Investigators in this area are to develop both an analytical predictive capability and experimental data on fracture behavior under pneumatic loading. The test parameters will be set to evaluate the "leak-before-break" probability under pneumatic loading.

Heat Affected Zone Cracking: The purpose of this research is to determine the defects caused by reheat cracking in heat affected zones.

TABLE 1
HEAVY SECTION STEEL TEST PROGRAM CAPABILITIES

<u>Test Phase</u>	<u>Capabilities</u>
1. Intermediate Test Vessel (ITV) Testing	Temperatures from ambient to ~200°F (~93°C) Pressures from ambient to ~35 ksi (~241 MPa)
2. Pneumatic Load Testing of Vessels	Vessel sizes up to ~39 in. (99 cm) O.D. by 54 in. (137 cm) high
3. Thermal Shock Testing	Temperatures from -10°F (-23°C) to 550°F (288°C) Ambient pressure Specimen sizes: straight cylinders 21 in (53 cm) O.D. and 39 in (99 cm) O.D.
4. Irradiation Effects	Hot cells for studying highly irradiated Charpy, tensile and IT CT specimens.

APPENDIX C

THE HDR - SAFETY PROGRAM

The Facility

The HDR is a low MW_{th} superheated steam reactor which was designed and built in the 1960's as an experimental facility. After a short period of operation it was shut down and has since been decommissioned. At the present time the containment building and most of the important equipment are intact but the fuel and strongly activated components have been removed from the reactor. The maximum local dose rate at the inside of the pressure vessel is 80 mrem/h.

No nuclear operation is envisaged during the experiments. The test conditions will be obtained with an electrically-heated boiler. Table 1 describes the test program capabilities. The HDR plant is operated for the safety research program by the Gesellschaft für Kernforschung (Gfk).

The Program

The program for the four year period, June 1975 - June 1979, includes both theoretical studies as well as tests and measurements on full-scale equipment in the HDR plant: reactor building and containment structures, reactor pressure vessel, reactor pressure vessel internals, and piping systems.

The specific objectives of the program are to provide a quantitative assessment of reactor systems and components characteristics under safety design conditions. The test data will serve as a means of verifying existing analytical models and computer programs.

The various sectors covered by the program are the following:

Project Area Non-destructive Tests (EV 1000)

This project-area has two objectives:

1. Evaluation of defect formation and propagation in primary circuit materials under load conditions (defect analysis)
2. Sensitivity, evidence, and reliability of non-destructive testing methods (evaluation of non-destructive testing system)

Both proven testing methods and methods at the stage of development are used prior and subsequent to the individual load tests. Testing methods include: ultrasonic testing (manual and automatic), acoustic

emission, acoustic holography, eddy current and potential probe method, radiography, and penetration and magnetic particle testing. Based on these non-destructive testings, defect analysis is made with the objective of evaluating the influence exerted by different load conditions on the formation and propagation of the defects.

The results derived from defect analysis with the measured data of each individual testing method are the basis of systems evaluation of the individual methods. Information on defects obtained by non-destructive testings are compared with the actual characteristic defect data - geometrical dimensions, nature, and location - which is obtained in the next phase of the program after completion of tests from a destructive testing of recognized defects at the pressure vessel and at the piping. This comparison should provide the possibility of judging the capability of detection, the defect description, and the accuracy of location of each testing method. This enables in turn conclusions to be drawn with respect to the reliability and accuracy of methods of measurements for defect recognition and delineates the optimum application of non-destructive testing methods.

Project Area Pressure Vessel and Piping Investigations (EV 2000)

These investigations are intended to supply a contribution for the evaluation of the safety concepts for light water reactor pressure vessels and pipings. The most important aspect is a quantitative study of the effective safety margin of the components, especially under unfavorable material and overloading conditions. The program is comprised of the following major research areas:

Experimental stress analysis at the pressure vessel and the piping system (primary hot steam system, circulation loop) are effected for operating and maximum load conditions described in Table 1; "pressure test cold and hot", vibration tests, blowdown. From the determined strain or dislocation values, their distribution and time correlation, one may see the nature and amount of loading, especially at the highest stressed points. Depending on the results of this loading - test stress - and failure analysis on the pressure vessel are intended at aggravated conditions (thermal shock, earthquake tests at high intensity, defined weakening). These investigations presently not specified are planned in a project phase II after the blowdown tests (1979/1980). At the present stage of project these parts are not included.

The material (vessel and pipings) and component (piping) loading capacity is tested in actual conditions and after defined weakening (piping: structural defects, mechanical notches, natural cracks, sensitization). For a description of the failure under static and time-dependent loading (especially low cycle fatigue) an analysis of the strength and toughness characteristics and the fracture behavior is conducted. In connection with this it has to be clarified how the characteristic values gained from the specimen may be transferred to the components.

Theoretical investigations will be carried out for the experimentally tested components and loadings, which will supplement the design calculation. The results of the theoretical analysis will be compared with the measurements. The goal is the testing of the reliability and applicability of the model concepts usually employed for design and calculation methods.

Project Area Blowdown Investigations (EV 3000)

The HDR-Blowdown experiments are planned to provide a detailed understanding concerning the response of reactor pressure vessel internals, containment structures, and safety valves to typical loss-of-coolant conditions. The objectives are testing and further development of various fluid and structural dynamics computer codes.

Research areas foreseen include:

1. Pretest calculation and layout of the blowdown experiments, including first a description of the major factors influencing the dynamic behavior and then the capability to describe "relevant events during blowdown accidents" as
 - run in and reflection of a depressurization wave
 - subcooled single phase flow
 - two-phase flow
 - thermal stress due to temperature gradients
2. Measurement of the various blowdown parameters and their interaction including:
 - critical nonsteady mass flow rates
 - multidimensional pressure wave propagation
 - forces on reactor pressure vessel internals
 - deformation of internals
 - frequency analysis of the internals

3. Analysis of the blowdown tests loading to:

- comparison of computer code results and test data
- test performance and further evaluation
- sensitivity analysis of improved models and codes
- code verification

The reactor pressure vessel permits an investigation of asymmetrical dynamic loads which supplement the various activities at other places.

Project Area Earthquake Investigations (EV 4000)

The earthquake investigations at HDR involve theoretical studies and measurements on soil, buildings, and containment structures, the reactor pressure vessel and piping system. These investigations are thus seen both as a means of gathering data and as a means of verifying existing analytical models and computer programs.

Calculations were performed first in the linear elastic (low-level) range of response. This task included the preparation of mathematical models using finite element and lumped mass techniques involving current state-of-the-art methods of seismic analysis. The calculation of the responses was carried out by applying forces to the mathematical models which simulated the actual forces applied to the equipment and structures during the tests.

The low-level measurements at the HDR facility were based on excitation of the containment building and equipment with mechanical vibrators, snapback techniques, and explosive charges buried in the soils near the plant.

The results of these measurements and comparisons with theoretical values provide a means for verification of the analytical models and confirmation of the theoretical methods used in the analysis.

In the next phase of the program it is intended to develop non-linear models where necessary so that the analytical methods can be used to predict the response of the structures and equipment to high-level tests.

Project Area Leak Rate Investigations (EV 5000)

In the HDR full pressure containment of nearly realistic dimensions (11000 m³) the following research areas will be investigated:

Influence of different parameters on the leakage rate in a cold plant as

- pressure dependence of the leak rate during and following pressure sequences
- sudden change of containment tightness (critical pressure step)
- influence of air storage in the concrete internals during fast pressure rises.

As well as influences of different parameters in a warm plant including

- influence of temperature laminations in the plant.

TEST PROGRAM CAPABILITIES

Test Phase	Capabilities
1. Vibration tests at low excitation	<ul style="list-style-type: none"> - Shaker, amplitudes up to 40,000 N, of frequency 0 - 40 Hz - Snap back, amplitudes up to 10,000 N - buried explosives, a few 100 g up to 10 kg of dynamite
2. Loading tests for pressure vessel and piping-system	<ul style="list-style-type: none"> - "Pressure test cold" (according to specification) 50 - 60°C, Pressures from ambient to 143 bar Temperatures from 50°C up to 310°C - "Pressure test hot" (operating conditions) Pressures from ambient to 110 bar
3. Leak rate measurements on the full pressure containment	<ul style="list-style-type: none"> - Test on the cold plant Pumping speeds: 0,1 bar/h and 0,5 bar/h Pressure steps: 0,25; 0,5; 0,75; 1,0 up to 5,0 bar - Test on the hot plant (operating conditions) Pumping speed: 0,1 bar/h Pressure steps: 0,03 and 0,5 bar
4. Blowdown tests	<ul style="list-style-type: none"> - 4 safety valve tests Operating conditions before the tests Vessel Pressure: 70 - 90 bar Temperature 285/300°C Diameter of blowdown section 200 mm - 13 Reactor pressure vessel internals test Vessel pressure 110 bar Temp. in the innerspaces of the internals: 250 -310°C Temp. stratification between annular and interspaces of the internals: difference 10 - 40°C Water content: 40 - 90% of total volume Diameter of blowdown section 200 mm

- 7 containment tests
 - Vessel pressure: 70 - 90, 110 bar
 - Temperature : 285 - 310°C
 - Diameter of blowdown section:
200; 350; 450; 500 mm
- 5. Loading-tests on test rigs
(carried out on dismounted piping components at the same time as 1. - 4.)
 - Temperature: 20 - 310°C
 - Loading : static and variable with time;
internal and external overloading up to fracture

APPENDIX D

THE BMFT FUEL BEHAVIOR PROGRAM

The Objective

The overall objective of the BMFT Fuel Behavior Program is the development of verified analytical models for the response of fuel rods and rod bundles to Loss of Coolant Accidents (LOCA) and Power Cooling Mismatch (PCM) Conditions and the reliable description of failure mechanisms and their feedback to the Emergency Core Cooling System.

The detailed quantitative understanding incorporated in the fuel behavior code must be verified by representative experiments and delivers the basis for further improvements in the design against all types of LOCA and PCM conditions.

The program is carried out by the Projekt Nukleare Sicherheit (PNS) of the Gesellschaft für Kernforschung mbH (GfK) and by the Kraftwerk Union AG (KU).

The Program

The BMFT Fuel Behavior Program is divided into the following 4 major areas and 12 specific tasks, see Figure 1:

1. Material Properties and Behavior of Zry Cladding and UO₂ During LOCA and PCM Transients

The main objective in this area is the determination of a verified "equation of state" of Zry at high temperatures, containing all the parameters θ_j which have an essential influence on the plastic strain ϵ .

The following five tasks are of primary importance in this area:

- 1.1 Internal burst test with pressurized Zry-tubes to set up an improved empirical correlation for the bursting and ballooning behavior, respectively.
- 1.2 Investigation of the plastic behavior of Zry cladding during temperature and stress transients as well as environmental conditions of typical LOCA and PCM situations.
- 1.3 Investigation of high temperatures steam oxidation of Zry cladding. Both the kinetics and extent of oxide formation and penetration as well as the oxygen solubility of the β -phase influence heavily the mechanical properties and therefore the plastic behavior.

1.4 Investigation of the chemical interaction between oxide fuel and Zry cladding:

Even low fission product concentration in the fuel rod can change significantly the mechanical properties of Zry (ductility and strength at elevated temperatures as a result of stress corrosion cracking). But in addition, since the fission products bind less oxygen than released in the fission process, the "fictive" O/M ratio of the oxide fuel is increased in irradiation fuel, which implies an increase in the oxygen potential inside the fuel rod. This results in an oxidation layer on the inner side of the Zry cladding in the course of normal operation which is of importance during LOCA and PCM transients.

1.5 Investigation of the behavior of Zry cladding during simultaneous transient mechanical loading and chemical attack.

2. Behavior of Fuel Rods and Rod Bundles During LOCA and PCM Transients

The basic philosophy of the experimental program in this area is to obtain a detailed physical understanding of rod failure mechanisms in the different phases of a LOCA. For that purpose extensive out-of-pile experiments are carried out. In these out-of-pile experiments the main parameters influencing the rod behavior will be varied in a systematic way, whereas in specific inpile tests, which will be carried out in parallel in the Karlsruhe FR2-reactor, the influence of the most important nuclear parameters is investigated.

The following four tasks are of primary interest in this area:

2.1 Mechanical and thermal behavior of fuel rods during the blowdown phase:

These experiments are carried out with shortened PWR fuel rod simulators, indirectly electrically heated, with Zry cladding, internal pressure and thermal properties very similar to real fuel rods.

The objective is to develop a verified physical model of possible ballooning or burst mechanism resulting from the interaction between strongly changing heat transfer conditions and the mechanical response of the cladding during the blowdown phase.

A further objective is the determination of the initial thermodynamic conditions of fuel rods for the following heatup phase in the course of a LOCA.

Most important for this experiment was the development of means to control the thermohydraulic blowdown conditions.

2.2 Mechanical and thermal behavior of single fuel rods and rod bundles in the heatup, the refill and reflood region of a LOCA:

The objective of these experiments is to verify physical models for the behavior of ballooning and bursting fuel rods during the heatup process and the interaction with the thermohydraulic conditions of the refill and reflood process. Therefore, representative hydraulic and thermodynamic conditions of the refill and reflood phase of a LOCA must be simulated (i.e., in particular the application of rods and rod bundles at full length):

- Enthalpy distribution in the rods
- Heating rates
- Internal gas pressure
- System pressure
- Flooding rates
- Inlet temperature

The indirectly electrically heated rod simulators have full length (to simulate the thermohydraulic conditions of the reflood process). Single rod tests as well as cluster (25 rods) tests will be carried out.

2.3 Inpile behavior of PWR fuel rods during the heatup and reflood phase of a LOCA up to high burnup's:

The main objectives of the inpile tests in the steam contamination test loop in the Karlsruhe FR2-reactor is to develop a detailed understanding of fuel failure mechanisms depending upon nuclear parameters which cannot adequately simulate in the out-of-pile part of the program. Depending upon the degree of irradiation and burnup, the following phenomena are of main influence on the inpile fuel behavior:

- Internal pressure distribution during LOCA- and PCM-transients
- Fission products present due to steady state irradiation
- Additional transient fission gas release
- Mechanical and thermal behavior of the irradiated fuel and at the true heat generation in the fuel
- Chemical interaction between fission products and increasing oxygen contents with the inner side of the cladding
- Mechanical and thermal behavior of irradiated Zry cladding (as an integral parameter of these experiments)

A further incentive for extensive testing is to investigate whether there are failure mechanisms which are not yet known.

The test series were started with unirradiated PWR pins at the end of 1975 and continued with preirradiated pins having different degrees of burnup up to 35.000MWD/t Uran. Preirradiation is performed in the FR2 reactor itself.

The results of the in-pile tests with irradiated rods request the comparison with non-nuclear, i.e., electrically heated rods. Therefore, reference experiments are planned in the same in-pile test loop in which electrically heated fuel rod simulators are used instead of real fuel rods under identical thermal hydraulic conditions.

3. Effects of Ballooning Blockages on the Reflood Process and the Efficiency of Emergency Core Cooling Systems

In this area of the BMFT Fuel Behavior Program the following two synchronized experiments are carried out and planned, respectively:

3.1 Separate effects investigation of the influence of shape and size of possible blockage configurations upon reflood rate and distribution and ECCS efficiency.

The experiments are started with 5 fuel rod simulators in a row at full PWR-length followed by cluster tests with 25 rods. The results of these experiments serve as input for the following integral blockage tests; see item 3.2.

3.2 Reflood process and behavior of parallel coolant channels in a partly blocked 340-rod configuration.

This extensive experiment is in the planning stage. Results of the above separate effects blockage program must be available to optimize the experimental approach.

4. Development of the Fuel Behavior Code SSYST

The development of SSYST is performed in three steps:

- a) Modeling the single rod behavior
- b) Modeling the behavior of rod bundles including possible failure propagation phenomena
- c) Development of analytical models to evaluate blockage effects

The BMFT Fuel Behavior Program and the several test series are described in [1, 2, 3].

This program is subject to continuous review and selective modification as test results are evaluated and further behavior demonstration and model verification needs are identified.

- [1] PNS-Arbeitsbericht Nr. 34/74, Sept. 1974
Statusbericht unter die theoretischen und experimentellen Untersuchungen des PNS zum Brennstabverhalten.
- [2] PNS-Memorandum Nr. 62/75, May 1975
PNS-4230, Program Description, Presented at the first American-German Experts Meeting on "Fuel Behavior Programs" (especially PBF-Program)
May 18 - 30, 1975, in USA.
- [3] RS 107: Verhalten von Zry-Hüllrohren unter den bei Kuhlmittelverlust-störfällen auftretenden Beanspruchungen, IRS-Vierteljahresberichte.

Fig. 1 Theoretical and Experimental Investigations on LWR Fuel Rod Behavior in the FRG

Exp. Investigations of Fuel Rod Behavior	Exp. Investigations of Material Behavior
Out-of-pile with elect. heated fuel rod simulators (Zry-cladding, inner pressure) In-pile with PWR-typical fuel rods	LWR-typical Zircaloy material (tube and sheet specimen)
I. Blowdown-Phase	Burst tests with pressurized Zry-tubes (KfU-Erl., RS 107)
Mechanical-thermal behavior of LWR-fuel rods (PNS 4236) out-of-pile, single rods	Mechanical Behavior of Zry-4-cladding Empirical material law (PNS 4235.1)
II. Refill and Reflood Phase	High temperature steam oxidation of Zry (PNS 4235.2)
Ballooning experiments with reactor typical cooling conditions (PNS 4238), out-of-pile, single rods and bundles (25 rods)	Interaction fuel/Zry-cladding (PNS 4235.3)
In-pile-experiments in the DK-loop of the FR2 reactor (PNS 4237.1), single rods, adiabatic heatup phase	Behavior of Zry clads during combined mechanical/chemical load (in PNS 4235.1 - 3)
Reference experiments to 4237.1 with el. simulators	
Effects of blockages (PNS 4239), rod row 5 rods) bundle (25 rods)	
Effects of blockages, partially blocked 340-rod-bundle (KfU-Erl.)	
	THEORY (Models, Modeling laws, Code-development)
I. System Analysis Codes (Thermal-hydraulic Codes): LRA, IRS, KfU	II. Fuel Rod Behavior Code: GfK/PNS and IKF/Stuttgart (PNS 4231)

FRANCE

Air Transport Services: Low-Cost Fares

*Agreement effected by exchange of notes
Signed at Paris February 10 and 21, 1978;
Entered into force February 21, 1978.*

*The American Ambassador to the French Minister
for Foreign Affairs*

No. 20

Paris, February 10, 1978.

Excellency:

I have the honor to refer to tariff filings made by Air France for new super-apex fares between the United States and Europe for the 1977-78 winter traffic season.

The United States proposes that the authorities of both countries agree that the new super-apex filings presented by Air France are experimental and will not continue in effect after March 31, 1978, if the summer 1978 season super-apex filings cannot be agreed upon. Moreover, during the 1977-78 winter season, either government may take action to prevent the continuation of such fares on or before their respective dates of expiration, provided that it notifies the other government six weeks in advance of its intent to take such action and agrees to consult with the other government if consultations are requested.

Accept, Excellency, the renewed assurance of my highest consideration.

His Excellency

Louis de Guiringaud,

Minister for Foreign Affairs,

Paris.

[1]



¹ Arthur A. Hartman

The Director of the American Section, French Ministry of Foreign Affairs, to the American Ambassador



MINISTÈRE
DES
AFFAIRES ÉTRANGÈRES

RÉPUBLIQUE FRANÇAISE

PARIS, LE 21 février 1978

Monsieur l'Ambassadeur,

Par lettre n°20 en date du 10 février dernier,
vous avez bien voulu me faire part de la proposition suivante des Autorités américaines en ce qui concerne le dépôt par AIR FRANCE de nouveaux tarifs super-apex pour la saison d'hiver 1977/1978.

S. Exc. Monsieur Arthur A. HARTMAN,

Ambassadeur
des Etats-Unis d'Amérique

A PARIS

Les Autorités américaines proposent que les nouveaux tarifs super-apex soient expérimentaux et ne demeurent pas en vigueur après le 31 mars 1978 si les super-apex déposés pour la saison d'été 1978 ne peuvent être agréés. En outre, durant la saison d'hiver 1977/1978, l'un ou l'autre gouvernement pourra faire le nécessaire pour empêcher la prolongation de tels tarifs à partir de leurs dates respectives d'expiration ou avant celles-ci à condition qu'il notifie à l'autre gouvernement, six semaines à l'avance, son intention d'agir ainsi et accepte de se consulter avec l'autre gouvernement si des consultations sont nécessaires.

J'ai l'honneur de vous faire savoir que ces propositions recueillent l'accord des Autorités françaises./.

Je vous prie d'agréer, Monsieur l'Ambassadeur, les assurances de ma haute considération.



PH. CUVILLIER

Translation

FRENCH REPUBLIC
Ministry of Foreign Affairs

Paris, February 21, 1978

Mr. Ambassador:

By letter No. 20 of February 10, 1978, you informed me of the following proposal of the American authorities regarding the filing by Air France of new super-apex fares for the 1977-78 winter season.

The American authorities propose that the new super-apex fares be experimental and not continue in effect after March 31, 1978, if the summer 1978 season super-apex filings cannot be agreed upon. Moreover, during the 1977-78 winter season, either government may take action to prevent the continuation of such fares on or before their respective dates of expiration, provided that it notifies the other government six weeks in advance of its intent to take such action and agree to consult the other government if consultations are necessary.

I have the honor to inform you that these proposals have been approved by the French authorities.

Accept, Mr. Ambassador, the assurances of my high consideration.

Ph Cuvillier
Ph. Cuvillier

His Excellency
Arthur A. Hartman,
Ambassador of the
United States of America,
Paris.

JORDAN

Agricultural Commodities

*Agreement signed at Amman January 10, 1978;
Entered into force January 10, 1978.*

With minutes of negotiations.

And amending agreement

Effectuated by exchange of notes

Signed at Amman April 15, 1978;

Entered into force April 15, 1978.

EMBASSY OF THE
UNITED STATES OF AMERICAAGREEMENT BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF JORDAN
FOR SALES OF AGRICULTURAL COMMODITIES
UNDER PUBLIC LAW 480, TITLE I PROGRAM

The Government of the United States of America and the Government of Jordan have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the Preamble, Parts I and III of the Agreement signed November 27, 1974, [¹] together with the following Part II:

PART II: PARTICULAR PROVISIONS

¹ TIAS 7995, 8050; 25 UST 3439; 26 UST 481.

PART II - PARTICULAR PROVISIONS

Item I. Commodity Table:

Commodity	Supply Period (United States Fiscal Year)	Approximate Maximum Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Wheat/Wheat Flour (Grain Basis)	1978	50,000	\$ 5.5
		Total	\$ 5.5
			=====

Item II. Payment Terms: (DOLLAR CREDIT)

- A. Initial Payment - 5 percent.
- B. Currency Use Payment - 10 percent for Section 104 (a) purpose.
- C. Number of Installment Payments - 19.
- D. Amount of Each Installment Payment - Approximately equal annual installments.
- E. Due Date of First Installment Payment - Two years after date of last delivery of commodities in each calendar year.
- F. Initial Interest Rate - 2 percent.
- G. Continuing Interest Rate - 3 percent.

Item III. Usual Marketing Table:

Commodity	Import Period United States Fiscal Year	Usual Marketing Requirements
Wheat/Wheat Flour (on a Grain Equivalent Basis)	1978	64,000 Metric tons

Item IV. Export Limitations:

- A. The export limitation period shall be United States Fiscal Year 1978 or any subsequent United States Fiscal Year during which commodities financed under this Agreement are being imported or utilized.
- B. For the purposes of Part I, Article III A (4) of the agreement, the commodities which may not be exported are: for wheat/wheat flour---wheat, wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name), except as provided in C below..

C. Permissible Export(s)

Commodity	Quantity	Period During Which Such Exports Are Permitted
Wheat includ- ing durum wheat, or wheat products (including semolina or pasta products)	Amounts tradition- ally supp- lied to northern portions of Saudi Arabia and adjacent areas.	For United States Fiscal Year 1978 and any sub- sequent U.S. Fiscal Year during which abovementioned commodities are being imported or utilized.

Item V. Self-Help Measures

- A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.
- B. The Government of Jordan agrees to:
- 1- Increase the capability of Jordan's agricultural research institutions in applied problem identification and problem solving in order to relax technological constraints on greater, more efficient foodgrain and forage production.
 - 2- Increase output and incomes on small farms (a) in the dryland farming regions through more rapid adoption of known improved technologies for wheat and other dryland crops and (b) in the Jordan Valley by improving irrigation practices, water management and conservation, and developing new techniques to improve irrigation farming.
 - 3- Construction of food storage facilities at terminal or central markets, at interior and assembly markets, and at secondary markets close to consumers, and to improve the marketing system for cereals by expanding storage and handling facilities throughout the country.

- 4- Increase the availability of credit to small farmers through the allocation of a greater share of available credit funds from institutional sources to this category of borrower.
- 5- Improve food marketing through a program that includes investment in food handling and storage facilities, stronger application of grades and standards through the promulgation of standardized grade and labeling laws for domestically produced and consumer food products, and dissemination of food marketing information to consumers and producers about quantities being bought, sold or stocked, and prices at various stages in the marketing channels by grade or quality designation.
- 6- Strengthen Jordan's agricultural extension service through effective organization, leadership, in-service training, and funding and by improving communications among farmers, extension agents, the research establishment, and agribusiness.

Item VI Economic Development Purposes for Which Proceeds

Accruing to Importing Country are to be Used:

- A. The proceeds accruing to the importing country from the sale of commodities financed under this

agreement will be used for financing the self-help measures set forth in the agreement and for agriculture and economic development sectors which are set forth in the Government of Jordan's development plan.

- B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

This agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

Done at Amman, in duplicate this 10th day of January 1978.

FOR THE GOVERNMENT OF THE
HASHEMITE KINGDOM OF JORDAN

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Marwan S. Kasim

Marwan S. Kasim
Minister of Supply

Thomas R. Pickering

Thomas R. Pickering
U.S. Ambassador

EMBASSY OF THE
UNITED STATES OF AMERICA

Date: January 10, 1978

MINUTES OF NEGOTIATION FOR AGREEMENT
FOR THE SALE OF AGRICULTURAL COMMODITIES
UNDER U.S. PUBLIC LAW-480

Representatives of the Government of the United States of America and the Government of the Hashemite Kingdom of Jordan conducted negotiations beginning on January 3, 1978, in which the United States Government agreed to sell the Hashemite Kingdom of Jordan wheat/wheat flour valued at U.S. \$5.5 million under the provisions of U.S. Public Law 480. In the process of reviewing the provisions entered in the agreement, the following items of clarification and emphasis were brought to the attention of the Jordanian negotiators:

1. The \$5.5 million export market value of wheat mentioned in Part II of the agreement represents the maximum value for which purchase authorization may be issued, and against which the initial payment and/or currency use payment will be measured.
2. The figure of 50,000 m.t. of wheat shown in Part II of the draft agreement is an approximation based on current estimates of export market prices. It is understood, however, that if export prices of wheat decline, the quantity of wheat sold under the agreement

could not exceed the 50,000 m.t. specified in Part II of the agreement.

3. The U.S. negotiators informed the Government of Jordan of the new requirements governing the purchase of the commodity, ocean freight, and adequacy of storage facilities. The Government of Jordan agreed to adhere to these requirements which are detailed hereunder:

(A) Purchase authorization will be issued under the agreement only after the Government of Jordan (GOJ) provides USAID/J with the necessary information to enable the Secretary of Agriculture to determine that (1) adequate storage facilities are available in Jordan at the time of export so as to prevent the spoilage or waste of the wheat, and (2) the distribution of the wheat in Jordan will not result in a substantial disincentive to domestic production.

(B) Purchase of wheat under the agreement must be made on the basis of invitations for bid (IFB) publicly advertised in the United States and on the basis of a bid offering which must conform to the IFB. The bid offering must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive, and responsive bid procedures.

(C) The terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Management Office/USDA prior to issuance.

4. Commissions, fees or other payments to any selling agent are prohibited in any purchase of wheat under the agreement.

If the Government of Jordan nominates a purchasing agent and/or shipping agent to procure the wheat or arrange ocean transportation under the Agreement, the GOJ must notify the General Sales Manager/USDA in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's office in accordance with the new Regulatory Standards designed to eliminate certain potential conflicts of interest.

5. The U.S. negotiators informed the Government of Jordan that an assessment of Jordan's capability of receiving, storing and distributing the wheat is required in addition to the operational information outlined below. It is essential that this information be developed prior to the completion of negotiations so that an operational reporting cable may be dispatched to AID/W at least 3 working days (72 hours) prior to the signing of the agreement. Information must include:

- a. type and grade of wheat to be purchased in accordance with official U.S. standards;
- b. proposed contracting and delivery schedules;
- c. U.S. Embassy concurrence/comments on above schedules based on assessment of adequacy of Jordan's capability to receive, store, and distribute the wheat to prevent spoilage or waste;

- d. names and addresses of banks, both U.S. and Jordanian, which will be handling financing operations;
- e. assurance that appropriate GOJ authorities are prepared to make immediate transfer of funds to cover ocean freight costs and any initial payment (IP) requirements related to contracts to be concluded pursuant to the agreement.

As a general rule, purchase authorization will not be issued by AID/Washington until the U.S. Department of Agriculture (USDA) has received the above information.

6. The Government of Jordan should be aware that while it is the intention and expectation of the U.S. Government to deliver the commodities during U.S. Fiscal Year 1978, it is possible the limitations on PL 480^[1] expenditures could affect the quantity of the commodities that could be provided under this agreement in accordance with Article 1-B.2 and 1-E in Part 1 of this Agreement.

7. The Government of Jordan assures the U.S. negotiators that the Jordan Ministry of Supply will relay to the Jordanian Embassy in Washington all instructions, information and authority necessary to enable timely implementation of the agreement, including a) wheat specifications, b) contracting and delivery periods, c) names and addresses of U.S. and Jordanian banks handling transactions (letters of credit for wheat and freight), d) authority to request and sign purchase authorizations and other necessary documents, e) complete instructions for purchasing wheat and contracting for freight

¹ 68 Stat. 454; 7 U.S.C. § 1701 et seq.

(including the appointment of purchasing and/or shipping agents if applicable), and f) instructions to contact Program Operations Division, Office of the General Sales Manager, U.S.D.A. regarding the foregoing.

8. In addition, the Government of Jordan will need to designate persons or agencies to consult with USAID/Jordan with regard to (a) commodity arrival and off-loading information, (b) marking or identifying and publicizing arrivals, (c) usual marketing requirements and export limitation, (d) information on deposits of local currencies, (e) carrying out self-help measures, (f) reconciliation of accounts, including principal and interest payments, and (g) currency use payments.

9. The usual marketing requirement of 64,000 m.t. of wheat/wheat flour on a grain basis specified in Part II of the agreement is the minimum quantity to be imported into Jordan through normal commercial channels. This amount must be imported even though the full allotment of Title I Wheat is not utilized. Quantities imported from USSR, Peoples Republic of China, Eastern Europe (except Poland and Yugoslavia), Cuba, North Vietnam and North Korea, wheat imported under PL 480 or grants from U.S. or other sources cannot be counted toward U.M.R.

10. Should the U.S. Government authorize and finance deliveries of Title I commodities to extend beyond

the supply period specified in Part II of the agreement, Jordan will be required (Article III-A-1) to maintain the UMR at the same rate again for the subsequent comparable period.

11. The proposed Title I wheat sales are provided for the purpose of meeting the requirements of Jordan and not to permit an increase in exports of the same or like commodities. Any export of the same or like commodities cannot be permitted unless specifically agreed to by the U.S. Government with the exception of traditional exports to the northern parts of Saudi Arabia in accordance with item IV.C. of Part II of the agreement.

12. Failure to comply with the provisions of Article III.A. of the Agreement or with any other requirement of the agreement, could result in withholding issuance of purchase authorizations. It further would be taken into account in consideration of new PL 480 agreements. If the violation involves prohibited exports, remedy may take the form of dollar payment to the U.S. Government to the extent of the value of the violation. Or alternatively, the U.S. could require the purchase and importation, on a commercial basis from the United States, an equivalent amount of such exports. These additional imports would be over and above the UMR.

13. As provided in the agreement, approximately fifty percent of the tonnage of wheat purchased under the agreement shall be shipped in privately-owned U.S. flag commercial vessels. USDA approval of all bookings and charters of U.S. and non-U.S. flag vessels must be obtained in advance of freight contract being finalized.

14. The U.S. Government will take the following conditions into consideration in determining the timing and terms and conditions of the issuance of purchase authorizations: (a) availabilities of commodities, (b) crop years of USA and Jordan, (c) availability of ocean shipping space, (d) ability of Jordan to receive the commodity, (e) market implications and (f) the overall interest of the U.S. Government.

15. Extension of terminal contracting and delivery dates as a general rule are not made. If force majeure or other causes beyond the control of the buyer or seller prevent the completion of deliveries within the specified period, the USDA may consider a request for extension of the delivery period. Such a request should be in writing and supported by facts which establish justification for the extension.

16. The U.S. Government reserves the right to cancel the undelivered balance of purchase authorizations at any time that a commodity is determined no longer to be

available for PL 480 programs, even if it is included in the commodity list in Part II of the sales agreement.

17. The Agreement provides that in addition to a 5% "initial payment", the Government of Jordan is required to pay another 10% to the U.S. Government when requested as a "currency use payment" (CUP). In connection with these payments, the Government of Jordan was advised that the 5% initial payment is a cash down payment that the Government of Jordan pays directly to the supplier at the time of purchasing the wheat. Thus the U.S. Government finances 95% of the value of the wheat. The 10% currency use payment collected under the agreement is applied by the U.S. Government to installments due under the agreement, giving the effect of delaying any dollar repayment until all the CUP is applied. The CUP is applied first to payments of interest due under the grace period and then to principal and interest installments. As of installment due dates, full interest credit is given to currency use payments already made by Government of Jordan which have not yet been applied to cover installments.

18. The administration of Jordan dinars generated under the agreement will be in accordance with the provisions of Part I, Article II.F. of the agreement. In addition the Government of Jordan will furnish the U.S. Government through USAID/Jordan with statements and certification

of the receipt and expenditure of the proceeds. Despite the seeming ambiguity between Part I, Article II.F. and Part II, Section VI of the agreement regarding the definition of "proceeds", the agreement requires that the Government must apply to the agriculture and economic development purposes set forth in Part II of the agreement an amount not less than the Jordanian dinar equivalent of the U.S. Government disbursements in financing the commodities, excluding of course any ocean freight differential which may be paid by the U.S. Government as well as the currency use payments made by the Government of Jordan. The agreement does not require the establishment of a special account or prescribe any other specific accounting arrangements.

19. The Government of Jordan, however, will prepare an annual report showing the progress made in implementing the self-help measures described in Item V of Part II of the agreement. This report will be forwarded to USAID/Jordan on November 30 of each year. Although the report is prepared prior to the end of the year, it should cover achievements for the whole year to the extent possible.

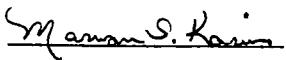
20. The reports required by the provision of Part I Article III Section D of the agreement which relates to the usual marketing and the resale, diversion and trans-shipment of PL 480 commodities will be submitted to USAID/

Jan. 10, 1978
Apr. 15, 1978

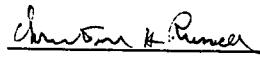
Jordan on a timely basis and will be governed by USDA forms, procedures, and regulations.

FOR THE GOVERNMENT OF THE
HASHEMITE KINGDOM OF JORDAN

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



Marwan S. Kasim
Minister of Supply



Christopher H. Russell
Director, USAID/Jordan

[AMENDING AGREEMENT]

The American Ambassador to the Jordanian Minister of Supply

No. 118

AMMAN, April 15, 1978

EXCELLENCY:

I have the honor to refer to Title I, Public Law 480 Agricultural Sales Agreement signed by representatives of our two governments on January 10, 1978 and to propose the agreement be amended as follows:

(A) In Part II—Item 1—Commodity Table:

- (1) Under appropriate columns for Wheat/Wheat Flour; delete "50,000" and "5.5" and insert "52,400" and "\$6.3 million" respectively; and
- (2) Under column entitled Maximum Export Market Value delete the total "\$5.5 million" and insert "6.3 million".

Except as provided above, all other terms and conditions of the January 10, 1978 Agreement remain the same.

I have the honor to propose that this note and your Excellency's note in reply concurring therein constitute an agreement between our two governments, effective from the date of your note in reply.

Accept, Excellency, the renewed assurance of my highest consideration.

THOMAS R PICKERING
Thomas R. Pickering
Ambassador

His Excellency

MARWAN S. KASIM
Minister of Supply
Amman

The Jordanian Minister of Supply to the American Ambassador

THE HASHEMITE KINGDOM
OF JORDAN
Ministry of Supply
AMMAN

بسم الله الرحمن الرحيم

الملكة الأردنية الهاشمية

وزارة التموين

عـاـن



Ref. No. 7/4GA/270Z
Date 15/4/1978

الرقم _____
التاريخ _____

MR. THOMAS R. PICKERING,
AMBASSADOR OF THE UNITED
STATES OF AMERICA,
AMMAN. JORDAN

Dear Mr. Ambassador ,

I acknowledge with thanks the receipt of your Excellency's Note No. 118 dated April 15, 1978, which reads as follows : -

" I have the honor to refer to Title I, Public Law 480 Agricultural Sales Agreement signed by representatives of our two governments on January 10, 1978 and to propose the agreement be amended as follows : -

A) In Part II - Item I - Commodity Table :

1. Under appropriate columns for Wheat /Wheat Flour delete " 50,000 " and \$ 5.5 " and insert " 52,400 " and " \$ 6.3 million " respectively, and
2. Under column entitled Maximum Export Market value delete the total " \$ 5.5 million " and insert " \$ 6.3 million "

Except as provided above, all other terms and conditions of the January 10, 1978 Agreement remain the same .

I have the honor to propose that this note and your Excellency's note in reply concurring therein constitute an agreement between our two governments , effective from the date of your note in reply.

Accept, Excellency, the renewed assurance of my highest consideration ".

I have the honor to inform your Excellency that the foregoing is acceptable and reflects correctly the understanding of the Government of the Hashemite Kingdom of Jordan , and that your Excellency's note and this note in reply concurring therein constitute an agreement between our two governments effective as of this day.

Accept Excellency, my highest consideration.

Marwan S. Kasim



Minister of Supply

/IS

ITALY

Social Security

Agreement signed at Washington May 23, 1973

And administrative protocol

Signed at Rome November 22, 1977;

Entered into force November 1, 1978.

With procès verbaux

Signed at Rome October 21, 1977 and October 4, 1978.

And exchange of notes

Signed at Rome January 16 and 20, 1978.

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE ITALIAN REPUBLIC
ON THE MATTER OF SOCIAL SECURITY

The President of the United States of America and
The President of the Italian Republic
Desirous of regulating the relations between the two States
in the field of social security, in accordance with the principles
established under Article VII of the Agreement signed at Washington,
D.C., September 26, 1951, supplementing the Treaty of Friendship,
Commerce and Navigation between the United States of America and
the Italian Republic signed at Rome, February 2, 1948,[¹] have agreed
to conclude an Agreement for that purpose and have therefore appointed
as their plenipotentiaries:

The President of the United States of America:

Caspar W. Weinberger, Secretary of Health, Education,
and Welfare, and

The President of the Italian Republic:

Dionigi Coppo, Minister of Labor and Social Welfare,
who, having exchanged their full powers, found to be in good and
due form, have agreed to the following provisions:

¹ TIAS 1965, 4685; 63 Stat. 2255; 12 UST 181.

PART I

General Provisions

Article 1

For purposes of the application of this Agreement:

a. The term "territory" shall mean, as regards the United States of America, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa; and as regards the Italian Republic, Italy;

b. The term "national" shall mean, as regards the United States of America, "national of the United States" as defined in Section 101, Immigration and Nationality Act of 1952, as amended; [1] and as regards the Italian Republic, an Italian national;

c. The term "laws", unless otherwise qualified, shall mean the laws, regulations, and any other measure concerning social security specified in Article 2 of this Agreement;

d. The term "competent authorities" shall mean the authorities responsible for the administration of the laws, and specifically: in the case of the United States of America: the Secretary of Health, Education, and Welfare (Ministro della Sanita, Educazione, e Previdenza Sociale); in the case of the Italian Republic: the Minister of Labor and Social Welfare (Ministro del Lavoro e della Previdenza Sociale);

e. The term "agency" shall mean for each Contracting State any agency, body or authority entrusted with the administration of an insurance system, under the laws specified in Article 2 of this Agreement;

¹ 66 Stat. 166; 8 U.S.C. § 1101.

f. The term "periods of coverage" shall mean the periods of payment of contributions or periods of earnings based on wages for employment or self-employment income, as defined or recognized as periods of coverage by the law under which such periods have been completed, or any similar periods insofar as they are recognized by such laws as equivalent to periods of coverage;

g. The term "workers" shall mean persons who have periods of coverage;

h. The term "family members" shall mean the persons defined as eligible for benefits on the earnings record or periods of coverage of a living worker, whichever is applicable, as established under the laws of each of the Contracting States;

i. The term "survivors" shall mean the persons defined as eligible for benefits on the earnings record or periods of coverage of a deceased worker, whichever is applicable, as established under the laws of each of the Contracting States;

j. The terms "benefits" and "pensions" shall mean any cash benefits payable under the laws specified in Article 2 of this Agreement;

k. The term "basic benefit amount" ("importo della prestazione") shall mean, as regards the United States of America, "primary insurance amount" as set forth in the table of benefits contained in section 215(a) of title II or deemed to be contained in such section of the Social Security Act of 1935, as amended,^[1] from which is derived by law the actual amount of the benefit which is payable; and as regards the Italian Republic, the amount of the benefit which is payable;

^[1] 64 Stat. 49; 42 U.S.C. § 415.

1. The term "beneficiary" shall mean any worker, family member or survivor who is entitled to benefits or pensions.

Article 2

1. For purposes of this Agreement the applicable laws relating to social security for disability, old-age, and survivorship are:

a. in the case of the Italian Republic, the legislation on compulsory general insurance for old-age, disability and survivors, as well as legislation providing benefits which are substitutes for benefits provided by said compulsory general insurance;

b. in the case of the United States of America, title II of the Social Security Act of 1935, as amended, and regulations promulgated under the authority provided therein, except sections 226 and 228 of such title and regulations pertaining to such sections;

provided, however, that for the United States the totalization of the periods of coverage in accordance with this Agreement shall not apply to periods of voluntary coverage provided for by such laws.

2. Notwithstanding the provisions of paragraph 1, as regards the Italian Republic, the present Agreement will be applied to legislation concerning other social security systems for similar cases which will be indicated by the competent authorities of the Italian Republic.

3. This Agreement shall also apply to future laws amending or supplementing the laws specified in this article.

Article 3

1. The present Agreement shall apply to workers who have periods of coverage under the laws, and to their family members or survivors.

2. The present Agreement shall not apply to periods of service as a diplomatic or career consular officer, or officer of a chancery, nor, except insofar as provided under Article 2.2, to periods of service covered under special systems for employees of the Government or of Government agencies or instrumentalities ("enti pubblici").

Article 4

The persons to whom the provisions of this Agreement apply shall have the same rights and obligations under the social security laws of each Contracting State under the same conditions as if such persons were covered solely under the social security laws of such State, whether they reside in the territory of a Contracting State or in a third State.

Article 5

For the purposes of eligibility for voluntary or optional insurance, in accordance with the provisions of the laws of a Contracting State, the periods of coverage completed under the laws of such State shall be combined, where necessary, with the periods of coverage completed under the laws of the other State.

Article 6

Except as otherwise provided in this Agreement, the persons eligible for benefits under the laws of one Contracting State,

including benefits arising under this Agreement, shall receive them fully and without limitation or restriction while they reside in the territory of the other State. Such benefits shall be paid by each State to persons to whom the provisions of this Agreement apply who reside in a third State on the same terms and to the same extent that such benefits would be paid if such persons had been covered entirely under the social security laws of the paying State.

PART II

Provisions Relating to the Applicable Laws

Article 7

1. Persons to whom this Agreement applies who are employed or self-employed (che svolgono la loro attivita) within the territory of one of the Contracting States shall be subject to the laws of such State, except as otherwise provided in this Article.

2. Services performed by a United States national in Italy which are covered under the laws of the United States shall remain covered under the laws of the United States.

3. Services performed by an Italian national in the United States for an Italian employer or for an enterprise controlled by an Italian firm shall be covered under the laws of Italy.

4. With respect to any services which are subject to the laws of both States, the following rules will be applied:

a. a national of one of the States who, with respect to the same period of work, would be subject to the laws of both States shall remain subject for such period to the laws of the State of which he is a national and shall be exempt from the laws of the State of which he is not a national;

TIAS 9058

b. a national of Italy or a national of both States who, with respect to the same period of work, would be subject to the laws of both States shall, for such period, elect to remain subject to the laws of one of the States and shall be exempt from the laws of the other State;

c. a person who is not a national of either State and who, with respect to the same period of work, is subject to the laws of both States shall be subject, for such period, to the laws of the State in which the work is performed and shall be exempt from the laws of the other State.

5. The exemptions provided under this Article shall be effective when the agency of the State in which the periods of work are covered pursuant to paragraph 4 certifies to the agency of the other State that such periods of work are covered under its laws.

6. The competent authorities of the two States may agree in the interest of a worker or on behalf of categories of workers to other exceptions to the rule provided in paragraph 1.

PART III

Special Provisions

Disability, Old-Age, and Survivorship

Article 8

1. With respect to a period of work which results in a period of coverage under the laws of both Contracting States, the agency of each State shall for purposes of Article 8.2 and

Article 9.2 take into consideration the period of coverage which results under the laws of that State.

2. If the laws of one State require completion of periods of coverage as a prerequisite for the acquisition, retention, or recovery of the right to benefits, the agency which applies such laws shall take into consideration, for such purpose, insofar as necessary, the periods of coverage completed under the laws of the other State, as if these were periods of coverage completed under the laws of the first State. Such agency shall take into consideration all the periods of coverage required to ensure the right to the fullest benefits provided for by the laws which it applies.

3. If the laws of a State establish as a condition for receiving certain benefits that the periods of coverage be completed in a given profession or occupation which is subject to a special system of insurance, in determining eligibility for such benefits only the periods completed under a corresponding system of the other State or, failing that, in the same profession or occupation -- even if a special system for said profession or occupation does not exist in the other State -- shall be counted. If the total of such periods of coverage does not result in entitlement under the special system, such periods shall be used to determine eligibility for benefits of the general system of insurance or some other applicable system of insurance; provided, however, that the provisions of this paragraph shall apply only when they would result in payment of the highest possible benefit amount.

4. The agency of Italy shall not be obliged to apply the provisions of this Article in the case of a worker who has less than one year of coverage under the Italian law; the agency of the United States shall not be obliged to apply the provisions of this Article in the case of a worker who has less than 6 quarters of coverage under the United States law.

Article 9

1. When a worker, family member, or survivor satisfies the conditions imposed by the laws of a Contracting State for eligibility for benefits, without the need to invoke the provisions of Article 8, the agency of that State shall establish, according to the provisions of the said laws, the basic benefit amount based on the total periods of coverage completed by the worker under the laws of such State.

2. Whether or not paragraph 1 applies, the agency of each of the States shall determine the theoretical basic benefit amount by considering all the periods of coverage completed under the laws of the two States as if they had been completed exclusively under its own laws. The agency in question shall then establish the pro rata basic benefit amount on the total periods of coverage completed under the laws which it applies to the total of all the periods of coverage completed under the laws of the two States.

3. The worker shall elect within a specified time whether benefits shall be awarded by each of the States in accordance

with the provisions of paragraph 1 or paragraph 2, and such election shall be applicable to all benefits payable to the worker and family members by each State.

4. In the case of survivors, benefit amounts shall be established by each of the States under the provisions of paragraphs 1 and 2. Survivors benefits shall be awarded by each of the States based on the provisions of either paragraph 1 or 2, whichever results in the higher total benefits payable, unless all survivors eligible for benefits elect to receive the lower total benefits payable.

5. The elections provided for in paragraph 3 and paragraph 4 shall be final, except in situations where Article 11 applies.

Article 10

1. For purposes of the computation of the theoretical basic benefit amount, the agency of each Contracting State shall take account of a worker's earnings in the other State in the following manner:

a. as regards the agency of the United States, the earnings in any year to be taken into consideration for periods of coverage completed under Italian laws shall be the equivalent of the earnings credited under the system of insurance in Italy for such year, subject to the maximum creditable earnings limitation under the laws of the United States for such year.

b. as regards the agency of the Italian Republic, for the periods of coverage completed under the laws of the United States there shall be credited the average salary or average contributions derived exclusively from the salary received or the credited contributions resulting from the periods of coverage completed under the laws of Italy.

2. If, under the laws of one State, the amount of benefits varies according to the number of family members or survivors, the agency of such State shall also take into account family members or survivors who are residing in the territory of the other State.

Article 11

1. Upon application, benefits awarded under the provisions of Article 9.2 shall be recomputed by both States in accordance with the provisions of Article 9.2 to take into account additional periods of coverage completed under the laws of either Contracting State.

2. Notwithstanding the provisions of Article 9.5, benefits shall be recomputed under the provisions of Article 9 when:

a. a worker who has made an election under Article 9.3 subsequently becomes eligible for benefits under the laws of one or both States without the need to invoke the provisions of Article 8; or

b. the method of computing benefits under the system of insurance of a State is changed by amendments to the law governing such computations.

3. Notwithstanding the provisions of Article 9.5, if the entitlement of all beneficiaries receiving benefits under the provisions of Article 9 terminates, the benefits of any person who later becomes entitled to benefits based on the periods of coverage of the same worker shall be computed under the provisions of Article 9.

Article 12

If the beneficiary becomes eligible under Article 9.2 for benefits paid by the agencies of both Contracting States and if the amount of such combined benefits is less than the benefit amount which would be payable, based on the minimum basic benefit amount, to such beneficiary by the agency of the State in which he resides, the agency of that State shall, at its own expense, pay the difference between the amount of such combined benefits and the amount of benefits which would be payable to such beneficiary based on such minimum basic benefit amount.

PART IV

Miscellaneous, Transitory, and Final Provisions

Article 13

The competent authorities and agencies of the two Contracting States shall assist each other in applying the present Agreement as if they were applying their respective laws; such reciprocal assistance shall be free of charge.

Article 14

1. The competent authorities of the two Contracting States shall by mutual agreement establish such administrative procedures as may be required to implement this Agreement and each competent authority shall designate one coordinating agency or organization to facilitate the application of this Agreement.

2. The competent authorities of the two States shall communicate to each other all information relating to regulations, administrative procedures, and amendments to their laws which may affect the application of this Agreement.

Article 15

The diplomatic and consular authorities of each Contracting State shall be empowered to address themselves directly to the competent authorities or agency of the other State in order to obtain useful information for safeguarding the interests of their own nationals, and may represent them without special mandate.

Article 16

1. Exemptions from duties, taxes, and fees provided for by the laws of either State shall also be valid for the application of the present Agreement, irrespective of the nationality of the beneficiaries.

2. The requirements imposed by the laws or regulations of either Contracting State relating to the certification ("legalizzazione") of all certificates or other documents shall be applied in respect to all certificates or other documents which must be presented for purposes of the application of this Agreement.

3. The certification as to the authenticity of a certificate or document, or a copy thereof, by the competent authorities or agency of one State shall be accepted as authentic by the competent authorities or agency of the other State.

Article 17

The competent authorities and the designated coordinating agencies or organizations of the two Contracting States may correspond directly with each other and with any persons wherever they may reside, whenever such correspondence is necessary for the administration of this Agreement. Correspondence may be drafted in the writer's official language.

Article 18

The petitions which the beneficiaries address to the competent authorities or agency of either Contracting State for the application of the present Agreement may not be rejected merely because they are written in the official language of the other State.

Article 19

1. The applications and other documents presented in writing to the competent authorities or agency of either Contracting State shall have the same effect as if they were presented to the corresponding authorities or agency of the other State.

2. An application for benefits filed with the competent authorities or agency of one State is to be considered as an application for the payment of benefits by the agency of the other State, if the applicant explicitly requests that his application be so considered.

3. An appeal which must be filed within a given period of time with the competent authorities or agency of one of the States shall be considered to have been filed within such time limit if the appeal has been filed within such a period of time with the competent authorities or agency of the other State. In such case the authorities or agency with which an appeal is filed shall without delay transmit the said appeal to the competent authorities or agency of the other State, and acknowledge to the appellant that the appeal has been received.

Article 20

1. The competent authorities of the two Contracting States shall jointly establish procedures to resolve any problems or disagreements which may arise with regard to the application or interpretation of the present Agreement.

2. The competent authorities of the two States shall establish a permanent arbitration procedure for the consideration and resolution of any problems or disagreements which cannot be resolved under procedures established in accordance with paragraph 1. The arbitral body established under this paragraph shall settle questions referred to it in accordance with the principles of this Agreement. Decisions of the arbitral body shall be final and binding for purposes of the question referred to it, on the competent authorities and agencies of both States.

3. The arbitral body established under paragraph 2 shall consist of three members. The competent authorities of the two States shall each designate one member. The third member shall be designated by agreement of the two competent authorities.

Article 21

1. Pending the final determination of a beneficiary's rights under this Agreement, including settlement of any question under Article 20 between the competent authorities and agencies of the two Contracting States, the beneficiary whose rights are involved shall be awarded provisional benefits in accordance with this Article until such time as such determination has been made.

2. Each agency shall award the beneficiary, as provisional benefits, the benefits, if any, to which he would be entitled under its own laws or under this Agreement.

3. a. The agencies of both States shall establish procedures for adjusting their respective liabilities for benefits during the period in which provisional benefits were paid pending the final determination referred to in paragraph 1.

b. In giving effect to such procedures, the agency of either State shall withhold from payments it makes, based on the rights of a beneficiary as finally determined, amounts permitted by the laws of that State sufficient to reimburse the agency of the other State for amounts paid as provisional benefits in excess of the amounts finally awarded to such beneficiary.

Article 22

1. The agencies of the Contracting States, which have obligations relating to benefits to be paid in the other State under the present Agreement, shall validly discharge such obligations in the currency of their own State.

2. In case provisions designed to restrict the exchange of currencies are issued in either State, both Governments shall immediately adopt the necessary measures to insure, in conformity

with the provisions of the present Agreement, the transfer of sums owed by either party.

Article 23

1. The provisions of this Agreement shall apply to any application for benefits (including a new application of an individual who has previously applied for benefits) which is filed on or after the date this Agreement enters into force.

2. In the application of the present Agreement, the periods of coverage completed prior to its entry into force shall be taken into consideration except that neither Contracting State shall take into account periods of coverage occurring prior to the effective date of its laws.

3. If previous claims were satisfied through a lump-sum payment because of insufficient periods of coverage and if, with the application of the provisions of this Agreement, the beneficiary meets the conditions required for receiving a pension, he may request a review of action taken on his case.

4. This Agreement shall not result in the payment of benefits for periods prior to the date of its entry into force.

Article 24

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged as soon as possible.

2. This Agreement shall enter into force on the first day of the month following the month in which the instruments of ratification are exchanged.^[1]

^[1] Nov. 1, 1978.

3. a. This Agreement may be amended from time to time by supplementary agreements which shall take effect on the first day of the month following the month in which the instruments of ratification of such supplementary agreements are exchanged; provided, however, that nothing in this paragraph shall be construed to prevent such supplementary agreements from being given retroactive effect if they so specify.

b. Any supplementary agreement which takes effect under the terms of this paragraph shall be deemed thereafter for purposes of this Article to be an integral part of this Agreement.

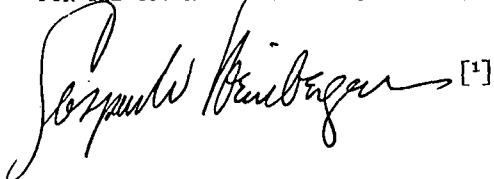
c. A meeting for the consideration of a supplementary agreement shall be called at the request of the competent authorities of either State.

4. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its renunciation is delivered to the competent authorities of one Contracting State by the competent authorities of the other State.

5. If this Agreement is renounced, rights acquired shall be retained under the provisions of this Agreement and rights in the process of being acquired shall be recognized in conformity with supplementary agreements.

DONE in Washington on this twenty-third day of May, 1973,
in duplicate, in English and Italian, the two texts being equally
authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

A handwritten signature in black ink, appearing to read "Caspar W. Weinberger". To the right of the signature is a small square bracket containing the superscript "[1]".

FOR THE GOVERNMENT OF THE ITALIAN REPUBLIC:

¹ Caspar W. Weinberger
² Dionigi Coppo

ACCORDO TRA
GLI STATI UNITI D'AMERICA E
LA REPUBBLICA ITALIANA
IN MATERIA DI SICUREZZA SOCIALE

Il Presidente degli Stati Uniti d'America e

Il Presidente della Repubblica italiana

Animati dal desiderio di regolare i rapporti fra i due Stati nel campo della sicurezza sociale in conformità ai principi stabiliti dall'articolo VII dell'Accordo firmato a Washington, D.C., il 26 settembre 1951, integrativo del Trattato di Amicizia, Commercio e Navigazione tra gli Stati Uniti d'America e la Repubblica italiana, firmato a Roma il 2 febbraio 1948, hanno convenuto di concludere a tal fine un accordo ed hanno perciò nominato, come loro plenipotenziari:

il Presidente degli Stati Uniti d'America:

Caspar W. Weinberger, Ministro della Sanità, Educazione,
e Previdenza Sociale, e

il Presidente della Repubblica italiana:

Dionigi Coppo, Ministro del Lavoro e della Previdenza Sociale,
i quali, dopo essersi scambiati i loro pieni poteri, riconosciuti in
buona e debita forma, hanno concordato le disposizioni seguenti:

PARTE I

Disposizioni Generali

Articolo 1

Ai fini dell'applicazione del presente accordo:

a. Il termine "territorio" designa, per quanto riguarda gli Stati Uniti di America, gli Stati, il Distretto di Columbia, il Commonwealth di Porto Rico, le Isole Vergini, Guam e la Samoa americana, e per quanto riguarda la Repubblica italiana, l'Italia;

b. Il termine "cittadino" designa, per quanto riguarda gli Stati Uniti d'America, un "cittadino degli Stati Uniti" come definito nella Sezione 101 della legge del 1952 sull'Immigrazione e la Nazionalità, e successive modificazioni; e per quanto riguarda la Repubblica italiana, un "cittadino italiano";

c. Il termine "legislazione", a meno che non sia diversamente specificato, designa le leggi, i regolamenti e ogni altra misura di applicazione concernente i settori della sicurezza sociale, di cui all'art. 2 del presente accordo;

d. Il termine "autorità competente" designa l'autorità responsabile dell'applicazione della legislazione, e precisamente:

Per gli Stati Uniti d'America: il Ministro della Sanità, Educazione e Previdenza Sociale (Secretary of Health, Education and Welfare);

Per la Repubblica italiana: il Ministro del Lavoro e della Previdenza Sociale (Minister of Labor and Social Welfare);

e. Il termine "istituzione" designa, per ciascun Stato contraente, l'istituzione, l'organismo o l'autorità cui è affidata la gestione dei settori di sicurezza sociale di cui alle legislazioni specificate all'articolo 2 del presente accordo;

f. Il termine "periodi di assicurazione" designa i periodi di pagamento di contributi o periodi di guadagno basati sulla retribuzione per lavoro dipendente o sul reddito per lavoro indipendente come definiti o riconosciuti come periodi di assicurazione dalla legislazione, in base alla quale sono stati compiuti, nonchè tutti i periodi assimilati nella misura in cui essi siano riconosciuti da tale legislazione come equivalenti ai periodi di assicurazione;

g. Il termine "lavoratore" designa la persona che può far valere periodi di assicurazione;

h. Il termine "familiare" designa le persone definite come aventi diritto alle prestazioni in base ai periodi di guadagno o periodi di assicurazione, a seconda del caso, di un lavoratore in vita, come stabilito dalla legislazione di ciascuno degli Stati contraenti;

i. Il termine "superstite" designa le persone definite come aventi diritto alle prestazioni in base ai periodi di guadagno o periodi di assicurazione, a seconda del caso, di un lavoratore deceduto, come stabilito dalla legislazione di ciascuno degli Stati contraenti;

j. I termini "prestazioni" e "pensioni" designano tutte le prestazioni economiche pagabili in base alle legislazioni di cui all'articolo 2 del presente accordo;

k. Il termine "importo della prestazione" ("basic benefit amount") designa per quanto riguarda gli Stati Uniti d'America il "primary insurance amount" come specificato nella tabella delle prestazioni contenuta nella Sezione 215 (a) del Titolo II o nella tabella che si ritiene contenuta in tale sezione della legge sulla sicurezza sociale del 1935 e successive modificazioni, da cui deriva per legge l'effettivo importo della prestazione dovuta; per quanto riguarda la Repubblica italiana l'importo della prestazione dovuta;

1. Il termine "beneficiario" designa tutti i lavoratori, i familiari o i superstiti che abbiano titolo a prestazioni o a pensioni.

Articolo 2

1. Il presente accordo si applica alle legislazioni di sicurezza sociale relative alle prestazioni per l'invalidità, la vecchiaia e i superstiti e precisamente:

a. per quanto riguarda la Repubblica italiana, alla legislazione sull'assicurazione generale obbligatoria per l'invalidità, la vecchiaia e i superstiti nonché alla legislazione relativa ai trattamenti di previdenza sostitutivi di detta assicurazione generale;

b. per quanto riguarda gli Stati Uniti d'America, al Titolo II della legge sulla sicurezza sociale del 1935 e relative modificazioni ed ai regolamenti emanati in base a tale legge, ad eccezione delle Sezioni 226 e 228 di tale titolo e relativi regolamenti; tuttavia, per quanto riguarda gli Stati Uniti, la totalizzazione dei periodi di assicurazione in conformità al presente accordo non avrà luogo per i periodi di assicurazione volontaria previsti da tali legislazioni.

2. Nonostante le disposizioni del paragrafo 1, per quanto riguarda la Repubblica italiana, il presente accordo si applicherà alle legislazioni concernenti altri regimi di previdenza per gli stessi eventi, che saranno indicate dall'autorità competente italiana.

3. Il presente accordo si applicherà anche a future legislazioni che apportino modificazioni o integrazioni alle legislazioni indicate nel presente articolo.

Articolo 3

1. Il presente accordo si applica ai lavoratori, che possano far valere periodi di assicurazione in base alle legislazioni, e ai loro familiari o superstiti.

2. Il presente accordo non si applica ai periodi di servizio prestato in qualità di agente diplomatico e consolare di carriera, o di agente di cancelleria, nè, salvo quanto disposto all'articolo 2, paragrafo 2, ai periodi di servizio coperti da regimi speciali istituiti per i dipendenti dello Stato o di Enti pubblici (government agencies or instrumentalities).

Articolo 4

Le persone alle quali si applicano le disposizioni del presente accordo sono sottoposte agli obblighi e sono ammesse ai benefici della legislazione di sicurezza sociale di ciascuno Stato contraente alle stesse condizioni delle persone che sono soggette unicamente alla legislazione di sicurezza sociale di tale Stato, sia che risiedano sul territorio di uno Stato contraente sia che risiedano sul territorio di uno Stato terzo.

Articolo 5

Ai fini dell'ammissione all'assicurazione volontaria in base alle disposizioni della legislazione di uno Stato contraente, i periodi di assicurazione compiuti in base alla legislazione di tale Stato saranno totalizzati, ove necessario, con i periodi di assicurazione compiuti in base alla legislazione dell'altro Stato.

Articolo 6

Salvo quanto diversamente stabilito nel presente accordo, le persone che hanno diritto alle prestazioni in base alla legislazione di uno Stato contraente, incluse le prestazioni derivanti dal presente accordo, le

riceveranno integralmente e senza limitazione o restrizione mentre risiedono nel territorio dell'altro Stato. Tali prestazioni saranno corrisposte da ogni Stato alle persone cui si applicano le disposizioni del presente accordo, che risiedano in uno Stato terzo alle stesse condizioni e nella stessa misura in cui tali prestazioni sarebbero corrisposte se tali persone fossero state soggette unicamente alla legislazione dello Stato debitore.

PARTE II

Disposizioni relative alla legislazione applicabile

Articolo 7

1. Salvo quanto diversamente disposto nel presente articolo, le persone alle quali si applica il presente accordo, che svolgono la loro attività sul territorio di uno Stato contraente, sono soggette alla legislazione di tale Stato.

2. Il lavoro svolto in Italia da un cittadino degli Stati Uniti che sia coperto dalla legislazione degli Stati Uniti, rimane coperto da tale legislazione.

3. Il lavoro svolto negli Stati Uniti da un cittadino italiano alle dipendenze di un datore di lavoro italiano o di una impresa controllata da una impresa italiana, sarà coperto della legislazione italiana.

4. Qualora periodi di lavoro siano soggetti alla legislazione di ambedue gli Stati, si applicano le seguenti disposizioni:

a. il cittadino di uno degli Stati il quale, per lo stesso periodo di lavoro, sarebbe soggetto alla legislazione di ambedue gli Stati, resta soggetto per tale periodo alla legislazione dello Stato di cui è cittadino ed è esente dalla legislazione dello Stato di cui non è cittadino;

b. il cittadino italiano o colui che possiede la cittadinanza di ambedue gli Stati, il quale, per lo stesso periodo di lavoro, sarebbe

soggetto alla legislazione di ambedue gli Stati, opterà per tale periodo per la legislazione di uno degli Stati ed è esente della legislazione dell'altro Stato;

c. la persona che non è cittadino di nessuno dei due Stati e per lo stesso periodo di lavoro è soggetta alla legislazione di ambedue gli Stati è soggetta, per tale periodo, alla legislazione dello Stato nel quale il lavoro viene svolto ed è esente dalla legislazione dell'altro Stato.

5. Le esenzioni previste dal presente articolo divengono effettive quando l'istituzione dello Stato, nel quale i periodi di lavoro sono coperti secondo quanto stabilito dal paragrafo 4, certifica all'istituzione dell'altro Stato che tali periodi di lavoro sono coperti dalla propria legislazione.

6. Le autorità competenti dei due Stati, possono concordare nell'interesse di un lavoratore o di categorie di lavoratori altre eccezioni alla regola prevista nel paragrafo 1.

PARTE III

Disposizioni particolari

Invalidità, Vecchiaia, Superstiti

Articolo 8

1. Qualora un periodo di lavoro risulta coperto da un periodo di assicurazione in base alla legislazione di ambedue gli Stati contraenti, l'istituzione di ciascuno Stato prenderà in considerazione, ai fini dell'articolo 8 paragrafo 2 e dell'articolo 9 paragrafo 2, il periodo di assicurazione che risulta compiuto in base alla propria legislazione.

2. Se la legislazione di uno Stato contraente richiede il compimento di periodi di assicurazione per l'acquisto, il mantenimento o il ricupero

del diritto a prestazioni, l'istituzione che applica tale legislazione prenderà in considerazione, a tale fine, nella misura necessaria, i periodi di assicurazione compiuti in base alla legislazione dell'altro Stato come se questi fossero stati compiuti in base alla legislazione del primo Stato.

Tale istituzione prenderà in considerazione tutti i periodi di assicurazione richiesti per assicurare il diritto alle prestazioni più elevate stabilite dalla legislazione che essa applica.

3. Se la legislazione di uno Stato contraente subordina la concessione di alcune prestazioni alla condizione che i periodi di assicurazione siano stati compiuti in una data professione od occupazione soggetta ad un regime speciale, per determinare il diritto a tali prestazioni verranno presi in considerazione solo i periodi compiuti in un regime corrispondente dell'altro Stato o, in mancanza, nella stessa professione od occupazione, anche se nell'altro Stato non esiste un regime speciale per detta professione od occupazione. Se il totale di tali periodi di assicurazione non fa acquisire diritti a prestazioni in base al regime speciale, questi periodi verranno utilizzati per determinare il diritto a prestazioni in base al regime generale o ad altro regime di assicurazione applicabile. Tuttavia le disposizioni del presente paragrafo si applicheranno solo nel caso in cui diano luogo al pagamento di una prestazione di importo più elevato.

4. L'istituzione italiana non è obbligata ad applicare le disposizioni del presente articolo nel caso di un lavoratore, il quale ha compiuto meno di un anno di assicurazione secondo la legislazione italiana; l'istituzione degli Stati Uniti non è obbligata ad applicare le disposizioni del presente articolo nel caso di un lavoratore che ha compiuto meno di sei trimestri di assicurazione (*six quarters of coverage*) secondo la legislazione degli Stati Uniti.

Articolo 9

1. Quando un lavoratore, un suo familiare o un superstite soddisfi alle condizioni stabilite dalla legislazione di uno Stato contraente per l'acquisizione del diritto alle prestazioni, senza che sia necessario ricorrere alle disposizioni dell'articolo 8, l'istituzione di detto Stato stabilirà, secondo le disposizioni della propria legislazione, l'importo della prestazione in base al totale dei periodi di assicurazione compiuti dal lavoratore in virtù della legislazione di tale Stato.

2. Sia che si applichi o meno il paragrafo 1, l'istituzione di ciascuno Stato determinerà l'importo della prestazione teorica prendendo in considerazione tutti i periodi di assicurazione compiuti in virtù della legislazione dei due Stati come se essi fossero stati compiuti esclusivamente in virtù della propria legislazione. L'istituzione in questione stabilirà quindi l'importo della prestazione in pro rata sulla base dell'importo teorico della prestazione mediante l'applicazione della proporzione tra la durata totale dei periodi di assicurazione compiuti in virtù della legislazione che essa applica e la durata totale di tutti i periodi di assicurazione compiuti in virtù della legislazione dei due Stati.

3. Il lavoratore sceglierà entro un periodo di tempo determinato se le prestazioni dovranno essere concesse in conformità delle disposizioni del paragrafo 1 o 2 e tale scelta sarà applicabile a tutte le prestazioni dovute al lavoratore e ai familiari da parte di ciascuno Stato.

4. Nel caso di superstiti, gli importi delle prestazioni saranno determinati da ciascuno Stato in base alle disposizioni dei paragrafi 1 e 2. Le prestazioni ai superstiti saranno calcolate da parte di ciascuno Stato in base alle disposizioni del paragrafo 1 o del paragrafo 2, in

modo da corrispondere il più alto importo complessivo delle prestazioni, a meno che l'importo complessivo più basso delle prestazioni dovute, non sia richiesto da tutti i superstiti aventi diritto alle prestazioni.

5. Salvo i casi previsti dall'articolo 11, le opzioni di cui ai paragrafi 3 e 4 sono definitive.

Articolo 10

1. Ai fini del calcolo dell'importo della prestazione teorica, le istituzioni di ciascuno Stato contraente operano rispettivamente come segue:

a. da parte statunitense, i guadagni percepiti nel corso di ogni anno da prendere in considerazione per i periodi di assicurazione compiuti in virtù della legislazione italiana saranno equivalenti ai guadagni accreditati in base al regime di assicurazione italiana per tale anno e soggetti al guadagno massimo accreditabile in base alla legislazione statunitense;

b. da parte italiana, per i periodi di assicurazione compiuti in base alla legislazione statunitense si terrà conto della media salariale o contributiva derivante esclusivamente dai salari percepiti o dai contributi accreditati in relazione ai periodi di assicurazione compiuti in base alla legislazione italiana.

2. Se, in virtù della legislazione di uno Stato, l'importo delle prestazioni varia in relazione al numero dei familiari o superstiti, l'istituzione di tale Stato prenderà in considerazione anche i familiari o superstiti, che risiedono sul territorio dell'altro Stato.

Articolo 11

1. A richiesta, le prestazioni concesse in virtù delle disposizioni dell'articolo 9 paragrafo 2 saranno ricalcolate da parte di entrambi gli

Stati secondo le disposizioni dell'articolo 9 paragrafo 2 per prendere in considerazione ulteriori periodi di assicurazione compiuti in virtù della legislazione dell'uno o dell'altro Stato contraente.

2. Nonostante le disposizioni dell'articolo 9 paragrafo 5, le prestazioni saranno ricalcolate in virtù delle disposizioni dello articolo 9, quando:

- a. detto lavoratore abbia fatto una scelta in base all'articolo 9 paragrafo 3 e successivamente a tale scelta acquisisca il diritto a prestazioni in virtù della legislazione di uno o di entrambi gli Stati senza che sia necessario applicare le disposizioni dell'articolo 8;
- b. nella legislazione di uno Stato vengono introdotte modifiche al sistema di calcolo delle prestazioni.

3. Nonostante le disposizioni dell'articolo 9 paragrafo 5 se il diritto dei beneficiari che ricevono prestazioni in virtù dell'articolo 9 viene meno, le prestazioni delle persone che successivamente divengono titolari di prestazioni in virtù di periodi di assicurazione dello stesso lavoratore saranno calcolate in virtù delle disposizioni dell'articolo 9.

Articolo 12

Se il beneficiario ha diritto a prestazioni in virtù dell'articolo 9 paragrafo 2 da parte delle istituzioni di entrambi gli Stati contraenti e se la somma di tali prestazioni è inferiore all'importo della prestazione minima prevista dalla legislazione dello Stato in cui il beneficiario risiede, l'istituzione di questo Stato corrisponde, a proprio carico, un complemento pari alla differenza tra la somma delle prestazioni dovute in base all'articolo 9 paragrafo 2 e l'importo della prestazione minima suddetta.

PARTE IV

Disposizioni varie, transitorie e finali

Articolo 13

Le autorità competenti e le istituzioni dei due Stati contraenti si prestano reciproca assistenza per l'applicazione del presente accordo come se applicassero le rispettive legislazioni; tale assistenza è gratuita.

Articolo 14

1. Le autorità competenti dei due Stati contraenti stabiliranno di comune accordo le disposizioni amministrative necessarie per l'applicazione del presente accordo e ciascuna di tali autorità designerà una istituzione di collegamento per facilitare l'applicazione del presente accordo.

2. Le autorità competenti dei due Stati si comunicano l'un l'altra tutte le informazioni concernenti regolamenti, provvedimenti amministrativi e modifiche alle proprie legislazioni che possano influire sull'applicazione del presente accordo.

Articolo 15

Le autorità diplomatiche e consolari di ciascuno Stato contraente possono rivolgersi direttamente alle autorità competenti od istituzioni dell'altro Stato per ottenere informazioni utili alla tutela degli interessi dei propri cittadini, e possono rappresentarli senza speciale mandato.

Articolo 16

1. Le esenzioni da imposte, tasse e diritti previste dalla legislazione di uno dei due Stati, valgono anche per l'applicazione del presente accordo, indipendentemente dalla cittadinanza degli interessati.

2. I requisiti richiesti dalla legislazione o dai regolamenti dell'uno o dell'altro Stato contraente per quanto concerne la legalizzazione (certification) dei certificati o di altri documenti devono essere soddisfatti per tutti i certificati o altri documenti da produrre ai fini dell'applicazione del presente accordo.

3. L'attestazione relativa all'autenticità di un certificato o di un documento, oppure di una copia, da parte delle autorità competenti o delle istituzioni di uno Stato sarà ritenuta valida da parte della autorità competente o delle istituzioni dell'altro Stato.

Articolo 17

Le autorità competenti e le istituzioni designate per il collegamento dei due Stati contraenti possono corrispondere direttamente l'una con l'altra e con ogni persona dovunque questa possa risiedere, tutte le volte che tale corrispondenza sia necessaria per l'applicazione del presente accordo. La corrispondenza può essere redatta nella lingua ufficiale dello scrivente.

Articolo 18

Le istanze che i beneficiari indirizzano alle autorità competenti o alle istituzioni dell'uno o dell'altro Stato contraente per l'applicazione del presente accordo non possono essere respinte per il solo fatto di essere redatte nella lingua ufficiale dell'altro Stato.

Articolo 19

1. Le istanze ed altri documenti presentati per iscritto alle autorità competenti o alle istituzioni di uno Stato contraente hanno lo stesso effetto come se fossero presentate alle corrispondenti autorità od istituzioni dell'altro Stato.

2. La domanda di prestazione presentata all'istituzione di uno Stato contraente vale come domanda di prestazione presentata all'istituzione dell'altro Stato purchè l'interessato chieda espressamente di conseguire le prestazioni cui ha diritto anche in base alla legislazione dell'altro Stato.

3. Un ricorso che debba essere presentato entro un dato termine all'autorità competente od istituzione di uno degli Stati sarà considerato come presentato entro tale termine se il ricorso è stato presentato entro lo stesso termine all'autorità competente o all'istituzione dell'altro Stato. In tal caso l'autorità od istituzione cui il ricorso è stato presentato trasmette senza indugio detto ricorso all'autorità competente o all'istituzione dell'altro Stato e comunica all'interessato la ricezione del ricorso.

Articolo 20

1. Le autorità competenti dei due Stati contraenti stabiliranno di comune accordo i procedimenti per risolvere ogni questione o controversia che potrà sorgere circa l'applicazione o l'interpretazione del presente accordo.

2. Le autorità competenti dei due Stati stabiliranno una procedura permanente di arbitrato per l'esame e la soluzione di ogni questione o controversia che non possa essere risolta tramite i procedimenti stabiliti al paragrafo 1. L'organo arbitrale previsto al presente paragrafo deciderà le controversie deferitegli in conformità ai principi del presente accordo. Le decisioni dell'organo arbitrale saranno definitive ed obbligatorie ai fini delle controversie deferitegli nei confronti delle autorità competenti e delle istituzioni di entrambi gli Stati.

3. L'organo arbitrale istituito in virtù del paragrafo 2 consisterà di tre membri. Le autorità competenti dei due Stati designieranno ciascuna un membro. Il terzo membro verrà designato concordemente dalle due autorità competenti.

Articolo 21

1. Nelle more della definizione dei diritti di un beneficiario in base al presente accordo compresa la definizione di ogni questione di cui all'articolo 20 tra le autorità competenti e le istituzioni dei due Stati contraenti, il beneficiario i cui diritti sono in contestazione, riceverà prestazioni provvisorie secondo il presente articolo fino a che non sia intervenuta tale definizione.

2. Ciascuna istituzione concederà al beneficiario, a titolo di prestazioni provvisorie, le prestazioni cui egli avrebbe eventualmente diritto in base alla propria legislazione o in base al presente accordo.

3. a. Le istituzioni di entrambi gli Stati stabiliranno le procedure per regolare i rispettivi debiti per le prestazioni provvisorie erogate nelle more della definizione di cui al paragrafo 1;

b. nel dare corso a tali procedure, la istituzione di uno Stato tratterà dai pagamenti che effettua, basati sui diritti liquidati definitivamente al beneficiario, gli importi permessi dalla legislazione di tale Stato sufficienti per rimborsare all'istituzione dell'altro Stato gli importi pagati a titolo di prestazioni provvisorie eccedenti gli importi definitivamente spettanti al beneficiario.

Articolo 22

1. Le istituzioni di uno Stato contraente debitrici di prestazioni da corrispondere nell'altro Stato in virtù del presente accordo, si liberano validamente di tali obbligazioni nella valuta del proprio Stato.

2. Nel caso che disposizioni intese a sottoporre a restrizioni lo scambio di valute siano emanate nell'uno o nell'altro Stato, entrambi i governi adotteranno immediatamente le misure necessarie per assicurare, in conformità con le disposizioni del presente accordo, il trasferimento di somme dovute dall'una o dall'altra parte.

Articolo 23

1. Le disposizioni del presente accordo si applicano a tutte le domande di prestazione che verranno presentate dalla data di entrata in vigore del presente accordo (incluse le nuove domande di coloro che avevano già precedentemente presentato domanda di prestazione).

2. Ai fini del presente accordo, i periodi di assicurazione compiuti prima della sua entrata in vigore saranno presi in considerazione. Tuttavia da parte di ciascuno Stato contraente non saranno presi in considerazione i periodi di assicurazione compiuti prima della data di entrata in vigore della propria legislazione.

3. Qualora domande di prestazioni presentate prima dell'entrata in vigore del presente accordo siano state soddisfatte mediante il pagamento di una somma una tantum a motivo di insufficienti periodi di assicurazione, il beneficiario può chiedere una revisione del trattamento corrispostogli se con l'applicazione delle disposizioni del presente accordo soddisfa alle condizioni richieste per ottenere una pensione.

4. Il presente accordo non dà diritto a pagamenti di prestazioni per periodi anteriori alla sua entrata in vigore.

Articolo 24

1. Il presente accordo sarà ratificato e gli strumenti di ratifica saranno scambiati appena possibile.

2. Il presente accordo entrerà in vigore il primo giorno del mese successivo a quello in cui gli strumenti di ratifica saranno scambiati.

3. a. Il presente accordo può essere emendato di volta in volta mediante accordi aggiuntivi che entreranno in vigore il primo giorno del mese successivo a quello in cui gli strumenti di ratifica di tali accordi aggiuntivi saranno scambiati; le disposizioni del presente paragrafo,

tuttavia, non saranno interpretate nel senso di impedire che tali accordi aggiuntivi abbiano valore retroattivo se in essi ciò sia esplicitamente previsto.

b. Gli accordi aggiuntivi che entrano in vigore in base alle disposizioni di questo paragrafo saranno considerati ai fini del presente articolo parte integrante del presente accordo.

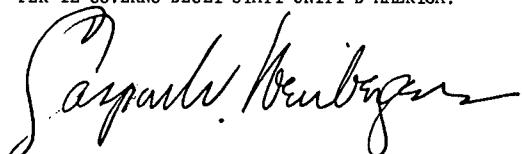
c. Un incontro ai fini di esaminare l'opportunità di un accordo aggiuntivo sarà indetto qualora l'autorità competente di ciascuno Stato lo richieda.

4. Il presente accordo rimarrà in vigore e sarà efficace fino alla scadenza di un anno successivo all'anno in cui la comunicazione scritta della sua denuncia è stata notificata alla autorità competente di uno Stato contraente da parte dell'autorità competente dell'altro Stato.

5. Se l'accordo è denunciato, i diritti acquisiti saranno mantenuti secondo le disposizioni dell'accordo stesso e i diritti in corso di acquisizione saranno riconosciuti in conformità ad accordi complementari.

FATTO a Washington il ventitrè maggio 1973, in duplice esemplare in
lingua inglese e italiana, i due testi facenti ugualmente fede.

PER IL GOVERNO DEGLI STATI UNITI D'AMERICA:

A handwritten signature in black ink, appearing to read "George W. Bush".

PER IL GOVERNO DELLA REPUBBLICA ITALIANA:

ADMINISTRATIVE PROTOCOL FOR THE IMPLEMENTATION
OF THE AGREEMENT ON SOCIAL SECURITY
between the
UNITED STATES OF AMERICA
and the
ITALIAN REPUBLIC

Signed at Washington, D.C. on May 23, 1973

TIAS 9058

PART I

GENERAL PROVISIONS

Article I

DEFINITIONS

For the purposes of the application of the Agreement and this Protocol:

1. The term "Agreement" means the Agreement between the United States of America and the Italian Republic on the matter of Social Security signed at Washington, D.C., on May 23, 1973;
2. The term "claimant" means a worker, family member, or survivor who has filed an application for benefits under the laws of either State or of both States;
3. The term "provisional benefits" means any benefit to which a claimant may be entitled before a final determination as to the claimant's rights has been made;
4. The terms defined in Article 1 of the Agreement shall have the meaning given to them by the said Article.

Article 2

AGENCIES RESPONSIBLE FOR IMPLEMENTATION

1. The agencies responsible for applying this Protocol are:

(a) For the United States of America:

The Social Security Administration;

(b) For the Italian Republic:

- I.N.P.S. (Istituto Nazionale della Previdenza Sociale), General Directorate, Rome, for matters concerning disability, old-age and survivors insurance of employees, farmers, agricultural workers and sharecroppers, artisans, and businessmen;
- E.N.P.A.L.S. (Ente Nazionale di Previdenza e Assistenza per i Lavoratori dello Spettacolo), General Directorate, Rome, concerning disability, old-age and survivors insurance for workers in the entertainment business;
- I.N.P.D.A.I. (Istituto Nazionale di Previdenza per i Dirigenti di Aziende Industriali), General Directorate, Rome, concerning disability, old-age and survivors insurance for managerial personnel in industry;
- I.N.P.G.I. (Istituto Nazionale di Previdenza per i Giornalisti Italiani), General Directorate, Rome, concerning disability, old-age and survivors insurance for professional journalists.

2. The coordinating agencies designated under Article 14.1 of the Agreement to facilitate its application are:

(a) For the United States of America:

The Social Security Administration;

(b) For the Italian Republic:

The Istituto Nazionale della Previdenza Sociale

General Directorate, Rome.

3. In carrying out their responsibilities under Article 14.1 of the Agreement, the Coordinating Agencies designated in paragraph 2 of this Article shall be responsible for the development of uniform policies and procedures and their uniform implementation by the Agencies in their respective States; for providing a channel of communication between the Agencies of one State and the Agencies of the other State; for determining which Agency is competent for the determination of a particular claim; and for facilitating the resolution of any issues that arise between the Agencies of the two States that cannot be resolved directly.

PART II

PROVISIONS RELATING TO APPLICABLE LAWS

Article 3

COVERAGE AND EXEMPTIONS

1. The Agency of the State under whose laws the services of a worker will remain covered in accordance with paragraphs 2, 3, or 4 of Article 7 of the Agreement shall issue to the worker, his employer, or the Agency of the other State, a certificate to that effect when requested to do so by the worker, his employer, or the Agency of the other State.
2. An exemption from the laws of one of the States, as provided for in Article 7.4 of the Agreement, shall apply to the period of work for which the certificate referred to in paragraph 1 of this Article was issued.
3. An election provided for in Article 7.4b of the Agreement or in this paragraph shall be exercised within 3 months following the month in which a period of work for any employer begins or the right to amend the election arises. The election shall be binding with respect to that period of work. In the case of an Italian national who is not a national of both States, any such election may be amended during the second year after the beginning of the period of work and the election as amended shall be applicable from the date it is made for future periods of work where Article 7.4b of the Agreement applies; except that such an Italian national shall be afforded the opportunity to

further amend his election if he subsequently acquires or loses the status of permanent resident of the United States.

4. The obligation for payment of contributions and taxes in respect of old-age, survivors, and disability insurance of the United States of America shall be subject to the provisions of Chapter 2 and Chapter 21 of the Internal Revenue Code of 1954, as amended.^[1]

^[1] 68A Stat. 353, 415; 26 U.S.C. § 1401, 3121.

PART III

APPLICATION OF PARTICULAR PROVISIONS OF THE AGREEMENT
REGARDING DISABILITY, OLD-AGE, AND SURVIVORS INSURANCE

Article 4

FILING AND PROCESSING CLAIMS

1. Claimants may avail themselves of their right to benefits under Articles 8 to 12 of the Agreement by filing an application with an Agency of either State, according to the rules of that Agency. Such application must specifically express intent to claim benefits from the Agency of the other State. An application with a Consulate of the United States of America located in the Italian Republic shall be deemed to be filed with the Agency of the United States of America; however, the Consulate of the United States of America with which the application was filed shall transmit, without delay, a copy thereof to the Italian Agency.
2. The date an application referred to in paragraph 1 is filed with the Agency of one State shall be recognized as the date of filing by the Agencies of both States; however, the claimant may request that an application be effective on a different date in the other State, within the limitations of and in conformity with the laws of the other State.
3. The Agency with which a claim was first filed shall transmit without delay to the Agency of the other State applications and other forms agreed upon by the Competent

Authorities of the two States. Such forms shall contain all available information considered necessary to credit periods of coverage completed in both States, and such other information for determining a claimant's entitlement to benefits and the amount of benefits, including earnings amounts needed for its own calculations by the U.S. Coordinating Agency. Earnings amounts provided by the Italian Agency for years in which coverage is reported in terms of contributions and not in terms of earnings may be amounts derived by converting contributions made by workers into earnings amounts, using conversion tables agreed upon by the Competent Authorities of both States. In the case of an application for a disability benefit or, when necessary for a survivor's benefit, the relevant medical documentation which the Agency has in its possession shall be enclosed with the application form. The data on applications and forms shall be duly authenticated by the Agency that transmits the forms, and data on the authenticated forms shall be accepted as valid as the data on the original documents from which the data were extracted.

4. The Agency of a State which receives an application filed in the other State shall transmit without delay to the Agency of the other State the earnings information and other information referred to in the preceding paragraph.

5. The Agency of each State after determining the benefit amount due a claimant under the Agreement shall promptly advise the Agency of the other State of the benefit amount.

6. Each Agency shall be the final judge of the quality or probative value of documentary evidence presented to it from whatever source.

7. The limitations and restrictions mentioned in Article 6 of the Agreement refer only to limitations and restrictions on payment of benefits based solely on the physical presence or residence of the beneficiary.

Article 5**TOTALIZATION AND PRO RATA CALCULATIONS**

1. For the purpose of taking into consideration the periods of coverage as provided in Article 8 and for the purpose of computing benefits under Article 9.2 of the Agreement, the following rules apply (subject to the conditions established in Article 8.4 of the Agreement and the proviso in Article 2.1b of the Agreement):

- a. The periods of coverage completed under the laws of one State shall be added to the periods of coverage completed under the laws of the other State, even if these periods have already given rise to the payment of a benefit from the first State;
- b. When a period of coverage under compulsory insurance completed under the laws of one State coincides with a period of coverage under compulsory insurance completed under the laws of the other State, the Agency of each State shall consider for purposes of determining the right to benefits and the benefit amount only those periods that were completed under its laws;
- c. If a period of coverage under compulsory insurance completed under the laws of one State coincides with a period of coverage based on voluntary insurance under the laws of the other State, only the period of coverage under compulsory insurance shall be considered.

2. For purposes of calculating a benefit payable by an

Agency of the Italian Republic in accordance with Article 9.2 of the Agreement, if a period of coverage under voluntary insurance completed under Italian law coincides with a period of coverage under compulsory insurance completed under United States law, only the latter period shall be considered. In such cases, the period of voluntary coverage shall be considered by the above-mentioned Agency according to the provisions of Italian law.

3. For the purposes of calculating a benefit payable by the United States of America, the pro rata basic benefit amount may be rounded to the nearest primary insurance amount appearing in Column IV of the table of benefits contained in section 215(a) of the Social Security Act (or deemed to be contained in such section) or to a primary insurance amount as set forth in an extension of that column from the minimum primary insurance amount down to the amount of \$1.00 in increments to be determined by the competent Authority of the United States of America.

4. Where a worker's periods of coverage are less than the minimum period required by Article 8.4 of the Agreement under the laws of one State, those periods of coverage will nevertheless be considered by the Agency of the other State as if they were periods of coverage under its own laws in order to both establish the right to benefits under Article 8.2 of the Agreement and the amount of the benefit under Article 9.2 of the Agreement, provided that:

- a. The worker has the minimum period required by

Article 8.4 of the Agreement under the laws of the other State; and

b. The individual claiming benefits based on the periods of coverage of the worker is not eligible for a benefit based on those periods of coverage under the laws of the other State without recourse to totalization under Article 8.2 of the Agreement.

5. When a claimant is entitled to a benefit under the provisions of paragraph 1 of Article 9 of the Agreement which would result in a higher benefit amount than would result from the claimant's entitlement under the provisions of paragraph 2 of Article 9, the Agency shall award benefits in accordance with paragraph 1. The notice of award shall also advise the claimant that he has the right to elect to receive benefit payments as provided for in either paragraph 3 or paragraph 4 of Article 9, within 3 months from the date of the award.

Article 6

RECOVERY OF OVERPAYMENTS

1. Whenever the Agency of one State has paid provisional benefits under paragraphs 1 and 2 of Article 21 of the Agreement to an individual in excess of the amount to which the individual is entitled under terms of the Agreement, the Agency may, within the conditions and limits prescribed by its laws, request the Agency of the other State to deduct the amount of the overpayment from the benefits which may later be payable by the other Agency to that individual, within the limits and conditions prescribed by the law under which it operates.
2. When Agencies of both States have overpaid benefits to the same individual, an Agency may give precedence to recovery of the overpayment under its laws.
3. The Competent Authorities of both States shall establish by common agreement procedures for processing amounts of overpaid provisional benefits recovered by each State on the account of the other during the calendar year.

Article 7

MEDICAL EXAMINATIONS FOR DISABILITY

1. In making a determination of the degree of disability of a claimant or of a beneficiary for a benefit based on a disability, the Agency of each State shall take into account any medical findings provided by the Agency of the other State. This shall be without prejudice to the right of the Agency of each State to have the claimant examined by a qualified physician.
2. The Agency of one State shall make available to the Agency of the other State, at its request, any medical information and documentation concerning the claimant which may be in its possession.
3. Where the Agency of either State requires that the claimant submit to a medical examination, such examination shall, if requested be arranged by the Agency of the State in which the claimant resides at the expense of the Agency which requests the examination. Where such a medical examination has been secured for its own purposes by an Agency which receives such a request, it shall furnish a report of the examination without expense to the other Agency.

Article 8

RECOMPUTATION OF BENEFITS

1. A beneficiary may file an application with the Agency of either State for a recomputation of the benefit amount in accordance with Article 11.1 of the Agreement, to take into account additional periods of coverage completed under the laws of either State. An application for recomputation may be filed within the time limits provided by the laws of the State under which it is filed but in any case not more frequently than once per year. All such applications must be in written form and signed by the beneficiary involved. The Agency of the United States of America shall recompute benefits only if the additional earnings would increase the average monthly earnings on which the current benefit was computed. The Agency making the recomputation shall send the Agency of the other State information concerning the additional earnings or periods of coverage and concerning the amounts of the current and recomputed benefits. If the total amount of the benefits payable by both States after recomputation is less than the total payable without recomputation, the recomputation shall be disregarded.

2. (a) The Agency of each State shall upon request send the other State information concerning additional earnings or periods of coverage credited under its laws to claimants who have been awarded benefits in accordance with Article 8.2 of the Agreement.

(b) When an individual is entitled to a benefit from a State under Article 8.2 of the Agreement and subsequently meets the prerequisites for the receipt of a higher benefit from the same State under Article 9.1 of the Agreement, the higher benefit shall be paid automatically or upon request. In any case, the benefit shall be paid from the date that the prerequisites are met.

PART IV

MISCELLANEOUS AND FINAL PROVISIONS

Article 9

EXCHANGE OF INFORMATION

1. The Competent Authorities of the two States shall develop operating procedures and forms for the implementation of the Agreement and shall establish by common agreement procedures for the expeditious processing of claims filed under the Agreement.
2. The Competent Authorities of the two States shall meet to establish procedures for the implementation of Article 12 of the Agreement.
3. At the specific request of the Agency of one State, the Agency of the other State shall furnish information or copies of documents available to it relating to any specified claimant.

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Article 10

APPEALS

1. An appeal from a decision of the Agency of one State may be filed with the Agency of either State for the purpose of protecting the filing date.

2. The Agency with which an appeal is filed shall notify the Agency of the other State if it is determined to be an appeal from a decision of the other State. The State whose decision is being appealed shall follow its normal appellate process on an appeal, and shall notify the other State of its decision.

Article 11

CONFIDENTIALITY OF EXCHANGED INFORMATION

1. The use of information furnished by one State to another with regard to an individual shall be governed by this Article.
2. Any information transmitted by one State to the other State about an individual shall be treated as confidential by the other State and its officials receiving such information, including the officials mentioned in Article 15 of the Agreement, and shall be used exclusively for purposes of the implementation of the provisions contained in the Agreement and this Protocol or for the purpose of administering other benefit programs under the legislation of the other State.
3. The term "information" includes, but is not limited to, application forms, documentary evidence, medical evidence, certificates of election, any other papers furnished by an individual, notices to an individual, and all records, in whatever form, furnished by one State to the other which contain information concerning an individual, his earnings, the names of his employers, his present or past whereabouts, or his medical condition.
4. Use of information which does not pertain to or which does not identify a specific individual, such as in the case of statistical or research reports, shall be governed by the legislation or regulations of the respective States.

5. The right of an individual to inspection of records containing information pertaining to him shall be governed by the legislation or regulations of the State where the record is maintained.

Article 12
ENTRY INTO FORCE

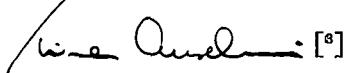
This Administrative Protocol shall enter into force on the date the Agreement enters into force [¹] and shall be coterminous with that Agreement.

Done in Rome, November 22, 1977, in duplicate originals in the English and Italian languages each equally valid.

for the United States
of America



for the Italian Republic



¹ Nov. 1, 1978.

² Joseph A. Califano, Jr.

³ Tina Anselmi

PROTOCOLLO AMMINISTRATIVO PER L'APPLICAZIONE
DELL'ACCORDO IN MATERIA DI SICUREZZA SOCIALE

tra gli

STATI UNITI D'AMERICA

e la

REPUBBLICA ITALIANA

Firmato a Washington, D. C. il 23 maggio 1973

PARTE I

DISPOSIZIONI GENERALI

Articolo I

DEFINIZIONI

Ai fini dell'applicazione dell'Accordo e del
presente Protocollo:

1. il termine "Accordo" designa l'Accordo tra gli Stati Uniti d'America e la Repubblica Italiana in materia di Sicurezza Sociale, firmato a Washington D.C. il 23 maggio 1973;

2. il termine "richiedente" designa un lavoratore, un membro della famiglia o un superstite che abbia presentato una domanda di prestazioni ai sensi della legislazione di uno o di entrambi gli Stati;

3. il termine "prestazione provvisoria" designa qualsiasi prestazione cui possa aver diritto un richiedente prima che siano stati stabiliti in via definitiva i diritti del richiedente stesso;

4. i termini definiti all'Articolo 1 dell'Accordo avranno il significato loro attribuito da detto Articolo.

Articolo 2**ISTITUTI RESPONSABILI DELL'APPLICAZIONE**

1. Gli Istituti cui spetta l'applicazione del presente

Protocollo sono:

- a) per gli Stati Uniti d'America:
 - la Social Security Administration;
- b) per la Repubblica Italiana:
 - I.N.P.S. (Istituto Nazionale della Previdenza Sociale), Direzione Generale, Roma, per quanto concerne l'assicurazione invalidita', vecchiaia e superstiti dei lavoratori dipendenti, dei coltivatori diretti, coloni e mezzadri, degli artigiani e dei commercianti;
 - E.N.P.A.L.S. (Ente Nazionale di Previdenza e Assistenza per i Lavoratori dello Spettacolo), Direzione Generale, Roma, per quanto concerne l'assicurazione invalidita', vecchiaia e superstiti dei lavoratori dello spettacolo;
 - I.N.P.D.A.I. (Istituto Nazionale di Previdenza per i Dirigenti di Aziende Industriali), Direzione Generale, Roma, per quanto concerne l'assicurazione di invalidita', vecchiaia e superstiti dei dirigenti di aziende industriali;
 - I.N.P.G.I. (Istituto Nazionale di Previdenza per i Giornalisti Italiani), Direzione Generale, Roma, per quanto concerne all'assicurazione invalidita', vecchiaia e superstiti dei giornalisti professionisti.

2. Gli Istituti di coordinamento designati, ai sensi dell'Articolo 14, paragrafo 1 dell'Accordo, allo scopo di facilitarne l'applicazione sono:

- a) per gli Stati Uniti d'America: la Social Security Administration;
- b) per la Repubblica Italiana: l'Istituto Nazionale della Previdenza Sociale, Direzione Generale, Roma.

3. Nell'attuazione dei loro compiti, ai sensi dell'Articolo 14, paragrafo 1 dell'Accordo, gli Istituti di coordinamento indicati al paragrafo 2 del presente Articolo saranno tenuti all'elaborazione di direttive e procedure uniformi e ad una uniforme applicazione delle stesse nei rispettivi Stati da parte degli uffici, alla istituzione di un canale di comunicazione tra gli uffici di uno Stato e gli uffici dell'altro Stato, alla determinazione di quale ufficio sia competente per la definizione di una particolare domanda nonché a facilitare la risoluzione di ogni problema che sorga tra gli uffici dei due Stati e non possa essere risolto direttamente.

PARTE II

DISPOSIZIONI RELATIVE ALLA LEGISLAZIONE APPLICABILE

Articolo 3

COPERTURA ASSICURATIVA ED ESENZIONI

1. L'Istituto dello Stato in base alla cui legislazione l'attivita' lavorativa e' coperta da assicurazione ai sensi dell'Articolo 7, paragrafi 2, 3, o 4 dell'Accordo, rilascia al lavoratore, al suo datore di lavoro o all'Istituto dell'altro Stato, un certificato attestante che il lavoratore rimane soggetto a tale legislazione, ogni qualvolta cio' gli venga richiesto dal lavoratore, dal datore di lavoro o dall'Istituto dell'altro Stato.

2. L'esenzione dall'applicazione della legislazione di uno dei due Stati, secondo quanto previsto all'Articolo 7, paragrafo 4 dell'Accordo, si applichera' al periodo di lavoro per il quale e' stato rilasciato il certificato di cui al paragrafo 1 del presente Articolo.

3. La facolta' di opzione, di cui all'Articolo 7, paragrafo 4, lettera b dell'Accordo o al presente paragrafo, deve essere esercitata entro i 3 mesi successivi a quello in cui ha avuto inizio un periodo di lavoro presso ciascun datore di lavoro o in cui sorge il diritto a modificare l'opzione. L'opzione sara' vincolante per tale periodo di lavoro. Ove si tratti di un cittadino italiano che non sia cittadino di entrambi gli Stati, la facolta' di opzione puo' essere nuovamente esercitata nel corso del secondo anno

dall'inizio dell'attivita' lavorativa ed avra' effetto dalla data in cui e' stata esercitata per i successivi periodi di lavoro di cui all'Articolo 7, paragrafo 4, lettera b dell'Accordo; tuttavia, a detto cittadino sara' consentito di modificare ulteriormente la sua opzione, qualora in un periodo successivo acquisti o perda lo "status" di residente permanente negli Stati Uniti.

4. L'obbligo del pagamento dei contributi e delle tasse per quanto riguarda le assicurazioni di vecchiaia, superstiti e invalidita' degli Stati Uniti d'America sara' soggetto alle disposizioni del Capitolo 2 e del Capitolo 21 dell "Internal Revenue Code" del 1954, e suoi emendamenti.

PARTE III

APPLICAZIONE DELLE DISPOSIZIONI PARTICOLARI
DELL'ACCORDO RELATIVE AL L'ASSICURAZIONE INVALIDITA'VECCHIAIA E SUPERSTITI

Articolo 4

PRESENTAZIONE E ISTRUTTORIA DELLE DOMANDE

1. I richiedenti possono far valere il proprio diritto a prestazioni, ai sensi degli Articoli da 8 a 12 dell'Accordo, presentando domanda ad un Istituto di uno dei due Stati, conformemente alle disposizioni che tale Istituto applica. In tale domanda deve essere manifestata specificamente l'intenzione di richiedere le prestazioni da parte dall'Istituto dell'altro Stato. Una domanda presentata ad un Consolato degli Stati Uniti d'America, con sede nel territorio della Repubblica Italiana, verrà considerata come presentata all'Istituto degli Stati Uniti d'America; in ogni caso, il Consolato degli Stati Uniti d'America al quale è stata presentata la domanda dovrà trasmetterne senza indugio una copia all'Istituto italiano.

2. La data in cui viene presentata una domanda ai sensi del paragrafo 1 all'Istituto di uno Stato verrà riconosciuta come data di presentazione dagli Istituti di entrambi gli Stati; tuttavia, il richiedente può chiedere che una domanda abbia effetto nell'altro Stato a partire da una data diversa, nell'ambito della legislazione di tale Stato e in conformità della stessa.

3. L'Istituto al quale per primo e' stata presentata la domanda trasmetterà senza indugio all'Istituto dell'altro Stato le domande e ogni altro formulario concordato dalle Autorità competenti dei due Stati. Tali formulari dovranno contenere tutte le informazioni disponibili considerate necessarie per accreditare periodi di assicurazione compiuti in ambedue gli Stati e ogni altra informazione utile ai fini della determinazione del diritto a prestazioni del richiedente nonché l'ammontare delle prestazioni incluso l'ammontare dei guadagni necessario per i propri calcoli all'Istituto di coordinamento degli Stati Uniti. L'ammontare dei guadagni comunicato dall'Istituto italiano relativamente agli anni in cui l'assicurazione viene indicata in termini di contribuzioni e non in termini di guadagni puo' essere quello che risulta dalla conversione in guadagni dei contributi versati dai lavoratori mediante l'utilizzazione delle tabelle di conversione che saranno concordate dalle Autorità competenti di ambedue gli Stati. Nel caso di domanda di prestazione di invalidità o, ove necessario, nel caso di domanda di prestazione ai superstiti, verranno allegate al formulario di domanda le relative documentazioni sanitarie di cui disponga l'Istituto. I dati contenuti nelle domande e nei formulari saranno debitamente autenticati dall'Istituto che trasmette i medesimi e saranno considerati avere la stessa validità di quelli contenuti nei documenti originali da cui sono stati estratti.

4. L'Istituto di uno Stato che riceve una domanda presentata nell'altro Stato trasmetterà senza indugio all'Istituto dell'altro Stato le informazioni relative ai guadagni nonché le altre informazioni di cui al precedente paragrafo.

5. L'Istituto di ciascuno Stato, dopo aver determinato l'ammontare delle prestazioni dovute ad un richiedente ai sensi dell'Accordo, comunicherà prontamente detto ammontare all'Istituto dell'altro Stato.

6. Ciascun Istituto sarà giudice finale della qualità o del valore probante dei documenti da esso presentati, da qualsiasi fonte tale documentazione provenga.

7. I limiti e le restrizioni di cui all'articolo 6 dell'Accordo si riferiscono solo ai limiti e alle restrizioni relativi alla erogazione di prestazioni, basati esclusivamente sulla presenza fisica o sulla residenza del beneficiario.

Articolo 5

TOTALIZZAZIONE E CALCOLI DEI PRO-RATA

1. Ai fini della presa in considerazione dei periodi di assicurazione, ai sensi dall'Articolo 8 ed ai fini del calcolo delle prestazioni, ai sensi dell'Articolo 9, paragrafo 2 dell'Accordo, si applicano le seguenti disposizioni (fatto salvo quanto stabilito dall'Articolo 8 paragrafo 4 dell'Accordo e dalla disposizione dell'Articolo 2, paragrafo 1 lettera b dell'Accordo):

- a. ai periodi di assicurazione compiuti ai sensi della legislazione di uno Stato si aggiungono periodi di assicurazione compiuti ai sensi della legislazione dell'altro Stato, anche se detti periodi hanno già dato luogo alla corresponsione di una prestazione da parte del primo Stato;
- b. qualora un periodo di assicurazione obbligatoria, compiuto ai sensi della legislazione di uno Stato, coincida con un periodo di assicurazione obbligatoria, compiuto ai sensi della legislazione dell'altro Stato, l'Istituto di ciascuno Stato, ai fini della determinazione del diritto a prestazione e dell'ammontare della prestazione stessa, prende in considerazione esclusivamente i periodi compiuti ai sensi della propria legislazione;
- c. qualora un periodo di assicurazione obbligatoria compiuto ai sensi della legislazione di uno Stato coincida con un periodo di assicurazione volon-

taria compiuto ai sensi della legislazione dell'altro Stato, viene preso in considerazione solo il periodo di assicurazione obbligatoria.

2. Ai fini del calcolo di una prestazione dovuta da un Istituto italiano, ai sensi dell'Articolo 9, paragrafo 2 dell'Accordo, se un periodo di assicurazione volontaria compiuto ai sensi della legislazione italiana coincide con un periodo di assicurazione obbligatoria compiuto ai sensi della legislazione statunitense, viene preso in considerazione solo quest'ultimo periodo. In tali casi, il periodo di assicurazione volontaria sara' considerato dal predetto Istituto secondo quanto previsto dalla legislazione italiana.

3. Ai fini del calcolo di una prestazione a carico degli Stati Uniti d'America, l'importo del pro-rata sara' arrotondato al piu' vicino "primary insurance amount" come appare nella colonna IV della tabella delle prestazioni contenuta nella sezione 215 (a) del "Social Security Act" (o ritenuta essere contenuta in tale sezione), o al "primary insurance amount", come risulta in un prolungamento di quella colonna che va dal minimo "primary insurance amount" all'importo di \$1,00 in incrementi da determinarsi dalla competente Autorita' degli Stati Uniti d'America.

4. Qualora i periodi di assicurazione compiuti da un lavoratore, ai sensi della legislazione di uno Stato, siano inferiori al periodo minimo stabilito dall'Articolo 8, paragrafo 4 dell'Accordo, detti periodi di assicurazione

saranno presi in considerazione dall'Istituto dell'altro Stato come se fossero periodi di assicurazione ai sensi della propria legislazione al fine sia dell'accertamento del diritto a prestazioni ai sensi dell'Articolo 8, paragrafo 2 dell'Accordo, sia della determinazione dell'ammontare della prestazione ai sensi dell'Articolo 9, paragrafo 2 dell'Accordo, a condizione che:

- a. il lavoratore abbia il periodo minimo previsto dall'Articolo 8, paragrafo 4 dell'Accordo, ai sensi della legislazione dell'altro Stato; e
- b. la persona che richieda prestazioni sulla base dei periodi di assicurazione di un lavoratore non abbia gia' diritto ad una prestazione sulla base di detti periodi di assicurazione ai sensi della legislazione dell'altro Stato, senza far ricorso alla totalizzazione di cui all'Articolo 8 paragrafo 2 dell'Accordo.

5. Qualora, ai sensi dell'Articolo 9, paragrafo 1 dell'Accordo, un richiedente abbia diritto ad una prestazione il cui importo risulti maggiore di quello cui il richiedente stesso avrebbe diritto in applicazione dell'articolo 9, paragrafo 2 dell'Accordo, l'Istituto corrispondera' la prestazione in base a quanto previsto dal paragrafo 1.

Con la comunicazione della concessione il richiedente sara' informato che ha la facolta' di optare, nei tre mesi dalla data della concessione della prestazione, fra la prestazione di cui al paragrafo 3 e la prestazione di cui al paragrafo 4 dell'Articolo 9 dell'Accordo.

Articolo 6

RECUPERO DI PAGAMENTI IN ECCESSO

1. Ogni qualvolta l'Istituto di uno Stato ha corrisposto ad una persona prestazioni provvisorie, ai sensi dell'Articolo 21, paragrafi 1 e 2 dell'Accordo, in eccesso rispetto all'ammontare cui tale persona ha diritto conformemente alle disposizioni dell'Accordo, l'Istituto puo', nel rispetto delle condizioni e dei limiti imposti dalla propria legislazione, chiedere all'Istituto dell'altro Stato di detrarre l'ammontare del versamento in eccesso dalle prestazioni che potranno, successivamente, essere corrisposte da parte dell'altro Istituto a tale persona, nel rispetto dei limiti e delle condizioni imposti dalla legislazione in base alla quale l'Istituto opera.
2. Quando gli Istituti di ambedue gli Stati hanno corrisposto alla stessa persona prestazioni in eccesso, un Istituto puo' dare la precedenza al recupero delle somme pagate in eccesso conformemente alla sua legislazione.
3. Le Autorita' competenti dei due Stati stabiliranno di comune accordo le procedure per il recupero delle somme relative a prestazioni provvisorie pagate in eccesso e recuperate da uno Stato su iniziativa dell'altro Stato nel corso dell'anno solare.

Articolo 7

ESAMI MEDICI IN CASO DI INVALIDITA'

1. Per la determinazione del grado di invalidita' di un titolare o di un richiedente una prestazione di invalidita', l'Istituto di ciascuno Stato deve tener conto di tutti gli accertamenti medici forniti dall'Istituto dell'altro Stato. Quanto sopra non pregiudica il diritto dell'Istituto di ciascuno Stato a far visitare il richiedente da un medico qualificato.

2. L'Istituto di uno Stato fornira' all'Istituto dell'altro Stato, a sua richiesta, qualsiasi informazione e documentazione medica, riguardante il richiedente che si trovi in suo possesso.

3. Quando l'Istituto di uno dei due Stati chiede che il richiedente sia sottoposto ad esame medico, tale esame, se richiesto, deve esser predisposto dall'Istituto dello Stato dove risiede il richiedente a spese dell'Istituto che ne ha fatto richiesta. Quando tale esame medico e' stato predisposto per i propri fini dall'Istituto che riceve tale richiesta, quest'ultimo fara' avere una relazione della visita senza alcun rimborso da parte dell'altro Istituto.

Articolo 8

RICALCOLO DELLE PRESTAZIONI

1. Il beneficiario puo' presentare all'Istituto di uno dei due Stati la richiesta per un ricalcolo dell'importo delle prestazioni conformemente all'Articolo 11, paragrafo 1 dell'Accordo, al fine della presa in considerazione dei periodi aggiuntivi di assicurazione compiuti conformemente alla legislazione di uno dei due Stati. La richiesta di nuovo calcolo puo' essere presentata solo alle scadenze previste dalla legislazione dello Stato ai cui sensi la richiesta e' rivolta e, in ogni caso, non piu' di una volta all'anno. Tale richiesta deve essere fatta per iscritto e firmata dal beneficiario interessato. L'Istituto degli Stati Uniti d'America effettuera' un nuovo calcolo delle prestazioni solo se i guadagni supplementari aumentino l'ammontare dei guadagni medi mensili su cui e' stata calcolata la prestazione in questione. L'Istituto che effettua il nuovo calcolo trasmetterà all'Istituto dell'altro Stato le informazioni relative ai guadagni supplementari o ai periodi di assicurazione nonche' le informazioni relative agli ammontari delle prestazioni correnti e di quelle ricalcolate. Se, dopo il nuovo calcolo, la somma totale delle prestazioni pagabile da ambedue gli Stati risulta inferiore alla somma globale pagabile senza nuovo calcolo non si terra' conto del nuovo computo.

2. (a) L'Istituto di ciascuno Stato trasmetterà, su richiesta dell'Istituto dell'altro Stato, informazioni relative ai guadagni supplementari o ai periodi di assicurazione accreditati conformemente alle sue leggi, ai richiedenti che hanno

ricevuto prestazioni ai sensi dell'Articolo 8, paragrafo 2 dell'Accordo.

(b) Qualora una persona abbia diritto ad una prestazione da parte di uno Stato ai sensi dell'Articolo 8, paragrafo 2 dell'Accordo e successivamente soddisfi i requisiti per la concessione di una prestazione piu' elevata da parte dello stesso Stato ai sensi dell'Articolo 9, paragrafo 1 dell'Accordo, la suddetta prestazione sara' erogata d'ufficio oppure su domanda. In ogni caso, la prestazione verrà corrisposta a partire dalla data in cui i requisiti risultano perfezionati.

PARTE IV

DISPOSIZIONI FINALI E VARIE

Articolo 9

SCAMBIO DI INFORMAZIONI

1. Le Autorita' competenti dei due Stati stabiliranno le procedure e i formulari necessari per l'applicazione dell'Accordo. Ambedue le Autorita' concorderanno le procedure per una sollecita definizione delle domande presentate ai sensi dell'Accordo.

2. Le Autorita' competenti dei due Stati si incontreranno per stabilire le procedure relative all'applicazione dell'Articolo 12 dell'Accordo.

3. Su apposita richiesta dell'Istituto di uno Stato, l'Istituto dell'altro Stato fornira' le informazioni o le copie di documenti a sua disposizione relativi a qualsiasi richiedente.

Articolo 10

RICORSI

1. Un ricorso contro una decisione dell'Istituto di uno Stato puo' essere presentato all'Istituto di ciascuno dei due Stati allo scopo di evitare la decadenza dei termini.
2. L'Istituto al quale e' stato presentato ricorso notifichera' all'Istituto dell'altro Stato se tale ricorso e' inteso come ricorso contro una decisione dell'altro Stato. Lo Stato contro la cui decisione si fa ricorso esplichera' la sua normale procedura di appello e notifichera' all'altro Stato la sua decisione.

Articolo 11

RISERVATEZZA DELLE INFORMAZIONI RECIPROCAMENTE SCAMBIATE

1. L'uso delle informazioni relative ad una persona, fornite da uno Stato all'altro, e' regolato dal presente Articolo.
2. Ogni informazione relativa ad una persona trasmessa da uno Stato all'altro sara' considerata riservata dall'altro Stato e dai suoi funzionari che hanno ricevuto tale informazione, compresi i funzionari di cui all'Articolo 15 dell'Accordo, e sara' utilizzata esclusivamente ai fini dell'applicazione delle disposizioni contenute nell'Accordo e nel presente Protocollo oppure allo scopo di gestire altri regimi di sicurezza sociale previsti dalla legislazione dell'altro Stato.
3. Il termine "informazioni" include, ma non e' limitato a, formulari di domanda, documenti di prova, certificati medici, certificati di opzione, ogni altro documento fornito da una persona, ovvero ad una persona, e tutti i documenti, in qualsiasi forma forniti da uno Stato all'altro contenenti informazioni relative ad una persona, ai suoi guadagni, ai nomi dei suoi datori di lavoro, al suo recapito presente o passato, o alla sua situazione sanitaria.
4. L'uso di informazioni che non si riferiscono ad una determinata persona o che non la identificano (come nel caso di rapporti statistici o di ricerca) e' regolato dalla

legislazione o dai regolamenti dei rispettivi Stati.

5. Il diritto di una persona di esaminare documenti contenenti informazioni che la riguardano e' regolato dalla legislazione o dai regolamenti dello Stato in cui la documentazione e' custodita.

Articolo 12

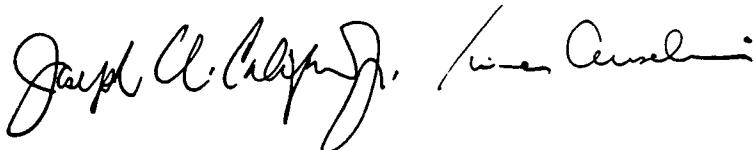
ENTRATA IN VIGORE

Il presente Protocollo Amministrativo entrera' in vigore alla data in cui entra in vigore l'Accordo e avra' la sua stessa scadenza.

Fatto a Roma il 22 Novembre 1977, in duplice originale in lingua inglese ed italiana entrambi i testi facenti egualmente fede.

Per gli
Stati Uniti d'America

Per la
Repubblica Italiana

A photograph of two handwritten signatures. The signature on the left is "David C. Calley Jr." and the signature on the right is "Renzo Cusani". Both signatures are written in black ink on a white background.

Proces Verbale

of the meetings between the delegations of the United States
of America and of the Italian Republic from October 17
through 21, 1977 for the completion of the Administrative
Protocol for the application of the United States - Italy
Agreement on Social Security of May 23, 1973

Delegations of the United States and Italy met in Rome from October 17 to 21, 1977 to complete the draft of an Administrative Protocol to the Agreement on Social Security between the United States of America and the Italian Republic of May 23, 1973.

The names of the participants in the discussions are listed in the attached Annex A.

As a basis for their discussions, the delegations followed the text of a preliminary draft worked out during their last meeting in October, 1974, and considered a number of amendments to that draft subsequently proposed by both delegations. After a thorough examination of all of the proposed amendments, the two delegations agreed on the final draft texts which are attached as Annexes B and C^[1] in their respective official languages.

As regards the text of the Administrative Protocol, the two delegations wish to make the following clarifications:

1. With reference to the question of voluntary social insurance coverage in Italy, which is an integral part of its social insurance pension system but is presently

¹Not printed herein. Annexes B and C are deposited in the archives of the Department of State where they are available for reference.

excluded from consideration under the principal Agreement, the parties are agreed that they will endeavour to seek a satisfactory resolution of the question as soon as possible but without prejudice to the prompt implementation of the principal Agreement and the Administrative Protocol.

2. The parties are also agreed that since, under the terms of Article 9.2 of the Administrative Protocol, it is necessary to establish special procedures for the implementation of Article 12 of the principal Agreement, the implementation of the said Article 12 will be undertaken after the formulation of the said procedures.

3. As regards the recognition of the qualification as an Italian employer for the purposes of Article 7 of the Agreement, the two delegations have agreed that it is the responsibility of the employer in the United States to establish that he is an Italian employer.

4. Under Article 2.3 of the Administrative Protocol, it is understood that the coordinating Agency of Italy in the first phase of the implementation of the Agreement will be responsible for determining which of the regional offices of I.N.P.S. has jurisdiction over new claims filed initially with the United States and for directing those claims to the appropriate office. Once the appropriate regional office has communicated with the United States Agency, with respect to a claim, subsequent communications concerning that claim shall be made directly between those Agencies. Any question regarding regional office jurisdiction and any other questions which cannot be resolved satisfactorily by the respective Agencies

will be resolved by the Coordinating Agencies. It is agreed by both parties that if these arrangements, and procedures adopted to implement them, prove to be unsatisfactory, the Coordinating Agencies, at the request of either party, shall consider revisions of the arrangements and procedures within the terms of the principal Agreement.

The two delegations are agreed that, as soon as an independent comparison of the respective language texts has been completed to assure that they are parallel, they will recommend to their Governments that the Administrative Protocol be signed as soon as possible.

Rome, October 21, 1977

For the Italian Delegation

Sergio Angeletti [¹]
Gabriella Pirrone [²]
Salvatore Randisi [³]
Vittorio Tedeschi [⁴]
Corrado Gianturco [⁵]
Dario Bosso [⁶]

For the United States

Delegation

William M. Yoffee [⁷]
Ivan J. Rice [⁸]
Irving J. Jacobs [⁹]

^¹ Sergio Angeletti

^² Gabriella Pirrone

^³ Salvatore Randisi

^⁴ Vittorio Tedeschi

^⁵ Corrado Gianturco

^⁶ Dario Bosso

^⁷ William M. Yoffee

^⁸ Ivan J. Rice

^⁹ Irving J. Jacobs

PROCESSO VERBALE

Delle riunioni fra una delegazione italiana ed una delegazione statunitense tenutesi a Roma dal 17 al 21 ottobre 1977 per la definizione del Protocollo amministrativo per l'applicazione dell'Accordo tra la Repubblica italiana e gli Stati Uniti d'America in materia di sicurezza sociale del 23 maggio 1973.

Dal 17 al 21 ottobre 1977 si sono riunite a Roma una delegazione italiana ed una delegazione statunitense per la definizione del progetto di Protocollo amministrativo per l'applicazione dell'Accordo fra la Repubblica Italiana e gli Stati Uniti d'America in materia di sicurezza sociale del 23 maggio 1973.

L'elenco dei partecipanti alle riunioni figura nell'allegato A al presente Processo Verbale.

Le due delegazioni hanno preso a base delle discussioni il testo del progetto preliminare di Protocollo elaborato nel corso dell'incontro dell'ottobre 1974 ed hanno esaminato i successivi emendamenti allo stesso presentati da entrambe le delegazioni.

A seguito di approfondito esame degli emendamenti proposti, le due delegazioni hanno concordato i testi di un progetto definitivo nelle rispettive lingue ufficiali che figurano negli allegati B e C.

Circa il testo del progetto di Protocollo amministrativo, le due delegazioni intendono formulare le seguenti precisazioni:

1. Per quanto riguarda la prosecuzione volontaria dell'assicurazione italiana per l'invalidita', la vecchiaia e i superstiti, parte integrante del sistema pensionistico italiano, che attualmente e' esclusa dal campo di applicazione dell'Accordo, le due delegazioni hanno convenuto di fare tutto il possibile per pervenire al piu' presto ad una soddisfacente soluzione, senza peraltro pregiudicare nelle more, la immediata applicazione dell'Accordo e del Protocollo amministrativo.
2. Le due delegazioni, hanno altresi' convenuto che, essendo necessario in base a quanto previsto dal l'Articolo 9 par.2 del Protocollo amministrativo stabilire particolari procedure per l'attuazione dell'Articolo 12 dell'Accordo, l'applicazione di detto Articolo 12 potra' aver luogo solo dopo che le procedure stesse saranno state stabilite.
3. Per quanto riguarda il riconoscimento della qualita' di "datore di lavoro italiano" ai fini dell'applicazione dell'Articolo 7 dell'Accordo, le due delegazioni hanno convenuto che spetta al datore di lavoro negli Stati Uniti provare di essere un datore di lavoro italiano.
4. Ai sensi dell'Articolo 2 par.3 del Protocollo amministrativo, e' inteso che l'Istituto di collegamento italiano, nel corso della prima fase dell'Accordo, sara' responsabile dell'individuazione degli uffici regionali competenti per quanto riguarda le nuove domande presentate inizialmente agli Stati Uniti e dell'inoltro delle stesse all'ufficio competente. Una volta che l'ufficio

regionale competente si sia messo in contatto con l'Istituzione degli Stati Uniti per quanto riguarda una domanda, tutti i successivi contatti relativi a detta domanda intercorreranno direttamente fra il suddetto Istituto e i suddetti uffici. Ogni problema riguardante la competenza dell'ufficio regionale come pure ogni altra questione che non possa essere risolta in maniera soddisfacente dai rispettivi Istituti sara' risolta dall'Istituto di coordinamento.

Le due delegazioni hanno concordato che qualora tali intese e le procedure si dimostrino insoddisfacenti, gli Istituti di coordinamento su richiesta di una delle due parti prenderanno in esame la possibilita' di una riunione delle intese e delle procedure nei termini dell'Accordo.

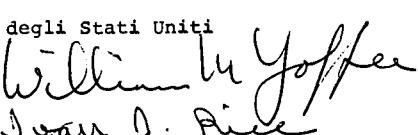
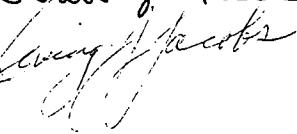
Le due delegazioni hanno convenuto che, non appena sia stato effettuato da parte di ciascuna di esse confronto dei testi nelle rispettive lingue al fine di assicurarne la perfetta rispondenza, esse raccomanderanno ai rispettivi governi di procedere al piu' presto alla firma del Protocollo amministrativo.

Roma, 21 ottobre 1977

Per la delegazione italiana


Gianni Spadolini
Vittorio Sestieri
Conrado Fontaner
Dario Boni

Per la delegazione


William W. Yoffee
Joan J. Rice


Annex A

United States - Italy Discussions
on the conclusion of an
Administrative Protocol
on
Social Security

United States Delegation

Mr. William M. Yoffee (Head of Delegation)	International Liaison Officer Social Security Administration
Mr. Irving Jacobs	Chief, Coverage Planning Branch, OPEP, SSA
Mr. Jack Rice	Division of International Opera- tions SSA
Avv. Mario Gallotti	U.S. Embassy Rome (Legal Consultant)

Delegazione italiana:

Ministro Sergio ANGELETTI (Head of Delegation)	Vice Direttore Generale della Emigrazione e A.S.
Dott. Vittorio Tedeschi	Consigliere di Legazione
Dott. Corrado Gianturco	Segretario di Legazione-D.G.E.A.S. Uff. 3°
Dott. Giuseppe Cinti	Segretario di Legazione Ufficio Trattati
Dott.ssa Gabriella Pirrone	Primo Dirigente Ministero Lavoro e Previdenza Soc.
Dott.ssa Franca Selvaggi	Direttore Capo Aggiunto del Ministero Lavoro e Previdenza Soc.
Dott. Salvatore Randisi	Dirigente Superiore Istituto Nazionale Previdenza Soc.
Dott. Dario Bosso	Istituto Nazionale Previdenza Soc.

TIAS 9058

PROCES VERBAL

concerning the comparison of the English and Italian language texts of the Agreement between the United States of America and the Italian Republic on the Matter of Social Security signed on May 23, 1973, of the Administrative Protocol for the implementation of the said Agreement, signed on November 22, 1977, and the related Proces Verbal dated October 21, 1977.

A comparison of the English and Italian language texts of the subject instruments, having been made by responsible officials of the two Contracting Parties, has revealed that in several instances indicated below there are divergences in the language of the respective language texts. The two Contracting Parties are agreed that these divergences do not represent any differences in the substance of the points agreed to which are enumerated in detail in the instruments, and they are in complete accord in respect to the substance of the matters which are the subject of the instruments.

Nevertheless, the two Contracting Parties being desirous of avoiding any possible misinterpretations of said instruments have listed the following points and have clarified the understanding that exists between them on these points:

1. Wherever the Italian language texts use the word "istituto," it is understood that it is the intention of the parties to mean "istituzione" as that term is defined in Article 1(e) of the Agreement.

2. In Article 8.3 of the Agreement it is understood that there is no difference between "the highest possible benefit" referred to in the English language text and "a higher benefit" referred to in the Italian language text, since it is intended that the benefit paid under this paragraph will be the higher of two or the highest of several benefits to which the claimant may become entitled under the provisions of law referred to.

3. In Article 9.3 of the Agreement it is understood that the phrase "by each of the States" in the English language text is inferred in the Italian language text.

4. In Article 9.4 of the Agreement it is understood that although the verb "awarded" is used in the English language text and the verb "calcolato" (computed) is used in the Italian language text, the practical result is intended to be the same under both texts since the benefit that is computed is to be the benefit that is awarded in this context.

5. In Article 10.1 of the Agreement it is understood that despite the differences in the English and Italian language texts of the introductory phrase, which is intended to be descriptive

of what the paragraph is intended to do, subparagraphs (a) and (b) in both language texts are sufficiently clear as to the manner in which the agencies of both parties shall proceed.

6. In Article 10.1(a) of the Agreement it is understood that the English language text is correct in incorporating the phrase "for such year" and that since this paragraph applies exclusively to the United States of America, no addition to the Italian language text is necessary.

7. In Article 19.2 of the Agreement it is understood that any apparent differences in the two language texts are clarified by Article 4.1 of the Administrative Protocol.

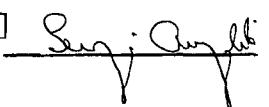
8. It is noted that although the intent of Article 5.5 of the Administrative Protocol is clear in both language texts, the final sentence of this paragraph in the Italian language text would more clearly reflect that intent by being worded as follows:

"Con la comunicazione della concessione il richiedente sarà informato che ha la facoltà, nei tre mesi dalla data della concessione della prestazione, di optare in base a quanto previsto o al paragrafo 3 o al paragrafo 4 dell'Art. 9 dell'Accordo."

Done at Rome on October 4, 1978, in duplicate, in the English and Italian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF
THE ITALIAN REPUBLIC

 [1]  [2]

¹ Herbert W. Baker

² Sergio Angeletti

Ministero degli Affari Esteri

PROCESSO VERBALE

Relativo al raffronto linguistico tra i testi italiano ed inglese dell'Accordo tra la Repubblica Italiana e gli Stati Uniti d'America in materia di sicurezza sociale firmato il 23 maggio 1973, del Protocollo Amministrativo per l'attuazione del suddetto Accordo, firmato il 22 novembre 1977 e del relativo Processo Verbale datato 21 ottobre 1977.

Un raffronto linguistico fra i testi italiano ed inglese degli strumenti in oggetto, condotto da funzionari responsabili delle due Parti Contraenti, ha rivelato che in varie occasioni, indicate qui di seguito, esistono discordanze linguistiche tra le rispettive formulazioni. Le due Parti Contraenti convengono che tali discordanze non costituiscono differenze per quanto attiene alla sostanza delle singole clausole contenute negli strumenti, e che esse sono perfettamente d'accordo sulla sostanza delle questioni in oggetto degli strumenti.

Tuttavia, le due Parti Contraenti, desiderando evitare ogni possibile erronea interpretazione dei detti strumenti, hanno enumerato i punti seguenti ed hanno chiarito l'intesa esistente tra loro su tali punti:

1. Ogni qualvolta nel testo italiano compare il termine "istituto", si conviene che è intenzione delle Parti attribuire ad esso il significato di "istituzione", così come definito nell'Articolo 1 (e) dell'Accordo.
2. In merito all'Articolo 8.3 dell'Accordo si conviene che non vi è alcuna differenza fra "the highest possible benefit", nella formulazione del testo inglese, e "a higher benefit", nella formulazione del testo italiano, in quanto s'intende che la prestazione corrisposta ai sensi di questo paragrafo sarà la più elevata tra due o più prestazioni cui il richiedente possa aver diritto

in conformità alle disposizioni della legislazione cui si fa riferimento.

3. In merito all'Articolo 9.3 dell'Accordo si conviene che la frase "by each of the States", nella formulazione del testo inglese, si ricava dalla formulazione del testo italiano.

4. In merito all'Articolo 9.4 dell'Accordo si conviene che, sebbene nel testo inglese venga utilizzato il verbo "awarded" mentre in quello italiano compare il verbo "calcolato" (computed), il risultato pratico che si intende raggiungere è il medesimo ai sensi di entrambi i testi, in quanto in questo contesto la prestazione che viene calcolata corrisponde alla prestazione che viene concessa.

5. In merito all'Articolo 10.1 dell'Accordo si conviene che, nonostante le differenze linguistiche tra i testi italiano ed inglese relativamente alla frase introduttiva - intesa ad esprimere ciò che il paragrafo intende raggiungere - i sottoparagrafi (a) e (b) di entrambe le versioni sono sufficientemente chiari circa il modo in cui le istituzioni di entrambe le Parti dovranno procedere.

6. In merito all'Articolo 10.1 (a) dell'Accordo si conviene che la formulazione del testo inglese ha correttamente incorporato la frase "for such year" e che, visto che tale paragrafo si applica esclusivamente agli Stati Uniti d'America, non è necessario apporre alcuna aggiunta alla formulazione del testo italiano.

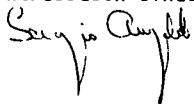
7. In merito all'Articolo 19.2 dell'Accordo si conviene che qualsiasi differenza apparente fra le due versioni viene chiarita mediante l'Articolo 4.1 del Protocollo Amministrativo.

8. Si prende atto che, sebbene l'intento dell'Articolo 5.5 del Protocollo Amministrativo risulti chiaro in entrambe le versioni,

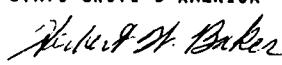
l'ultima frase di tale paragrafo nella formulazione del testo italiano rifletterebbe più chiaramente tale intento se fosse così riformulata: "Con la comunicazione della concessione il richiedente sarà informato che ha la facoltà, nei tre mesi dalla data della concessione della prestazione, di optare in base a quanto previsto o al paragrafo 3 o al paragrafo 4 dell'Articolo 9 dell'Accordo".

Fatto a Roma, il 4 Ottobre 1978, in duplice copia, nelle lingue italiana e inglese, ambedue i testi facenti ugualmente fede.

PER IL GOVERNO DELLA
REPUBBLICA ITALIANA



PER IL GOVERNO DEGLI
STATI UNITI D'AMERICA



[EXCHANGE OF NOTES]

No. 33

ROME, January 16, 1978

EXCELLENCY:

I have the honor to refer to the Agreement between the United States of America and Italian Republic on the matter of social security signed in Washington on May 23, 1973, to the Administrative Protocol for the implementation of the 1973 Agreement signed in Rome on November 22, 1977, and to Article 2, Paragraph 3, of the 1973 agreement.

The social security amendments of 1977 (Public Law 95-216) which became law on December 20, 1977, have, *inter alia*, altered the method of computing benefits under the Social Security Act after December 31, 1978. As a result of this change, which in general eliminates the use of a benefit table for computing benefits after December 31, 1978, the definition of "basic benefit amount" which is applicable to the United States now contained in Article 1.K of the 1973 agreement will be obsolete after that date. Since the continued reference to that definition would make the 1973 agreement, as a practical matter, inoperable under United States law after December 31, 1978, and since that would be contrary to the purposes of the agreement and to the intent of the contracting parties, the United States proposes to use the following language as the definition for purposes of implementing the 1973 agreement after December 31, 1978. If this definition is acceptable to the Government of the Italian Republic, the Congress of the United States will be so informed during the process of review leading to the approval of the 1973 agreement and the 1977 Administrative Protocol and their subsequent implementation.

It is therefore proposed that, beginning on January 1, 1979, that portion of Article 1.K of the 1973 agreement which defines "basic benefit amount" with respect to the United States of America shall be interpreted to mean:

and as regards the United States of America, 'primary insurance amount' based on a worker's average monthly earnings or average indexed monthly earnings, as provided in section 215(a) of the Social Security Act as amended by the Social Security amendments of 1977;

Except with respect to this interpretation, all terms and conditions of the 1973 Agreement and the 1977 Administrative Protocol remain the same. I propose that, as to the interpretation of Article 1.K of the 1973 Agreement, this note and your reply concurring therein constitute an agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

RICHARD N. GARDNER

His Excellency

ARNALDO FORLANI,

*Minister of Foreign Affairs,
Rome.*

IL MINISTRO DEGLI AFFARI ESTERI

No. 82

ROMA, 20 Gen. 1978

SIGNOR AMBASCIATORE,

ho l'onore di riferirmi alla Sua lettera n. 33 del 16 gennaio 1978, del seguente tenore:

"EXCELLENCY:

I have the honor to refer to the Agreement between the United States of America and the Italian Republic on the matter of social security signed in Washington on May 23, 1973, to the Administrative Protocol for the implementation of the 1973 Agreement signed in Rome on November 22, 1977, and to Article 2, Paragraph 3, of the 1973 Agreement.

The social security amendments of 1977 (Public Law 95-216) which became law on December 20, 1977, have, *inter alia*, altered the method of computing benefits under the Social Security Act after December 31, 1978. As a result of this change, which in general eliminates the use of a benefit table for computing benefits after December 31, 1978, the definition of "basic benefit amount" which is applicable to the United States now contained in Article 1.K of the 1973 agreement will be obsolete after that date. Since the continued reference to that definition would make the 1973 agreement, as a practical matter, inoperable under United States law after December 31, 1978, and since that would be contrary to the purposes of the agreement and to the intent of the contracting parties, the United States proposes to use the following language as the definition for purposes of implementing the 1973 agreement after December 31, 1978. If this definition is acceptable to the Government of the Italian Republic, the Congress of the United States will be so informed during the process of review leading to the approval of the 1973 agreement and the 1977 Administrative Protocol and their subsequent implementation.

It is therefore proposed that, beginning on January 1, 1979, that portion of Article 1.K of the 1973 agreement which defines "basic

benefit amount" with respect to the United States of America shall be interpreted to mean:

and as regards the United States of America, "primary insurance amount" based on a worker's average monthly earnings or average indexed monthly earnings, as provided in section 215(a) of the Social Security Act as amended by the Social Security amendments of 1977;

Except with respect to this interpretation, all terms and conditions of the 1973 Agreement and the 1977 Administrative Protocol remain the same. I propose that, as to the interpretation of Article 1.K of the 1973 Agreement, this note and your reply concurring therein constitute an agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurances of my highest consideration."

Al riguardo ho l'onore di comunicarLe che il mio Governo concorda circa la proposta contenuta nella lettera medesima, concernente l'interpretazione dell'articolo 1.K dell'Accordo fra gli Stati Uniti d'America e la Repubblica Italiana in materia di sicurezza sociale firmato a Washington il 23 maggio 1973.

Voglia accettare, signor Ambasciatore, i rinnovati sensi della mia più alta considerazione.

A FORLANI

S.E. l'Ambasciatore

RICHARD GARDNER

*Ambasciata Degli Stati Uniti
d'America
Roma*

Translation

THE MINISTER OF FOREIGN AFFAIRS

No. 82

ROME, January 20, 1978

MR. AMBASSADOR:

I have the honor to refer to your letter No. 33 of January 16, 1978 which reads as follows:

[For the English language text, see pp. 4356-4357]

I have the honor to inform you that my Government agrees to the proposal contained in the foregoing letter concerning the interpretation of Article 1.K of the Agreement between the United States of America and the Italian Republic on the matter of Social Security signed in Washington on May 23, 1973.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

A. FORLANI

His Excellency

RICHARD GARDNER,

*Embassy of the
United States of America,
Rome.*

PHILIPPINES

Rural Electrification

*Agreement signed at Manila January 13, 1978;
Entered into force January 13, 1978.*

A.I.D. Loan Number 492-T-047
Project Number 492-0321

PROJECT
LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF THE PHILIPPINES
and the
UNITED STATES OF AMERICA
for
RURAL ELECTRIFICATION V

Dated: January 13, 1978

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A.I.D. Project No. 492-0321

Project Loan Agreement

Dated January 13, 1978.

Between

Republic of the Philippines

And

The United States of America, acting through
the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex I, will consist of the continuation of certain commodity inputs to assist with the introduction of electricity into all barrios in the Philippines by 1984 with the ultimate purpose of total electrification of the countryside by 1990. A.I.D. financing will assist the Borrower to achieve

the two initial targets of the program -- to establish a rural electric cooperative in every province by the end of 1977 and to complete a backbone system electrically linking all municipalities in the cooperative system by the end of 1980. The proceeds of this Loan will be used to assist the National Electrification Administration (the "Beneficiary") to finance the foreign exchange costs of Project-related goods and services required by the Beneficiary and/or the rural electric cooperatives.

Annex I, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Eight Million Four Hundred Thousand United States ("U.S.") dollars (\$8,400,000.00 ("Loan"). The aggregate amount of

^[1]75 Stat. 424; 22 U.S.C. § 2151 note.

disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$10,000,000.00, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1979, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed

subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue

from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management,

Agency for International Development, Washington, D.C.
20523, U.S.A., and will be deemed made when received
by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all
interest and any refunds then due, the Borrower may
prepay, without penalty, all or any part of the Principal.
Unless A.I.D. otherwise agrees in writing, any such pre-
payment will be applied to the installments of Principal
in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate,
at such time or times as either may request, an accel-
eration of the repayment of the Loan in the event that
there is any significant and continuing improvement in
the internal and external economic and financial posi-
tion and prospects of the Republic of the Philippines,
which enable the Borrower to repay the Loan on a shorter
schedule.

(b) Any request by either Party to the other to so
negotiate will be made pursuant to Section 9.1, and will
give the name and address of the person or persons who
will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Director-General, National Economic and Development Authority, in the Republic of the Philippines.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms; and

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Borrower covenants and agrees that the Beneficiary will implement the evaluation plan as set forth in the A.I.D. Project Paper for this Project.

SECTION 6.2. Relending of Loan Proceeds. The Borrower covenants and agrees that the Beneficiary will make the Loan proceeds available to the rural electric cooperatives on the same terms and conditions agreed upon for the rural electric cooperatives financed under the last rural electrification loan (A.I.D. Loan No. 492-T-043)^[1] provided by A.I.D.

SECTION 6.3. Borrower Resources to the Beneficiary. The Borrower covenants and agrees to make available to the Beneficiary on a timely basis Peso funds required for the implementation of the Project.

SECTION 6.4. Maintenance of Value. The Borrower covenants and agrees to absorb any maintenance of value risks on behalf of the Beneficiary and the rural electric cooperatives.

SECTION 6.5. Environmental Assessment. The Borrower covenants and agrees that an environmental assessment will be conducted by the Philippine Interagency Committee for Ecological Studies of the rural electrification program with the results and recommendations of such assessment incorporated into the Project implementation plan.

SECTION 6.6. Use of A.I.D.-Financed Commodities. The Borrower covenants and agrees that no A.I.D.-financed commodities will be provided to individual rural electric

¹ TIAS 8704; 28 UST 7078.

cooperatives prior to certification by the Beneficiary and its consultant as to the technical, economic and financial soundness of each proposed cooperative system.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contract entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex,^[1] Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

Article 9: Miscellaneous

SECTION 9.1. Communications. Except as expressly provided in Section 4.3, any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: National Economic and Development Authority
P.O. Box 1116
Manila, Philippines

Alternate address for telegrams: NEDAPHIL

To A.I.D.:

Mail Address: United States Agency for International Development
c/o The American Embassy
Manila, Philippines

Alternate address for telegrams: USAID/AMEMB MANILA

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the Director-General, National Economic and Development Authority, and A.I.D. will be represented by the individual holding or acting in the office of the Director of the United States A.I.D. Mission to the Philippines, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex II)^[1] is attached to and forms part of this Agreement; provided, however,

^[1] See footnote 1, p. 4878.

that Section C.7.(b) of Annex II is hereby modified by inserting the words "Except as A.I.D. may otherwise agree in writing," at the beginning of the second sentence of said Section C.7.(b).

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

REPUBLIC OF THE PHILIPPINES

By: Peter M. Cody
Peter M. Cody

By: Gerardo P. Sicat
Gerardo P. Sicat

Title: Director
U.S. Agency for
International Development

Title: Secretary of Economic Planning
(Director General)
National Economic &
Development Authority

Annex I

Description of ProjectBrief Description and Implementation Responsibilities

This loan will provide an \$8.4 million line of credit to continue the support of the Government of the Philippines' rural electrification program. That program has received previous support from A.I.D. under Loans No. 492-H-028, 492-T-034, 492-T-036, and 492-T-043. The materials imported under this Loan will be used, together with the materials and equipment imported under the above-mentioned previous Loans and with locally available materials, equipment, and labor, to continue the construction and expansion of distribution systems under the nationwide rural electrification program.

The implementing agency for the overall project will be the National Electrification Administration (NEA), also referred to in this Agreement as the "Beneficiary", which was established in 1969 under the provisions of Republic Act No. 6038 and reorganized and expanded in accordance with Presidential Decree No. 269, dated August 6, 1973.

The sub-borrowers of NEA, and individual implementing agencies, will be the various rural electric cooperatives throughout the country. Each of these cooperatives is a non-stock, non-profit, membership cooperative organized for the sole and specific purpose of supplying electric service on an area coverage basis. Most of these electric cooperatives are registered under the provisions of Chapter III of Presidential Decree No. 269, although some are conversions of systems established under earlier acts.

The line of credit made available under this Loan will be used to import electrical conductor needed for the construction and expansion of 7.62/13.2 KV "backbone" systems designed to electrically link all major population areas in the municipalities of the areas served by rural electric cooperatives. The individual electrical distribution systems assisted by this and the previous A.I.D. loans are the rural electric cooperatives (patterned after rural electric cooperatives in the United States) referred to above.

Detailed Description

While the long range objective of the Government of the Philippines (GOP) is electrification of the entire country by 1990, program implementation by NEA has concentrated on the attainment of its immediate objectives -- the establishment of at least one electric cooperative in every province by the end of 1977 and the completion of a "backbone" system electrically linking all municipalities (equivalent to U.S. counties) in each cooperative area by 1980.

To a great extent many of the targets established by NEA have been realized. The NEA will have established at least one electric cooperative in every province by 1977 (with the exception of several small island provinces where feasibility studies indicate that an electric cooperative could not sustain itself). Even now there are a number of provinces with more than one electric cooperative. By the end of September 1977, 92 electric cooperatives had been organized of which 74 were partially or wholly energized. Furthermore, over 520 municipalities including 5,300 barrios have been energized. There are almost 600,000 households, representing approximately 3.6 million people, now receiving electricity through rural electric cooperatives.

To achieve the 1980 target of a completed backbone system, however, NEA will have to undertake an aggressive program of 7.62/13.2 KV line construction. It is currently estimated that NEA will have to construct more than 22,000 kilometers of backbone line from 1977 to 1980. Broken down by year, the figures are approximately as follows:

Year	1977	1978	1979	1980
Km. of Backbone	5400	6500	6500	3900

More specifically, NEA has planned the following targets for the last quarter of 1977 and the four quarters of 1978:

	4th Qtr 1977	1st Qtr 1978	2nd Qtr 1978	3rd Qtr 1978	4th Qtr 1978
Km. of Backbone	1360	1625	1625	1625	1625

Construction of this amount of backbone system during those five quarters will required electrical conductor in the following sizes and amounts:

#2/0 conductor -- 14,800 kilometers

#1/0 conductor -- 18,160 kilometers

The NEA currently has in their warehouses or on order only about 2,850 kilometers of #2/0 conductor and no #1/0 conductor. Therefore, in order to undertake and complete the planned construction of backbone systems through 1978, an additional 11,950 kilometers of #2/0 conductor and the entire 18,160 kilometers of #1/0 conductor will have to be imported during the next twelve months. The funds made available under this Loan are estimated to be sufficient to finance that importation. Should the actual cost of the needed conductor be less than the amount of this Loan, the balance of the Loan may be used to finance additional goods and services needed in the implementation of the rural electrification program and as agreed to by the Parties.

Attachment 1

FINANCIAL PLAN -- RURAL ELECTRIFICATION V

	<u>4th Qtr 1977</u>	<u>1st Qtr 1978</u>	<u>2nd Qtr 1978</u>	<u>3rd Qtr 1978</u>	<u>4th Qtr 1978</u>	<u>Total</u>
<u>USAID (\$000)</u>						
Conductor	-	-	1,200	3,500	3,700	8,400
Total, AID						\$8,400
<u>GOP (#000)</u>						
Poles, Crossarms	5,300	6,600	7,200	8,500	8,500	36,100
Labor	3,800	4,800	5,400	6,400	6,400	26,800
A & E Firms	1,800	1,800	2,500	3,100	2,500	11,700
Total, GOP						#74,600

(Exchange rate \$1.00 = #7.46)

TIAS 9059

PHILIPPINES

Crop Protection

*Agreement signed at Manila January 13, 1978;
Entered into force January 13, 1978.*

A.I.D. Loan Number 492-T-045

Project Number 492-0288

PROJECT
LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF THE PHILIPPINES
and the
UNITED STATES OF AMERICA
for
CROP PROTECTION

Dated: January 13, 1978

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A.I.D. Loan No. 492-T-045

A.I.D. Project No. 492-0288

PROJECT LOAN AGREEMENT

Dated January 13, 1978

Between

The Republic of the Philippines ("Borrower")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

Section 2.1. Definition of Project. The Project which is further described in Annex I, will consist of the development of an integrated crop protection capability in order to reduce losses due to crop pests and ultimately to increase the productivity and income of small farmers. The proceeds of the Loan will be used to assist in the strengthening of a National Crop

Protection Center and seven Regional Crop Protection Centers to research, test and disseminate information on pest control techniques to small farmers. The Loan shall provide funding for training, equipment and technical services. Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

Article 3: Financing

Section 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to lend the Borrower under the terms of this Agreement not to exceed Five Million United States ("U.S.") Dollars (\$5,000,000.00) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

Section 3.2. Borrower Resources for the Project.

- (a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by the Borrower for the Project will be not less than the equivalent of U.S. \$5,619,000.00, including costs borne on an "in-kind" basis.

Section 3.3. Project Assistance Completion Date.

- (a) The "Project Assistance Completion Date" (PACD), which is September 30, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.
- (b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services per-

- formed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

Section 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and

at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

Section 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

Section 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied

first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A. and will be deemed made when received by the Office of Financial Management.

Section 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

Section 4.5. Renegotiation of Terms.

- (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Republic of the Philippines, which enable the Borrower to repay the Loan on a shorter schedule.

- (b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.
- (c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.
- (d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c).
The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the National Economic and Development Authority of the Republic of the Philippines.

Section 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

Section 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;
- (b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

- (c) A copy of the Memorandum of Understanding between the National Crop Protection Center (NCPC) and the Bureau of Plant Industries (BPI), completed and signed;
- (d) An example of the contract to be used with individuals or firms for short and long term technical advisory services;
- (e) A training plan and schedule for all training to be financed under the Loan;
- (f) Preliminary plans and specifications, cost estimates and estimated time schedules for construction of the National Crop Protection Center;
- (g) A schedule for the completion of the Regional Crop Protection Centers;
- (h) A schedule for procurement of the technical advisory services;
- (i) The evaluation program referred to in Section 6.1; and
- (j) A schedule of commodity procurement activities.

Section 5.2. Disbursement for Procurement of Equipment. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for procurement of certain highly specialized equipment listed in Attachment 1 of Annex I of this Agreement, the Borrower will, except

as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An executed contract for the services of a procurement specialist, as one of the short term consultants, for the procurement of specialized equipment; and
- (b) Technical specifications, prepared with the assistance of the procurement specialist, for such equipment.

Section 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

Section 5.4. Terminal Dates for Conditions Precedent.

- (a) If all conditions specified in Section 5.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.
- (b) If all of the conditions specified in Section 5.2 have not been met within 18 months from the date of this Agreement, or such later

date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

Article 6: Special Covenants

Section 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

Section 6.2. Interim Staff. The Borrower covenants and agrees that an adequate number of qualified scientists and trainers from other Government of the Philippines entities will be made available on loan to the Project to effectively carry out the operations until the permanent staff are trained. The Borrower also covenants and agrees that enough fully qualified candidates shall be available or made available to fill participant training positions scheduled in the Project.

Section 6.3. Training Service Agreement. The Borrower covenants and agrees that each participant financed with Loan funds shall execute an agreement with the Borrower to serve the sponsoring agency or institution for a period of at least two times the length of training received.

Article 7: Procurement Source

Section 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services

("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex II, [¹] Section C.1 (b) with respect to marine insurance.

Section 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 will be used exclusively to finance the cost of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Philippines ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 8: Disbursements

Section 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. [Footnote added by the Department of State.]

- (1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or
 - (2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.
- (b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

Section B.2. Disbursement for Local CurrencyCosts.

- (a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.
- (b) The local currency needed for such disbursement hereunder may be obtained:
- (1) By acquisition by A.I.D. with U.S. dollars by purchase; or
 - (2) By A.I.D. (A) requesting the Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement

from the United States under appropriate procedures described in Project Implement- at on Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b) (2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

Section 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

Section 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into the Republic of the Philippines by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of the Philippines at the highest rate of exchange

which, at the time the conversion is made, is not unlawful in the Republic of the Philippines.

Section 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9: Miscellaneous

Section 9.1. Communications. Any notice, request document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: National Economic and Development Authority
P.O. Box 1116
Manila, Philippines

Alternate address for cables: NEDAPHIL

To A.I.D.:

Mail Address: United States Agency for
International Development
c/o The American Embassy
Manila, Philippines

Alternate address for cables: USAID/AMEMB MANILA

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the Director General, National Economic and Development Authority and A.I.D. will be represented by the individual holding or acting in the office of the Director, United States A.I.D. Mission to the Philippines, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 9.3. Standard Provisions Annex. A

"Project Loan Standard Provisions Annex" (Annex II) [¹]

is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA
By: Peter M. Cody
Peter M. Cody

REPUBLIC OF THE PHILIPPINES
By: Gerardo P. Sicat
Gerardo P. Sicat

Title: Director Title: Secretary of Economic Planning
U.S. Agency for (Director General)
International Development National Economic &
Development Authority

C o n c u r :
By: Arturo R. Tanco, Jr.
Arturo R. Tanco, Jr.

Title: Secretary
Department of Agriculture

¹ See footnote 1, p. 4399. [Footnote added by the Department of State.]

Annex I

DESCRIPTION OF PROJECT

A loan of up to Five Million U.S. Dollars (\$5,000,000.00) is provided to assist the Republic of the Philippines in the strengthening of a National Crop Protection Center and seven Regional Crop Protection Centers to research, test and disseminate information on pest control techniques to Filipino farmers, thereby contributing to self-sufficiency in food commodities and to increase small farmer income.

The Project will be implemented within the Republic of the Philippines by the National Crop Protection Center at the University of the Philippines at Los Banos (UPLB) in cooperation with the Bureau of Plant Industry (BPI) of the Department of Agriculture. The Director of the National Crop Protection Center will be the senior government official serving as the coordinator on behalf of the Borrower. In this capacity, the National Crop Protection Center will be the official channel for communications between A.I.D. and the implementing government agencies. NEDA will serve as the official Borrower's representative and will make interagency arrangements for the financing of local currency costs.

A. GOP Contributions1. Physical Facilities

The Borrower, through UPLB, will provide funds for the main training and research building of the National Center during the first year of the Project and construction contracts will be awarded within six months from execution of this Loan Agreement. Until completion of the permanent facilities, UPLB will provide temporary quarters for the National Center at the Rodent Research Center. Five of the Regional Centers are scheduled to have completed facilities during the first year of the Project. The final two Regional Centers have no existing physical facilities at present and it is planned that facilities at these will be funded and constructed by the Borrower through the BPI of the Department of Agriculture during the first and second years of the Project. Submission of adequate plans and commitments for infrastructure at the National Center and a schedule for completion of the Regional Centers are conditions precedent to disbursement in the Project Loan Agreement.

2. Operation and Maintenance Budgets

Provision of annual operation and maintenance budgets for the National Center will be the responsibility of the University of the Philippines, Los Banos (UPLB); and provision of operation and maintenance budgets for the Regional Centers will be the responsibility of the Bureau of Plant Industry (BPI) of the Department of Agriculture.

3. Staffing

The Borrower, through the University of the Philippines and the Department of Agriculture, will provide adequate manpower to meet supporting nonprofessional staff requirements of the Centers for all research, training and extension activities. In specialties where adequately trained personnel are currently available in the country and where their recruitment by the Centers would not jeopardize other country programs, qualified persons will be chosen from these pools and provided an opportunity for career positions at the Centers. In specialties where trained in-country personnel are currently available in adequate numbers for this program but permanent or full-time use of these individuals would jeopardize efforts in other programs, the Borrower will provide scientists and other professionals to the Centers on an interim basis. These scientists, drawn from academic and other government positions, will devote a reasonable portion of their time, estimated to be at least 60 working days per year, to Center activities and will serve as part-time staff members of the Centers. The provision of these scientists on an interim basis is a covenant of the Project Loan Agreement.

B. The A.I.D. Loan will provide funding for:

	<u>Estimated Cost</u>
Technical services in the area of crop protection;	\$ 817,000
Training crop protection specialists at the M.S. and Ph.D. Level;	1,313,000
Selective support of local conferences and attendance of staff at international conferences in pest management;	33,000
Training and research equipment for the National Center and for four of the Regional Centers; and	2,479,531
Selective research equipment for the remaining three Regional Centers.	<u>357,469</u>
Total	\$5,000,000

1/ Adjustments of line items of up to 15% is permitted provided the obligated total is not exceeded.

1. Technical Services

In essential specialty areas, where there is an inadequate pool of skilled, national personnel, \$817,000 (16.3 percent) of the loan funds will provide financing for short and long term technical assistance until national personnel have been trained. For the short-term consultants, the project loan funds will be used to cover international travel, per diem, and personnel compensation of the consultant; and in-country travel as necessary will be financed by the Borrower through UPLB. For the long-term consultants, personnel compensation and international travel (including consultation, education, emergency, initial and home leave) would come from project

loan funds; residential rent, utilities, in-country travel and per diem while away from permanent station would be financed by the Borrower through UPLB. Expatriate consultants will be identified and hired by the National Center. As required by A.I.D. policy, these experts will be hired on a host-country contract basis. All contracting activities relating to the A.I.D. financed consultants will conform to A.I.D.'s Handbook No. 11 and will be the responsibility of the National Center.

2. Training

In specialties where reliance on presently trained personnel by the Centers could strain country efforts in other programs, \$1,313,000 (26.3 percent) of the loan funds will provide for participant training at both the Ph.D. and M.S. levels. At the Ph.D. level, funds will be used for academic training (including miscellaneous costs) and travel within the U.S. Costs for transportation to and from the U.S. may be loan funded or provided by the Borrower. At the M.S. level, training will be conducted at the University of the Philippines at Los Banos, or other academic institutes within the country as appropriate, and loan funds will be used to cover the local costs of academic training. Recruitment of qualified candidates for these training programs is the responsibility of the National Center, in cooperation with the Regional Centers, and an assurance that enough fully qualified candidates are available is a covenant (Section 6.2) to the Project Loan Agreement.

The Centers will prepare detailed scopes of training for participant trainees according to program needs. Candidate trainees will be identified by the Centers and submitted to NEDA. NEDA will review the appropriateness of the training and the candidate and submit nominations to A.I.D. A.I.D. will review the nominations on technical grounds and accept or reject for participant training. The A.I.D. Training Office will assist in placement of participants as requested. All trainees will begin academic work during the first two years of the Project. We anticipate that the average length of training at both the Ph.D. and M.S. levels will be three years.

3. Conference Support.

To provide cooperative and collaborative working relationships among researchers in the Philippines, between researchers in the Philippines and those of other countries in the area of crop protection, and between national research and extension programs in pest management, the Loan will provide \$33,000 (.66 percent) for attendance of national scientists at international conferences and to support national conferences in the area of pest management. For the international conferences, loan funds may be used to provide international travel and per diem costs for the scientists. For local conferences, loan funds may be used for supporting costs such as preparation of materials while the Borrower will provide for local travel, per diem and personal expenses of attendees. In-service training programs of the Centers will not be financed using loan funds. Attendance at international conferences will be eligible for support during the first four years of the Project. National conferences will also be eligible for loan support during the first four years of the Project.

4. Equipment

To assure that the Centers are adequately equipped, \$2,837,000 (56.7 percent) of the loan fund will be used for purchase of commodities. Commodity requirements were developed by the Borrower with the assistance of A.I.D. and specifications are already known for many of the items. Responsibility for completion of these specifications is that of the National Center in cooperation with the Crop Protection Division of the Bureau of Plant Industry. Procurement will be the responsibility of the National Center. In addition, a condition precedent to the Loan is agreement by the Borrower to hire a procurement specialist as one of the short-term consultants to assist in obtaining the following highly specialized equipment which will be purchased during the latter years of the Project:

	<u>Price</u>	<u>Qty.</u>	<u>Cost</u>
A. Nuclear Magnetic Resonance Spectrometer	25,000	1	25,000
B. Mass Spectrometer, with gas chromatograph Varian MAT III	180,000	1	180,000
C. Scanning Transmission Electron microscope.	100,000	1	100,000
D. S.E.M. accessories, including ultra-microtome and tissue processor	<u>69,000</u>		<u>69,000</u>
Sub-total	374,000		374,000

Purchasing schedules will be based on the availability of adequate physical facilities and trained manpower to properly use and maintain the equipment, and in accordance with the schedule set forth as a condition precedent to disbursement.

Because the National Center is under the administrative responsibility of the University of the Philippines at Los Banos and the Regional Centers are under the administrative responsibility of the Bureau of Plant Industry, a condition precedent in the Project Loan Agreement is the signing of a memorandum of understanding between the University of the Philippines at Los Banos and the Bureau of Plant Industry which defines their cooperative roles in the administration and operation of the Centers.

By the end of the Project, it is planned that the National Crop Protection Center and all seven of the Regional Crop Protection Centers will be fully organized and have completed physical facilities; core staff of training and research personnel will have completed formal academic training; cooperative and collaborative working relationships will be established between research, extension, the pesticide distribution system and government policy-making organizations and the Centers; the Center staff will be actively engaged in training extension technicians and key farmers (such as Barangay Leaders) in latest pest management practices; and the Center staff will be actively engaged in conducting priority research according to the

short and long-term crop protection needs of the country as determined and defined in the PCARR sponsored National Research Congress.

A detailed description of the planned costs is presented, according to project inputs, in the table set forth in Attachment 1 to Annex I. The table depicts the estimated costs to the Philippine government and disbursements from the Loan for activities under each of the Project inputs.

Summary Cost Estimate and Financial Plan, Crop Protection^{1/}
Project No. 492-0299-ASIA BUREAU CODE -04
(\$000)

Attachment 1.

Components	FY 78			FY 79			FY 80		
	AID-FX	AID-LC	GOP-LC	AID-FX	AID-LC	GOP-LC	AID-FX	AID-LC	GOP-LC
U.S. Technicians	26	-	4	183	-	-	37	242	-
Participants	-	-	-	119	67	-	3	348	119
Commodities	-	-	-	1,690	-	-	395	-	-
Others	-	-	1,297	2	6	1,099	2	6	878
Sub-Totals	26	-	1,301	1,994	73	1,139	987	125	93

Components	FY 81			FY 82			TOTALS ^{2/}		
	AID-FX	AID-LC	GOP-LC	AID-FX	AID-LC	GOP-LC	AID-FX	AID-LC	GOP-LC
U.S. Technicians	257	-	55	109	-	-	22	817	-
Participants	357	110	18	152	41	-	14	976	337
Commodities	-	-	-	541	-	-	2,837	-	-
Others	2	6	974	2	7	1,164	8	25	5,412
Sub-Totals	824	116	1,047	806	48	1,200	4,638	362	5,619

1/ Figures presented include an AID-FX inflation factor of 6% and an AID-LC and GOP-LC inflation factor of 7%, compounded yearly; and, a contingency factor of 4%.

2/ Adjustments of line item amounts and between years, of up to fifteen percent are permitted provided the obligated total is not exceeded.

PHILIPPINES

Bicol Integrated Area Development

*Agreement signed at Manila January 13, 1978;
Entered into force January 13, 1978.*

A.I.D. Loan Number 492-T-046Project Number 492-310

PROJECT
LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF THE PHILIPPINES
and the
UNITED STATES OF AMERICA
for
BICOL INTEGRATED AREA
DEVELOPMENT II
(BULA-MINALABAC LAND CONSOLIDATION)

Dated: January 13, 1978

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A.I.D. Project No. 492-310

Project Loan Agreement

Dated January 13, 1978

Between

The Republic of the Philippines ("Borrower")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex I, will consist of (a) the construction and provision of pump irrigation, drainage and road access facilities and equipment within the 2300 hectare Project area; and (b) related Project components of homesite development, land consolidation and tenure reform, organizational development, training and applied agricultural research. Annex I, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2 without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Borrower, may specify in Project Implementation Letters appropriate time periods for the utilization of funds loaned by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs or carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [¹] agrees to lend the Borrower under the terms of this Agreement not

¹75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

to exceed Two Million Two Hundred Fifty Thousand United States ("U.S.") dollars (\$2,250,000.00) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project. Provided, however, that One Hundred Thousand U.S. Dollars (\$100,000.00) may be used only for support of improved village water systems and shall not be available for general Project funding purposes.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$2,194,000.00, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1982, or such other date as

the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place

of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all

interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Republic of the Philippines which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Director General, National Economic and Development Authority, in the Republic of the Philippines.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;
- (b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;
- (c) A copy of the Philippine government order establishing the Department of Agrarian Reform (DAR) as the lead implementing agency, responsible to the Bicol River Basin Development Program Office (BRBDPO), the coordinating agency, for the effective and timely implementation of this Project;

(d) A copy of the Philippine government order establishing a composite Project Management Office (PMO) under the supervision of the DAR regional office, with authorities and responsibilities to enable the PMO to effectively carry out assigned functions, including necessary delegations of authority from the Department of Agrarian Reform (DAR), the lead implementing agency, to the DAR Regional Director and the Project Manager to (1) enter into contracts; (2) make financial payments for work accomplished; and (3) hire any additional personnel required by the PMO;

(e) A plan for the implementation of the Project prepared by the PMO, including a projection of funds available to finance the various elements of the Project;

(f) A plan as called for in Section 6.1, for socio-economic and construction evaluation of the Project, the former by BRBDPO contract, the latter involving periodic review of the Project by an evaluation team consisting of, inter alia, one representative of BRBDPO, NEDA, and A.I.D., and an undertaking by the Borrower that it will cause periodic recommendations of the Project Evaluation Team to be implemented in a timely and effective manner;

(g) Written assurance from the BRBDPO that a farmer-controlled Irrigators Association will be formed for each separate irrigation system constructed, properly

chartered, and that they will be given complete responsibility for managing, operating and maintaining the systems prior to the third full cropping season after their construction is completed and operational in each phase, including provisions for the collection of water fees and the repayment of construction costs, in accordance with government policy, and a plan for systematic operations and maintenance;

(h) Notification that all money has been allotted to fund the first year of construction, contracting and all other first year Project activities as agreed in the implementation plan, including sufficient money to contract final architectural and engineering design and construction drawings as required for the Project and the Cash Disbursement Ceiling for the first quarter has been released; and

(i) A copy of the appropriate water permit duly procured from, or endorsed by, the National Water Resources Council covering all diversions and uses of public water resources proposed in this Project, except that, if river and ground water permits must be procured separately, the river water permit shall satisfy this condition precedent (the ground water permit shall be provided as part of a subsequent condition for Phases II and III as described in Annex I).

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Issuance of Certificates of Land

Transfer. The Borrower, through the DAR, will, within twelve months from the completion of construction in each of the five phases of the Project area, issue all Certificates of Land Transfer (CLT's) and secure written, registered leasehold contracts for all farmers eligible in that phase area under R. A. 3844, P. D. 27 and subsequent implementing instructions, it being understood that in most cases the CLT's will be for consolidated plots of land and will often differ in location and size from the farmers' original parcels, according to plan.

SECTION 6.3. Fixing of Land Values. The Borrower, through the DAR, will determine and fix within six months from the signing of the Loan Agreement, if it has not already done so, land values for all land in the Project area subject to transfer under the provisions of P. D. 27 and subsequent implementing instructions.

SECTION 6.4. Architectural and Engineering Services. The PMO and DAR will submit, in form and substance satisfactory to A.I.D., a copy of a signed contract with a reputable architectural and engineering firm(s) to complete final design, construction drawings, specifications and contract documents for Phases II, III, IV and V of the

Project and for any part of Phase I not completed by an "in-house" National Irrigation Administration (NIA)/DAR/BRBDP team, and to review the same for any part of Phase I completed by the "in-house" team.

(See also Section C.3. of Annex II).^[1]

SECTION 6.5. Construction Services. The PMO and DAR will submit for A.I.D. approval final engineering designs, drawings, specifications and the proposed construction contract for each phase of the Project as they are completed, with those for Phase I to be completed in sufficient time for IFB procedures and contract negotiations to be accomplished by the 1978 Bicol dry season.

(See also Section C.3. of Annex II).

SECTION 6.6. Rice Processing Facilities. The Borrower shall assure that the National Grains Authority (NGA) will implement current plans to construct and install a rice drying, milling and storage complex in the Municipality of Pili, Camarines Sur Province, so that it becomes operational with sufficient capacity to service the needs of the central portion of Camarines Sur Province, which includes the Bula-Minalabac Land Consolidation Project Area, by 1978, and that sufficient funds are released on a timely basis to NGA of Camarines Sur Province for this purpose.

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. [Footnote added by the Department of State.]

SECTION 6.7. Marketing Services. The Borrower shall assure that the Department of Local Government and Community Development (DLGCD) proceeds with current plans to establish branches of the Camarines Sur Area Marketing Cooperatives to service the entire IAD-II Land Consolidation Project area by no later than 1981.

SECTION 6.8. Agricultural Credit. The Borrower shall assure that sufficient agricultural credit funds are made available to Project area farmers through existing, revised, or successor programs to enable them to purchase such modern agricultural inputs, such as new seed varieties, fertilizer and insecticides, as are required to cultivate two crops of high-yield rice annually.

SECTION 6.9. Elementary Education. The Borrower shall assure that the Department of Education and Culture (DEC) will equip and staff the additional elementary grade classrooms to be constructed in Barangay San Jose and will continue to staff elementary classrooms in each of the other six barangays of the Project area, as required by the school age population, and that sufficient funds will be released to the DEC provincial office in Camarines Sur on a timely basis for that purpose.

SECTION 6.10. Low Cost Housing Study. BRBDP will, by the end of 1978, conduct a study, or contract to have one conducted, to determine the suitability of low-cost single-family rural house prototypes for the Project area and for similar rural areas of the Bicol River Basin and to recommend any administrative or institutional changes in existing mortgage loan programs that could facilitate home improvements or reconstruction by rural residents, when their average annual household income rises to a level sufficient to finance it.

SECTION 6.11. Environment. The Borrower, in consultation with A.I.D., agrees to review the findings of the environmental assessment in the post-authorization design and implementation stages of the Project for appropriate application therein.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing,

and except as provided in the Project Loan Standard Provisions Annex, Section C.1. (b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Philippines ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement

for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursement hereunder may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. Dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 8.3. Other Forms of Disbursement.

Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into the Republic of the Philippines by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of the Philippines at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of the Philippines.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: National Economic and Development Authority
P.O. Box 1116
Manila, Philippines

Alternate address for telegrams: NEDAPHIL

To A.I.D.:

Mail Address: United States Agency for International Development
c/o The American Embassy
Manila, Philippines

Alternate address for telegrams: USAID/AMEMB MANILA

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the Director General, National Economic and Development Authority, and A.I.D. will be represented by the individual holding or acting in the office of the Director, United

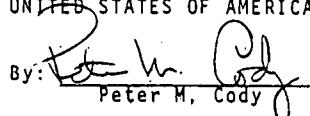
States A.I.D. Mission to the Philippines, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex II) [1] is attached to and forms part of this Agreement.

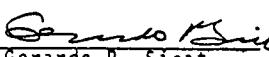
IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

REPUBLIC OF THE PHILIPPINES

By: 

Peter M. Cody

By: 

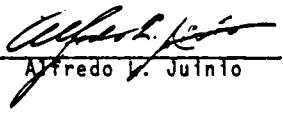
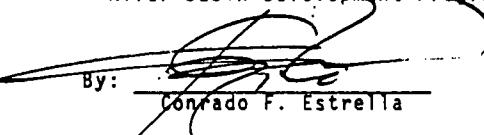
Gerardo P. Sicat

Title: Director
U.S. Agency for
International Development

Title: Secretary of Economic Planning
(Director General)
National Economic &
Development Authority

¹ See footnote 1, p. 4432. [Footnote added by the Department of State.]

REPUBLIC OF THE PHILIPPINES

Concur:By: 
Alfredo V. JuinioTitle: Secretary
Department of Public Works,
Transportation & Communications
and Cabinet Coordinator, Bicol
River Basin Development ProgramBy: 
Conrado F. EstrellaTitle: Secretary
Department of Agrarian Reform

Annex I

DESCRIPTION OF PROJECT

This Project is designed to improve the socio-economic situation and the quality of life of the rural poor residing in the Bula-Minalabac Area of the Bicol River Basin, an area characterized by severe poverty, land tenure insecurity, low agricultural productivity, poor irrigation and drainage facilities, and physical isolation.

The activities to be funded by this Project include (1) the construction and installation of major physical infrastructure facilities; (2) new homesite development and the relocation of farm houses and households to planned community homesites from scattered field locations; (3) land consolidation and tenure reform; (4) a series of interrelated organizational development and training activities; and (5) applied agricultural research specific to the Project Area.

A. Major Physical Facilities to be Constructed or Installed

These consist of diversion works (pumps and pump-houses), irrigation canals, drainage canals, service road and farm access path networks, multi-purpose community buildings and an elementary school.

Construction of Pumphouses and Installation of Pumps

The irrigation layout is designed as a rotational irrigation block system, with the blocks ranging from twenty to eighty hectares each, using pumps to irrigate the area drawing water from the Bicol River where possible.

The construction portion of the Project is divided into five geographical phases. (See Map). Each phase is a separate irrigation system and will have its own set of electrically-driven pumps to draw irrigation water from the Bicol River or from underground sources, depending upon the location of the irrigable area. Each pump station will be provided with a pump house complete with an overhead crane and other facilities for servicing the pumps.

Phases II and III, located further from the Bicol River, are designed to draw water from underground sources, pending the results of a professional groundwater survey and analysis to be completed in early 1978.

The implementation plan calls for a 4-year construction period, with Phase I construction scheduled to start in early 1978 and taking two years for completion. Phase II will be completed in 1979; Phase III in two years, 1979-1980; Phase IV in two years, 1980-1981; and Phase V in 1980.^{1/}

Phase I, with an estimated irrigable area of 567 hectares, will be irrigated by a set of two operating pumps, and one standby pump, to draw water from the Bicol River. The two operating pumps will be designed to deliver a maximum of 0.85 cubic meters per second (cms) of irrigation water, enough to supply the water needs of each rotational block including expected losses.

Phase II, located farther away from the Bicol River, will utilize underground water sources. Two pumping plants will be constructed, each with one deep-well pump capable of delivering irrigation water to rotational blocks, having an aggregate area of 184 hectares.

Similar to Phase II, the 286 hectares of Phase III will be irrigated by underground water sources. The topography of the area calls for the construction of an estimated five deep-well pumps. Each pump will serve one rotational block.

Phase IV, close to the Bicol River, will use surface water from the Bicol to irrigate 810 hectares of irrigable land. Three pumps are proposed, one of which is a standby, to divert water for 16 rotational units. This phase has some areas at elevation

^{1/}See Table I for the projected annual unit completion rate of physical construction activities.

higher than the proposed main canal. So, a set of up to three centrifugal booster pumps, one of which is a standby, will be installed to irrigate some 265 ha.

Phase V, with an estimate 215 ha, will be irrigated by three mixed-flow pumps, one of which is a standby, that will also draw water from the Bicol River. The set will supply up to 0.322 cms of irrigation water for the six rotational units in this phase.

Canals and Canal Structures

The Project Area requires an estimated 154 kilometers of irrigation canals: 23 km. of main canals, 26 km. of laterals and 105 km. of on-farm ditches or sub-laterals.

From each pumpsite stilling pool the water will run through the main canals, lined to minimize percolation water losses. Lateral and sub-lateral canals will be constructed of compacted earth. Along the main canal are conveyance and regulating structures such as road crossings, headgates, diversion boxes, turnouts, in various combinations, following standard NIA designs. The water will then be diverted from the main canal to the laterals by means of gated structures. Parshall Flumes or other suitable devices will measure the volume of water diverted to each lateral. The water from the laterals will be distributed to the rotational units through gated outlets with weirs. In no case will a rotational unit be irrigated from the main canal; the water will first pass through a lateral for better water management.

Drainage Canal System

The Bicol River Basin is subject to tropical storms, and the Project Area has a high probability of being partially flooded during the annual typhoon season. Good drainage to mitigate the level and duration of flooding is necessary to increase rice production. The drainage system will be designed to drain excess water from the fields and redirect it to areas where irrigation water is needed. It will also be designed to take advantage of existing waterways and the natural slope of the land to minimize construction costs.

Phase I will be drained by constructing a new drainage canal to convey water northerly to the Anayan River and thence to the Bicol River, and by constructing another canal along the southern boundary to convey water westerly to the Bicol. Both canals will help drain a large water-logged, frequently flooded area extending to the south beyond the Project Area, but protruding into the area between Phases I and III.

Phase II will be drained by Mataoroc Creek and Hamoraon Creek to the Bicol. Phase III will be drained by the existing Macatucas Creek to the Anayan River and thence to the Bicol. Phase IV will be drained by Hamoraon Creek to the Bicol on the north and by Anayan River to the Bicol in the south. Phase V will be drained by Hamoraon Creek to the Bicol on the south. There will be an estimated total of 92 kilometers of new drainage canal constructed, 1.6 km. main drainage, 38.1 km. secondary drainage and 52.5 km. on-farm drainage.

Service Road and Farm Access Path Network

Coincident with the construction of irrigation and drainage canals, the Project will construct an estimated 33 kilometers of service roads and 42 kilometers of farm access paths. Service roads will parallel the main irrigation canals and laterals and will connect with the 20 kilometers of larger secondary and feeder roads, to be constructed in the area by the Department of Public Highways under the A.I.D.-supported Bicol Secondary and Feeder Roads Project. Service roads will be 4 meters wide with gravel surfacing 3 meters wide and will include wider parking, passing and turn-around zones (30 meters long and 6 meters wide with gravel surfacing 5 meters wide) spaced at every intersection with a farm access path, 300 meters apart. They will be built up to a surface level at least 0.6 meters above the surface of adjacent fields.

TIAS 9061

The farm access paths will link each farmlot to service or feeder roads and will be 2 meters wide and surfaced with gravel to provide all-weather access. They will be constructed longitudinally between each compact farm (24-hectare block) and will be provided with concrete crossings to permit passage from path to field over drainage and irrigation canals. (See Map for the approximate design of the road network).

The Multipurpose Building and San Jose Elementary Schoolhouse

A three-room multipurpose building will be constructed in each of the seven Project Area barrios before the construction of each phase is begun. They will be first used as field administrative and work offices by the Project Management Office for final survey and engineering design activities, and for organizational and training activities during, and for one year following, the period of construction. One year after construction is completed in each phase the related building or buildings will be turned over to the Barangay Councils for their use as multipurpose Barangay Halls, one room will be designated as the Management Office of the Local Irrigators' Association and the other rooms will be available as meeting and social halls and for use by visiting extension workers, health, nutrition and family planning clinics, or for other related social services.

The proposed buildings are to follow the standard Bagong Lipunan (New Society) schoolhouse model designed specifically for typhoon-prone areas. They will be reinforced concrete structures with concrete hollow-block walls, and will be made available as a safe refuge to barangay residents during severe windstorms.

An eight building of identical design will be constructed in Barangay San Jose to serve as an elementary school. This is the only one of the

seven Project Area barangays without its own elementary school. Money is included in "Homesite Development" to relocate the schools in Barangays Sagrada and San Agustin.

B. Homesite Development and Relocation

The Project design includes the relocation of farm-beneficiaries to a developed community. Road networks and drainage facilities will be provided in the new homesite areas, and the homelots will provide about 500-650 square meters of land per household. The community site will provide areas for a school site, a chapel, a park and other facilities that may be desired. Homelots will be relocated strategically in such a way that the beneficiaries' farmlots will, on average, be only about one kilometer away. (See Map for the approximate locations of the 7 homesite areas).

Relocation is voluntary, unless the house occupies necessary road or canal right-of-way, and if a farmer is reluctant to move, no form of coercion will be used. His farmlot will in most cases simply be plotted to include his house, and his cultivable hectarage will be less by the size of his homelot. He will still be given title to another homelot in the new homesite area. Every household that relocates will be granted a flat ₱300.00 (\$40.00) to cover the minor expenses for repairs and replacement parts and materials such a house movement usually requires. No vouchers for expenses actually incurred will be required to justify receipt of this ₱300.00.

In addition to the relocation allowance, ₱1,000.00 (\$133.00) per household will be allocated to purchase small, hand-operated household water pumps (₱600.00 or \$80.00 each, including part of the labor requirements of driving a new shallow well) and the materials to construct a water-sealed pit privy (₱400.00 or \$53.00 each, all labor to be provided by the recipient). This cost is to be added to the irrigation construction loan and amortized by the recipients over a 40-year period. It is the minimum necessary to provide a sanitary community environment. The location of the shallow wells will be carefully plotted with respect to the location of the latrines to minimize possible contamination.

An A.I.D. loan contribution of not to exceed \$100,000.00 is included in the Loan to support further study of the household water requirements of the Project Area barangays and, if both the Borrower and A.I.D. agree, to support the design and construction of improved central water system facilities in those barangays. This amount will be in addition to and combined with the P728,000.00 (\$97,000.00, including cost escalation and contingencies) originally planned for the purchase of hand-operated household water pumps as part of the Borrower's contribution in the five barangays of Phases I, IV and V. In those cases where agreement is reached between A.I.D. and the Borrower that central water systems are more desirable than the planned hand-pumps, such systems will be substituted for the hand-pumps and funds substituted accordingly. If any part of the \$100,000.00 A.I.D. contribution for improved barangay water facilities is not required for the prescribed purposes over and above the planned Borrower contribution, it will be deobligated and not used for general Project funding.

C. Land Consolidation and Tenure Reform

Agricultural land consolidation entails planned physical restructuring of all farm lots which are fragmented, narrow, small, and/or irregular in shape. The Project will combine and re-shape the separate farmlot holdings of each farm-family beneficiary to form one contiguous holding within one or two kilometers from the operator's residence and thus facilitate farm operations and management. Unnecessary pathways, irrigation and drainage canals and/or rights-of-way shall be eliminated. Paddies, dikes, irrigation canals, and farm roads are designed to meet the requirement of intensive rice cultivation, in order to optimize the use of arable land, irrigation water, of available man-hours, and eventually of farm machinery and to facilitate joint operations.

In this Project consolidated farmlots are also to be organized into compact farms, discussed below, averaging 17 hectares each, to facilitate cooperative farming operations.

The Project Area is covered by Presidential Decree No. 27 ordering land tenure reform on rice and corn lands. The Operation Land Transfer and Leasehold System has been accelerated and currently there are 765 farmer-tenants who are already recipients of Certificates of Award (1959 program) or of Certificates of Land Transfer (CLT's -- current program).

The completion of the land transfer and leasehold system to cover all eligible tenants in the Project Area will be accelerated. All land values will have already been assessed and will be based on pre-project conditions in the 5 phases of the Project, so that the benefits of the Project will flow to tenant-beneficiaries. Specialists will be organized by the Department of Agrarian Reform (DAR) and assigned to the Project Management Office to serve as the "Tenurial Development Team". The Project plans to consolidate approximately 2,668 farmlots into 1,230^{1/} and to have them redistributed to 1,230 farmers by the end of 1981. Some 1,200 tenants and squatters will have been awarded CLT's for consolidated farms by that time. The eighteen Project Area tenants on landholdings below 7 hectares (the legal retention limit) have already negotiated and registered written leasehold contracts fixing rents at 25% of an average crop. The three-year average crop, and therefore the amount of rent, has already been determined and will not be subject to change as yields increase. The benefits of this Project are thus legally locked into the tenants' share of the crop and will not accrue to landlords.

The Land Consolidation Promotions Committee, already organized in Phase I and to be expanded to include local leaders of the other Phases, will assist the Tenurial Development Team in assessing land values, determining existing tillage rights and settling any controversies or disputes that might arise among farmer-beneficiaries, and in the equitable reallocation of land.

The following guidelines have been developed with the assistance of the Taiwanese land consolidation consultants:

1/ Due to the additional hectarage (195 ha.) to be brought under cultivation under this Project it is expected that about 23 farmlots will be demarcated in excess of the 1,230 to be distributed to presently qualified Project area farmers. These lots will be farmed out on government leases until qualified tillers can claim them.

1. Qualification of Beneficiaries

Since most of the Project Area is covered by the Land Reform Program, the re-allocation of land will utilize the masterlist of registered farmers of the Department of Agrarian Reform. Consideration will be given to the existing rules and regulations of that department wherein those beneficiaries or awardees who transferred their rights and interests over land already assigned to them (in Lirag Estate) without the consent of the department (exceptions are granted for widows, retirees, etc.) are disqualified to repurchase any lot under the administration of the DAR. In cases, however, where the Project will create social problems, priority will be given to the actual tillers of the land, as decreed in P.D. 27.

2. Disqualified Persons

Beneficiaries or awardees who transferred their rights and/or interests over the land without official consent will be disqualified. Furthermore, those who are not personally tilling the land and those who are physically incapable of tilling the land are disqualified.

3. Use of Excess Area

The actual tillage rights existing before land consolidation shall be the basis of calculation and re-allocation of farm lots. After Project completion any excess area will be allocated to qualified squatters in the Project Area.

4. Basis of Maximum and Minimum Area Allocation

To attain a more equitable wealth distribution, there will be a limit to the maximum area a family may own and cultivate. Presidential Decree No. 27 provides that no more than 3 hectares of irrigated riceland may be awarded to each farmer and his spouse, and no more shall be awarded than will bring their total owned and awarded land area up to the 3-hectare limit, including land previously owned or awarded elsewhere. In dividing up large

estates, no less than one hectare will be awarded any one former tenant or squatter family in this Project Area, since that is considered a minimum viable farm size.

D. Organizational Development and Training

Under the Project, 74 existing compact farms will be reorganized and 49 new ones organized as the basic production units, each one composed of an average of 17 hectares of contiguous, irrigated land tilled by about 10 farmers. Compact farms will serve as:

- channels for the introduction and dissemination of recommended farm technology;
- units to systematize and consolidate farm operations through cooperative and reciprocal group action;
- an institutional mechanism to facilitate improvement of on-farm water management practices;
- basic production units to purchase and operate small scale farm machinery as and when needed; and
- liability and guarantee groups for the acquisition of production and marketing credit.

Compact farms are being organized under the government's cooperative program; i.e., under the Barrio Association (Samahang Nayon), which themselves are to be federated and organized into a larger Area Marketing Cooperative.

An Irrigators' Association (IA) will be organized in each phase of the Project by the Project Management Office water management staff during the initial operational year of the irrigation system. IA members and staff at all levels will be trained and prepared to take over each system after the first full year of its operation in each Phase. The compact farms will be grouped by rotational irrigation blocks.

Each rotational block will be organized as an irrigation district. There will be 45 rotational blocks, but since some of the smaller ones in Phase III will be grouped together, there will be approximately 42 District Irrigators Associations (DIA's). All officers of the member compact farm units will become members of the DIA board. The compact farm coordinators will elect their district chairman and vice chairman.

An Irrigators' Association will be formed for each Phase of the Project to take over, operate and maintain each irrigation system. This central body will be composed of all the members of the District Executive Boards. All district chairmen will automatically become members of the Board of Directors of their respective Irrigation Associations, and they will elect their President and Vice President from among themselves. A trained watermaster will be selected and hired by the Board of Directors. A grievance officer will be chosen from among the members of the Board. Various committees for production, education and training, water management, finances and development will be organized. The association will also have a full-time, bonded secretary/treasurer to be assisted by a hired book-keeper. The association charter will be duly registered with the Securities and Exchange Commission.

The Irrigators' Associations will collect water fees from their members, either in kind or in cash equivalent.

Once the five Irrigators' Associations are organized and activated, it is expected they would federate into a Project-wide organization for certain purposes. One such purpose would be the hiring and cost-sharing of a trained electrical mechanic to be on call to service the pumps throughout the entire Project system (a resident could be trained for the job). The five IA's will be encouraged to consider this possibility.

In addition to Compact Farms and Irrigation Associations, the Project Management Office will organize Homemakers' Clubs and Rural Youth Clubs to facilitate project-related activities, to help develop leadership and the cooperative spirit, and also to serve as social focal points.

The training components of the Project are planned around the organizational efforts described above. Training in leadership, managerial skills, principles of organization and cooperative activities, in the operational and long-run plans and possibilities of the Project, in modern agricultural and water management technology, the proper use of credit and other relevant subjects will be provided by the Project Management Office (PMO) and offered to all Project Area farmers, with special courses for barangay, compact farm, and irrigation association leaders, Land Consolidation Promotion Committee members, and government technicians responsible for implementing the Project. Special training sessions will be conducted for watermasters and ditchtenders. Farmers, their wives and older children will also receive training in community leadership, health, sanitation, nutrition, family planning and backyard projects (the latter to raise vegetable and fruit gardens, poultry and livestock as part of the nutrition program). Training will normally take place in the barangay multipurpose buildings.

In addition to classroom training courses, agricultural extension agents will work with farmers in the field, will conduct demonstration plots using appropriate packages of technology, and will introduce the highly labor-intensive "Japanese Method" of rice culture. The latter is being successfully applied by a farmer in Bula Municipality, near the Project Area, who reports an annual yield of 700 cavans (35 metric tons) of rice palay per hectare -- compared with the current average annual yield of around 46 to 57 cavans (2.3 to 2.85 M.T.). Extension agents and Project Area farmers will also benefit from On-Farm Water Management activities already underway.

Seminars on nutrition and health will be conducted by the PMO to create an awareness and transmit knowledge of proper food preparation and precautionary measures for better health. The family planning sessions shall be informational and motivational in nature. It will orient eligible married couples on the importance of family planning, its significance to their families and to the community as a whole. Classes, seminars and other training programs on health, nutrition and family planning will be conducted jointly for the compact farm members, their wives and rural youth.

For the development of youth, a training program will improve their skills and leadership capability. The youth will also be encouraged to put up model community projects such as backyard poultry and livestock raising and vegetable gardening.

None of the proposed training programs are so new they will require extensive prior preparation of training materials. They are all parts of on-going nationwide programs of the different line agencies involved, but in which the Project Area, due to its relative inaccessibility, has been mostly neglected. The goal of this Project is to provide an initial period of rather intensive introductory training in all of the areas described above and then to let the regular, on-going extension and rural development programs continue the effort in the future.

E. Applied Agricultural Research

The Project will fund an applied research program within the Project Area conducted by the Bureau of Plant Industries (BPI) designed to determine the optimum package of high-yield seed varieties, fertilizer, pesticides, and other inputs specifically for the soil, climate and water conditions of the area upon completion of planned irrigation and drainage facilities. The research project itself will serve as a demonstration farm for Project beneficiaries and will provide valuable information for use by the extension agents in their Project-related training and extension programs. The Project calls for a five-year research effort, two crops a year, perhaps one year in each phase of the Project upon completion of an operational portion of the irrigation system in each phase; but this effort can be reduced if the PMO and BPI, with USAID and BRBDPO concurrence, decide it is more than necessary to determine optimum packages of rice technology for each phase of the project area.

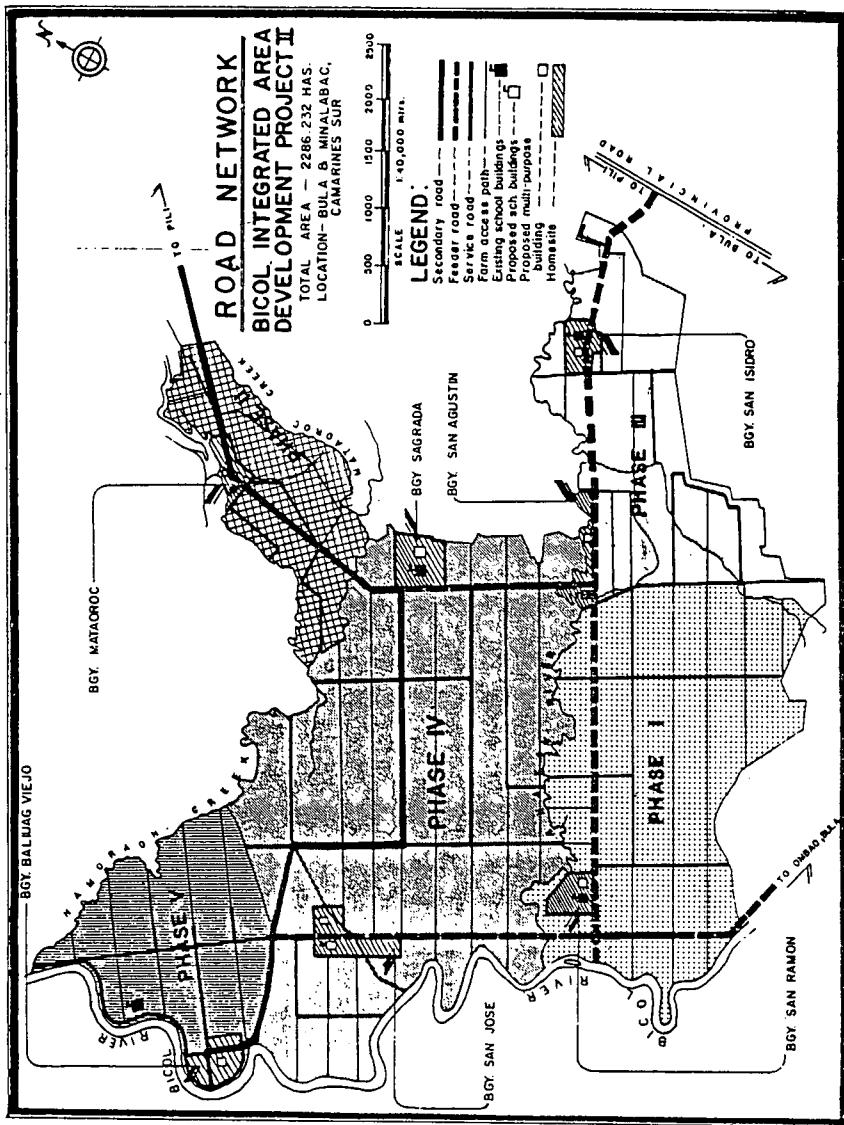


TABLE I

<u>PROJECT OUTPUTS</u>	<u>MAGNITUDE OF OUTPUTS (Pre-project estimates)</u> ^{3/}						
	<u>YEAR:</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>TOTAL</u>
<u>Physical Facilities</u>							
- Pumphouses built		1	5	4	1	-	11
- Pumps installed		3	5	8	3	-	19
- Irrigation canals (km)	24	38	59	33	-	-	154
- Drainage canals (km)	25	23	44	-	-	-	92
- Service roads and paths (km)	10	22	29	15	-	-	76
- (Hectarage irrigated)	(283)	(611)	(763)	(405)	-	-	(2062)
- Multipurpose buildings	4	3	-	-	-	-	7
- Elementary schoolhouse	-	1	-	-	-	-	1
<u>Homesite Development</u>							
- Homesites completed	2	2	3	-	-	-	7
- Homelots developed and distributed ^{1/}	21	220	469	-	-	-	1010
- Households relocated ^{1/}	188	272	367	183	-	-	1010
- Hand pumps installed	188	380	479	183	-	-	1230
- Water-sealed pit privies constructed or approved	188	380	479	183	-	-	1230
<u>Land Consolidation and Tenure Reform</u>							
- Farmlots consolidated	908	403	349	1008	-	-	2668
- Consolidated farms demarcated	425	237	145	446	-	-	1253
- New CLT's, leases & titles issued (or old ones confirmed)	321	328	145	436	-	-	1230
<u>Organizational Development and Training</u>							
a. <u>Organizations formed</u>							
- Compact farms	32	33	34	24	-	-	123
- District Irrigator's Assoc.	12	11	11	8	-	-	42
- Irrigators' Associations (IA)	3	1	1	1	-	-	5
- Homemakers' Clubs	5	9	6	7	5	-	32
- Youth Clubs	9	11	15	23	9	-	65
b. <u>People trained</u>							
- Project Implementors	34						34
- Promotion Committee Members	18						18
- Barangay Leaders	18	19	33	-	-	-	70
- Compact farm members ^{2/}		161	375	476	218	-	1230
- Compact farm leaders	96	99	102	72	-	-	369
- District IA officers ^{2/}	-	24	22	22	16	-	84
- IA Board Members ^{2/}	-	12	11	11	8	-	42
- IA watermasters ^{2/}	-		2	2	1	-	5
- Ditchtenders ^{2/}	-	16	38	40	29	-	123
- Farmers (in health, etc.)	205	305	259	265	196	-	1230
- Homemakers	205	305	259	265	196	-	1230
- Youth	306	414	540	840	366	-	2460
<u>Applied Agricultural Research</u>							
- Applied Agricultural Crops	1	2	2	2	3	-	10

^{1/} 82% of 1230 total families expected to relocate.^{2/} Completion of both classroom and on-the-job training, to include intensive extension assistance for up to one year.^{3/} Includes all five phases of the project.

Table 2

Bicol IAD II (Bula-Minalabac) Financial Plan, AID Loan
(\$1000)

	<u>1978</u> <u>PK</u>	<u>1979</u> <u>PK</u>	<u>1980</u> <u>PK</u>	<u>1981</u> <u>PK</u>	<u>Life of Project</u> <u>PK</u>	<u>IC</u>	<u>TOTAL</u>
I. Physical Construction	235	257	646	439	1577		
II. Imported Equipment	128	165			293		293
III. Homesite Development Barangay Water Facilities ^{1/}	—	—	33	67	—	—	100
SUB-TOTAL	128	235	290	713	439	293	1677
IV. 15% Contingency Fund ^{2/}	19	35	38	91	66	44	236
TOTAL ^{3/}	147	270	190	328	810	505	337
							1913
							2250

Note: Figures presented include compounded 7½ annual cost escalation factor for local currency costs, 15% for imported equipment costs. 1977 base year. AID loan funds were allocated to estimated peso project costs at an exchange rate of ₱7.5/\$1 throughout. Figures represent estimated accrued expenditures by calendar year, and actual USAID reimbursements will normally lag by one or two quarters. The latter schedule will be estimated in the official implementation plan. Costs for Phases II and III are excluded.

1/ This AID contribution has been designated solely for barangay water facilities or systems providing satisfactory household water supplies for project area residents. Any portion of this \$100,000 not used for this purpose is to be deobligated.

2/ The contingency factor was not applied to line III.

3/ The total amounts may not be exceeded, but line item amounts may be adjusted by up to 15% with the joint agreement of both the GCP Project Manager and the USAID Project Officer. Adjustments of greater magnitude will require a separate implementation letter approved by USAID and GCP.

Table 3

Bicol IAD II (Bula-Minalabac) Financial Plan, GOP Local Currency Counterpart (\$1000)							
	<u>1976-71/</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	Total Life of Project	
I. Physical Construction	2784	986	1461	2266	1755	318	9570
II. Houseite Development	170	338	613	839	312		2272
III. Land Consolidation and Tenure Reform	14	37	35	38	41		165
IV. Organizational Development & Training	196	187	209	241	38		871
V. Applied Agriculture Research		23	25	26			74
VI. Project Ops. & Maintenance	<u>369</u>	<u>180</u>	<u>167</u>	<u>190</u>	<u>212</u>	<u>241</u>	<u>1359</u>
SUB-TOTAL	3337	1737	2486	3567	2587	597	14311
VII. 15% Contingency Fund	<u>501</u>	<u>261</u>	<u>373</u>	<u>535</u>	<u>388</u>	<u>90</u>	<u>2163/</u>
TOTAL 2/	3838	1998	2859	4102	2975	687	16438 ^{3/}

Note: Figures presented include compounded 7% annual cost escalation factor. 1977 base year.

Costs for Phases II and III are excluded.

1/ This column represents value of work already completed or budgeted (FY 77) for pilot project.

2/ So long as total amounts are not exceeded, line item amounts may be adjusted by up to 15% with the joint agreement of both the GOP Project Manager and the USAID Project Officer. Adjustments of greater magnitude or of total amounts will require a separate Implementation letter approved by USAID and the GOP.

3/ Totals do not add across due to rounding error.

JAMAICA
Integrated Rural Development

*Agreement signed at Kingston February 28, 1978;
Entered into force February 28, 1978.*

A.I.D. Loan Number 532-T-010

Project Number 532-0046

PROJECT

LOAN AGREEMENT

BETWEEN

THE GOVERNMENT OF JAMAICA

AND THE

UNITED STATES OF AMERICA

FOR

INTEGRATED RURAL DEVELOPMENT

Dated: 28 February 1978

TIAS 9062

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Appendix A. Summary Financial Plan

Appendix B. Proposed Government of Jamaica
Staffing Pattern

A.I.D. Project No. 532-0046

Project Loan Agreement

Dated 28 February 1978

Between

The Government of Jamaica ("Borrower")

and

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, is designed to increase agricultural production on small hillside farms in the Pindars River and Two Meetings watersheds, control soil erosion in the watersheds, and strengthen the capacity of the Ministry of Agriculture through the following activities: soil conservation, reforestation, road construction and rehabilitation, establishment of agricultural training centers, provision of training and credit to farmer organizations, agricultural extension, and provision of electricity, potable water, and housing to small farmers. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the parties named in Section 9.2, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to lend the Borrower under the terms of this Agreement not to exceed Thirteen

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

million United States ("U.S.") dollars (\$13,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal."

The Loan may be used to finance foreign exchange costs as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan and a companion Grant for the Project, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. \$11,200,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" ("PACD"); which is September 30, 1981, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for seven (7) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the

outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semiannually. The first payment of interest will be payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty-seven (27) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable six and one-half (6-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may repay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Jamaica which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's

communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Agriculture in Jamaica.

4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2., and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) Evidence of the appointment of a full-time project manager;

(d) Evidence that the Pindars River and Two Meetings valleys have been duly declared watersheds of areas for rehabilitation pursuant to the Land Authority Law and the Watershed Protection Act; and

(e) Evidence of the designation of a Project Advisory Committee composed of representatives of the major implementing organizations.

SECTION 5.2. Disbursements for Soil Conservation Activities. Except as the Parties may otherwise agree in writing, prior to any disbursement or the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Loan to finance soil conservation activities, the Borrower shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence of the establishment of a Soil Conservation Fund which will be earmarked for carrying out soil conservation activities on small private farms in other than Pindars River and Two Meetings watersheds and will be initially capitalized by requiring farmers participating in the project to pay for twenty-five percent (25%) of the cost of soil conservation activities undertaken on their land, exclusive of costs of waterways construction; and

(b) An implementation plan for soil conservation activities under the Project with emphasis on activities to be carried out during the first year.

SECTION 5.3. Disbursements for Reforestation. Except as the Parties may otherwise agree in writing, prior to any disbursement or the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Loan to finance reforestation, the Borrower shall furnish to A.I.D., in form and substance satisfactory to A.I.D., an implementation plan for reforestation under the Project with emphasis on activities to be carried out during the first year.

SECTION 5.4. Disbursements for Roads, Waterways, Dams and Embankments. Except as the Parties may otherwise agree in writing, prior to any disbursement or the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Loan to finance any road construction or rehabilitation, waterway or check dam construction, or river embankment works, the Borrower shall furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) An implementation plan for road construction and rehabilitation, waterway and check dam construction and river embankment works under the Project with emphasis on the activities to be carried out during the first year; and

(b) Evidence of completion of survey work showing the location of the roads, waterways, dams and embankments to be constructed and improved.

SECTION 5.5. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1. through 5.4. have been met, it will promptly notify the Borrower with respect to each Section.

SECTION 5.6. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1. have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

(b) If all of the conditions specified in Sections 5.2, 5.3, and 5.4 have not been met within 180 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the parties hereunder will terminate.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Employment of Agriculture Personnel. Except as the Parties may otherwise agree in writing, the Ministry of Agriculture will make maximum efforts to employ on a permanent basis a sufficient number of soil conservation and agricultural officers to carry out other watershed programs similar to this Project after its termination.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Jamaica ("Local Currency Costs"). To the extent provided for under this Agreement, Local Currency Costs may also include the provision of local currency resources required for the Project.

Article 8: Disbursements**SECTION 8.1. Disbursement for Foreign Exchange Costs**

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods and services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursement hereunder may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Borrower to make available the local currency for such costs, and (B) thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. Except as may be more specifically provided under Section 8.2, if funds provided under the Loan are introduced into Jamaica by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of Jamaica at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Jamaica.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2(b)(1); or (c) if local currency is obtained in accordance with Section 8.2(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit there referred to.

Article 9. Communication

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address:	Minister of Finance 30 National Heroes Circle Kingston 4, Jamaica
---------------	---

Address for Telegrams:	Minister of Finance 30 National Heroes Circle Kingston 4, Jamaica
------------------------	---

To A.I.D.:

Mail Address:	Mission Director USAID Jamaica Mutual Life Building 2 Oxford Road Kingston, Jamaica
---------------	---

Address for Telegrams:	Mission Director USAID Jamaica Mutual Life Building 2 Oxford Road Kingston, Jamaica
------------------------	---

Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID Jamaica, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF JAMAICA

UNITED STATES OF AMERICA

By: 
David Coore

Title: Deputy Prime Minister
and Minister of Finance

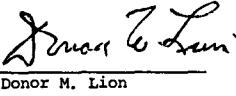
By: 
Roy T. Haverkamp
Frederick Irving

[2]

Title: Ambassador

By: 
A.V. Bellintanti

Title: Minister of Agriculture

By: 
Donor M. Lion

Title: Mission Director
USAID Jamaica

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

² Roy T. Haverkamp, Deputy Chief of Mission.

Annex 1

AMPLIFIED DESCRIPTION OF THE PROJECTA. PROJECT OBJECTIVES AND STRATEGY

The objective of the Loan, together with the Grant assistance provided in Project Grant Agreement 532-0046-77-4 and the Government of Jamaica's contribution under the program, is to assist implementation of the Integrated Rural Development Project and to develop the institutional capability of the Government of Jamaica to replicate the Project in other areas of the country.

The Integrated Rural Development Project is a multi-faceted activity that encompasses soil conservation, terracing of hillsides, reforestation, road construction and rehabilitation, agricultural training, assistance to farmer organizations, agricultural research and extension, agricultural credit, provision of agricultural inputs, improvement of marketing systems, expansion of rural electrification, delivery of potable water, and improvement of rural housing. The Project area is comprised of two watersheds, Pindars River and Two Meetings, located in Middlesex County. The target population in these watersheds numbers approximately 4,000 families (25,000 people) and consists primarily of small farmers with an average farm size of about three acres per family. Over time, as training is completed, experience gained, and additional resources mustered, it is the intention of the Government of Jamaica to extend these services to other watersheds.

The strategy for fulfilling this objective is based upon a campaign that employs the appropriate soil conservation techniques to protect the land, while teaching farmers how to use the treated land intensively for maximum family benefit. At the same time, additional infrastructure and services as cited above will be made available to the inhabitants of the Project area.

B. PROJECT COMPONENTS

There are five major Project components.

1. Erosion Control and Rural Roads

Protection and preservation of the soil--the natural resource base--is one of the key foundation stones of the Project. Of the approximately 29,000 acres in the two watershed areas, almost 18,000 require some type of erosion control--terracing, ditching, or pastureland treatment--and another 7,000 require reforestation. Also required are stream control by waterway protection and improvement, check dam construction, and improvement of river embankments where necessary.

Road improvement activities consist of upgrading or construction of approximately 20 miles of rural roads with required bridges.

2. Research and Delivery Systems

An integrated research, extension, institutional development, credit delivery, and marketing assistance program will be directed towards increasing the production and productivity of the treated small farms.

Five demonstration centers will be established at key locations where research on multiple-cropping and inter-cropping will be carried out and where extension agents and farmers can be exposed to the results. The research emphasis in the demonstration centers will be on improving the yield of crops, testing various inter-cropping methods, and conducting adaptive research on crops--including nontraditional crops whose strong domestic and foreign market prospects are apparent.

Additionally, different modes of appropriate technology will be tested in the centers to determine their effectiveness--such as small tractors or tillers, alternative power generating machines like windmills and water-driven generators, solar powered systems for drying produce, production of methane and fertilizer from waste, and the production and use of charcoal.

As part of the outreach network, about 50 subcenters will be established on private farms in the Project area. These will be the last link in the research program--on-site testing under typical conditions--and an important component of the extension program. As new production systems are being tested in these subcenters, the participating farmers will receive special demonstratory assistance from the extension services as well as the farm inputs required for the production system being tested. Where failures in the system result in loss of income for the farmers, the extension service will reimburse the farmer for his losses.

Organizations that serve the small farmers will be strengthened so they can play a more active and important role in the extension program and in the delivery of needed services to members. First, a farmer organization will assist the soil conservation and extension officers to set up meetings with farmers of the area to explain the land treatment program and to sign up farmers. Once farmers have gone through this initial phase, the extension service will work closely with the organizations to see that these farmers receive adequate instruction in the use of improved farming practices. In conjunction with this, the necessary inputs and credit will also be made available to participating farmers. Agricultural inputs may be channeled through local branches of the Jamaica Agricultural Society or other cooperative type groups. These organizations will also assist in the marketing of farmers' produce and, depending on managerial capacity and economic feasibility, engage in processing activities before sale to wholesale or retail outlets. Adequate credit will be channeled to farmers through the Agricultural Credit Board or other credit institutions and participating banks such as the People's Cooperative Bank. Close linkages will be developed among these three activities: purchase of agricultural inputs, the provision of credit, and the technical recommendations of the extension officers.

3. Rural Community Improvements

To further increase the standard of living in the Project area and, consequently, the attractiveness of remaining on the farm instead of migrating to the cities, rural electrification systems will be extended to additional residents, potable water delivery expanded, and houses refurbished or constructed.

The extension of electricity to the area is part of a Government of Jamaica/Inter-American Development Bank Program to install approximately 95 miles of transmission line in the area. Approximately 15,000 people will benefit. Delivery of potable water will be carried out by expanding the existing facilities at Moravia (Two Meetings watershed) and constructing a second plant, also in the Two Meetings area.

Housing refurbishment or construction will be carried out under the auspices of the Ministry of Agriculture. Approximately 35 houses a year will be constructed or refurbished in the Project area during the life of the Project (165 in total) and a housing scheme being constructed at Croft's Hill by the Ministry of Housing will provide an additional 80 units.

4. Evaluation

An evaluation system will be established at the beginning of the Project. The baseline survey conducted during the design of the Project will be analyzed and key benchmarks established; other information to supplement the baseline data may also be gathered. The benchmarks will describe not only the physical properties of the Project area but also, to the extent possible, the socio-economic characteristics of the population.

A management information system will be designed to insure that relevant information on the progress of the Project is collected routinely--not only to serve as a management tool but also to insure that annual evaluations are based on accurate, current information. The initial evaluations will, perforce, treat the physical aspects of the Project, i.e., area terraced, miles of roads built or improved, amount of credit extended, etc. However, by the third and fourth year of the Project, attempts will be made to measure the changes in production and productivity of participating farmers and their resulting income. This latter set of evaluation indicators could possibly be conducted by using another similar watershed as a control; for this purpose, baseline data comparable to Project area benchmarks will be gathered there. This method would allow comparison not only by "before-and-after" criteria but also by juxtaposition to a like population in a similar setting. The control area could then become the site for a similar Project.

5. Technical Assistance and Training

The companion Grant Agreement has provided funds for technical assistance and training. The technical assistance is being used to fill existing skill shortages and to transfer Project experience to participating Jamaican technicians.

Technical assistance advisors are being contracted for the above Project components, to work with private institutions such as farmer organizations as well as public agencies. The contracted advisors will, in some cases, be filling in for Jamaican technicians whose training is being carried on.

The formal training program, in conjunction with on-the-job training and in-service training using contracted advisors, is designed to develop a corps of trained and experienced technicians who will be capable of managing similar projects in other watersheds. Areas of specialization are being chosen and candidates selected for a mix of short- and long-term training programs--some culminating in degrees--that will provide the critical mass necessary for both the successful implementation of this Project and potential future extension into other areas. The Ministry of Agriculture has drawn up an outline training plan.

6. Implementation

The Minister of Finance has overall responsibility for the loan. The Minister of Agriculture as nominee of the Minister of Finance has responsibility for the day-to-day implementation and management of the Project. The Minister of Agriculture may delegate this responsibility to his staff as appropriate. Some Project components, however, fall under the purview of other Government of Jamaica agencies, such as roads and bridges under the Ministry of Works, rural electrification under the Ministry of Public Utilities and Transport, and extension of potable water under the Ministry of Local Government.

Coordination of these several components is the responsibility of the Inter-Ministerial Standing Committee for Land Reform and Rural Development, consisting of a Chairman, who shall be the Permanent Secretary of the Ministry of Agriculture, and representatives of the Ministries responsible for Finance, Works, Local Government, Health, Housing, Education, Commerce, Agricultural Marketing, Public Utilities, Social Services and such other ministries or agencies as the Government of Jamaica may determine. The Committee shall assist the Ministry of Agriculture to coordinate and supervise the execution of the IRD Project. This Committee shall meet at least once every three months.

Within the Ministry of Agriculture, the Director of the Southern Region, acting jointly with the Project Coordinator, has operational responsibility for the Project. A Project Advisory Committee, chaired

by the Permanent Secretary of the Ministry, will meet monthly during the initial phase of the Project, and will insure that intra-ministerial coordination is achieved. Members of this Committee include: the Permanent Secretary (Chairman), Project Coordinator (Secretary), the Southern Region Director, the Directors of Forestry, Special Programmes, Extension, Planning, Research, Data Bank and Evaluation Division, and the Production Unit, the Chief Information Officer, and other such officers as the chairman may from time to time determine.

Proposed staff requirements for the Project are shown in Appendix B to this Annex. Permanent appointments for Ministry of Agriculture personnel will be made, and new technicians hired for the Project will form part of the permanent corps for potential Project replication.

C. PROCUREMENT AND DISBURSEMENT

Procurement contracts for goods and services will, in general, be made by the Government of Jamaica, based on competitive procedures. AID requirements with regard to such contracts are found in Handbook 11 and will be further stipulated in Implementation Letters. Detailed disbursement procedures will also be set forth in Implementation Letters.

TIAS 9062

Annex 1
Appendix ASUMMARY FINANCIAL PLAN

	US\$000		
	GOJ	AID	TOTAL
Soil Conservation			
Bench Terraces	905	2715	3620
Orchard Terraces	140	420	560
Hillside Ditches & Basins	1270	3810	5080
Pasture with Ditches	105	315	420
Water Catchments	20	60	80
Subtotal	2440	7320	9760
Forestation	1040	1200	2240
Engineering Works			
Road Construction and			
Rehabilitation	310	920	1230
River and Stream Control	50	160	210
Subtotal	360	1080	1440
Demonstration and Training			
Centers	30	450	480
Farmer Organizations and			
Services	-	400	400
Agricultural Production			
Credit	1280	-	1280
Commodities			
Heavy Equipment	-	1300	1300
Vehicles		250	250
Light equipment and			
supplies	-	200	200
Subtotal		1750	1750
Salaries of Min Ag personnel	4000	-	4000
Other operating expenses			
of Min Ag	400	-	400
Water Systems	240	-	240
Rural Electrification			
Program	960	-	960
Rural Housing	180	-	180

	US\$000		
	GOJ	AID	TOTAL
Evaluation and Replication	-	320	320
Technical Assistance*	-	1530	1530
Training*	-	470	470
Contingency	270	480.	750
	11200	15000	26200

*Totals \$2 million Grant financing, which is being provided incrementally, with \$700,000 having been provided under Grant Agreement 532-0046-77-4. Subsequent increments are subject to the availability of funds to AID for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent incrément, to proceed. [Footnote in the original.]

Annex 1
Appendix B

PROPOSED GOVERNMENT OF JAMAICA STAFFING PATTERN

Abbreviations are Jamaica Government service titles.

I. PROJECT DEVELOPMENT COMMITTEE

- (1) Regional Director (Southern) - SMGI
- (2) Deputy Regional Director - NPS IV
- (3) Director Forestry Extension - NPS III
- (4) Chief Soil Conservation Officer - NPS III
- (5) Director Planning and Policy Review - SMG II
- (6) Director Data Bank - NPS IV
- (7) Director Extension Services - SMG II
- (8) Director Research - SMG II

II. CONSULTANCY SERVICES - HEADQUARTERS
(LOCAL COUNTERPARTS TO OVERSEAS CONSULTANTS)

- (1) Soil Conservation Engineer - NPSII
- (2) Soil Conservation Economist - NPS II
- (3) Conservation Farming Planner - NPS II
- (4) Water Harvesting Engineer - NPS II

III. STAFF - PROJECT IMPLEMENTATION

- (1) One Project Manager - NPS IV
- (2) Two Snr. Soil Conservation Officers - NPS II
- (3) Twenty Soil Conservation Officers - PST II
- (4) Forty Headmen - TSS III
- (5) Twenty Field Assistants - TSS III
- (6) Eighty Senior Labourers - \$6 p.d.

IV. EXTENSION AND FORESTRY

- (1) Parish Manager - Manchester - PMA III
- (2) Parish Manager - Clarendon
- (3) Two Snr. Extension Officers - NPS II
- (4) Twenty Extension Officers - PST II
- (5) One Forest Officer - NPS II
- (6) One Assistant Forest Supervisor - GN III
- (7) Three Foresters - PST/GN II
- (8) Eight Forest Wardens (Headmen) - LMO II

V. ADMINISTRATIVE SUPPORT SERVICES

- (1) Executive Officer - CR V
- (2) Project Accountant - FAA III
- (3) Two Assistant Accountants - FAA I
- (4) Two Secretary/Stenographers - ST III
- (5) Four Typists - ST I
- (6) Two Clerical Officers - CR II
- (7) Store Keeper - CR II

VI. TECHNICAL SUPPORT SERVICES

- (1) Eight Tractor Drivers - LMO IV
- (2) Eight Assistant Tractor Drivers - LMO II
- (3) One Driver, Mobile Repair Unit - LMO III
- (4) One Driver, LowBoy - LMO IV
- (5) Mechanical Maintenance Supervisor - AIT III
- (6) Two Assistant Mechanics - AIT I
- (7) Twenty Pick-up Drivers - LMO III

SRI LANKA
Malaria Control

*Agreement signed at Colombo February 28, 1978;
Entered into force February 28, 1978.*

Loan No. 383-U-019 & 019A

LOAN AGREEMENT

Between

THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA

and

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

for

MALARIA CONTROL

Dated: February 28, 1978

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Loan No. 383-U-019 and 019A

Project Loan Agreement
for Malaria Control

Dated: February 28, 1978

Between the Government of the Republic of Sri Lanka ("Borrower")

And the United States of America, acting through the
Agency for International Development ("A.I.D.")

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of a program to reduce the incidence of malaria in Sri Lanka to a minimum of one case per 1,000 population per year country-wide within a five year period. Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1.

Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2., without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to lend the Borrower under the terms of this Agreement not to exceed twelve million United States (U.S.) Dollars (\$12,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1., of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

¹75 Stat. 424; 22 U.S.C. § 2151 note.

(b) The resources provided by Borrower for the Project will be not less than SL/Rs. 222,000,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1982 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than six (6) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will

be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Sri Lanka which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of a requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Director, External Resources Department, Ministry of Finance and Planning.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all its terms;

- (b) A statement of the name(s) of the person(s) holding or acting in the office of the Borrower specified in Section 9.2. and a specimen signature of each person specified in such statement;
- (c) A five-year Plan of Operation approved by the Borrower and the World Health Organization (WHO);
- (d) Evidence that the detailed Plan of Action for the first year of the Project has been adopted and is acceptable to WHO;
- (e) Evidence that the Borrower shall provide to the Anti-Malaria Campaign (AMC) all necessary funds, in addition to the Loan, for the timely and effective execution of the portion of the malaria control program to be executed during the first project year;
- (f) Evidence of arrangements for the procurement of necessary commodities including, but not limited to, those commodities to be financed under the Loan including list and price of such commodities and the distribution and utilization thereof as required for the Project together with schedules for purchase, delivery, distribution and of utilization thereof.
- (g) Evidence that inland transportation and storage for insecticide from port of entry to end use point are adequate and meeting program and environmental health requirements.
- (h) Evidence that a sufficient number of vehicles is operating to meet the requirements of the malaria control program and that arrangements have been made to meet the upcoming requirement as old vehicles are retired.
- (i) A comprehensive plan assuring that an effective control, repair and maintenance system will be established for the malaria control program and evidence that the Borrower is taking appropriate action to insure that a shortage of operating vehicles does not curtail malaria program operations whether from lack of sufficient vehicle supply, spare parts, maintenance, or funds for purchasing petroleum, oil and lubricants.
- (j) Evidence that the Borrower has requested and the WHO has agreed to provide three (3) technical advisors over the period 1977 to 1981 such advisors to be (1) malarialogist, (2) entomologist and (3) sanitarian.
- (k) A detailed plan for the safe handling of Insecticide used in the Project to insure an absolute minimum health risk to Insecticide handlers and the target population.
- (l) A complete statement of procedures for monthly review meetings and annual evaluations of the malaria control program including subjects to be regularly covered at the review meetings and evaluations.
- (m) An implementation plan which establishes goals, targets, effective procedures and a time phased schedule for:
1. Health education.

2. Training of malaria program personnel in Sri Lanka and overseas.
3. Determining research priorities and executing the research.

SECTION 5.2. Second Year Disbursement.

Prior to disbursement or the issuance of commitment documents for the second year of the Project, the Borrower shall, except as the Parties may otherwise agree in writing, furnish the following in form and substance satisfactory to AID:

- (a) Evidence that the detailed Plan of Action for the year has been adopted which is acceptable to WHO and AID.
- (b) Evidence that the Borrower shall provide to the AMC all necessary funds in addition to the Loan for the timely and effective execution of that portion of the malaria control program to be executed during the year.
- (c) Evidence of arrangements for the procurement of necessary commodities including, but not limited to, those commodities to be financed under the Loan including list and price of such commodities and the distribution and utilization thereof as required for the Project together with schedules for purchase, delivery, distribution and of utilization thereof.
- (d) Evidence that satisfactory progress as determined by the annual evaluation is being made with respect of the Plan of Operation and annual Plan of Action.
- (e) Evidence that commodities procured for the previous year's program have been effectively utilized for the Project.
- (f) Evidence that inland transportation and storage for insecticide from port of entry to end use point are adequate and meeting Project requirements.
- (g) Evidence that a sufficient number of vehicles is operating to meet the requirements of the malaria control program and that arrangements have been made to meet the upcoming requirement as old vehicles are retired.
- (h) A comprehensive plan, including details on time-phasing for the transfer to, and effective implementation by, General Health Services of responsibility for maintenance of malaria control efforts after malaria has ceased to be a significant health problem.

SECTION 5.3. Subsequent Years Disbursements.

Prior to disbursement or the issuance of Commitment documents for each of the last three years of the program, the Borrower shall, except as the Parties may otherwise agree in writing, furnish in form and substance satisfactory to AID:

- (a) Evidence that the detailed Plan of Action for the year has been adopted which is acceptable to WHO and AID.
- (b) Evidence that the Borrower shall provide to the AMC all necessary funds, in addition to the Loan, for the timely and effective execution of that portion of the malaria control program to be executed during the year.
- (c) Evidence of arrangements for the procurement of necessary commodities including, but not limited to, those commodities to be financed under the Loan including list and price of such commodities and the distribution and utilization thereof as required for the Project together with schedules for purchase, delivery, distribution and of utilization thereof.
- (d) Evidence that satisfactory progress, as determined by the annual evaluation, is being made with respect to the Plan of Operations and annual Plan of Action.
- (e) Evidence that commodities procured for the previous year's program have been effectively utilized for the Project.
- (f) Evidence that inland transportation and storage for insecticide from port of entry to end use point are adequate and meeting Project and environmental health requirements.
- (g) Evidence that a sufficient number of vehicles is operating to meet the requirements of the malaria control program and that arrangements have been made to meet the upcoming requirements as old vehicles are retired.

SECTION 5.4. Notification. When AID has determined that the conditions precedent specified in Sections 5.1., 5.2., and 5.3. have been met, it will promptly notify the Borrower.

SECTION 5.5. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 120 days from the date of this agreement, or such later date as AID may agree to in writing, AID, at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Implementation.

(a) **Procurement of Malathion.** The Borrower covenants that all procurement of Loan-financed malathion will be handled from Washington, D.C. using the Invitation for Bid (IFB) procedure that has been approved by the Parties. Said IFB to be issued by the Borrower's Embassy in Washington, D.C. with authorized representative of the Borrower's Anti-Malaria Campaign to execute such procurement in Washington, D.C. International travel for Borrower's representative to travel to Washington, D.C. for such procurement will be an eligible foreign exchange cost under this Loan.

(b) **The Sri Lanka Malaria Control Program.** The Borrower shall carry out the Malaria Control Program with sufficient manpower and funding so that malaria will be effectively controlled in Sri Lanka. Upon attainment of this objective, the Borrower shall maintain continuing and effective malaria control.

(c) Import Requirements. Should sufficient foreign exchange not be available from other donors to accomplish the Plan of Operation, the Borrower will provide required foreign exchange funding from its own free foreign exchange on a timely basis to insure the effective execution of the Plan of Operation and annual Plans of Action.

(d) Annual Plans of Action. The Borrower agrees to implement the Plan of Operations through annual Plans of Action reviewed and approved by the Ministry of Health, WHO, and AID. The Ministry of Health shall have authority to amend, modify or alter annual Plans of Action with the approval of WHO and AID.

(e) Spray Operations. The Borrower shall carry out insecticide spray operations with sufficient resources so that within the next five years malaria is reduced to a level where it is no longer a significant health problem. The Borrower shall carry out sufficient total, focal, and selective spraying coverage in areas of malarigenic potential so that the Project's objective is achieved.

(f) Surveillance Operations. It is understood that malaria surveillance operations provide the necessary epidemiological information for proper program planning and evaluation and are central to the effective administration of the Malaria Control Program. The Borrower agrees to take necessary actions to assure an effective and successful malaria surveillance operation and thereby reduce the likelihood of resurgence at a further date.

(g) Research Activities. It is understood that a program in basic and applied research connected with the field of malaria is essential to provide necessary epidemiological knowledge on malaria. Studies shall include such topics as insecticide susceptibility, vector investigation in problem areas, role of possible secondary malaria vectors, vector resistance and the impact of malaria on economic development among others. The Borrower shall assure that such research activities are carried out effectively.

(h) Training. In order to provide necessary training for Malaria Control Program staff, the Borrower agrees to provide adequate funds for in-service and refresher training as well as for training opportunities for new personnel.

(i) Health Education. The Borrower shall assure that efforts are undertaken in the field of health education to involve the general public in the Malaria Control Program and to obtain their cooperation in carrying out the necessary spraying and surveillance activities. Health education will be particularly aimed at schools, village councils, social/community organizations as well as key village and government bodies in the community.

(j) Integration of Malaria Service into the General Health Service. It is understood that the orderly functional integration of the malaria control activity into the General Health Service of Sri Lanka is an important objective of the Project and Plan of Operations. The Borrower

agrees that malaria control units throughout Sri Lanka should be integrated into the General Health Services as soon as malaria has been effectively controlled. The Borrower agrees that established health services should assume responsibility for malaria control efforts after malaria has ceased to be a significant problem.

(k) Equipment Maintenance. In order to assist in the achievement of the objectives of the Project, the Borrower shall assure that an effective control, repair and maintenance system for vehicles, equipment and other supplies is instituted and carried out.

(l) Environmental Health. It is understood that insecticides used in the Malaria Control Program for residential spraying are highly toxic and can, if improperly handled, cause sickness and death. The Borrower will take appropriate safety measures including the provision of safety equipment to insecticide handlers and training of handlers and supervisory personnel in the dangers associated with the insecticide and proper procedures for safe handling. The Borrower will also maintain rigid control over the quality of insecticide procured for the Malaria Control Program to insure that it meets WHO and AID technical requirements. The Borrower agrees to adopt reasonable guidelines on recommendations AID may require as identified by the environmental assessment team concerning the care and handling of insecticides in general and malathion in particular as related to the execution of the Malaria Control Program.

(m) Review and Evaluation Meetings. The Borrower shall cause to be held monthly internal review meetings and annual external evaluations attended by Ministry of Health officials, WHO and AID as well as other donors to the Project as appropriate.

(n) Compliance with the Plan of Operation. In carrying out the covenants, the Borrower shall adhere to the Plan of Operation and the annual Plans of Action with material modifications therein being acceptable to WHO and AID.

(o) Reporting. The Borrower will provide to AID such reports on procurement, shipping and program operation as AID may reasonably require.

SECTION 6.2. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (i) evaluation of progress toward attainment of the objectives of the Project; (ii) identification and evaluation of problem areas or constraints which may inhibit such attainment; (iii) assessment of how such information may be used to help overcome such problems, in this or other projects; and (iv) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1. will be used exclusively to finance the cost of goods and

services required for the Project having their source and origin in the United States (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services). ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex,^[1] Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to AID, with necessary supporting documents as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or (b) requests for AID to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting AID to issue Letters of Commitment for specified amount, (a) to one or more U.S. Banks, satisfactory to AID, committing AID to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (b) directly to one or more contractors or suppliers, committing AID to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs AID to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by AID will be deemed to occur on the date on which AID makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment or of Credit.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

To the Borrower:

Mail Address: Director
 External Resources Department
 Ministry of Finance & Planning
 Colombo 1, Sri Lanka

Alternate address
 for Cables: FORAID
 Colombo, Sri Lanka

To A.I.D.:

Mail Address: Office of A.I.D. Representative
 c/o American Embassy
 Colombo, Sri Lanka

Alternate address
 for Cables: AmEmbassy
 Colombo, Sri Lanka

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Director, External Resources Department, Ministry of Finance & Planning, and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, Sri Lanka, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF THE REPUBLIC
 OF SRI LANKA

By: Lal Jayawardena
 Name: Lal Jayawardena
 Title: Secretary
 Ministry of Finance
 and Planning

GOVERNMENT OF THE UNITED STATES
 OF AMERICA

By: W. Howard Wiggins
 Name: W. Howard Wiggins
 Title: American Ambassador

^[1] See footnote 1, p. 4493.

Annex 1

Project Description.1. Plan of Operation

The Plan of Operation prepared by the Anti-Malaria Campaign (AMC) Government of Sri Lanka with the advice of the World Health Organization (WHO) has been approved by A.I.D. and WHO. (Official Government approval is expected prior to loan authorization and in any event will be a condition precedent to initial loan disbursements.) This new Plan of Operation replaces the "Revised Plan of Operation" which was signed between the Government and WHO in 1972. The new plan covers the period 1977 - 1981. The plan takes into account recent failures of the malaria control program in presenting an approach which will help to insure that once malaria is reduced to the stated target of 1.0 API it is further reduced through a consolidation effort of close surveillance, selective spraying and case treatment. Salient features of the plan which are intended to insure long-term success of this program are:

(a) Intensive use of malathion during the initial phase of the program (4 to 5 years) to obtain maximum effect before resistance develops.

(b) Banning use of malathion as an agricultural insecticide to prolong its effective life as an insecticide for malaria control.

(c) Segregation of the Anti-Malaria Campaign (AMC) from the General Health Services during the Intensive Spraying Phase of the program to place the field workers under the administrative and supervisory authority of the AMC headquarters in Colombo rather than Medical Officers of Health. This will centralize authority and program control during the crucial first years of the program. Integration into the General Health Services will be carried out gradually in phased stages after the Intensive Spraying Phase.

(d) Tenure in the Government Health Service has been granted to malaria workers thereby reducing insecurity of employment which was found to be a major obstacle to satisfactory performance of former field activities. Promotion channels for malaria workers to become public health inspectors and polyvalent health workers in the General Health Service are also being opened to clear the way for eventual integration.

(e) Laboratory staff has been increased and seven field laboratories established in addition to the central laboratory at the AMC. At the central laboratory 10 percent of all negative and positive blood films and all P. falciparum are cross checked at the cross checking laboratory to maintain quality control of field laboratory activities.

(f) Formal coordination mechanisms have been established between the AMC, other Government Departments and the target communities.

(g) The Malaria Eradication Training Center has expanded its curriculum to cover training for medical, paramedical and other personnel of the Health Department, medical students, agriculture officers, teachers, and youth volunteers.

(h) The vehicle maintenance facility is being upgraded and a line of vehicles, tools and spare parts will be supplied by the Government of the United Kingdom.

2. Financial Plan

This AID loan totalling \$12.0 million will finance about 54% of the projected import requirement and about 68% of the malathion requirement. This loan will also finance short-term training and safety equipment. The remaining foreign exchange requirement will be financed by other donors or by the Government.

As the project cost tables indicate, there are heavy malathion demands during the early years of the project when malaria incidence is high and intensive spraying is occurring, about 60 percent of this five year malathion requirement for the program is needed in the first two years. It is proposed that disbursement of AID loan funds be made roughly in proportion to annual foreign exchange requirements. However, since it will take other donorstime to process their assistance and make their funds available, the AID loan, especially during the first year, may be disbursed more rapidly. For example:

<u>Year</u>	<u>FX Costs*</u>	<u>FX Cost (Malathion*)</u>	<u>AID Loan Disbursements*</u>
1977	7.40	6.27	4.0
1978	6.86	6.27	3.0
1979	4.45	3.97	2.5
1980	2.19	1.84	1.5
1981	2.04	1.70	1.0
<hr/>		<hr/>	
Total	22.94	20.00	12.0

*\$ US Millions [Footnote in the original.]

<u>Activity</u>	<u>TOTAL LOCAL COSTS (SL/RS. 000)</u>					<u>Total</u>
	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>	
Spraying	31,580	36,220	46,910	41,390	29,793	185,893
Treatment	100	900	2,615	3,015	1,900	8,530
Epidemiology	1,988	2,032	2,185	2,280	2,395	10,930
Laboratory Services	1,324	1,395	1,470	1,548	1,630	7,367
Surveillance	648	1,943	1,523	6,558	7,203	20,875
Entomology	784	825	865	905	950	4,329
Health Education	53	55	57	60	63	288
Training	53	55	57	60	63	288
TOTAL:	36,530	43,475	58,682	55,816	43,997	238,500

	FOREIGN EXCHANGE REQUIREMENT 1977 - 1981 ¹⁾ (US \$1000's)				Total
	1977	1978	1979	1980	1981
Insecticides 2)	6273	6273	3918	1844	1700
Drugs	280	200	122	78	89
Vehicles 3)	555	167	167	-	-
Spares for Vehicles 3)	55	28	28	55	55
Spares for Lab. and Spraying Equipment	40	40	40	40	20
Training	14	16	29	29	29
WHO 5)	-	-	-	-	-
AID 6)	6	6	6	6	6
Safety Equipment/Protective Clothing	50	-	-	-	-
Technicians (WHO)	94	101	108	108	108
Supplies and Equipment	30	30	30	30	30
TOTAL:	7397	6861	4448	2190	2037
					22,933

1) - Based on current prices except 2).

2) - Based on CIF price \$0.05/lb.

3) - After first 3 years new vehicle procurement will stop and emphasis will be given to spare parts.

4) - AMC traditionally buys sprayers from India.

5) - Long-term post-graduate fellowships.

6) - Short-term training in U.S. and countries with active malaria programs.

[Footnotes in the original.]

POLISH PEOPLE'S REPUBLIC

Trade in Textiles and Textile Products

*Agreement effected by exchange of notes
Signed at Washington January 9 and 12, 1978;
Entered into force January 12, 1978;
Effective January 1, 1978.*

The Secretary of State to the Polish Ambassador

DEPARTMENT OF STATE
WASHINGTON

JANUARY 9, 1978

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973,^[1] hereafter referred to as the Arrangement. I also refer to the recent discussions between representatives of our two Governments concerning exports of cotton, wool, and man-made fiber textiles and textile products from Poland to the United States held in Washington from May 18 to May 20, 1977, in Warsaw from October 18 to October 21, 1977 and again in Washington from November 16 to November 18, 1977. As a result of those discussions and in conformity with the Arrangement, I wish to propose the following agreement between our two Governments, relating to such trade in cotton, wool, and man-made fiber textiles:

1. The term of this Agreement shall be three years, from January 1, 1978 through December 31, 1980. During such period, the Government of Poland will limit exports of cotton, wool, and man-made fiber textiles and textile products to the United States of America during each Agreement Year to the Aggregate, Group and Specific Limits and Sub-limits set out in Annex B. Each Agreement Year is a calendar year, with the first Agreement Year beginning on January 1, 1978.

¹ TIAS 7840, 8939; 25 UST 1001; *ante*, p. 2287.

2. Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by subparagraph 2(a) but not in chief value of cotton, wool or man-made fiber shall be classified as:

- (i) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;
- (ii) Wool textiles if not cotton, and wool equals or exceeds by 17 percent by weight of all component fibers; and
- (iii) Man-made fiber textiles if neither of the foregoing applies.

3. The system of categories and rates of conversion into square yards equivalent listed in Annex A hereto shall apply in implementing this Agreement, except that, for purposes of this Agreement, and in recognition of the patterns of trade between Poland and the United States of America, Categories 645 and 646 are merged and shall be treated as a single category, designated Category 645/646 and Categories 443, 643, and 644 are merged and shall be treated as a single category, designated Category 443/643/644.

4. The textiles and textile products covered by this Agreement shall be classified in four groups, as follows:

Group I—Cotton, wool and man-made fiber products other than apparel (Categories 300–320, 360–369, 400–429, 464–469, 600–627, 665–669).

Group II—Cotton and man-made fiber apparel other than suits (Categories 330–359, 630–642, 645–659).

Group III—Wool apparel, other than mens' and boys' suits (Categories 431–442, 444–459).

Group IV—Mens' and boys' suits of wool and all suits of man-made fiber (Category 443/643/644).

5. (a) Categories not subject to Specific Limits or to designated Consultation Levels pursuant to subparagraph 5(b), are subject to annual category Consultation Levels and to the Aggregate and applicable Group Limits. The annual category Consultation Levels shall be 1,000,000 square yards equivalent for each cotton and man-made fiber non-apparel category, 700,000 square yards equivalent for each cotton and man-made fiber apparel category, and 100,000 square yards equivalent for each wool category.

(b) The following Categories shall have Designated Consultation Levels as indicated:

<i>Group II</i>	<i>Square Yards Equivalent</i>
347	1, 068, 000
359	1, 518, 000
340	1, 500, 000
<i>Group III</i>	
434	200,000

6. In the event Poland wishes to export to the United States of America textiles or textile products in excess of the applicable Consultation Levels, Poland shall request the higher levels and the United States shall consider the request sympathetically and shall respond promptly and within 30 days of the receipt of the request by the Department of State in Washington, D.C. The absence of an affirmative response shall not be construed as agreement to permit entry.

7. Within the Aggregate Limit, in any Agreement Year the Group Limit for Group I may be exceeded by 10 percent, the Group Limit for Group II may be exceeded by 7 percent, and the Group Limit for Group III may be exceeded by 3 percent. Within the Aggregate Limit in any Agreement Year, and subject to the condition set out below, the Group Limit for Group IV (consisting of the merged Category 443/643/644) may be exceeded by either:

- a. 5 percent of the Group Limit for such Agreement Year or
- b. 7 percent of the Group Limit for such Agreement Year, provided that the entire 7 percent shall be applied solely to the export of man-made fiber suits.

The Government of Poland will inform the Government of the United States, in writing, which of the above alternatives (if either) it elects during any Agreement Year prior to the end of such Agreement Year. The Group Limits for Groups II and/or III shall be reduced by an amount equal to the amount by which Group IV is exceeded during any Agreement Year pursuant to this paragraph.

8. Except as provided elsewhere in this Agreement, and within the applicable Aggregate and Group Limits, during any Agreement Year Specific Limits for cotton and man-made fiber non-apparel categories may be exceeded by 10 percent; for cotton and man-made fiber apparel categories by 7 percent; and for wool categories by 5 percent.

9. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraphs 7 and 8, exports may exceed by a maximum of 11 percent (6 percent during the first Agreement Year) the Aggregate Limit and any Group or Specific Limit or Sub-Limit by allocating to such Limit for that Agreement Year an unused portion of the corresponding Limit for the previous Agreement Year (Carryover) or a portion of the corresponding Limit for the succeeding Agreement Year (Carry Forward) subject to the following conditions:

(I) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's applicable Limits, provided, however,

that no Carryover shall be available for application during the first Agreement Year;

(II) Save in the first Agreement Year, to which Carryover does not apply, the combination of Carryover and Carry Forward may not exceed 11 percent of the receiving Agreement Year's applicable Limits in any Agreement Year;

(III) Carry Forward may be utilized up to 6 percent of the receiving Agreement Year's applicable Limits and shall be charged against the immediately following Agreement Year's corresponding Limits;

(IV) Carryover of Shortfall shall not be applied to any Limit until the Governments of the Polish People's Republic and the United States have completed consultations and agreed upon the amounts involved. However, upon notification to the Government of the United States, prior to reaching agreement upon the amounts involved the Polish People's Republic may apply Carryover in amounts based on United States import statistics without consultations or agreement by the United States.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles and textile products of Polish origin to the United States during an Agreement Year are below the Aggregate Limit and any applicable Group or Specific Limit or Sub-Limit for that Agreement Year as set out in Annex B. In the Agreement Year following the Shortfall, exports from Poland to the United States may be permitted to exceed the Aggregate, Group and Specific Limits and/or Sub-Limits subject to conditions of subparagraph (a) of this paragraph by Carryover of Shortfalls in the following manner:

(I) The Carryover shall not exceed the amount of Shortfall in either the Aggregate Limit or any applicable Group or Specific Limit or Sub-Limit;

(II) In the case of Shortfall in a Category or Sub-category subject to a Specific Limit or Sub-Limit, the Shortfall shall be used in the same Category or Sub-Category in which the shortfall occurred; and

(III) In the case of Shortfalls not attributable to Categories subject to Specific Limits, the Carryover shall be used in the same Group in which the Shortfall occurred.

(c) The Limits referred to in subparagraph (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraphs 7 or 8.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Limits permitted by paragraphs 7 and 8.

10. Both Governments will investigate the level of shipments from Poland to the United States during the period January 1, 1977 through December 31, 1977 of products classified in Category 645/646. If such shipments exceed 3,724,160 square yards equivalent, the two Governments shall consult prior to June 30, 1979, to agree upon appropriate adjustments to the Specific Limit for Category 645/646 set out in Annex B.

11. During the first Agreement Year, each Government shall maintain statistical records on imports or exports, as appropriate, of cotton suits, the component parts of which have been charged to two or more of Categories 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Polish People's Republic prior to the end of the first Agreement Year whether it wishes to establish separate Categories with Specific Limits for cotton suits. If the Government of the United States so informs the Government of the Polish People's Republic, the Government of the Polish People's Republic agrees to the establishment of such Categories and Specific Limits and will cooperate with the Government of the United States of America in determining the amount of such Specific Limits.

12. The Government of the Polish People's Republic shall use its best efforts to space exports from Poland to the United States within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors. Exports from Poland in excess of authorized levels, if allowed entry into the United States of America, will be charged to the applicable levels for the Agreement Year following the year of export.

13. (a) The Government of the United States of America shall promptly supply the Government of the Polish People's Republic with data on monthly imports of cotton, wool and man-made fiber textiles and textile products from Poland; and the Government of the Polish People's Republic shall promptly supply the Government of the United States of America with quarterly data on exports of cotton, wool and man-made fiber textiles and textile products to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

(b) The Government of the Polish People's Republic shall also supply the Government of the United States of America with quarterly data on exports to the United States of America of knit and woven suits and coats, including coats and suits classified in Categories 333, 334, 335, 633, 634, 635, 643 and 644.

14. The Government of the Polish People's Republic and the Government of the United States of America agree to consult on any question arising in the implementation of this Agreement.

15. Mutually satisfactory administrative arrangements or adjustments may be made in the implementation of this Agreement.

16. If the Government of the Polish People's Republic considers that, as a result of limitations specified in this Agreement, Poland is being placed in an inequitable position vis-a-vis a third country, the Government of the Polish People's Republic may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

17. During the term of this Agreement, the Government of the United States of America will not apply the provisions of Article 3 of the Arrangement to any cotton, wool or man-made fiber textile or apparel product covered by this Agreement.

18. The Government of the United States of America may assist the Government of the Polish People's Republic in implementing the limitation provisions of this Agreement by controlling imports of cotton, wool and man-made fiber textiles and textile products covered by this Agreement.

19. Either Government may terminate this Agreement effective at the end of any Agreement Year by written notice to the other Government to be given at least 90 days prior to the end of such Agreement Year. Either Government may at any time propose revisions in the terms of this Agreement.

If the foregoing proposal is acceptable to the Government of the Polish People's Republic, this note and your Excellency's note of confirmation on behalf of the Government of the Polish People's Republic shall constitute an Agreement between the Government of the Polish People's Republic and the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

WILLIAM BARRACLOUGH

His Excellency

DR. WITOLD TRAMPCZYNSKI,
Ambassador of the Polish People's Republic.

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
<u>YARN</u>			
—Cotton			
300	Carded	4. 6	Lb.
301	Combed	4. 6	Lb.
—Wool			
400	Tops and yarn	2. 0	Lb.
TIAS 9064			

Category	Description	Conversion Factor	Unit of Measure
—Man-made fiber			
600	Textured	3. 5	Lb.
601	Cont. cellulosic	5. 2	Lb.
602	Cont. noncellulosic	11. 6	Lb.
603	Spun cellulosic	3. 4	Lb.
604	Spun noncellulosic	4. 1	Lb.
605	Other yarns	3. 5	Lb.
FABRIC			
—Cotton			
310	Ginghams	1. 0	SYD
311	Velveteens	1. 0	SYD
312	Corduroy	1. 0	SYD
313	Sheeting	1. 0	SYD
314	Broadcloth	1. 0	SYD
315	Printcloths	1. 0	SYD
316	Shirtings	1. 0	SYD
317	Twills and Sateens	1. 0	SYD
318	Yarn-dyed	1. 0	SYD
319	Duck	1. 0	SYD
320	Other fabrics, n.k.	1. 0	SYD
—Wool			
410	Woolens and worsted	1. 0	SYD
411	Tapestries and upholstery	1. 0	SYD
425	Knit	2. 0	Lb.
429	Other Fabrics	1. 0	SYD
—Man-made fiber			
610	Cont. cellulosic, n.k.	1. 0	SYD
611	Spun cellulosic, n.k.	1. 0	SYD
612	Cont. noncellulosic, n.k.	1. 0	SYD
613	Spun noncellulosic, n.k.	1. 0	SYD
614	Other fabrics, n.k.	1. 0	SYD
625	Knit	7. 8	Lb.
626	Pile and tufted	1. 0	SYD
627	Specialty	7. 8	Lb.
APPAREL			
—Cotton			
330	Handkerchiefs	1. 7	Dz.
331	Gloves	3. 5	DPR
332	Hosiery	4. 6	DPR
333	Suit-type coats, M and B	36. 2	Dz.
334	Other coats, M and B	41. 3	Dz.
335	Coats, W, G and I	41. 3	Dz.

Category	Description	Conversion Factor	Unit of Measure
336	Dresses (inc. uniforms)	45. 3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25. 0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7. 2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I	7. 2	Dz.
340	Shirts, n.k.	24. 0	Dz.
341	Blouses, n.k.	14. 5	Dz.
342	Skirts	17. 8	Dz.
345	Sweaters	36. 8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17. 8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17. 8	Dz.
349	Brassieres, etc.	4. 8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns house coats, and dusters	51. 0	Dz.
351	Pajamas and other nightwear	52. 0	Dz.
352	Underwear (inc. union suits)	11. 0	Dz.
359	Other apparel	4. 6	Lb.
—Wool			
431	Gloves	2. 1	DPR
432	Hosiery	2. 8	DPR
433	Suit-type coats, M and B	3. 0	No.
434	Other coats, M and B	4. 5	No.
435	Coats, W, G and I	4. 5	No.
436	Dresses	4. 1	No.
438	Knit shirts and blouses	15. 0	Dz.
440	Shirts and blouses, n.k.	24. 0	Dz.
442	Skirts	1. 5	No.
443	Suits, M and B	4. 5	No.
444	Suits, W, G and I	4. 5	No.
445	Sweaters, M and B	36. 8	Dz.
446	Sweaters, W, G and I	36. 8	Dz.
447	Trousers, slacks, and shorts (outer) M and B	1. 5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1. 5	No.
459	Other wool apparel	2. 0	Lb.
—Man-made fiber			
630	Handkerchiefs	1. 7	Dz.
631	Gloves	3. 5	DPR
632	Hosiery	4. 6	DPR
633	Suit-type coats, M and B	36. 2	Dz.
634	Other coats, M and B	41. 3	Dz.
635	Coats, W, G and I	41. 3	Dz.

Category	Description	Conversion Factor	Unit of Measure
636	Dresses	45. 3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21. 3	Dz.
638	Knit shirts, (inc. T-shirts), M and B	18. 0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15. 0	Dz.
640	Shirts, n.k.	24. 0	Dz.
641	Blouses, n.k.	14. 5	Dz.
642	Skirts	17. 8	Dz.
643	Suits, M and B	4. 5	No.
644	Suits, W, G and I	4. 5	No.
645	Sweaters, M and B	36. 8	Dz.
646	Sweaters W, G and I	36. 8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17. 8	Dz.
648	Trousers, slacks, and shorts (outer), W, G and I	17. 8	Dz.
649	Brassieres, Etc.	4. 8	Dz.
650	Dressing gowns, inc. bath and beach robes	51. 0	Dz.
651	Pajamas and other nightwear	52. 0	Dz.
652	Underwear	16. 0	Dz.
659	Other apparel	7. 8	Lb.

MADE-UPS AND MISC.

—Cotton

360	Pillowcases	1. 1	No.
361	Sheets	6. 2	No.
362	Bedspreads and quilts	6. 9	No.
363	Terry and other pile towels	0. 5	No.
369	Other cotton manufactures	4. 6	Lb.

—Wool

464	Blankets and auto robes	1. 3	Lb.
465	Floor covering	0. 1	SFT
469	Other wool manufactures	2. 0	Lb.

—Man-made fiber

665	Floor coverings	0. 1	SFT
666	Other furnishings	7. 8	Lb.
669	Other man-made manufactures	7. 8	Lb.

ANNEX B

	Agreement Year		
	1978	1979	1980
	(Square Yards Equivalent)		
Aggregate	44, 500, 000	47, 392, 500	50, 473, 013
Group I	10, 000, 000	10, 650, 000	11, 342, 250
Cat. 410	1, 600, 000	1, 704, 000	1, 814, 760
Group II	35, 000, 000	37, 100, 000	39, 326, 000
Cat. 333	2, 200, 000	2, 332, 000	2, 471, 920
335	1, 240, 000	1, 314, 400	1, 393, 264
338	4, 150, 000	4, 399, 000	4, 662, 940
(TSUSA 380.0650)	(1, 300, 000)	(1, 378, 000)	(1, 460, 680)
339	1, 380, 000	1, 462, 800	1, 550, 568
634	4, 200, 000	4, 452, 000	4, 719, 120
(knit coats)	(3, 500, 000)	Subject to Consultations	
(not knit coats)	(1, 500, 000)	Subject to Consultations	
635	2, 200, 000	2, 332, 000	2, 471, 920
(not knit)	(1, 000, 000)	(1, 060, 000)	(1, 123, 600)
638 and 639	4, 320, 415		
638	(4, 066, 000)	3, 296, 000	3, 394, 880
639	(2, 334, 415)	2, 060, 000	2, 121, 800
645/646	2, 590, 280	2, 706, 880	2, 828, 144
647	1, 800, 000	1, 908, 000	2, 022, 480
(trousers not knit)	(700, 000)	(742, 000)	(786, 520)
648	1, 000, 000	1, 060, 000	1, 123, 600
(trousers not knit)	(400, 000)	(424, 000)	(449, 440)
659	1, 000, 000	1, 060, 000	1, 123, 600
Group III	2, 150, 000	2, 171, 500	2, 193, 215
Cat. 433	250, 000	252, 500	255, 025
435	300, 000	303, 000	306, 030
(suit-type coats)	(100, 000)	(101, 000)	(102, 010)
440	150, 000	150, 500	153, 015
444	250, 000	252, 500	255, 025
445	200, 000	202, 000	204, 020
446	175, 000	176, 750	178, 518
447	200, 000	202, 000	204, 020
459	200, 000	202, 000	204, 020
Group IV	681, 750	688, 568	695, 453

The Polish Chargé d'Affaires ad interim to the Secretary of State

EMBASSY
OF THE POLISH PEOPLE'S REPUBLIC
WASHINGTON, D.C.

January 12, 1978

Excellency,

I have the honor to acknowledge the receipt of your note of January 9, 1978 in which you propose an Agreement concerning exports of cotton, wool and man-made fiber textiles and textile products from Poland to the United States of America.

On behalf of the Government of the Polish People's Republic, I wish to confirm that the content of your note is in accord with the understandings reached in the discussions and in conformity with the Arrangement mentioned by Your Excellency. Therefore, your note and this note of confirmation shall constitute the Agreement between our two Governments.

Please accept, Excellency, the renewed assurances of my highest consideration, *S. Pawliszewski* [¹]



His Excellency
Cyrus R. Vance
The Secretary of State
Washington, D.C.

¹ S. Pawliszewski

BANGLADESH

Agricultural Commodities

*Agreement signed at Dacca January 13, 1978;
Entered into force January 13, 1978.*

With agreed minutes.

And amending agreement

Effectuated by exchange of notes

Signed at Dacca March 3, 1978;

Entered into force March 3, 1978.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC
OF BANGLADESH FOR SALES OF AGRICULTURAL COMMODITIES
UNDER PUBLIC LAW 480, TITLE I PROGRAM

The Government of the United States of America and the Government of the People's Republic of Bangladesh have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the preamble, Parts I and III, of the PL-480, Title I Agreement of October 4, 1974^[1], together with the following

Part II:

I. COMMODITY TABLE

Commodity	Supply Period (U.S. Fiscal Year)	Approximate Max. Quantity (Metric Tons)	Max. Export Market Value (Millions)
Wheat/Wheat Flour (Grain Basis)	1978	100,000	\$10.6
Cotton	1978	35,000 (Bales)	\$10.6
		TOTAL	\$21.2

II. PAYMENT TERMS (Convertible Local Currency Credit)

1. Initial payment -- none.
2. Currency use payment -- one percent for Section 104(A) purposes.
3. Number of installment payments -- thirty-one.
4. Amount of each installment payment -- approximately equal annual amounts.
5. Due date of first installment payment -- ten years after date of last delivery of commodities in each calendar year.
6. Initial interest rate -- two percent.
7. Continuing interest rate -- three percent.

¹ TIAS 7949; 25 USC 2834.

III. USUAL MARKETING TABLE

Commodity	Import Period (U.S. Fiscal Year)	Usual Marketing Requirements
Wheat and/or Wheat Flour (Grain Equivalent Basis)	1978	None
Cotton	1978	130,000 Bales

IV. EXPORT LIMITATIONS

(A) The export limitation period shall be fiscal year 1978 or any subsequent fiscal year during which commodities financed under this agreement are being imported or utilized.

(B) For the purpose of Part I, Article III.A.4 of the Agreement, the commodities which may not be exported are: for Wheat/Wheat Flour -- Wheat, Wheat Flour, Rolled Wheat, Semolina, Farina or Bulgur (or the same product under a different name); for Cotton -- upland cotton and cotton textiles (including yarn and waste); and for Soybean/Cottonseed Oil -- all edible vegetable oils, including peanut oil, soybean oil, cotton seed oil, sunflower oil, rapeseed oil, sesame oil and any other edible oil or oil bearing seeds from which these oils are produced, except for 5,000 metric tons of sesame seeds and 10,000 metric tons of peanuts for use other than for crushing.

V. SELF-HELP MEASURES

(A) The Government of Bangladesh will continue to place special emphasis on actions contributing directly to development progress in poor rural areas and on enabling

the poor to participate actively in increasing agricultural production through small farm agriculture.

(B) The Government of Bangladesh agrees to: (1) improve the system for the distribution of agricultural inputs to ensure greater accessibility by all farmers; (2) pursue agricultural research goals which aim to increase and diversify food production; (3) take effective measures to disseminate agricultural research information through the extension service and by other means to Bangladeshi farmers; (4) strengthen rural institutions and promote participation in agriculture and other productive processes; (5) strengthen and expand cash-based rural works programs generating rural purchasing power; and (6) reduce subsidies on agricultural inputs commensurate with incentive price levels for foodgrain production.

(C) The Government of Bangladesh further agrees to:

(1) ensure remunerative prices for domestic agricultural production by making timely and appropriate efforts to reach the Government's fiscal year 1977-78 voluntary procurement target of 500,000 tons of foodgrains; by encouraging, in addition, the active participation of private dealers in food procurement; gradually constraining offtakes from the ration system in a phased manner; and by limiting all foodgrain imports to the minimum necessary to meet the difference between domestic production and total domestic requirements;

(2) establish within two to four years a permanent grain price stabilization program. The program will include the following components:

a. Appropriate Government of Bangladesh institutions charged with developing policy options for the Government with respect to the rationalization of agricultural development goals, rural income and employment goals and maintenance of reliable supplies of foodgrains for the urban sector and the society's destitute.

b. Government of Bangladesh intervention in domestic grain markets and/or increased private sector participation in such markets to maintain domestic foodgrain prices.

c. With other policy changes leading to foodgrain self-sufficiency, the Government of Bangladesh will undertake a phased reduction beginning in fiscal year 1978 of the ration system bearing in mind prevailing conditions, including levels of domestic production and procurement, by reducing the geographic coverage, number of ration card holders, amounts of subsidies, and the quantities of ration per card holder provided through this system.

(3) improve procedures and systems for the feeding of destitute people on a when and where needed basis to ensure adequate levels of nutritional intake;

- (4) continue to improve and upgrade foodgrain storage and stock management to ensure the effective and economic management of its foodgrain stock and distribution system;
- (5) expand the number of fertilizer retail outlets and simplify procedures in order to increase access by small farmers and thus stimulate food crop production;
- (6) provide to the United States Government monthly (within thirty days of the close of the month) statistics on its foodgrain stock position (e.g. opening stocks, actual arrivals, actual offtakes, and actual procurement and closing stocks) and forecasts of future foodgrain stock positions under various agricultural conditions;
- (7) reduce the number of ration card holders under the statutory ration by recalling a significant number of cards from the most affluent card holders as of January 1, 1978;
- (8) announce the procurement price for the spring 1978 boro crop, including high yielding varieties;
- (9) actively procure foodgrains, especially high yielding varieties, on a voluntary basis throughout fiscal year 1978, and initiate the 1977-78 aman procurement drive;
- (10) expand the number of procurement centers by including the use of every local supply depot as a procurement center throughout the year;
- (11) continue to limit during fiscal year 1978 modified rationing to Class "A" card holders, except in emergency;
- (12) increase edible oil seed crop production target to a level of 200,000 tons in 1977/78.

- (13) continue to constrain edible oil offtakes from the public ration system at the level of 3,000 metric tons per month except under emergency conditions;
- (14) maintain the ration price of edible oil to equal or exceed the import value C.I.F. Chittagong.

VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUIING TO IMPORTING COUNTRY ARE TO BE USED

The importing country undertakes to use the commodities provided hereunder (other than any part of such commodities excluded herefrom by subsequent agreement of the parties) or the proceeds generated by their sale, for specific projects or programs which directly benefit the needy people of that country, and to furnish to the exporting country information that demonstrates how such projects or programs will benefit such needy people. Such information shall be furnished, with respect to the commodities covered by each purchase authorization issued hereunder by the exporting country, prior to the issuance of such purchase authorization. Such information shall be deemed to be incorporated in, and to be part of, this agreement.

A report on such use shall be submitted by the importing country within six months after each delivery of commodities to the importing country hereunder.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

Done at Dacca, in duplicate, this 13th day of January 1978.

FOR THE GOVERNMENT OF
THE UNITED STATES
OF AMERICA

Alf E. Bergeisen
Alf E. Bergeisen
Charge d' Affaires ad interim

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC
OF BANGLADESH

Abdullahi
A.M.A. Muhith, Secretary
External Resources Division
Ministry of Planning

AGREED MINUTES OF MEETINGS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA (USG) AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (BDG) FOR NEGOTIATING A PL-480, TITLE I AGREEMENT FOR FY 1978

1. Reference to the FY 1975 PL-480, Title I Agreement:

USG officials pointed out that the Preamble, Part I and Part III of the FY 1975 PL-480, Title I Agreement signed October 4, 1974, and the agreed minutes contained herein, will be considered an integral part of the FY 1978 PL-480, Title I Agreement.

2. Financial Terms:

USG officials explained that the financial terms as set forth in Part II, Item II of the proposed agreement include: convertible local currency credit (CLCC) terms of forty years credit, including a ten-year grace period, interest rates of two percent during the grace period and three percent thereafter, no initial payment, and one percent current use payment (CUP) limited to Section 104(A)^[1] uses.

3. Commodity Composition:

(A) USG officials noted that the proposed commodity composition, as shown in Part II, Item I of the Agreement, provides for supply in FY 1978 of 100,000 metric tons of wheat/wheat flour, with an export market value of \$10.6 million and 35,000 bales of cotton with an export market value of \$10.6 million. The U.S. is not able to respond favorably to the BDG's request for tallow in the FY 1978 agreement.

¹ 68 Stat. 456; 7 U.S.C. § 1704(a).

(B) If commodity prices increase, the quantity to be financed under the proposed agreement would be less than the approximate maximum quantity set forth in the same Commodity Table. Should commodity prices decrease, however, the quantity to be financed under the proposed agreement would be limited to that specified in the Commodity Table.

4. Export Limitations:

(A) In response to the BDG's request for a waiver of the export limitation provisions in Section IV B of the agreement concerning cotton and cotton textiles, USG officials stated that the USG could not agree to such a waiver. Therefore the USG officials proposed and the BDG officials agreed that should Bangladesh export cotton, cotton textiles and cotton products, any such exports would be offset by commercial imports of cotton from the U.S. in addition to imports required to meet the usual marketing requirements, and that such cotton imports should equal or exceed the cotton content equivalent of the exports of cotton, cotton products and cotton textiles. In addition the BDG agreed to supply the USG export data for such products by kind of product in measurable quantitative units.

(B) USG officials informed BDG officials in response to the request of the BDG that a limited waiver of the export limitation concerning oilseeds in Section IV B of the agreement is granted, allowing export of 5,000 metric

tons of sesame seeds and 10,000 tons of peanuts in FY 1978. This waiver is based on the following understanding: A) The exports contemplated under this waiver would be edible nuts, not seeds to be used for oil crushing; B) There is an export market and a buyer available so that foreign exchange will be generated; C) These exports do not threaten the world market for U.S. products or the economy of the South Asian region; D) The BDG has demonstrated an immediate concern for expanding domestic processing capability; and E) The BDG is making efforts to expand production of peanuts and such expansion is in the interests of the USG as well as the BDG. USG officials also stated that the limited waiver of the export limitation clause allowing export of 5,000 metric tons of sesame seeds and 10,000 tons of peanuts is in response to the BDG's request and desire to export groundnuts and sesame seeds during FY 1978 and that this is a one-time waiver and does not constitute a precedent. USG officials observed that the self-help conditions concerning vegetable oil in previous PL-480, Title I Agreements remain binding.

5. Usual Marketing Requirements (UMR's):

(A) USG officials explained that because of the BDG's financial situation, the USG is again waiving the UMR for wheat/wheat flour in FY 1978. Thus Part II, Item II in the proposed agreement does not provide a Usual Marketing Requirement for wheat/wheat flour for FY 1978. However they requested that if the BDG decides to purchase commercial imports of foodgrains in FY 1978, U.S. suppliers be given an opportunity to participate in these sales.

(B) USG officials explained further that because Bangladesh has purchased almost all of its cotton on a commercial basis, the proposed agreement establishes a Usual Marketing Requirement (UMR) of 130,000 bales of cotton. USG officials explained that the USG takes note of the fact that the BDG is currently purchasing cotton under World Bank IDA financing which requires cotton procurement to be made available to all bidders under international tenders. Therefore the USG agreed to withdraw a U.S. tied provision of 85,000 bales under the Usual Marketing Requirement of 130,000 bales as long as the BDG provides U.S. cotton suppliers with every opportunity to compete for sales of cotton under international tenders. It is further understood that the BDG will agree in principle to the establishment of a tied UMR for U.S. cotton at such time as cotton is purchased with free foreign exchange.

6. Self-Help Measures and the Use of Commodities or Proceeds:

(A) USG officials brought to the attention of the BDG officials the recent legislation affecting Sections 106(b) and 109(a) of PL-480 which requires: (1) Specific emphasis on implementation of self-help measures so as to contribute directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture; and (2) Use of commodities or proceeds for purposes which directly improve the lives

of the poorest of Bangladesh's people and Bangladesh.

These new requirements are reflected in Items V and VI
of Part II of the proposed FY 1978 Agreement.

(B) USG officials stated that the self-help measures
enumerated in Part II of the Agreement are intended to
support the BDG's national goals of rural development
and of achieving foodgrain self-sufficiency.

(C) BDG officials stated with reference to Part II,
Item V, C,7 of the proposed agreement that the Government
of Bangladesh has taken a policy decision to reduce the
number of ration card holders under the Statutory Rationing
System by withdrawing the ration cards from the affluent
sections of the society. In fact, necessary preliminary
measures have already been initiated. However, as the
administrative measures to develop a methodology and its
implementation are procedurally difficult and time consum-
ing, the implementation of this decision may be delayed
by a few weeks from the intended date of January 1, 1978.
However the Ministry of Food will try to implement the
decision of the Government as quickly as possible in the
earliest part of 1978.

(D) BDG and USG officials discussed further the use
of wheat and cotton in fulfillment of Item VI of Part II
of the Agreement for purposes which directly improve the
lives of the needy people in Bangladesh. BDG officials
agreed to provide an amount of wheat at least equivalent
to that being supplied under the Agreement to needy people
at concessional prices through the Modified Ration System
during the twelve-month period from the date of signature

of the Agreement. BDG officials stated that under this system food is distributed at subsidized prices to poor people primarily in rural areas. BDG officials agreed that cotton in an amount at least equal to that provided under the Agreement will be provided for use in the hand-loom industry and/or for production of the inexpensive cloth affordable by poor purchasers during the twelve-month period from the date of signature of the Agreement. BDG officials described the handloom industry: it includes approximately 350,000 handlooms; each loom employs on the average two persons who can earn a wage slightly higher than the prevailing agricultural wage most of the year. The village handloom industry is the largest single employer of the rural poor outside of the agricultural sector. Also the production of cheap woven lungis and sarees is the major cloth consumption item for 70 to 80 percent of the total population. The BDG officials stated their belief that additional cotton provided under Title I would benefit the needy people of Bangladesh by increasing rural, non-agricultural employment and thereby making available cheap cloth to the rural poor. USG officials commented that the information regarding provision of wheat and cotton as described above would fulfill the requirements for such information required to be furnished by the Government of Bangladesh pursuant to Part II, Item VI of the Agreement.

(E) USG officials explained with reference to the requirement under Item VI of Part II of the Agreement for a report on the use of commodities or proceeds that the report should describe the use of wheat and cotton in

accordance with the understanding noted in the preceding paragraph. This statement should contain sufficient detail to support a reasonable conclusion that these programs help needy people. BDG officials asked if this particular six-month reporting requirement could be waived, noting the stringency of the reporting requirements under the Agreement. USG officials stated that all reports required under the Agreement were obligatory and essential to fulfillment of the Agreement.

7. New Requirements:

The USG officials informed the BDG officials that recent U.S. legislation (The International Development and Food Assistance Act, effective October 1, 1977,^[1] and the Food and Agriculture Act of 1977)^[2] and amendments to Title I Financing Regulations contain certain provisions affecting the development, implementation and operation of PL-480 programs. These provisions were described as follows:

1. Purchase authorizations will be issued under the Agreement only after the Secretary of Agriculture has determined that (a) adequate storage facilities are available in the recipient country at the time of exportation to prevent the spoilage or waste of the commodity, and (b) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production.

2. Purchases of food commodities under the Agreement must be made on the basis of invitations for bid (IFB) publicly advertised in the United States and on the basis

¹ 91 Stat. 533; 22 U.S.C. § 2151 note.

² 91 Stat. 913; 7 U.S.C. § 1281 note.

of bid offerings which must conform to the IFB. Bid offering must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive and responsive bid procedures.

3. The terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager/USDA prior to issuance.

4. Commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the Agreement.

5. If the Government of Bangladesh nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the Agreement the BDG must notify the General Sales Manager/USDA in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's office in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

8. Implementation of Agreement:

During the negotiations USG officials requested and received from the BDG officials assurances that arrangements have been made by appropriate BDG authorities to relay to its Washington Embassy all instructions, information and authority necessary to enable timely implementation of the Agreement, including (1) commodity specifications, (2) contracting and delivery periods, (3) names

and addresses of U.S. and foreign banks handling transactions (letters of credit for commodity and freight), (4) authority to request and sign purchase authorizations and other necessary documents, (5) complete instructions/information/authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable), and (6) instructions to contact Program Operations Division, Office of the General Sales Manager, USDA regarding the foregoing.

9. Letters of Credit:

USG officials advised BDG officials that U.S. commodity suppliers are refusing to load vessels when acceptable letters of credit for both commodity and freight supplier are not available at the time of loading. This has already resulted in costly claims by vessel owners for demurrage and/or detention claims and carrying charges by commodity suppliers. Delays in opening letters of credit and settlement of final ten percent of freight will also result in higher commodity prices and freight rates. BDG officials assured USG officials that appropriate measures will be taken to ensure that operable letters of credit for both commodity and freight will be opened and confirmed by designated U.S. banks immediately after contracting under each purchase authorization is concluded, and not later than forty-eight hours prior to vessel's presentation for loading.

TIAS 9065

The above sets forth the understanding between the
USG and the BDG.

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

Alf E. Bergeisen

Alf E. Bergeisen
Charge' d' Affaires ad interim

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC
OF BANGLADESH

A. M. A. Muhib

A.M.A. Muhib, Secretary
External Resources Division
Ministry of Planning

January 13, 1978

[AMENDING AGREEMENT]

*The American Chargé d'Affaires ad interim to the Bangladesh Secretary,
Ministry of Planning*

EMBASSY OF THE
UNITED STATES OF AMERICA
DACC, March 3, 1978

DEAR MR. MUHITH:

We have the honor to refer to the Public Law 480 Title I Agricultural Sales Agreement signed by representatives of our two governments on January 13, 1978, and propose that the Agreement be amended as follows:

(A) In Part II-Item I-Commodity Table, under the column for Wheat/Wheat Flour entitled "Maximum Export Market Value"—delete "\$10.6" and insert "\$11.6"; and

(B) Under the column for "Maximum Export Market Value" on the line stating "Total"—delete "\$21.2" and insert "\$22.2". All other terms and conditions of the January 13, 1978 Title I Agreement remain the same. We propose this note and your reply concurring therein constitute agreement between our two governments, effective the date of your note in reply.

Please accept the assurances of our highest consideration.

ALF E. BERGESEN

A. M. A. MUHITH, SECRETARY
Ministry of Planning
Sher-e-Bangla Nagar
Dacca, Bangladash

*The Bangladesh Joint Secretary, External Resources Division,
Ministry of Planning, to the American Chargé d'Affaires ad interim*

From: M. LUTFULLAHIL MAJID,
Joint Secretary.



MINISTRY OF PLANNING
EXTERNAL RESOURCES DIVISION
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
SHER-E-BANGLA NAGAR
DACC'A-15

D.O.NO. ERD/USA (PL-480)-2/77.

DATED: 3-3-1978.

DEAR MR. BERGESEN,

I have the honour to refer to PL-480 Title-I Agricultural Sales Agreement signed by the representatives of our two Governments on January 13, 1978, and we concur to the amendments as proposed in your note dated March 3, '78 addressed to Mr. A.M.A. Muith, Secretary, External Resources Division, Ministry of Planning as follows:

- (A) In Part III-item I-Commodity Table, under the column for Wheat/Wheat Flour entitled "Maximum Export Market Value"—delete "\$10.6" and insert "\$11.6"; and
 - (B) Under the column for "Maximum Export Market Value" on the line stating "Total"—delete "\$21.2" and insert "\$22.2". All other terms and conditions of the January 13, 1978 Title I Agreement remain the same.
2. Your note of March 3, 1978 and this reply concurring to the proposals made therein constitute an Agreement between our two Governments effective this date.
3. Please accept the renewed assurances of our highest consideration.

Yours sincerely,

M LUTFULLAHIL MAJID

(M. Lutfullahil Majid)

MR. ALF E. BERGESEN,
Chargé d' Affaires,
Embassy of the United States
of America
Adamjee Court,
Dacca.

BANGLADESH

Agricultural Commodities

Agreements amending the agreement of January 13, 1978, as amended.

Effectuated by exchange of notes

Signed at Dacca April 11, 1978;

Entered into force April 11, 1978.

With agreed minutes and related letters.

And exchange of notes

Signed at Dacca May 23, 1978;

Entered into force May 23, 1978.

With agreed minutes.

The American Ambassador to the Bangladesh Secretary, External Resources
Division, Ministry of Planning

EMBASSY OF THE UNITED
STATES OF AMERICA

DACCA, April 11, 1978

DEAR MR. MUHITH:

I have the honor to refer to the PL-480 Title I Agricultural Sales Agreement signed by representatives of our two governments on January 13, 1978, as amended March 3, 1978,^[1] and propose the agreement be amended as follows:

In Part II-Item I-Commodity Table—under appropriate columns (1) for Wheat/Wheat Flour delete “100,000” and “\$11.6” and insert “200,000” and “\$25.5”; (2) for Cotton delete “\$10.6” and insert “\$10.0”; and (3) under Maximum Export Market Value on line designated Total delete “\$22.2” and insert “\$35.5”.

All other terms and conditions of the January 13, 1978 Agreement, as amended March 3, 1978, would remain the same. We propose this note and your reply concurring therein constitute an agreement between our two governments effective the date of your note in reply.

¹ TIAS 9065; *ante*, p. 4510.

Please accept the assurances of my highest consideration.

DAVID T. SCHNEIDER

A. M. A. MUHITH, SECRETARY
*External Resources Division
Ministry of Planning
People's Republic of Bangladesh
Sher-e-Bangla Nagar
Dacca, Bangladesh*

The *Bangladesh Secretary, External Resources Division, Ministry of Planning, to the American Ambassador*



From: MR. A. M. A. MUHITH,
Secretary.

MINISTRY OF PLANNING
EXTERNAL RESOURCES DIVISION
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
SHER-E-BANGLA NAGAR
DACCAC-15

NO. ERD/USA(PL 480)-3/77

APRIL 11, 1978.

EXCELLENCY,

I have the honour to refer to the PL 480 Title I Agricultural Sales Agreement signed by representatives of our two governments on January 13, 1978, as amended March 3, 1978, and propose the agreement be amended as follows:

In part II-Item I-Commodity Table—under appropriate columns (I) for Wheat/Wheat Flour delete “100,000” and “\$11.6” and insert “200,000” and “\$25.5”; (2) for Cotton delete “\$10.6” and insert “\$10.0”; and (3) under Maximum Export Market Value on line designated total delete “\$22.2” and insert “\$35.5”.

2. All other terms and conditions of the January 13, 1978 Agreement, as amended March 3, 1978, would remain the same.
3. Your note of April 11, 1978 and this reply concurring to the proposals made therein constitute an agreement between our two Governments effective this date.
4. Accept, Excellency, the assurances of my highest consideration.

A M A MUHITH

(A. M. A. Muhith)

H. E. Mr. DAVID T. SCHNEIDER,
*Ambassador Extraordinary
and Plenipotentiary,
American Embassy,
Dacca.*

TIAS 9066

AGREED MINUTES OF MEETINGS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA (USG) AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (BDG) FOR AMENDMENT OF THE JANUARY 13, 1978 PL-480 TITLE I AGREEMENT, AS AMENDED

1. Self-Help Measures and the Use of Commodities or Proceeds:

USG officials emphasized that the requirement in Part II, Item VI of the FY 1978 PL-480 Title I Agreement dated January 13, 1978, as amended, and the elaboration thereof in paragraph 6 of the Agreed Minutes of the same date concerning the use of commodities for needy people and the requirement for reporting on such use, also apply under the terms of the agreement to the 100,000 tons of wheat to be provided under the proposed amendment. The BDG officials affirmed that an amount of wheat at least equivalent to the 100,000 tons to be provided under the amendment would be supplied to needy people at concessional prices through the Modified Ration system during the 12-month period from the date of signature of the agreement. BDG officials noted that under this system food is distributed to poor people primarily in rural areas.

USG officials further reminded BDG officials, with reference to the requirement in Item VI, Part II of the FY 1978 Title I Agreement for a report on the use of the commodity or proceeds, that the report should include the use of the additional 100,000 tons of wheat to be provided under the proposed amendment. They noted further that this statement should contain sufficient detail to support a reasonable conclusion that needy people are the beneficiaries.

2. Implementation of FY 1977 and FY 1978 Title I Agreements:

USG and BDG officials agreed that a letter dated March 16, 1978 from Joseph Toner, Director of USAID, to A.M.A. Muhith, Secretary, External Resources Division, Ministry of Planning, concerning implementation of the FY 1977 and FY 1978 PL-480 Title I agreements and Mr. Muhith's letter of response dated March 31, 1978, would be incorporated into these Agreed Minutes. Copies of these letters are attached.

Attachments: As Stated

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA


David T. Schneider
David T. Schneider
Ambassador Extraordinary
and Plenipotentiary

April 11, 1978

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC
OF BANGLADESH


A.M.A. Muhith
A.M.A. Muhith, Secretary
External Resources Division
Ministry of Planning

April 11, 1978

[RELATED LETTERS]

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
DACC, BANGLADESH

MARCH 16, 1978.

Mr. A. M. A. MUHITH
Secretary
External Resources Division
Ministry of Planning
Sere-e-Bangla Nagar
Dacca, Bangladesh

DEAR MR. SECRETARY:

The purpose of this letter is to bring to your attention several matters which relate to the implementation of FY 1977 and FY 1978 PL 480 Title I Agreements. I just noted the statement in the press of March 16, of the Government's intention with respect to previously announced changes in the handling of food ration cards. The operative paragraph of the press handout as reported in the Bangladesh Observer is as follows:

"But it is a matter of regret that certain interested quarters are said to have been trying to create some misunderstanding among the innocent people by spreading rumors with ulterior motives that the ration cards in excess of six in a family shall be cancelled and that food supply shall be denied to a family having a monthly income of Taka 1600 or more. This is not based on facts. The Government wish to state clearly that there is no intention to cancel genuine ration cards or to stop supply of foodstuff to anybody in the rationing area. People with genuine ration cards need not have any fear. It is hoped that any confusion on this issued will be removed after this clarification."

If this is the position of the Government, it seems to be at variance with the following statements:

Bangladesh Government paper for the *Mid-Year Review of Food Situation 1977-78*, published by the ERD (distributed for the January 19, 1978 food meeting in Washington).

"(iv) The number of ration card per family has been limited to a maximum of six.

"(v) Decision has been taken to exclude all families earning monthly income of Tk. 1600 and above from rationing facilities. It will take about a month to take all the steps to make this decision effective."

On March 1, 1978 we received from the Government its detailed self-help report for the FY 1977 PL 480 Title I Agreement. In this paper on Page 6, item vi):

"The Government have decided to exclude all families earning monthly income of Tk 1600/- and above from rationing facilities.
vii) The number of ration cards per family has been limited to six."

If you will recall in the Bilateral Agreement relating to PL 480 Title I, dated April 1, 1977 and Amended June 30, 1977 and August 8, 1977,^[1] Item V, sub-paragraph C. 7. of the self-help measures included the following language:

"reduce the number of ration card holders under the statutory ration by recalling a significant number of cards from the most affluent card holders as of January 1, 1978."

This language of course echoes the statements of Dr. Huda, the Honorable Advisor in Charge of the Ministry of Planning at the mid-year food review on January 19, where he said on Page 4 of his opening statement:

"7. Steps are being taken to exclude the higher income groups with monthly income of Tk. 1600/- and above from rationing facilities."

It would appear to us that on the basis of the press statements the Government has reversed the position that was taken at the Donors meeting in January and in the self-help report in March and in the discussions between our Governments in the negotiations on the PL 480 Agreements for this year. We find it difficult to explain the discrepancy between the positions as publicized now and the agreements as reached a very short time ago. We will welcome, at the earliest possible date, a statement by your Government which clarifies this apparent contradiction.

We are also concerned about a possible change of signals in the procurement area and the full implementation of Government policy with respect to the rice-wheat ratio under Statutory Rationing and Priorities.

At the January food review meeting the assembled donors warmly congratulated the Bangladesh Government for its excellent efforts with the domestic procurement program. The donors also welcomed Dr. Huda's statement that:

"For planning purposes, a target of 500,000 tons has been set but the intention is to purchase whatever quantity is offered at the support price."

¹ TIAS 8898; *ante*, p. 1549.

On March 14, 1978 we received the World Food Programme's new Foodgrain Forecast which indicates that the targets for domestic procurement have been revised from 50,000 tons to 10,000 tons of wheat in April and from 50,000 tons of Boro rice in May to 10,000 tons in May and 5,000 tons in June.

As you know we regard the procurement of Boro rice and wheat, particularly the high yielding varieties, as a crucial incentive to the further expansion of agricultural production. Therefore, we would appreciate your clarification of whether these new targets reflect revised Government objectives or a considered judgment as to the amounts which may actually be procured under the conditions which may prevail April through June.

On the question of the ration mix, rice to wheat, we were encouraged by the Government's statements in the mid-year food review paper and in your detailed report on the FY 1977 PL 480 Title I self-help measures. In the latter report, we noted the following statement:

"iv) The ratio of rice and wheat in the S. R. areas and for essential priority groups has been changed from existing 2 rice:1 wheat to equal amount of rice and wheat."

According to data provided by the Ministry of Food we note that some progress has been made in the last eight months but the full implementation of this policy change has not been achieved. Specifically, for February the ratio in S. R. areas appears to be 1.2 parts rice to 1 part wheat while the ratio for the Priorities group appears to be about 1.4 parts rice to part 1 wheat. In the light of this information, we would welcome any information you might provide concerning when full implementation of this food policy measure may be expected.

In addition to the foregoing, we have recently been informed by officials of the Bangladesh Textile Mills Corporation that the BTMC on February 10 concluded an agreement for purchase of 50,000 bales of cotton from Pakistan. Of this quantity we understand that 28,000 bales are to be purchased for cash and the remainder under other sources of financing.

The purchase of the 28,000 bales from Pakistan appears to be inconsistent with your government's undertaking under the FY 1978 PL 480 Title I Agreement set forth in Section 6(B) of the Agreed Minutes, which states:

"USG officials explained further that because Bangladesh has purchased almost all of its cotton on a commercial basis, the proposed agreement establishes a Usual Marketing Requirement (UMR) of 130,000 bales of cotton. USG officials explained that the USG takes note of the fact that the BDG is currently purchasing cotton under World Bank IDA financing which requires cotton, procurement to be made available to all bidders under international tenders. Therefore the USG agreed to withdraw a U.S. tied provision of 85,000 bales under the Usual Marketing Requirement of

130,000 bales as long as the BDG provides U.S. cotton suppliers with every opportunity to compete for sales of cotton under international tenders. It is further understood that the BDG will agree in principle to the establishment of a tied UMR for U.S. cotton at such time as cotton is purchased with free foreign exchange."

My Government has asked us to seek a clarification of the apparent inconsistency between the recent cash purchase of Pakistani cotton and your Government's undertaking to allow every opportunity to U.S. suppliers to compete for sales under international tenders, and to agree to a tied UMR for any purchase of cotton with free foreign exchange. I would be grateful for your comments.

Sincerely yours,

J S TONER

Joseph S. Toner
Director

cc:

Mr. L. R. KHAN
Secretary
Ministry of Food



From A. M. A. MUHITH,
Secretary

MINISTRY OF PLANNING
EXTERNAL RESOURCES DIVISION
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
SHER-E-BANGLA NAGAR
DACCÀ-15

No. ERD/USA-III(PL-480)-3/77.

DATED, MARCH 31, 1978.

DEAR MR. TONER,

Kindly refer to your letter of March 16 covering various issues on food distribution and procurement.

The stated objective of the government in the field of procurement has been maintenance of a minimum price as an incentive to farmers. There is no departure from this policy. In fact, it is being pursued with greater interest. The procurement apparatus is fully geared to lift HYV Boro rice and wheat in the targeted quantities. In view, however, of the rising price trend, the Food Ministry forecasts that only limited quantities will be available for procurement at the price offered by the government. The basic policy of procuring whatever quantities are available at the declared price supported by a decentralised procurement machinery remains valid.

TIAS 9066

In the field of distribution, the objective of the government is to provide for a gradual shift in favour of the poorer sections of the community through the public distribution system. There is the other objective of reducing subsidy and that is to be achieved through increase in issue price as well as reduction in the offtake of rice under the public distribution system. Wheat/rice ratio in the statutory rationing areas has been fixed at 1:1 with effect from the 1st of January, 1978. Due to stable rice price in the market many card holders prefer buying part of their requirement in the form of rice from the open market instead of lifting the full permissible wheat quota from the ration shops. As a result, in the statutory rationing areas while full quota of rice has been lifted it has not happened in the case of wheat quota.

The government decided to make the higher income group ineligible for the statutory rationing system and move them to essential supply shops where foodgrains will be sold at a higher price. It was indicated that compilation of the list of eligibles and introduction of the new system would take sometime. Accordingly, the process was started and a lot of administrative and legal difficulties cropped up. In collecting information on family income it appeared that no workable index was available except for the fixed salaried groups. The institution of joint family has also created problems. It has become necessary, therefore, to carry out a rather lengthy exercise and it appears that the original time table is not practicable. Shortly we should be firming up a new time table for introduction of the proposed measures. It would be inappropriate to introduce them right now as price trend is on the increase. I may, however, point out that during the interim period we have already eliminated 96,000 ration cards in the statutory rationing areas. Issue of new ration cards has also been severely restricted. While urban population is increasing at 8% per annum in the recent past issue of new ration cards has been at the rate of 1% only. This represents a calculated shift in favour of the open market and acts as deterrent against unwanted migration to the urban areas. It should also be noted that increasingly more foodgrains are being issued in the public distribution system in the rural areas. The rationalisation of the food distribution system should be viewed as a package and it should be judged on the basis of overall impact on the flow of services to the different income groups and allocation between the urban and the rural areas. The press note of March 16 was issued to dispell some misgivings that food distribution in the urban areas was being radically changed overnight which would have a destabilizing impact on the trend of foodgrains price. Food being sensitive and highly predominant in the typical family budgets, accommodation of some short-term priorities in its longer term planning is important.

As to the question of issuing six ration cards per family, I may state that the policy is being followed for quite sometime. At present, 80% of ration card holders in the statutory rationing areas are affected by this policy.

The position has already been discussed with you by Secretary, Food and Mr. Majid of External Resources Division. Besides issues of food policy are always under discussion with you. I hope this letter will finally clarify all the issues.

I would like to emphasise that our planning of food imports is based on the assumption that 100,000 tons of foodgrains under PL 480 Title I [¹] would arrive in Bangladesh by June. Even with better performance on procurement because of increase in offtake we would have a year end stock of less than 800,000 tons. If because of delay in negotiation, 100,000 tons of PL 480 foodgrains do not arrive by June the stock position at the beginning of the lean season would be even worse. I am sure you will agree that we should not allow such a situation to develop as it did last year. I would, therefore, request you to complete negotiations for the second lot of PL 480 Title I supplies immediately. In this negotiation is also included shipment of soyabean oil. It is necessary that that commodity also moves fast; otherwise it will be difficult to hold the already disturbed price line.

I look forward to our discussions in the near future on PL 480 Title III Programme which is of great interest to us. I believe, at this meeting, we can jointly explore a number of broad policy issues relating to food distribution. We believe, as you do, that all steps should be taken to facilitate food distribution on the basis of equity and resonable price to all elements of our economically disadvantaged population.

I expect to write to you again shortly clarifying the position on procurement of cotton which was also raised in your letter under reference.

With regards,

Yours sincerely,

A M A MUHITH MARCH 31, 1978

(A. M. A. Muhith)

Mr. JOSEPH S. TONER,
Director,
USAID, Dacca.

¹ 68 Stat. 455 ; 7 U.S.C. § 1701 *et seq.*

The American Ambassador to the Bangladesh Secretary, External Resources Division, Ministry of Planning

EMBASSY OF THE UNITED
STATES OF AMERICA

DACCA, May 23, 1978

DEAR MR. MUHITH:

I have the honor to refer to the PL-480 Title I Agricultural Sales Agreement signed by representatives of our two governments on January 13, 1978, as amended March 3, 1978 and April 11, 1978, and propose the agreement be further amended as follows:

(A) In Part II-Item I-Commodity Table—under appropriate columns insert “Soybean/Cottonseed Oil, 1978, 30,000, \$16.1”. Under Maximum Export Market Value on line designated Total delete “\$35.5” and insert “\$51.6”.

(B) In Part II-Item III—Usual Marketing Table—under appropriate columns insert “Edible Vegetable Oil and/or Oil-Bearing Seeds (oil equivalent basis), 1978, None”.

(C) In Part II-Item V—Self-Help Measures—(1) delete the text of subparagraph (c)(13) and insert as the new text for this subparagraph “Continue to constrain edible oil offtakes from the public ration system in all categories except Modified Ration and Relief at the level of 3,000 metric tons per month except under emergency conditions.”; and (2) add the following subparagraph after subparagraph (c)(14), “(15) Limit edible oil offtakes in the Modified Ration system to classes “A”, “B” and “C” card holders except under emergency conditions.”

All other terms and conditions of the January 13, 1978 Title I Agreement, as amended, would remain the same. We propose this note and your reply concurring therein constitute an agreement between our two governments effective the date of your note in reply.

Please accept the assurances of my highest consideration.

DAVID T. SCHNEIDER

A.M.A. MUHITH, SECRETARY
External Resources Division
Ministry of Planning
People's Republic of Bangladesh
Sher-e-Bangla Nagar
Dacca, Bangladesh

The Bangladesh Secretary, External Resources Division, Ministry of Planning, to the American Ambassador



From: Mr.A.M.A.Muhith
Secretary

Ministry of Planning
External Resources Division
Government of the People's Republic of Bangladesh
Sher-E-Bangla Nagar
Dacca-15

D.O.No.ERD/USA(PL 480)-3/77

May 23, 1978.

Excellency,

I have the honor to refer to the PL 480 Title I Agricultural Sales Agreement signed by representatives of our two governments on January 13, 1978, as amended March 3, 1978 and April 11, 1978, and propose the agreement be further amended as follows:

(A) In Part II-Item I-Commodity Table-under appropriate columns insert "Soybean/Cottonseed Oil, 1978, 30,000 \$16.1". Under Maximum Export Market Value on line designated Total delete "\$35.5" and insert "\$51.6".

(B) In Part II-Item III-Usual Marketing Table-under appropriate columns insert "Edible Vegetable Oil and/or Oil-Bearing Seeds (oil equivalent basis), 1978, None".

(C) In Part II-Item V-Self-Help Measures-(1) delete the text of subparagraph (c)(13) and insert as the new text for this subparagraph "Continue to constrain edible oil offtakes from the public ration system in all categories except Modified Ration and Relief at the level of 3,000 metric tons per month except under emergency conditions"; and (2) add the following subparagraph after subparagraph (c)(14), "(15) Limit edible oil offtakes in the Modified Ration system to classes A,B and C card holders except under emergency conditions".

2. All other terms and conditions of the January 13, 1978 Title I Agreement, as amended, would remain the same.
3. Your note of May 23, 1978 and this reply concurring to the proposals made therein constitute an Agreement between our two Governments effective this date.
4. Accept, Excellency, the assurances of my highest consideration.



(A.M.A. Muhith)

H.E. Mr. David T. Schneider,
Ambassador Extraordinary and Plenipotentiary,
American Embassy,
Dacca,

TIAS 9066

AGREED MINUTES OF NEGOTIATIONS BETWEEN THE UNITED STATES OF
AMERICA (USG) AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC
OF BANGLADESH (BDG) FOR A THIRD AMENDMENT TO THE FY 1978
PL-480 TITLE I AGREEMENT, AS AMENDED

USG officials emphasized that the requirement in Part II, Item VI of the FY 1978 PL-480 Title I Agreement dated January 13, 1978, as amended, concerning the use of commodities for the benefit of needy people and the requirement therein for reporting on such use apply to edible oil as well as to wheat and cotton provided under the agreement, as amended. USG officials stated, with reference to Part II, Item V, subparagraphs (13) and (15) of the proposed amendment to the agreement, that the use of vegetable oil prescribed under these paragraphs for categories "A", "B" and "C" card holders of the Modified Ration system is in fulfillment of Part II, Item VI of the agreement which states that commodities provided under the agreement should directly benefit the needy people of Bangladesh.

BDG officials therefore agreed, with reference to Part II, Item VI of the agreement and paragraph 6, subparagraph D of the Agreed Minutes dated January 13, 1978 that edible oil provided under the agreement, as amended, as well as wheat and cotton would be used for purposes which directly improve lives of the needy people of Bangladesh.

USG officials explained with reference to the requirement under Part II, Item VI of the agreement for a report on the use of commodities or proceeds, that this report should

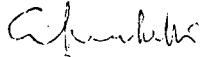
describe the use of edible oil as well as wheat and cotton provided under the agreement, as amended, in a manner that would support a reasonable conclusion that the edible oil was used to help needy people.

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA



David T. Schneider
Ambassador Extraordinary and
Plenipotentiary

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC
OF BANGLADESH



A.M.A. Muhith, Secretary
External Resources Division
Ministry of Planning

May 23, 1978

FEDERAL REPUBLIC OF GERMANY

Atomic Energy: Management of Radioactive Wastes

*Arrangement signed at Bonn December 20, 1974;
Entered into force December 20, 1974.*

TECHNICAL EXCHANGE AND COOPERATIVE ARRANGEMENT BETWEEN THE UNITED STATES ATOMIC ENERGY COMMISSION AND THE FEDERAL MINISTRY FOR RESEARCH AND TECHNOLOGY OF THE FEDERAL REPUBLIC OF GERMANY IN THE FIELD OF MANAGEMENT OF RADIOACTIVE WASTES

The United States Atomic Energy Commission (AEC) and the Federal Ministry for Research and Technology (FMRT) of the Federal Republic of Germany, having a mutual interest in cooperation in the field of management of radioactive wastes hereby agree as follows:

Article 1

The subjects of cooperation are defined in Appendix "A", and can be modified or expanded, as may be mutually agreed.

Article 2

Both Parties will make available to each other information in the field of radioactive waste management which they have the right to disclose, either in their possession or available to them, from the technical areas described in Appendix "A".

Article 3

The information exchange will be reciprocal (balanced) and will be in the form of technical reports, experimental data, correspondence, visits, joint experts meetings, and such other means as the Parties agree.

Article 4

The execution of joint programs and projects, or those programs and projects under which activities are divided between both Parties, including the use of test facilities and/or computer programs owned by either Party, will be agreed upon on a case-by-case basis. Long-term assignments of personnel can be accommodated on the same basis.

Article 5

In general, information received pursuant to this Arrangement may be disseminated freely in the country of the recipient. However, privileged (private, proprietary, company confidential) information received by either Party under this Arrangement and bearing a restrictive designation may not, except as may be required by the laws of the respective Party, be publicly disseminated by the receiving Party without the prior written consent of the transmitting Party, but such information may be disseminated as follows:

- (a) to persons within or employed directly by the recipient, and to other concerned government agencies;
- (b) to prime or sub-contractors of the recipient Party for use only within the framework of its contract(s) with the respective Parties engaged in work relating to the subject matter of the information so disseminated;

provided that privileged information disseminated to any person under subparagraphs (a) and (b) above bear the marking "Not for dissemination outside recipient's organization without prior written approval of the _____ (AEC or FMRT)". Each Party will use its best efforts to ensure that the dissemination of privileged information received under this Arrangement is controlled as prescribed herein.

Article 6

The information exchanged under this Arrangement shall be subject to the patent provisions in the Patent Addendum to this document.

Article 7

A coordinator will be designated by each Party, who will develop and control the arrangements and procedures for implementing the cooperation, in particular the effective exchange of information under this Arrangement. Approximately annually, the coordinators will organize joint working sessions at which the achievements, problems, effectiveness, future programs, etc., will be discussed with the objective of improving the cooperation.

Article 8

The application or use of any information exchanged or transferred between the Parties under this Arrangement shall be the responsibility of the Party receiving it, and the transmitting Party does not warrant the suitability of such information for any particular use or application.

Article 9

Each Party will be prepared to the best of its ability, upon specific request, to advise the other on particular questions involving the topics of this Arrangement.

Article 10

It is the intent of both Parties to assure that a reasonably balanced exchange is achieved and maintained.

Article 11

It is understood that the ability of the Parties to carry out their obligations is subject to the availability of appropriated funds.

Article 12

No provision has been made for reciprocal cost reimbursement between the Parties. Both parties shall bear the costs incurred in their area of competence, including travel expenses and subsistence allowances for their staff members and transport costs for apparatuses and other equipment transported under the cooperation program into the territory of the other Party in each case.

Article 13

This Arrangement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the United States of America within three months from the date of entry into force of this Arrangement.

Article 14

This Arrangement shall remain in operation for five (5) years after its effective date and may be extended by mutual agreement. However, the Arrangement may be terminated at any time, at the discretion of either Party, upon six months' advance written notification by the Party seeking to terminate, to the other Party.

Article 15

This Arrangement shall enter into force on the date of signature.

DONE at Bonn in duplicate in the English and German languages, each equally authentic, this twentieth day of December, 1974.

FOR THE UNITED STATES
ATOMIC ENERGY COMMISSION

THE FEDERAL MINISTER FOR
RESEARCH AND TECHNOLOGY
OF THE FEDERAL REPUBLIC OF
GERMANY

FRANK E CASH, JR

HANS MATTHOEFER

Patent Addendum

- A. With respect to any invention or discovery made or conceived during the period of, and in the course of or under, this technical exchange and cooperative Arrangement on radioactive waste management between the United States Atomic Energy Commission (AEC) and the Federal Ministry for Research and Technology (FMRT) of the Federal Republic of Germany:
- (1) If made or conceived by personnel of one Party (the assigning Party) or its contractors while assigned to the other Party (recipient Party) or its contractors:
 - (a) The recipient Party shall acquire all right, title, and interest in and to any such invention, discovery, patent application or patent in its own country and in third countries, subject to a non-exclusive, irrevocable, royalty-free license to the assigning Party, with the right to grant sublicenses, under any such invention, discovery, patent application or patent for use in the production or utilization of special nuclear material or atomic energy; and
 - (b) The assigning Party shall acquire all right, title, and interest in and to any such invention, discovery, patent application, or patent in its own country, subject to a non-exclusive, irrevocable, royalty-free license to the recipient Party, with the right to grant sublicenses, under any such invention, discovery, patent application or patent, for use in the production or utilization of special nuclear material or atomic energy.
 - (2) If made or conceived while in attendance at meetings or when employing information which has been communicated under this exchange Arrangement by one Party or its contractors to the other Party or its contractors, the Party making the invention shall acquire all right, title, and interest in and to any such invention, discovery, patent application or patent in all countries, subject to the grant to the other Party of a royalty-free, nonexclusive, irrevocable license, with the right to grant sublicenses, in and to any such invention, discovery, patent application, or patent, in all countries, for use in the production or utilization of special nuclear material or atomic energy.
 - (3) It is understood that after the European Patent Conventions (Uebereinkommen ueber die Erteilung europaeischer Patente, Uebereinkommen ueber das europaeische Patent fuer den Gemeinsamen Markt) have come into force, either Party may request a modification of this paragraph A for the purpose of according equivalent rights as provided in subparagraphs 1 and 2 above under the European Patent Conventions.

- B. Neither Party shall discriminate against citizens of the country of the other Party with respect to granting any license or sublicense under any invention pursuant to subparagraphs A(1) and A(2) above. It is understood that the licensing policies and practices of each Party can be affected because of the rights of both Parties to grant licenses within a single jurisdiction. Accordingly, each Party may request, in regard to a single invention or class of inventions, that the Parties consult in an effort to lessen or eliminate any detrimental effect that the parallel licensing authorities may have on the policies and practices of the Parties.
- C. Each Party waives any and all claims against the other Party for compensation, royalty or award as regards any inventions or discovery, patent application, or patent, made or conceived under this Arrangement, and releases the other Party with respect to any and all such claims, including any claims under the provisions of the United States Atomic Energy Act of 1954, as amended,^[1] and the German Employees' Inventions Law (Arbeitnehmererfindergesetz) of July 1957 (BGB1.1957, Part I, page 756) as amended, and the FMRT assumes the obligation under the said German law for use of patents by or on behalf of the AEC.

APPENDIX "A"

Technical Scope AEC-FMRT Radioactive Waste Management Exchange*

1. Disposal of radioactive waste in salt deposits

- a. Facility design and operation, including data on contamination of salt
- b. Heat generation and dissipation
- c. Rock mechanics studies
- d. Safety considerations and cleanliness standards for casks
- e. Geology and hydrology
- f. Waste product criteria
- g. Site criteria

¹ 68 Stat. 919; 42 U.S.C. § 2011 *et seq.* [Footnote added by the Department of State.]

*Initially, the facilities involved in this exchange on the AEC side will be Oak Ridge National Laboratory (ORNL), Los Alamos Scientific Laboratory (LASL), Argonne National Laboratory (ANL), Atlantic Richfield Hanford Co. (ARHCO), Battelle Memorial Institute/Pacific Northwest Laboratory (BNWL) and the waste management facilities at the Idaho National Engineering Laboratory (INEL), and those on the FMRT side will be Gesellschaft fuer Kernforschung m.b.H (GfK), Gesellschaft fuer Strahlen- und Umweltforschung m.b.H (GSF), Kernforschungsanlage Juelich G.m.b.H. (KFA) and Hahn-Meitner Institut fuer Kernforschung G.m.b.H. (HMI).

- h. Cost evaluation
- i. Records of repositories
- j. Risk analysis
- k. Monitoring and control
- l. Public information and relations

2. Retrievable surface storage facilities

3. Waste management research and development

- a. Solidification of high-level waste
- b. Treatment and packaging of intermediate- and low-level waste
- c. Incineration and incorporation in bitumen
- d. Processes for removal and storage of noble gases and tritium in waste streams
- e. Development of criteria for handling and storage of all classes of radioactive waste
- f. Feasibility, safety and economic analysis for alternative long-term waste management methods adopted or under consideration
- g. Processes and methods for the partitioning of high-level waste and for the extraction of selected nuclides

4. Waste from decommissioning of nuclear installations

5. Operating aspects of storage or disposal of low- and intermediate-level wastes

- a. Methods of minimizing initial generation
- b. Current efforts on volume reduction, such as incineration and compaction
- c. Current methods and limitations for packaging, handling and storage/disposal, including existing criteria
- d. Currently identified categories requiring special or unique handling

6. Transportation of radioactive waste

- a. Development of a transportation handling and shipping system for low-level waste
- b. Design and approval of a high-level waste shipping package concept
- c. Waste packaging technology
- d. Safety evaluation techniques for waste packaging and transport systems, including a quantification of risk.

**VEREINBARUNG ZWISCHEN DEM BUNDESMINISTER FÜR
FORSCHUNG UND TECHNOLOGIE DER BUNDESREPUBLIK
DEUTSCHLAND UND DER ATOMENERGIEKOMMISSION
DER VEREINIGTEN STAATEN VON AMERIKA ÜBER TECH-
NISCHEN AUSTAUSCH UND ZUSAMMENARBEIT AUF DEM
GEBIET DER BEHANDLUNG UND BESEITIGUNG VON
RADIOAKTIVEN ABFÄLLEN**

Der Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland (BMFT) und die Atomenergiekommission der Vereinigten Staaten von Amerika (AEC) haben im Hinblick auf ihr gemeinsames Interesse an der Zusammenarbeit bei der Behandlung und Beseitigung von radioaktiven Abfällen folgendes vereinbart:

Artikel 1

Die Themen der Zusammenarbeit sind in Anhang "A" definiert und können, wenn dies vereinbart wird, abgeändert oder erweitert werden.

Artikel 2

Die beiden Vertragsparteien machen einander Informationen auf dem Gebiet der Behandlung und Beseitigung von radioaktiven Abfällen aus den in Anhang "A" aufgeführten technischen Bereichen zugänglich, zu deren Weitergabe sie berechtigt sind und die sich entweder in ihrem Besitz befinden oder ihnen zur Verfügung stehen.

Artikel 3

Der Informationsaustausch ist gegenseitig (ausgewogen) und erfolgt in der Form von technischen Berichten, Versuchsdaten, Schriftwechsel, Besuchen, Tagungen von Sachverständigen oder durch andere von den Vertragsparteien vereinbarte Verfahren.

Artikel 4

Die Durchführung von gemeinsamen Programmen und Vorhaben oder von Programmen und Vorhaben, bei denen sich die beiden Vertragsparteien die Arbeit teilen, einschließlich der Benutzung von Testanlagen und/oder Computer-Programmen einer der beiden Vertragsparteien, wird von Fall zu Fall vereinbart. Auf der gleichen Grundlage kann auch der langfristige Einsatz von Personal geregelt werden..

Artikel 5

Im allgemeinen können aufgrund dieser Vereinbarung empfangene Informationen im Empfängerland frei verbreitet werden. Bevorrechtigte (private, vermögensrechtliche, betriebliche) Informationen, die von einer Vertragspartei aufgrund dieser Vereinbarung empfangen werden und mit einem ihre Weitergabe einschränkenden Vermerk gekennzeichnet sind, dürfen jedoch von der empfangenden Vertrags-

partei nicht ohne vorherige schriftliche Genehmigung der übermittelnden Vertragspartei öffentlich verbreitet werden, es sei denn, daß dies aufgrund der Gesetze der betreffenden Vertragspartei erforderlich ist; derartige Informationen können aber wie folgt weitergegeben werden:

- a) an Personen im Zuständigkeitsbereich des Empfängers oder unmittelbar von diesem beschäftigte Personen sowie an andere beteiligte Regierungsstellen,
- b) an Haupt- oder Unterauftragnehmer der empfangenden Vertragspartie, jedoch nur zur Verwendung im Rahmen ihres Vertrags oder ihrer Verträge mit den betreffenden Parteien, die Arbeiten im Zusammenhang mit dem Gegenstand der auf diese Weise weitergegebenen Informationen durchführen,

mit der Maßgabe, daß die an Personen nach den Buchstaben a und b weitergegebenen bevorrechtigten Informationen mit dem Vermerk "Nicht zur Verbreitung außerhalb der Organisation des Empfängers ohne vorherige schriftliche Genehmigung des (der) . . . (BMFT oder AEC)" gekennzeichnet werden. Jede Vertragspartei wird alle Anstrengungen unternehmen, um sicherzustellen, daß die Weitergabe von bevorrechtigten, aufgrund dieser Vereinbarung erhaltenen Informationen den in dieser Vereinbarung vorgesehenen Beschränkungen unterliegt.

Artikel 6

Die aufgrund dieser Vereinbarung ausgetauschten Informationen unterliegen den Regelungen betreffend Patente, die in den Zusatzbestimmungen zu dieser Vereinbarung niedergelegt sind.

Artikel 7

Jede Vertragspartei benennt einen Koordinator, der die Abmachungen und Verfahren zur Durchführung der Zusammenarbeit, insbesondere den wirksamen Informationsaustausch nach dieser Vereinbarung, ausarbeitet und überwacht. Etwa einmal jährlich veranstalten die Koordinatoren gemeinsame Arbeitstagungen, auf denen Ergebnisse, Probleme, Wirksamkeit, künftige Programme usw. mit dem Ziel erörtert werden, die Zusammenarbeit zu verbessern.

Artikel 8

Die Anwendung oder Verwendung einer von den Vertragsparteien aufgrund dieser Vereinbarung ausgetauschten oder übermittelten Information obliegt der empfangenden Vertragspartei; die übermittelnde Vertragspartei übernimmt keine Gewähr dafür, daß diese Information für eine bestimmte Verwendung oder Anwendung geeignet ist.

Artikel 9

Jede Vertragspartei ist bereit, die andere Vertragspartei auf ausdrückliches Ersuchen nach besten Kräften in besonderen Fragen im Zusammenhang mit den Themen dieser Vereinbarung zu beraten.

Artikel 10

Beide Vertragsparteien haben die Absicht sicherzustellen, daß ein angemessen ausgewogener Austausch zustande gebracht und aufrechterhalten wird.

Artikel 11

Es wird davon ausgegangen, daß die Fähigkeit der Vertragsparteien, ihre Verpflichtungen zu erfüllen, von der Verfügbarkeit dafür bestimmter Mittel abhängt.

Artikel 12

Eine gegenseitige Kostenerstattung zwischen den Vertragsparteien ist nicht vorgesehen. Beide Vertragsparteien tragen die in ihrem Zuständigkeitsbereich entstehenden Kosten einschließlich der Reisekosten und Unterhaltszulagen für ihr Personal und der Transportkosten für Geräte und sonstige Ausrüstungen, die nach dem Kooperationsprogramm jeweils in das Hoheitsgebiet der anderen Vertragspartei befördert werden.

Artikel 13

Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten dieser Vereinbarung eine gegenteilige Erklärung abgibt.

Artikel 14

Diese Vereinbarung bleibt fünf (5) Jahre in Kraft, vom Zeitpunkt ihres Inkrafttretens an gerechnet; sie kann im gegenseitigen Einvernehmen verlängert werden. Jede Vertragspartei kann diese Vereinbarung jedoch jederzeit außer Kraft setzen, indem sie der anderen Vertragspartei ihre Absicht sechs Monate im voraus schriftlich notifiziert.

Artikel 15

Diese Vereinbarung tritt am Tage ihrer Unterzeichnung in Kraft.

GESCHEHEN zu Bonn, am 20 Dezember 1974
in zwei Urschriften, jede in deutscher und englischer Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist.

DER BUNDESMINISTER FÜR
FORSCHUNG UND TECHNO-
LOGIE DER BUNDESREPUBLIK
DEUTSCHLAND

HANS MATTHOEFER.

FÜR DIE ATOMENERGIEKOM-
MISSION DER VEREINIGTEN
STAATEN VON AMERIKA

FRANK E CASH, JR

Patent Addendum

- A. Für jede Erfindung oder Entdeckung, die während der Dauer, im Verlauf oder aufgrund dieser Vereinbarung zwischen dem Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland (BMFT) und der Atomenergiekommission der Vereinigten Staaten von Amerika (AEC) über Technischen Austausch und Zusammenarbeit auf dem Gebiet der Behandlung undendlagerung radioaktiver Abfälle gemacht oder konzipiert wird, gilt folgendes:
1. Sofern sie vom Personal einer Vertragspartei (der abordnenden Partei) oder ihren Auftragnehmern während der Abordnung zur anderen Vertragspartei (empfangende Vertragspartei) oder ihren Auftragnehmern gemacht oder konzipiert wurde,
 - a) erwirbt die empfangende Vertragspartei sämtliche Rechte, Ansprüche und Anteile in bezug auf diese Erfindung, Entdeckung, Patentanmeldung oder dieses Patent in ihrem Land und in Drittländern, vorbehaltlich der Einräumung einer nichtausschließlichen, unwiderruflichen, gebührenfreien Lizenz an die abordnende Vertragspartei, mit der Berechtigung, Unterlizenzen an dieser Erfindung, Entdeckung, Patentanmeldung oder diesem Patent zur Nutzung bei der Herstellung oder Verwertung von besonderem Kernmaterial oder von Atomenergie zu erteilen; und
 - b) erwirbt die abordnende Vertragspartei sämtliche Rechte, Ansprüche und Anteile in bezug auf diese Erfindung, Entdeckung, Patentanmeldung oder dieses Patent in ihrem Land, vorbehaltlich der Einräumung einer nichtausschließlichen, unwiderruflichen, gebührenfreien Lizenz an die empfangende Vertragspartei, mit der Berechtigung, Unterlizenzen an dieser Erfindung, Entdeckung, Patentanmeldung oder diesem Patent zur Nutzung bei der Herstellung oder Verwertung von besonderem Kernmaterial oder von Atomenergie zu erteilen.
 2. Sofern sie während der Teilnahme an Tagungen oder bei der Verwendung von Informationen, die aufgrund dieser Austausch-Vereinbarung von einer Vertragspartei oder ihren Auftragnehmern der anderen Vertragspartei oder ihren Auftraggebern mitgeteilt worden sind, gemacht oder konzipiert wurde, erwirbt die Vertragspartei, die die Erfindung gemacht hat, sämtliche Rechte, Ansprüche und Anteile in bezug auf diese Erfindung, Entdeckung, Patentanmeldung oder dieses Patent in allen Ländern, vorbehaltlich der Einräumung einer gebührenfreien, nichtausschließlichen, unwiderruflichen Lizenz an die andere Vertragspartei, mit der Berechtigung, Unterlizenzen an dieser Erfindung, Entdeckung, Patentanmeldung oder diesem Patent

- in allen Ländern zur Nutzung bei der Herstellung oder Verwertung von besonderem Kernmaterial oder von Atomenergie zu erteilen.
3. Es wird davon ausgegangen, daß jede Vertragspartei nach dem Inkrafttreten der Europäischen Patentkonventionen (Übereinkommen über die Erteilung europäischer Patente; Übereinkommen über das europäische Patent für den Gemeinsamen Markt) eine Änderung des Abschnitts A beantragen kann, um im Rahmen der Europäischen Patentkonventionen die gleichen Rechte einzuräumen, wie sie in den Absätzen 1 und 2 vorgesehen sind.
- B. Die Vertragsparteien werden Staatsangehörige des Staates der anderen Vertragspartei bei der Erteilung von Lizenzen oder Unterlizenzen an Erfindungen nach Abschnitt A, Absätze 1 und 2 nicht diskriminieren. Es wird davon ausgegangen, daß die Lizenzierungspolitik und -praxis jeder Vertragspartei durch das Recht der beiden Vertragsparteien, Lizenzen in einem einzigen Hoheitsgebiet zu vergeben, berührt werden können. Demnach kann jede Vertragspartei für eine Einzelerfindung oder eine Gruppe von Erfindungen beantragen, daß die Vertragsparteien einander konsultieren, um jede nachteilige Wirkung, die parallele Lizenzierungsbefugnisse auf die Politik und die Praxis der Vertragsparteien haben könnten, zu mindern oder auszuschließen.
- C. Jede Vertragspartei verzichtet auf alle Ansprüche auf Ausgleich, Gebühren oder Entschädigung gegen die andere Vertragspartei in bezug auf Erfindungen, Entdeckungen, Patentanmeldungen oder Patente, die im Rahmen dieses Übereinkommens gemacht oder konzipiert wurden, und stellt die andere Vertragspartei von allen derartigen Ansprüchen frei; hierzu gehören auch Ansprüche nach den Bestimmungen des Atomenergiegesetzes (Atomic Energy Act) der Vereinigten Staaten von 1954, in der geänderten Fassung, und des deutschen Arbeitnehmererfindergesetzes vom 25. Juli 1957 (BGBl. 1957 Teil I Seite 756), in der geänderten Fassung; der BMFT übernimmt die Verpflichtung nach dem genannten deutschen Gesetz für die Verwertung von Patenten durch die AEC oder in ihrem Auftrag.

ANHANG "A"**Technischer Umfang**

des Austausches zwischen dem BMFT und der AEC über die Behandlung und Beseitigung von radioaktiven Abfällen +)

1. Endlagerung von radioaktiven Abfällen in Salzlagerstätten

- a) Entwurf und Betrieb von Anlagen einschließlich Daten über die Kontamination des Salzes
- b) Wärmeerzeugung und -ableitung
- c) Untersuchungen über Gebirgsmechanik
- d) Sicherheitsüberlegungen und Sauberkeitsnormen für Behälter
- e) Geologie und Hydrologie
- f) Kriterien von Abfallprodukten
- g) Standort-Kriterien
- h) Kostenschätzungen
- i) Unterlagen über Lagerstätten
- j) Risikoanalysen
- k) Überwachung und Kontrolle
- l) Öffentlichkeitsarbeit

2. Lagereinrichtungen zur Lagerung von Abfällen in rückholbarer Form

3. Forschung und Entwicklung auf dem Gebiet der Behandlung und Beseitigung von Abfällen

- a) Verfestigung von hochaktiven Abfällen
- b) Behandlung und Verpackung von mittel- und schwachaktiven Abfällen
- c) Verbrennung und Bituminierung
- d) Verfahren zur Abtrennung und Lagerung von Edelgasen und Tritium in Abfallprozeßströmen
- e) Entwicklung von Kriterien für die Handhabung und Lagerung aller Arten von radioaktiven Abfällen
- f) Durchführbarkeitsstudien, Sicherheits- und Wirtschaftlichkeitsanalysen für alternative langfristige Methoden zur Behandlung und Beseitigung von Abfällen, die üblich sind oder erwogen werden

+) Zunächst werden seitens der AEC folgende Einrichtungen in den Austausch einbezogen sein: das Oak Ridge National Laboratory (ORNL), das Los Alamos Scientific Laboratory (LASL), das Argonne National Laboratory (ANL), die Atlantic Richfield Hanford Co. (ARHCO), das Battelle Memorial Institute/Pacific Northwest Laboratory (BNWL) und die Abfallbehandlungs- und Beseitigungsanlagen des Idaho National Engineering Laboratory (INEL); seitens des BMFT werden es die Gesellschaft für Kernforschung m.b.H. (GfK), die Gesellschaft für Strahlen- und Umweltforschung m.b.H. (GSF), die Kernforschungsanlage Jülich G.m.b.H. (KFA) und das Hahn-Meitner-Institut für Kernforschung G.m.b.H. (HMI) sein.

- g) Verfahren und Methoden zur chemischen Auf trennung von hochaktiven Abfällen und zur Gerinnung von spezifischen Nukliden

4. Abfälle aus der Stilllegung von atomaren Anlagen

5. Betriebsbezogene Aspekte der Lagerung oder Endlagerung von schwach und mittelaktiven Abfällen

- a) Verfahren zur Minimierung der primären Abfallproduktion
- b) Gegenwärtige Bemühungen bezüglich Volumenreduzierung, beispielsweise Verbrennung und Kompaktierung
- c) Gegenwärtige Verfahren und Begrenzungen bei Verpackungen, Handhabung und Lagerung/Endlagerung, einschließlich vorhandener Kriterien
- d) Zum gegenwärtigen Zeitpunkt erfasste Kategorien, die eine besondere oder einmalige Handhabung erfordern.

6. Transport von radioaktiven Abfällen

- a) Entwicklung eines Systems für Transport und Handhabung von schwachaktiven Abfällen
- b) Entwurf und Abstimmung eines Konzepts für Transportbehälter für hochaktive Abfälle
- c) Entwicklung von Abfallbehältern
- d) Entwicklung von Sicherheitskriterien für Abfallverpackungs- und Transportsysteme, einschließlich Risikoanalyse

TUNISIA

Small Farmer Supervised Credit

*Agreement signed at Tunis March 24, 1978;
Entered into force March 24, 1978.*

TIAS 9068

A.I.D. Loan Number 664-T-054
Project Number 664-0302
Dated: MAR 24 1978

PROJECT LOAN AND GRANT AGREEMENT

between

THE REPUBLIC OF TUNISIA

and the

UNITED STATES OF AMERICA

for

SMALL FARMER SUPERVISED CREDIT

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A.I.D. Loan No.
A.I.D. Project No. 664-0302

LOAN AND GRANT AGREEMENT

Dated MAR 24 1978

BETWEEN

the Republic of Tunisia (Cooperating Country)

AND

the United States of America, acting through the Agency for
International Development ("A.I.D.")

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of
the parties named above ("Parties") with respect to the undertaking by
the Cooperating Country of the Project described below, and the financing
thereof by the Parties.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project, which is
further described in Annex 1, will consist of a supervised credit
program to provide access to agriculture production inputs and technical
information necessary to increase the level of production technology
employed by a significantly larger number of small-and medium-size
farmers than at present. Annex 1, attached, contains the detailed
project description cited in this Section and identifies those elements
of the Project for which Grant financing will be employed, and those for
which loan financing will be employed. Within the limits of the above
definition of the Project, elements of the description contained in

Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2. without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project

(a) A.I.D.'s Grant and Loan contribution over the life of the Project is estimated to be approximately U.S. dollars 18,207,000 which will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed with the project.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Cooperating Country, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1. The Grant; The Loan

To assist the Cooperating Country to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to grant the Cooperating Country under the terms of this agreement, an initial increment not to exceed five hundred and fourteen thousand United States ("U.S.") Dollars \$514,000 ("Grant") and to lend the Cooperating Country under the terms of this Agreement, an initial

¹ 75 Stat. 424; 22 U.S.C. § 2151 note.

increment not to exceed six million U.S. Dollars (\$6,000,000) ("Loan").

The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan and the Grant together are referred to as the "Assistance". The Assistance may be used to finance foreign exchange costs, as defined in Section 7.1., and local currency costs, as defined in Section 7.2. of goods and services required for the Project.

SECTION 3.2. Cooperating Country Resources for the Project

(a) The Cooperating Country agrees to provide or cause to be provided for the Project all funds, in addition to the Assistance, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Cooperating Country over the life of the Project are estimated to be approximately the equivalent of U.S. \$24,000,000 including costs borne on an "in kind" basis, but not less than 25% of the total cost of the Project. The initial increment will amount to the equivalent of \$3,300,000.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1982 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Assistance will have been performed and all goods financed under the Assistance will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Assistance for services performed subsequent to the PACD or

for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D. by giving notice in writing to the cooperating country, may at any time or times reduce the amount of the Assistance by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Loan Terms

SECTION 4.1. Interest

The Cooperating Country will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement of the Loan hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5.) of each respective disbursement, and will be computed on the basis of a 365 day year. Interest will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment

The Cooperating Country will repay the Principal to A.I.D. within twenty (20) years from the date of the first disbursement of the Loan in twenty-one (21) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one half (9 1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Cooperating Country with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment

All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment

Upon payment of all interest and any refunds then due, the Cooperating Country may prepay, without penalty, all or part of the Principal. Unless A.I.D. otherwise agrees in writing, any such pre-payment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms

(a) The Cooperating Country and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Cooperating Country which will enable it to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1. and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1., the name and address of the person who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Cooperating Country's Ministry of Foreign Affairs in Tunisia.

SECTION 4.6. Termination on Full Payment

Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Cooperating Country and A.I.D.

relating to the Loan provisions of this Agreement will cease. However, with respect to any remaining obligations arising out of the expenditure of Grant Funds, this Agreement will remain in full force and effect.

ARTICLE 5: Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement

Prior to the first disbursement of the Assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Cooperating Country and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all of its terms;
- (b) A statement of the name of the person holding or acting in the office of the Cooperating Country specified in Section 9.2. and his specimen signature.
- (c) A request from the Cooperating Country for A.I.D. to procure directly the services of two technicians and short-term consultants for the Project to advise and assist the Cooperating Country in planning, organization, implementation and evaluation of the Project;
- (d) The designation of counterparts for the U.S. technicians;

- (e) A contract with the Centre National des Etudes Agricoles (CNEA) to monitor, collect data on and evaluate project performance.

SECTION 5.2. Additional Disbursement

Prior to disbursement of the Assistance or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the services referred to in Section 5.1. the Cooperating Country will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) Evidence of the establishment of a coordinating committee constituted of high level representatives from each of the participating agencies of the Cooperating Country.
- (b) An agreement or agreements detailing the role and responsibilities of each of the participating agencies which has been reviewed and approved by each of those agencies.
- (c) Evidence that the cooperating country has provided sufficient local currency in its 1978 budget to finance the first year costs of staffing, construction of livestock shelters, procurement of vehicles, maintenance capital for revolving fund, and other cooperating country project costs.
- (d) Detailed procedures developed and documented for the operation of the Project including promotional activities, applicant selections and eligibility guidelines, credit analyses and farm planning, loan processing borrower supervision techniques, loan collection, system for

reporting and data collections, systems for monitoring and analyzing of field activities and pesticide utilization.

(e) An approved organization plan evidencing the establishment of regional credit staff in each Commissariat Regional du Développement Agricole (CRDA) unit in each of the five governorats.

(f) A phased staffing pattern indicating present and future personnel requirements for the Project with provision that such assignments will be made on a timely basis relative to the Project needs.

(g) Evidence that Principal Regional Agents and an adequate number of Field Agents to begin to implement the first phase of the Project have been assigned to each of the five governorats.

(h) A completed evaluation plan.

(i) A procurement plan and delivery schedule for the vehicles to be provided by the Cooperating Country.

SECTION 5.3. Notification

When A.I.D. has determined that the conditions precedent specified in Sections 5.1. and 5.2. have been met, it will promptly notify the Cooperating Country.

SECTION 5.4. Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 5.1. have not been met within 60 days from the date as A.I.D. may agree to in writing, and if all of the conditions specified in Section 5.2. have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D. at its option, may terminate this Agreement by written notice to the Cooperating Country.

(b) In the event of such termination, the Cooperating Country will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all its obligations of the Parties hereunder will terminate, except with respect to any obligations arising out of the expenditure of Grant funds.

ARTICLE 6: Special Covenants

SECTION 6.1. Project Evaluation

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at periodic points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) recommendations as to how such problems or constraints should be addressed; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Host Country Support

The Cooperating Country agrees to assist USAID/Tunisia in obtaining office space, and other facilities as are needed in the project areas to support the work of the U.S. technical assistance team.

ARTICLE 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs

Grant funds disbursed pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000)

of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services, except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1. (b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs

Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Republic of Tunisia.

ARTICLE 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs

After satisfaction of the conditions precedent, the Cooperating Country may obtain disbursements of funds for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon: by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters; (a) requests for reimbursement for such goods or services, or (b) requests for A.I.D. to procure commodities or services in Cooperating Country's behalf for the Project.

SECTION 8.2. Disbursements for Local Currency Costs

(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursement of funds for Local Currency Costs required for the Project in accordance with the terms of this Agreement as set forth in Annex 1, FINANCIAL PLAN, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements hereunder may be obtained by purchase by A.I.D. with U.S. Dollars.

(c) The order of disbursements of loan proceeds will be as follows. An initial disbursement to finance the establishment of the revolving credit funds will be made hereunder in an amount based on jointly projected first quarter utilization of the revolving funds. Subsequent disbursements will be made quarterly in amounts based on the previous quarter utilization and a joint projection of utilization during the subsequent quarter.

SECTION 8.3. Other Forms of Disbursement

Disbursements of the Loan or Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange

Funds, provided under the Loan or Grant by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. under Section 8.2. will be calculated at the highest commercial rate of exchange which, at the time disbursement is made, is not unlawful in Tunisia.

SECTION 8.5. Date of Disbursement

Disbursements of the Assistance by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Cooperating Country or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 9: MiscellaneousSECTION 9.1. Communications

Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Cooperating Country:

Ministère des Affaires Etrangères
Direction de la Coopération Internationale
Avenue Mohamed V
Tunis, Tunisia

To A.I.D. :

Agency for International Development
c/o American Embassy
144, Avenue de la Liberté
Tunis, Tunisia

Alternate Address for cables: Director, USAID

AmEmbassy Tunis

All such communications will be in English or French. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives

For all purposes relevant to this Agreement, the Cooperating Country will be represented by the individual holding or acting in the Office of Minister of Foreign Affairs and A.I.D. will be represented by the individual holding or acting in the Office of Director, USAID to Tunisia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the detailed description in Annex 1, The names of the representatives of the Cooperating Country, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex

A "Combined Loan and Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

SECTION 9.4. Language of Agreement

This Agreement, its annexes and Project Implementation Letters are prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

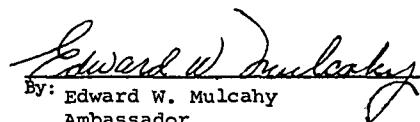
IN WITNESS WHEREOF, the Republic of Tunisia and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Republic of Tunisia



By: Ridha BachBaouab
Director of International
Cooperation
Ministry of Foreign Affairs

United States of America



By: Edward W. Mulcahy
Ambassador

ANNEX 1THE PROJECT

The Project will provide, through a supervised credit program, access to agriculture production inputs and technical information necessary to increase the level of production technology employed by a significantly larger number of small and medium scale farmers than at present. It will contribute to the overall sector goal of increasing basic agriculture production and improving the income levels of small and medium scale farm units.

The Project Funding is expected to be carried out over a four-year period beginning in FY 1978 and will consist of A.I.D. Grants totaling approximately \$907,000 and Loans totalling approximately \$17,300,000.

It is anticipated the U.S. Assistance will be provided in three phases. Funding for the First Phase (FY 78-79) will consist of \$6 million in loan and \$0.514 million in grant funds. Funding for the Second Phase (FY 80) \$6 million loan and \$0.225 million grant funds, and Third Phase (FY 81), \$5.3 million loan and \$0.168 million grant funds. The decision to provide funds for each successive Phase will depend upon satisfactory progress toward meeting project objectives as determined by the periodic evaluations, the availability of funds to A.I.D., and to the mutual agreement of the Parties to proceed with the Project.

The Grants (\$907,000) will be used for technical services and administrative support, and the Loans will be used to establish a revolving short-term credit fund for crop production, animal feeds (\$13,200,000) and partial funding of a revolving fund for medium-term livestock purchase and small-farm equipment credit (\$4,100,000). The U.S. Assistance will be supplemented by an estimated \$24,000,000 contribution from the Government of Tunisia.

1. U.S. Contribution

a. Grant

- (1) U.S. resident technicians - 96 PM
- (2) U.S. consultants - 6 PM
- (3) Training - 44 PM
- (4) Technical support for periodic project evaluation
- (5) Administrative support contribution (10% of total administrative costs)

b. Loan

- (1) Funding for short-term seasonal credit of crop and animal production inputs, i.e., selected seeds, fertilizers, pesticides and herbicides, animal or mechanized custom services, and animal feed concentrates.
- (2) Funding for medium-term credit for purchase of improved local bred heifers, barbarine ewes, and small-farm equipment.

2. GOT Contribution

The GOT contribution will consist of funding for medium-term credit for construction of livestock shelters; partial funding of the revolving fund for medium-term livestock purchase credit; administrative

costs of personnel, equipment and its operation; contingency and inflation costs; and maintenance of capital for the loan-financed revolving funds. This contribution includes the provision of personnel (6 engineers, 83 field agents, 16 administrative/clerical staff, and 20 drivers), equipment and facilities (31 - 5 HP automobiles and 6 fully equipped offices), and maintenance and operational costs of cars, facilities, and equipment and supplies over a four-year period of life of project. The GOT will also provide through a Trust Account funds to be used for participant international travel, language instruction, medical examination, and other participant processing; and in-country transportation of full-time U.S. technicians.

3. Detailed Description

(1) The proposed project will establish a revolving seasonal credit fund for procurement of inputs on an 8 to 12 month basis for crop and animal production, and a medium-term credit fund for procurement of improved livestock and small farm equipment. All inputs, where possible, will be in kind. Credit for construction of livestock facilities will be provided by the GCT (Government of Tunisia) under existing, or expansion of existing medium term FOSDA (Special Funds for Agriculture Development) programs. As with all other elements of this project, assistance in securing FOSDA credit will be furnished by the CRDA. Custom services (either mechanical or animal traction, and from public or private sources) will be available under the revolving seasonal credit fund in the form of cash or coupons. Supervisory services and technical assistance at the farm level will be furnished by field

agents (Agents Vulgarisateurs) of the CRDA.

(2) The project will be implemented through the DPA (Division of Agriculture Production), Ministry of Agriculture, and coordinated at the field or provincial level by existing and additional CRDA (Regional Office for Agriculture Development) technical and administrative staff. In kind inputs will be obtained from OC (Office of Cereals), OEP (Office of Livestock and Pastures), CCSPS (Central Cooperative for Seeds and Selected Plants), COSAG (Agriculture Services Cooperative of Grombalia), and the CMF du Cap Bon (Vegetable and Fruit Cooperative of Cap Bon). Custom services will be obtained either from private or public sources at borrower's option, dependent upon timely availability. Materials for construction of livestock facilities will be purchased from local supply sources.

The BNT will be responsible for overall management of the Credit Fund. However, actual field management of credit operations will be conducted by local credit committees. Each committee will consist of provincial representatives of the Ministries of Agriculture and Finance, BNT, UNAT (National Farmers Union of Tunisia), SCM (Mutual Guarantee Society), and other participating agencies, i.e., OC, OEP, CCSAG and SONAM (National Society of Mechanized Farming). Participating farmers will be organized under existing or newly created SCM's to provide a guarantee for the repayment of loans (tentatively agreed to at an interest rate of at least 6%), or guarantees will be in the form of collateral security on harvests - which will be insured against fire or hailstone risks. Guarantees will be in the form of either of the above, or a combination of the two.

(3) The project will combine selected materials and services and close supervision and technical guidance for delivery to cooperating farmers of 50 hectares and below. For farms in the 40-50 ha. range, only those not otherwise eligible for credit from other sources will be allowed to participate in this program.

For the purposes of this project, small and medium-size farmers are defined as those farmers farming forty hectares or less - with provisions made to extend loans to farmers farming up to fifty hectares who are otherwise eligible and are not qualified to obtain credit from other sources.

Technical and supervisory agents will assist each participating farmer in the development of individually tailored farm production plans. These plans will propose a mix of food crops, forage crops, and animal and dairy production compatible with the size of farm and quality of the soils, usual climatic and rainfall conditions, characteristics of the intended crops, type and availability of cultivation services, and the capability of the farm operator. Initial interviews will determine and quantify the present level of on-farm investment, production, and labor availability from which future changes can be measured. The plans will then be submitted to the local credit committees for review and approval. Upon approval, a line of seasonal credit in kind for the cooperating farmer will be established through the BNT - with which production inputs as reflected in the agreed production plan can be purchased. These inputs will include certified seeds for cereals, legumes, and forages; fertilizers, herbicides and pesticides; animal

or mechanized custom services (either public or private); and animal feed concentrates. Credit for construction of livestock shelters, a major GOT contribution, will be available through existing, or expansion of existing complementary GOT projects and programs. These inputs will be combined with supervisory technical assistance at the farm operation level so as to optimize the various activities and practices associated with cultivation of different crops and raising of livestock. The technical/supervisory personnel who will be responsible for assisting the farmer in developing the farm production plan, and the plan itself, are crucial to the concept and probable success of the supervised credit scheme.

The production plan, which would vary in terms of input mixture from farm to farm, would include technical improvements such as use of improved and/or treated seeds, fertilizer, herbicides and pesticides, proper land preparation, cultivation practices, production and utilization of animal feeds, improved farm management, etc. The farmer, with supervision and technical assistance provided through the area CRDA, would be responsible for the intended application of inputs. Recommendations for the livestock element would also have been included in the farm plan.

Implementation of the project should also significantly increase average meat and milk production. These increases would be obtained through the use of improved breeds, a feeding program utilizing quality forage produced on-farm and supplemented by feed concentrates purchased through the revolving seasonal credit fund, and improved husbandry practices, i.e., proper care and maintenance, good sanitary conditions, adequate shelter, and balanced rations. This type of stock farming will

produce a healthier animal-- giving more milk and producing more beef--over a shorter time-span. Livestock would be sold earlier (9 to 10 months for cattle and 4 to 5 months for lambs) and at a heavier weight than marketed previously.

The farm plans will be based on a more rational and efficient land use and production strategy. The farm production plan, which would vary from farm to farm, would combine the use of improved inputs and proper management to increase total farm production. Land use will be divided between cereals, forage, and grain legumes. In most cases, land devoted to cereal production will remain the same or decrease. However, productivity increases will result in higher cereal output. The rise in productivity will be obtained from the use of certified seeds; proper seedbed preparation; use of herbicides and pesticides when alternative protection activities are deemed insufficient; fertilizer application; proper tillage; and employment of machine or animal-powered traction for planting, harvesting, spraying, and other application on a timely basis.

4. Project Evaluation

Semi-annual evaluations will be jointly conducted by A.I.D., the Government of Tunisia, and the Centre National des Etudes Agricoles (CNEA) to assess the progress of the project toward achieving overall objectives. The CNEA, under a contract with the Government, will collect, compile, and analyze data related to the number of farmers receiving credit by farm size with particular attention paid to the smallest categories (0-5, 5-10 ha); interest rates, loan terms and conditions;

repayments, delinquencies, defaults, production increases, cost of inputs, market prices; and institutional effectiveness. The specific kinds of data to be collected by CNEA will be more fully explained in Implementation Letters.

Six months prior to the completion of the First Phase (FY 78-79) of the Project, the Government, A.I.D., and CNEA will jointly review the progress of the Project up until that time and address any problems or constraints identified. Based on the findings of this evaluation and review, A.I.D. will advise the Government of its intentions to provide funding for the Second Phase (FY 80) of the Project and the conditions under which those funds will be made available. If A.I.D. decides not to provide funds for the Second Phase, the Government will be advised as to the reasons for that decision. This procedure will also be utilized prior to providing funds for the Third Phase - assuming the Second Phase is undertaken.

PROPOSED FINANCIAL PLAN (Disbursements)
(U.S. \$000)

ITEMS	: TOTAL	FY 78	FY 79	FY 80	FY 81
<u>U.S. Contribution - 43.1%</u>	:	:	:	:	:
1. Revolving Fund for Short-term Seasonal Crop Loans	: 13,200	2,442	2,442	4,884	3,432
2. Revolving Fund for Medium-Term Livestock and Small-farm equipment Loans	: 4,100	558	558	1,116	1,868
3. U.S. Resident Technicians (2) 4 years	: 500	150	140	105	105
4. U.S. Consultants (6 PM)	: 44	20			24
5. Administrative Support for 0-5 ha. Farmers (10% of Administrative Costs)	: 211	101	33	71	6
6. Technical Support for periodic Project Evaluation (CNEA)	: 52	10	10	24	8
7. Training and Project Support (44 PM)	: <u>100</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
<u>TOTAL US CONTRIBUTION</u>	: 18,207	3,306	3,208	6,225	5,468
<u>GOT Contribution - 56.9%</u>	:	:	:	:	:
1. Fund for medium-term livestock shelter construction loans	: 7,581	1,137	1,137	2,274	3,033
2. Fund for medium-term livestock purchase loans	: 3,010	508	508	1,015	979
3. Administrative Costs*: (Personnel) (Equipment & Operations)	: 2,108 (1,721) (387)	449 (307) (142)	386 (342) (44)	544 (458) (86)	729 (614) (114)
4. Contingency and Inflation Costs (10% of Project Cost)	: 3,078	529	518	1,004	1,027
5. Maintenance of Capital for the Revolving Funds**	: <u>8,223</u>	<u>642</u>	<u>1,389</u>	<u>2,572</u>	<u>3,620</u>
<u>TOTAL GOT CONTRIBUTION</u>	: 24,000	3,265	3,938	7,409	9,388
<u>PROJECT TOTAL</u>	: 42,207	6,571	7,146	13,634	14,856
	=====	=====	=====	=====	=====

* Includes Trust Account Funds

**Portion related to medium-term livestock loans will actually occur in later years but is shown here in same year as that in which loan was made in order to simplify tabular presentation while still accurately reflecting real GOT contribution.
[Footnotes in the original.]

Prêt AID No. 664-T-054
Projet No. 664-0302

Date: MAR 24 1978

P R O J E T
DE
CREDIT AGRICOLE SUPERVISE AU PROFIT
DES PETITS EXPLOITANTS

ACCORD DE PRET ET DE SUBVENTION

ENTRE
LA REPUBLIQUE TUNISIENNE
ET
LES ETATS-UNIS D'AMERIQUE

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ANNEXE 1

LE PROJET

1 - 11

Prêt A.I.D. No. 664-
Projet A.I.D. No. 664-0302

ACCORD DE PRET ET DE SUBVENTION

DATE _____

ENTRE

La République Tunisienne (Pays Coopérant)

ET

Les Etats Unis d'Amérique, agissant par l'intermédiaire de
l'Agence pour le Développement International (A.I.D.).

Article 1: L'Accord

Le but du présent Accord est de définir l'accord intervenu entre les parties susvisées ("Parties") concernant la réalisation par le Pays Coopérant du Projet décrit ci-dessous et son financement par les Parties concernées.

Article 2: Le Projet

SECTION 2.1: Définition du Projet

Le projet, décrit en plus de détails à l'Annexe 1, consistera en un programme de crédit supervisé donnant accès aux facteurs de production agricoles et aux informations techniques nécessaires pour améliorer le niveau de la technologie de production employée par un nombre de petits et moyens agriculteurs beaucoup plus grand qu'il n'est actuellement le cas. L'Annexe 1 ci-jointe contient la description détaillée du Projet citée dans cette Section et identifie les éléments du Projet qui seront financés par la subvention et ceux qui le seront par le Prêt. Tout en restant dans les limites de la définition du Projet énoncée ci-dessus, certains aspects de la description détaillée présentée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants autorisés des Parties mentionnées à la Section 9.2, sans procéder pour autant à l'aménagement officiel du présent Accord.

SECTION 2.2: Réalisation Echelonnée du Projet

(a) La contribution de l'A.I.D. au titre de la Subvention et du Prêt

durant la période du Projet est estimée à environ 18.207.000 Dollars U.S. qui seront versés par tranches, la première sera fournie conformément à la Section 3.1. du présent Accord. Les tranches ultérieures seront sous réserve de disponibilité de fonds à l'A.I.D. à cette fin et de l'accord des Parties, à la date de versement d'une tranche, pour poursuivre l'exécution du Projet.

(b) Dans les limites du délai fixé dans cet Accord pour l'Achèvement de l'Assistance au Projet, et sur la base de ses consultations avec le Pays coopérant, l'A.I.D. peut spécifier dans des Lettres d'Execution de Projet, des délais appropriés pour l'utilisation des fonds fournis par l'A.I.D. sous forme d'une tranche de l'assistance prévue.

Article 3: Le FinancementSECTION 3.1: La Subvention, le Prêt

Pour aider le Pays Coopérant à couvrir les coûts de réalisation du Projet, et en application de la Loi de 1961 sur l'Assistance à l'Etranger telle que modifiée, l'A.I.D. accepte d'allouer au Pays Coopérant aux termes de cet Accord, une première tranche ne dépassant pas cinq cent quatorze mille Dollars U.S. (\$514.000) à titre de subvention et accepte de prêter au Pays Coopérant aux termes de cet Accord une première tranche ne dépassant pas six millions de Dollars U.S. (\$6.000.000) à titre de Prêt. Le montant total des déboursements dans le cadre du Prêt est dénommé "le Principal". Le Prêt et la Subvention ensemble sont dénommés "l'Assistance". L'Assistance peut servir à financer les coûts en devises étrangères tels que définis à la Section 7.1 et les coûts en monnaie locale tels que définis à la Section 7.2, des biens et des services requis par le Projet.

SECTION 3.2: Ressources du Pays Coopérant pour le Projet

(a) Le Pays Coopérant accepte de fournir, ou de veiller à ce que soient fournis au Projet, outre l'Assistance, tous les fonds et toutes les autres ressources nécessaires pour réaliser le Projet d'une manière efficace et en temps voulu.

(b) Les ressources fournies par le Pays Coopérant pendant la durée du projet seront approximativement l'équivalent de \$24.000.000, y compris les coûts en nature, mais ne peuvent être inférieures à 25 % du coût total du Projet. La première tranche s'élèvera à l'équivalent en Dinars Tunisiens de 3.300.000,000 Dollars U.S.

SECTION 3.3: Date Finale d'Assistance au Projet

(a) La Date Finale d'Assistance au Projet (DFAP), fixée au 31 décembre 1982, ou toute autre date convenue par écrit entre les Parties, est la date à laquelle, selon l'estimation desdites Parties, tous les services et tous les biens financés dans le cadre de l'Assistance auront été respectivement réalisés ou fournis au Projet, tel que prévu dans le présent Accord.

(b) Sauf accord contraire de l'A.I.D. notifié par écrit, l'A.I.D. n'émettra ou n'approuvera des documents autorisant le déboursement de l'Assistance pour des services rendus ou des biens fournis, conformément au présent Accord, à une date ultérieure à la Date Finale d'Assistance au Projet.

(c) Les demandes de déboursement, accompagnées des documents justificatifs nécessaires prescrits dans les Lettres d'Exécution du Projet, devront parvenir à l'A.I.D. ou toute banque désigné à la Section 8.1 dans un délai n'excédant pas neuf (9) mois après la Date Finale d'Assistance au Projet, ou à toute autre période convenue par écrit par l'A.I.D. Après cette date, et moyennant notification écrite au Pays Coopérant, l'A.I.D. peut à n'importe quel(s) moment(s) réduire le montant de l'Assistance dans sa totalité ou de toute partie de cette Assistance pour laquelle des demandes de déboursement, accompagnées des

documents justificatifs prescrits dans les Lettres d'Exécution du Projet, n'auront pas été reçues avant l'expiration de ladite période.

Article 4: Conditions du Prêt

SECTION 4.1: Intérêt

Le Pays Coopérant paiera à l'A.I.D. les intérêts cumulés au taux annuel de deux pour cent (2 %) pendant les dix années qui suivent la date du premier déboursement dans le cadre du Prêt et, par la suite, au taux annuel de trois pour cent (3 %) sur le reliquat impayé du Principal et sur tous les intérêts dus et impayés. Les intérêts sur le reliquat impayé commenceront à courir à compter de la date de chaque déboursement respectif (telle que définie à la Section 8.5.) et seront calculés sur la base de 365 jours par an. Les intérêts seront payables semestriellement. Le premier paiement d'intérêt arrivera à échéance et sera payable au plus tard six (6) mois après le premier déboursement dans le cadre du Prêt, à une date à spécifier par l'A.I.D.

SECTION 4.2: Remboursement

Le Pays Coopérant remboursera le Principal à l'A.I.D. dans les vingt (20) ans qui suivent la date du premier déboursement du Prêt en vingt et une (21) tranches semestrielles du Principal et des intérêts, d'une valeur approximativement égale. La première tranche du Principal viendra à échéance neuf ans et demi (9 1/2) après la date à laquelle le premier paiement d'intérêts sera due, conformément à la Section 4.1. L'A.I.D. fournira au Pays Coopérant un calendrier d'amortissement conforme à cette Section, après le dernier déboursement dans le cadre du Prêt.

SECTION 4.3: Imputation, Monnaie et Lieu de Paiement

Tous les paiements des intérêts et du Principal dans le cadre du présent Accord se feront en dollars U.S. et seront imputés en premier lieu au paiement

des intérêts échus puis au remboursement du Principal. Sauf indication contraire de l'A.I.D. notifiée par écrit, les paiements seront effectués à l'ordre du Chef du Service de Gestion Financière, Agence pour le Développement International, Washington, D.C. 20523, U.S.A., et seront considérés avoir été effectués dès qu'ils auront été reçus par le Service de Gestion Financière.

SECTION 4.4: Remboursement Anticipé

Dès paiement de tous les intérêts et de tous les remboursements dûs à cette date, le Pays Coopérant pourra sans encourir aucune pénalisation, procéder au remboursement anticipé de la totalité ou d'une partie du Principal. Sauf si l'A.I.D. en convienne autrement par écrit, tout paiement anticipé sera imputé aux tranches du Principal dans l'ordre inverse de leur arrivée à échéance.

SECTION 4.5: Renégociation des Conditions du Prêt

(a) Le Pays Coopérant et l'A.I.D. acceptent de négocier, à tout moment et à la demande de l'une des deux Parties, l'accélération du remboursement du Prêt, s'il y a amélioration importante et continue de la situation et des perspectives économiques et financières, intérieures et extérieures du Pays Coopérant lui permettant de rembourser le Prêt dans un délai plus court.

(b) Toute demande par l'une des Parties concernant de telles négociations devra être faite conformément à la Section 9.1. et devra indiquer le nom et l'adresse de la (des) personne(s) devant représenter la Partie ayant demandé ces négociations.

(c) Dans les trente (30) jours qui suivent le dépôt d'une demande de négociation, la Partie requise indiquera à l'autre, conformément à la Section 9.1., le nom et l'adresse de la (des) personne(s) devant la représenter dans de telles négociations.

(d) Les représentants des Parties se rencontreront pour ces négociations au plus tard trente (30) jours après que la Partie requise ait fourni

les indications demandées conformément au paragraphe (c). Les négociations se tiendront en un lieu décidé d'un commun accord par les représentants des Parties. En l'absence de cet accord commun, ces négociations auront lieu au Ministère des Affaires Etrangères de la Tunisie.

SECTION 4.6: Résiliation après Paiement Intégral

Dès paiement intégral du Principal et des intérêts cumulés, le présent Accord et toutes les obligations du Pays Coopérant et de l'A.I.D. dans le cadre de cet Accord seront résiliés. Cependant, en ce qui concerne toutes les obligations restantes relatives à l'utilisation des fonds de la subvention, le présent Accord restera pleinement valable et en vigueur.

Article 5: Conditions Suspensives de Déboursement

SECTION 5.1: Premier Déboursement

Avant le premier déboursement dans le cadre de l'Assistance, ou l'émission par l'A.I.D. de documents en vertu desquels sera effectué le déboursement et, à moins que l'A.I.D. n'en convienne autrement par écrit, le Pays Coopérant fournira à l'A.I.D. les documents suivants établis, dans leur fond et dans leur forme, à la satisfaction de l'A.I.D.

(a) Un avis d'un conseiller juridique acceptable à l'A.I.D. certifiant que le présent Accord a été dûment autorisé et ratifié par le Pays Coopérant et signé en son nom, et qu'il constitue une obligation valide et légalement irrévocable pour le Pays Coopérant, conformément à l'ensemble de ces termes.

(b) Une attestation indiquant le nom de la personne détenant le poste de responsabilité ou de direction dans le Service du Pays Coopérant mentionné à la Section 9.2, ainsi qu'un spécimen de sa signature.

(c) Une demande du Pays Coopérant invitant l'A.I.D. à obtenir les services de deux techniciens et de consultants à court terme pour conseiller et aider le Pays Coopérant dans la planification, l'organisation, l'exécution

et l'évaluation du Projet.

- (d) La désignation du personnel homologue des techniciens américains.
- (e) Un contrat avec le Centre National des Etudes Agricoles (CNEA) pour assurer le contrôle, la collecte de données et l'évaluation des résultats du projet.

SECTION 5.2: Déboursement Complémentaire

Avant tout déboursement dans le cadre de l'Assistance ou l'émission par l'A.I.D. de documents en vertu desquels sera effectué le déboursement à toute autre fin que le financement des services indiqués à la Section 5.1, et sauf si l'A.I.D. en convienne autrement par écrit, le Pays Coopérant fournira à l'A.I.D. les documents suivants établis, dans leur fond et dans leur forme, à la satisfaction de l'A.I.D.

- (a) La preuve de l'établissement d'un comité de coordination constitué de représentants de haut niveau de chacun des organismes participants du Pays Coopérant.
- (b) Un ou des accords définissant le rôle et les responsabilités de chacun des organismes participants, ayant été examinés et approuvés par chacun de ces organismes.
- (c) La preuve que le Pays Coopérant a prévu, dans son budget de 1978, des fonds en monnaie locale suffisants pour financer les coûts de la première année pour la mise en place du personnel, la construction d'étables, l'achat de véhicules, le capital d'exploitation pour le fonds renouvelable, et autres coûts du projet dans le Pays Coopérant.
- (d) Des procédures détaillées et documentées pour le fonctionnement du Projet y compris les activités promotionnelles, le choix des demandeurs et les critères d'éligibilité, les analyses de crédit et la planification agricole, l'examen des prêts, les techniques de contrôle de l'emprunteur, le recouvrement des prêts, le système des rapports et la collecte des données, les systèmes de contrôle et d'analyse des activités sur le terrain, et

l'utilisation des pesticides.

(e) Un organigramme agréé prouvant l'établissement de cadres régionaux de crédit dans chaque Commissariat Régional du Développement Agricole (CRDA) dans chacun des cinq gouvernorats.

(f) Un plan de recrutement échelonné de personnel indiquant les besoins présents et futurs en personnel du Projet, avec l'assurance que ces affectations seront faites en temps voulu et selon les besoins du Projet.

(g) La preuve que les Principaux Agents Régionaux et un nombre suffisant d'Agents Vulgarisateurs qui doivent commencer l'exécution de la première phase du Projet, ont été affectés à chacun des cinq gouvernorats.

(h) Un plan d'évaluation complété.

(i) Un plan d'achat et un calendrier de livraison des véhicules devant être fournis par le Pays Coopérant.

SECTION 5.3: Notification

Dès que l'A.I.D. aura constaté que les conditions suspensives spécifiées aux Sections 5.1 et 5.2. ont été satisfaites, elle s'empressera d'en aviser le Pays Coopérant.

SECTION 5.4: Dates Finales des Conditions Suspensives

(a) Si toutes les conditions spécifiées à la Section 5.1. n'auront pas été satisfaites dans les 60 jours qui suivent la date du présent Accord ou à toute autre date ultérieure convenue par écrit par l'A.I.D., et si toutes les conditions spécifiées à la Section 5.2. n'auront pas été satisfaites dans les 120 jours qui suivent la date du présent Accord ou à toutes autres dates convenues par écrit par l'A.I.D., celle-ci pourra, à son gré, résilier le présent Accord moyennant notification écrite au Pays Coopérant.

(b) En cas de résiliation, le Pays Coopérant remboursera immédiatement le Principal puis les intérêts cumulés jusqu'à cette date. Un reçu de ces paiements en totalité, le présent Accord et toutes les obligations des Parties

dans le cadre de cet Accord seront résiliés, à l'exception des obligations relatives à l'utilisation des fonds de la Subvention.

Article 6: Conventions Spéciales

SECTION 6.1: Evaluation du Projet

Les Parties conviennent d'établir un programme d'évaluation en tant que partie du Projet. Sauf si les Parties en disposent autrement par écrit, ce programme comportera, durant l'exécution du Projet et par la suite à des dates périodiques:

(a) L'évaluation du progrès accompli vers la réalisation des objectifs—du Projet; (b) l'identification et l'évaluation des problèmes ou contraintes susceptibles d'empêcher la réalisation de ces objectifs; (c) des recommandations sur la manière de resoudre ces problèmes ou contraintes et (d) l'évaluation, autant que possible, de l'impact général du Projet en matière de développement.

SECTION 6.2: Soutien du Pays Hôte

Le Pays Coopérant consent d'aider l'USAID/Tunisie à obtenir les locaux administratifs et autres facilités nécessaires dans les zones du projet pour soutenir le travail de l'équipe américaine d'assistance technique.

Article 7: Source d'Acquisition

SECTION 7.1: Coûts en Devises Etrangères

Les fonds de la Subvention déboursés conformément à la Section 8.1. seront utilisés uniquement pour financer les coûts des biens et des services nécessaires au Projet ayant leur source et origine aux Etats Unis (Code 000), et les fonds du Prêt serviront exclusivement à financer les coûts des biens et services ayant leur source et origine dans les pays inclus dans le Code No. 941, du Livre de Code Géographique de l'A.I.D. tel qu'il est en

vigueur aux dates auxquelles des commandes sont passées et des contrat conclus pour ces biens et services, sauf si l'A.I.D. en convienne autrement par écrit et sauf dispositions prévues à l'Annexe des Dispositions Générales, Section C.1(b) concernant l'assurance maritime.

SECTION 7.2: Coûts en Monnaie Locale

Des déboursements effectués conformément à la Section 8.2 seront utilisés uniquement pour financer les coûts des biens et des services nécessaires au Projet ayant leur source et, sauf si l'A.I.D. en dispose autrement par écrit, leur origine dans la République Tunisienne.

Article 8: Déboursement

SECTION 8.1: Déboursements pour les Coûts en Devises Etrangères

Une fois les conditions suspensives satisfaites, le Pays Coopérant pourra obtenir des déboursements de fonds pour les Coûts en Devises Etrangères des biens et des services nécessaires au Projet conformément aux conditions de cet Accord, selon l'une des méthodes suivantes, tel qu'il sera convenu entre les Parties: En soumettant à l'A.I.D., avec les documents justificatifs prescrits dans les Lettres d'Exécution de Projet, (a) des demandes de remboursement pour ces biens ou services, ou (b) des demandes chargeant l'A.I.D. d'acquérir, pour le compte du Pay Coopérant, des biens et des services nécessaires au Projet.

SECTION 8.2: D'boursements pour les Coûts en Monnaie Locale

L'ordre des déboursements des fonds du prêt sera comme suit:

Un premier déboursement pour financer l'établissement des fonds de crédit renouvelable sera effectué, au titre du présent accord, en un montant basé sur l'utilisation conjointement projetée des fonds renouvelable pendant le premier trimestre.

Les déboursements subséquents seront effectués trimestriellement en des montants basés sur l'utilisation du précédent trimestre et une projection commune de l'utilisation des fonds renouvelable pendant le trimestre suivant.

SECTION 8.3: Autres Formes de Déboursement

Des déboursements du Prêt de la Subvention peuvent également être effectués par tels autres moyens convenus par écrit par les deux Parties.

SECTION 8.4: Taux de Change

Les fonds fournis dans le cadre du Prêt ou de la Subvention par l'A.I.D. ou tout autre organisme public ou privé pour l'exécution des obligations de l'A.I.D., conformément à la Section 8.2, seront calculés au taux de change commercial le plus élevé qui, à la date de déboursement, n'est pas considéré illégal en Tunisie.

SECTION 8.5: Date de Déboursement

Les déboursements de l'Assistance par l'A.I.D. seront réputés avoir lieu à la date à laquelle l'A.I.D. effectue un déboursement au Pays Coopérant ou à son représentant désigné, à une banque, un contractant ou un fournisseur, conformément à une Lettre d'Engagement, un contrat ou une commande d'achat.

Article 9: Divers

SECTION 9.1: Communications

Tous les préavis, demandes, documents ou autres communications soumis par l'une des Parties à l'autre dans le cadre du présent Accord devront l'être par écrit ou par télégramme ou cable, et seront considérés dûment donnés ou envoyés à leur destinataire dès qu'ils auront été livrés à l'autre Partie aux adresses suivantes:

À la Pays Coopérant:

Ministère des Affaires Etrangères
Direction de la Coopération Internationale
Avenue Mohamed V
Tunis, Tunisie

A l'A.I.D.:

Agence pour le Développement International
c/o Ambassade des Etats Unis d'Amérique
144, Avenue de la Liberté
Tunis, Tunisie
Adresse Télégraphique: Directeur, USAID
AmEmbassy Tunis

Toutes ces communications devront être en anglais ou en français.

D'autres adresses remplaçant celles citées ci-dessus peuvent être notifiées par écrit à l'autre Partie.

SECTION 9.2: Représentants

Pour tous ce qui concerne le présent Accord, le Pays Coopérant sera représenté par la personne détenant le poste de responsabilité ou de direction au Ministère des Affaires Etrangères. L'A.I.D. sera représentée par la personne occupant le poste de Directeur de l'USAID/Tunisie ou agissant en cette qualité, chacun d'eux pouvant, par notification écrite, désigner d'autres représentants, à toutes autres fins que l'exercice des pouvoirs définis à la Section 2.1. pour reviser les aspects de la description détaillée présentée à l'Annexe 1. Les noms des représentants du Pays Coopérant avec leurs spécimens de signatures, seront soumis à l'A.I.D. qui peut accepter tout document signé par ces représentants comme étant un document

dûment autorisé pour l'exécution du présent Accord jusqu'à notification de l'A.I.D. que les pouvoirs délégués à ces représentants ont été révoqués.

SECTION 9.3: Annexes des Dispositions Générales

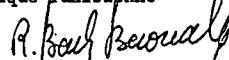
Une Annexe des Dispositions Générales Communes au Prêt et à la Subvention (Annexe 2) est jointe au présent Accord et en fait partie.

SECTION 9.4: Langue de Rédaction de l'Accord

Le présent Accord, ses annexes et les Lettres d'Exécution de Projet sont préparés en anglais aussi bien qu'en français. En cas d'ambiguité ou de contradiction entre les deux textes, le texte rédigé en langue anglaise fera foi.

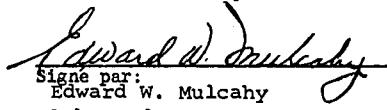
EN FOI DE QUOI, la République Tunisienne et les Etats Unis d'Amérique, chacun agissant par l'intermédiaire de ses représentants dûment autorisés, ont fait le nécessaire pour que le présent Accord soit signé en leur nom et remis à la date indiquée en première page.

Republique Tunisienne



Signé par:
Ridha BachBaouab
Directeur de la Cooperation
Internationale
Ministere des Affaires Etrangeres

Etats Unis d'Amérique



Signé par:
Edward W. Mulcahy
Ambassador

ANNEXE 1LE PROJET

Le Projet permettra, grâce à un programme de crédit supervisé, l'accès aux facteurs de production agricole et aux données techniques nécessaires pour éléver le niveau de la technologie de production utilisée par un nombre beaucoup plus important de petits et moyens agriculteurs qu'il ne l'est à présent. Il contribuera à la réalisation du but sectoriel global qui consiste à augmenter la production agricole de base et à améliorer les niveaux des revenus des petites et moyennes exploitations agricoles dans les cinq Gouvernorats suivants du Nord de la Tunisie: Béja, Bizerte, Nabeul, Zaghouan et Siliana.

Le Financement du Projet doit, selon les prévisions, être réalisé sur une période de quatre années à compter de l'Année Fiscale 1978, et consistera en subventions A.I.D. pour un montant total approximatif de \$907.000, et de Prêts pour un montant total approximatif de \$17.300.000.

L'Assistance des Etats Unis, telle que prévue, sera fournie en trois phases. Le Financement de la Première Phase consistera en 6 millions de dollars à titre de prêt et 0,514 million de dollars en fonds de subvention. Le Financement de la Seconde Phase (Année Fiscale 80) consistera en 6 millions de dollars à titre de prêt et 0,225 million de dollars en fonds de subvention, et la Troisième Phase (Année Fiscale 81) consistera en 5,3 millions de dollars à titre de prêt et 0,168 million de dollars en fonds de subvention. La décision de fournir des fonds pour chaque phase successive dépendra de la réalisation d'un progrès satisfaisant vers les objectifs du projet confirmée par des évaluations périodiques, de la disponibilité de fonds à l'A.I.D., et de l'accord mutuel des Parties pour poursuivre l'exécution du Projet.

Les Subventions (\$907.000) seront utilisées pour les services techniques et le soutien administratif, et les Prêts serviront à établir un fonds renouvelable destiné au financement des crédits de campagne et des aliments

de bétail (\$13.200.000). Ils serviront également au financement partiel d'un fonds renouvelable pour des crédits à moyen terme destinés à l'achat de cheptel et de matériel pour les petites exploitations agricoles (\$4.100.000). L'Assistance des Etats Unis sera complétée par une contribution du Gouvernement Tunisien estimée à \$24.000.000.

1. Contribution des Etats Unis

a. La Subvention

- (1) Techniciens résidents Américain - 96 Hommes-Mois
- (2) Consultants Américains - 6 Hommes-Mois
- (3) Formation - 44 Hommes-Mois
- (4) Soutien technique pour l'évaluation périodique du projet
- (5) Contribution de soutien administratif (10 % des coûts administratifs totaux).

b. Le Prêt

Il servira au:

- (1) Financement des crédits de campagne à court terme pour l'acquisition des facteurs de production agricole et animale tels que des semences sélectionnées, des engrains, des pesticides et des herbicides, des concentrés pour l'alimentation de cheptel, la location de matériel agricole ou d'animaux de traction;
- (2) Financement des crédits à moyen terme pour cheptel, destiné à l'achat de génisses pleines de race locale améliorée, de brebis barbarines et d'équipement pour les petites exploitations agricoles.

2. Contribution du Gouvernement Tunisien

La contribution du Gouvernement Tunisien couvrira le financement des crédits à moyen terme pour la construction d'étables; le financement partiel du fonds renouvelable pour les crédits à moyen terme destinés à l'achat de cheptel; les coûts administratifs du personnel, l'achat d'équipement et son fonctionnement; les coûts imprévus et d'inflation; le maintien du capital pour le fonds renouvelable financé par le prêt. Cette contribution inclut la fourniture de personnel (6 ingénieurs, 83 agents vulgarisateurs, 16 agents administratifs/employés de bureau et 20 chauffeurs), l'équipement et les installations (31 automobiles 5 CV et 6 bureaux complètement équipés), les coûts d'entretien et de fonctionnement des automobiles, des installations et de l'équipement et les fournitures nécessaires durant une période de quatre années du projet. Le Gouvernement Tunisien fournira également, à partir du Compte du Trust Fund, des fonds pour couvrir les coûts du voyage international des stagiaires, les cours de langue, l'examen médical et autres frais relatifs aux stagiaires, et le transport dans le pays des techniciens américains à plein temps.

3. Description Détallée

(1) Le projet proposé établira, sur une base de 8 à 12 mois, un fonds renouvelable destiné au financement des crédits de campagne et des aliments de bétail, et un fonds de crédit à moyen terme pour l'achat de cheptel amélioré et de matériel pour les petites exploitations agricoles. Tous les intrants seront, autant que possible, en nature.

Les crédits pour la construction des étables seront fournis par le Gouvernement Tunisien dans le cadre des programmes à moyen terme existants ou élargis du FOSDA (Fonds Spécial de Développement Agricole). Comme pour

tous les autres éléments de ce projet, une assistance pour l'obtention des crédits FOSDA sera fournie par le CRDA. Les services de location (de Matériel agricole ou d'animaux de traction qu'ils soient de sources publiques ou privées) seront réalisés, dans le cadre du fonds renouvelable de crédits de campagne, en espèce ou sur coupons. Les services de supervision et d'assistance technique au niveau de l'exploitation même, seront assurés par des agents vulgarisateurs du CRDA.

(2) Le Projet sera exécuté par la DPA (Direction de Production Agricole) du Ministère de l'Agriculture, et coordonné sur le terrain ou au niveau régional par le personnel technique et administratif existant ou supplémentaire du CRDA (Commissariat Régional de Développement Agricole). Les intrants en nature seront obtenus auprès de l'OC (Office des Céréales), l'OEP (Office de l'Elevage et des Pâturages, la CCSPS (Coopérative Centrales des Semences et des Plants Sélectionnés), la COSAG (Coopérative des Services Agricoles de Grombalia) et la CMF (Coopérative de Maraîchages et de Fruits du Cap Bon). Les services de location seront obtenus soit de sources publiques ou de sources privées, au gré de l'emprunteur, et sur la base de la disponibilité de ces services en temps opportun. Les matériaux pour la construction des étables seront achetés de sources locales.

La BNT sera chargée de l'administration générale du Fonds de Crédit. Cependant, la gestion effective sur le terrain des opérations de crédit sera assurée par les comités de crédit locaux. Chaque comité se composera des représentants régionaux des Ministères de l'Agriculture et des Finances, de la BNT et de l'UNAT (Union Nationale des Agriculteurs Tunisiens), de la SCM (Société de Crédit Mutuel) et d'autres organismes participants tels que l'OC, l'OEP, la COSAG et la SONAM (Société Nationale d'Agriculture Mécanisée).

Les agriculteurs participants seront organisés dans des SCM existantes ou nouvellement créées afin de garantir le remboursement des prêts (convenus, à titre provisoire, à un taux d'intérêt d'au moins 6 %), ou encore ces garanties seront sous forme de nantissement subsidiaire sur les récoltes qui devront être assurées contre l'incendie et la grêle. Les garanties seront sous l'une des formes précitées, ou une combinaison des deux.

(3) Le Projet inclura des fournitures et des services sélectionnés ainsi qu'une étroite supervision et une orientation technique en faveur des agriculteurs participants exploitant 50 hectares ou moins. Pour les exploitations agricoles de 40 à 50 hectares, seules celles qui ne sont pas autrement éligibles au crédit à partir d'autres sources seront autorisées à participer à ce programme.

Aux fins de ce projet, les termes "petits et moyens agriculteurs" s'appliquent aux agriculteurs exploitant quarante hectares ou moins; des dispositions étant prises pour accorder des prêts aux agriculteurs exploitant jusqu'à cinquante hectares qui sont autrement éligibles mais non qualifiés pour obtenir des crédits à partir d'autres sources.

Les agents techniques et de supervision aideront chaque agriculteur participant à préparer des plans de production agricole adaptés à son exploitation. Ces plans proposeront une combinaison de cultures vivrières et fourragères et de production animale et laitière compatibles avec les dimensions de l'exploitation agricole, la qualité des sols, les conditions climatiques et de pluviométrie, les caractéristiques des cultures envisagées, le type des services agricoles disponibles et la capacité propre de l'exploitant agricole. Les premiers interviews permettront de déterminer et de quantifier le niveau actuel des investissements dans l'exploitation;

la production, la disponibilité de la main d'œuvre et rendront possible l'évaluation des changements future. Ces plans seront ensuite soumis aux comités de crédit régionaux pour examen et approbation. Dès qu'ils auront été approuvés, une ligne de crédit de campagne en nature en faveur de l'agriculteur participant sera établi par l'intermédiaire de la BNT, permettant l'achat des facteurs de production indiqués dans le plan de production convenu. Ceux-ci incluront des semences certifiées pour les céréales, les légumineuses et les fourrages; des engrains; des herbicides et des pesticides; la location de matériel agricole ou d'animaux de traction (de sources publiques ou privées) et des concentrés pour l'alimentation du bétail. Le crédit pour la construction d'étables, qui constitue une importante contribution du Gouvernement Tunisien, sera fourni par des projets et programmes actuels du Gouvernement Tunisien ou par l'expansion de projets complémentaires existants. Ces intrants viendront s'ajouter à l'assistance technique de supervision au niveau opérationnel afin de rendre optimales diverses activités et pratiques touchant différentes cultures et l'élevage du bétail. Le personnel technique et de supervision, chargé d'aider l'agriculteur à établir son plan de production agricole, et le plan lui-même, sont essentiels pour le concept et pour le succès éventuel du programme de crédit supervisé.

Le plan de production, dans lequel le dosage des intrants variera d'une exploitation à une autre, comprendrait des améliorations techniques telles que l'utilisation des semences améliorées ou traitées, des engrains, des herbicides et des pesticides; la préparation appropriée des terres; des pratiques culturales, la production et l'utilisation d'aliments pour le bétail; et la gestion améliorée des exploitations agricoles, etc. L'agriculteur (la supervision et l'assistance technique étant assurées par le CRDA local)

serait responsable de l'application envisagée des intrants. Des recommandations pour l'élément élevage seraient également incluses dans le plan agricole.

L'exécution du projet devrait aussi sensiblement augmenter la production moyenne de viande et de lait. Ces augmentations s'obtiendraient par l'emploi de races améliorées, par un programme d'alimentation utilisant des fourrages de qualité produits dans l'exploitation même et complétés par des concentrés achetés avec l'aide du fonds renouvelable de crédit de campagne ainsi que par l'amélioration des pratiques d'élevage, par exemple des soins et un entretien appropriés, de bonnes conditions sanitaires, un abri adéquat et des rations équilibrées. Ce type d'élevage produira des animaux en meilleure santé, donnant plus de lait et produisant plus de viande en un temps plus court. Le bétail serait vendu plus tôt (9 à 10 mois pour les bovins et 4 à 5 mois pour les agneaux) et à un meilleur poids.

Les plans de production (cultures et élevage) seront fondés sur une utilisation des terres et une stratégie de production plus rationnelles et plus efficaces. Le plan de production, qui varierait d'une exploitation à une autre, allierait l'utilisation de meilleurs intrants à une gestion appropriée afin d'augmenter la production agricole totale. L'utilisation des terres sera repartie entre les céréales, les fourrages et les légumineuses à graines. Dans la plupart des cas, les terres consacrées à la production céréalière resteront les mêmes ou seront réduites. Cependant, les augmentations de la productivité seront réalisées par l'utilisation de semences certifiées, la préparation adéquate des lits de semences, l'emploi des herbicides et des pesticides quand les autres mesures de protection sont jugée insuffisantes; les applications d'engrais, les labours adéquats et l'emploi de machines

ou de la traction animale pour le semis, la récolte, la pulvérisation de produits et autre application en temps opportun.

Evaluation du Projet

Des évaluations semi-annuelles seront effectuées conjointement par l'A.I.D., le Gouvernement Tunisien et le Centre National des Etudes Agricoles (CNEA) pour mesurer le progrès accompli par le projet vers la réalisation des objectifs généraux. Le CNEA, sous contrat avec le Gouvernement, procèdera à la collecte et à l'analyse des données portant sur le nombre d'agriculteurs recevant des crédits (classés selon les dimensions de leurs exploitations agricoles) une attention particulière étant accordée aux plus petites catégories d'agriculteurs (0 - 5, 5 - 10 ha.); les taux d'intérêt, les termes et les conditions des prêts; les remboursements, les impayés et les défauts de remboursement, les augmentations de la production, les coûts des intrants, les prix du marché et l'efficacité des structures en place. Les types spécifiques de données que doit recueillir le CNEA seront définis avec plus de précision dans les Lettres d'Exécution.

Six mois avant l'achèvement de la Première Phase (Année Fiscale 78-79) du Projet, le Gouvernement, l'A.I.D. et le CNEA procèderont ensemble à l'examen du progrès accompli par le Projet jusqu'à cette date, et se pencheront sur tous les problèmes et contraintes rencontrées. Sur la base des résultats de cette évaluation et de cet examen, l'A.I.D. informera le Gouvernement de son intention d'assurer le financement de la Seconde Phase (Année Fiscale 80) du Projet et des conditions de ce financement. Si l'A.I.D. décide de ne pas fournir des fonds pour la Seconde Phase, le Gouvernement sera informé des raisons ayant motivé cette décision. Cette procédure sera

également suivie avant de fournir des fonds pour la Troisième Phase, en supposant que la Seconde Phase ait été entreprise.

PLAN DE FINANCEMENT PROPOSE (DEBoursements)
(en milliers de dollars US)

ARTICLE DE DEPENSES	TOTAL	An.Fisc.: 78	An.Fisc.: 79	An.Fisc.: 80	An.Fisc.: 81
<u>Contribution des Etats Unis - 43,1 %</u>					
1. Fonds Renouvelable pour les crédits de campagne à court terme	13.200	2.442	2.442	4.884	3.432
2. Fonds Renouvelable pour les crédit à moyen terme destinés à l'achat de cheptel et d'équipement pour les petites exploitations agricoles	4.100	558	558	1.116	1.868
3. Techniciens Résidents Américains (2) 4 années	500	150	140	105	105
4. Consultants Américains (6 Hommes-Mois)	44	20			24
5. Soutien administratif pour les agriculteurs de 0-5 ha. (10 % des coûts administratifs)	211	101	33	71	6
6. Soutien technique pour les évaluations périodiques du Projet (CNEA)	52	10	10	24	8
7. Formation et soutien au Projet (44 Hommes-Mois)	100	25	25	25	25
<u>CONTRIBUTION TOTALE DES ETATS UNIS</u>	<u>18.207</u>	<u>3.306</u>	<u>3.208</u>	<u>6.225</u>	<u>5.468</u>
<u>Contribution du Gouvernement Tunisien - 56,9 %</u>					
1. Fonds pour les crédits à moyen terme, destinés à la construction d'étables	7.581	1.137	1.137	2.274	3.033
2. Fonds pour les crédits à moyen terme, destinés à l'achat de cheptel	3.010	508	508	1.015	979
3. Coûts administratifs* (Personnel) (Equipment et son fonctionnement)	2.108 (1.721) (387)	449 (307) (142)	386 (342) (44)	544 (458) (86)	729 (614) (114)
4. Coûts imprévus et d'inflation (10 % du Coût du Projet)	3.078	529	518	1.004	1.027
5. Maintien du Capital pour le Fonds Renouvelable**	8.223	642	1.389	2.572	3.620
<u>CONTRIBUTION TOTALE DU GOUVERNEMENT TUNISIEN</u>	<u>24.000</u>	<u>3.265</u>	<u>3.938</u>	<u>7.409</u>	<u>9.388</u>
<u>TOTAL DU PROJET</u>	<u>42.207</u>	<u>6.571</u>	<u>7.146</u>	<u>13.634</u>	<u>14.856</u>

* Y compris le Fonds du Compte de Trust.

**La Partie relative aux crédits à moyen terme pour le cheptel n'interviendra en réalité que dans les années ultérieures, elle est indiquée ici dans la même année que celle de l'octroi du crédit afin de simplifier la présentation sous forme de tableau tout en indiquant avec précision la contribution réelle du Gouvernement Tunisien.

FEDERAL REPUBLIC OF GERMANY
Atomic Energy: Nuclear Facilities Safety

*Arrangement signed at Bonn October 1, 1975;
Entered into force October 1, 1975.*

Arrangement
between
the Federal Minister of the Interior
of the Federal Republic of Germany
and
the United States Nuclear Regulatory Commission
on
Cooperation in the Field of Nuclear Facilities Safety

The Federal Minister of the Interior of the Federal Republic of Germany, hereinafter referred to as "the BMI", and the United States Nuclear Regulatory Commission, hereinafter referred to as "the NRC",

- having a mutual interest in both cooperation in the field of nuclear facilities safety and an exchange of experiences on questions relating to the licensing of nuclear facilities,
- with the objective of improving the safety of nuclear facilities and of preventing any harmful effects on the environment,
- considering the Technical Exchange and Cooperative Arrangements concluded between the Federal Minister for Research and Technology of the Federal Republic of Germany and the former United States Atomic Energy Commission in the fields of research and development concerning reactor safety as well as the management of radioactive wastes,

hereby agree as follows:

Article 1

The BMI and the NRC shall exchange information on the technical safety and physical security of nuclear installations. Information on environmental impact of such installations shall be exchanged to the extent that the respective responsibilities of the Contracting Parties permit. The information shall refer to:

1. Reports on technical safety and environmental impact prepared by, or on behalf of, the agencies responsible for regulatory matters as the basis for or in substantiation of licensing and regulatory decisions or policies.
2. Important licensing and supervisory measures as well as decisions on safety and the environment affecting the said facilities.
3. Reports on operational experiences, such as incidents, accidents and shut-downs, as well as information on the pedigree and data hitherto established on the reliability of components and systems.
4. Regulatory procedures for assessing the safety of such nuclear facilities and their effects on the environment.

Article 2

The NRC and the BMI shall cooperate in the development of regulatory standards for such nuclear facilities.

1. The two sides shall inform each other about matters for which regulatory standards are being developed, or

the development of which is proposed, and about approximate time-tables for the implementation of such development activities.

2. In order to avoid unnecessary duplication of work, arrangements shall be concluded from time to time as far as practicable on those standards in respect of which one side or the other will assume the greater proportion of the development work. These shall be standards likely to be useful to both countries.

3. Copies of the regulatory standards which must be applied, or have been proposed for application, by the competent agencies of the Contracting Parties shall be made available by either Contracting Party to the other Contracting Party on a timely basis.

Article 3

The Contracting Parties agree that the reports and the development of standards outside the Regulatory Program of the NRC or outside the purview of the BMI relating to the safety of nuclear facilities and radiation protection shall not be included in the present Arrangement.

Article 4

1. The exchange of information under the present Arrangement shall take place in the form of letters, reports and other documents as well as visits and meetings to be agreed individually in advance.

2. Annually or at other intervals to be agreed meetings will be held to review the progress of cooperation, to recommend changes and discuss questions falling within the framework

of the present Arrangement. The date, venue and agenda for such meetings shall be agreed in advance.

Article 5

Each Contracting Party shall designate an administrator to coordinate its share of the cooperative effort.

1. The administrators shall be the recipients of all documents transmitted within the framework of cooperation, which, unless otherwise agreed, shall also include copies of all letters. The administrators shall be responsible for the development of cooperation under the terms of the present Arrangement. They shall also conclude the arrangements on nuclear facilities intended to be the object of the exchange of information, on special documents and standards to be exchanged, as well as on standards development work to be coordinated.
2. Every three months the administrators shall write to each other listing the titles of all documents transmitted in the previous three months within the framework of this exchange.
3. The administrators shall determine how many copies of the documents shall be exchanged. Each document shall, where possible, be accompanied by a summary of less than 250 words describing the subjects and contents.
4. These individual arrangements shall ensure, among other things, the achievement and maintenance of a reasonably balanced exchange of information.

Article 6

In general, information received by each Contracting Party may be disseminated freely without further approval by

the other Contracting Party.

1. Privileged information, e.g. private, proprietary, company confidential and other information supplied by the sending Party on the understanding and under the condition that the recipient Party will prevent the unauthorized disclosure of the information, shall be designated as such by the sending Party and be clearly stamped with the words "not for dissemination without approval of the BMI or the NRC". The recipient Party may not disseminate such privileged information without prior written approval of the sending Party:

- on the American side outside the NRC, its consultants and the assisting agencies of the Government of the United States of America
- on the German side outside the Government of the Federal Republic of Germany, its consultants and the nuclear licensing authorities.

2. If wider dissemination is either required by the legislation of either Contracting Party or desirable on account of other circumstances, the Contracting Parties shall cooperate with each other in that they determine procedures for requesting such approval, if needed, and comply, as far as their own legislation and rules of procedure make it possible, with any such request by the recipient Party.

3. If, however, an obligation to disseminate even without the approval of the sending Party has to be considered as a result of an application consistent with the national law of the recipient Party, the recipient Party undertakes to inform the sending Party without delay and, on the basis of the provisions of its laws, put forth relevant arguments against dissemination.

4. The application or use of any information exchanged or transferred between the Contracting Parties under the present Arrangement shall be the responsibility of the Party receiving it. The transmitting Party does not warrant the suitability of such information for any particular use or application.

Article 7

Information exchanged under the present Arrangement shall be subject to the patent provisions in the Patent Addendum to this Arrangement.

Article 8

The Contracting Parties agree that their ability to carry out their obligations is subject to the availability of appropriated funds.

Article 9

No provision has been made for reciprocal cost reimbursement between the Contracting Parties. Both Contracting Parties shall bear the costs incurred in their area of competence.

Article 10

Some information of the type covered by this Arrangement is not available within the agencies and facilities of the Contracting Parties themselves, but only in other agencies of the Governments. Each Party therefore undertakes to assist the other by organizing visits and directing inquiries about information to these other agencies. This, of course, does not constitute a commitment of other

agencies to furnish such information.

Article 11

This Arrangement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United States of America within three months of the date of entry into force of this Arrangement.

Article 12

The present Arrangement shall remain effective for five years. It may be extended by mutual agreement. This Arrangement may be terminated at any time by either Contracting Party subject to six months' written notice to the other Contracting Party.

Article 13

The present Arrangement shall enter into force on the date of signature thereof.

Done at Bonn on 1 October 1975 in duplicate in the German and English languages, both texts being equally authentic.

For the Nuclear Regulatory
Commission of the United
States of America



[1]

For the Federal Minister of
the Interior of the Federal
Republic of Germany



[2]

¹Richard T. Kennedy

²Dr. Gunter Hartkopf

Patent Addendum

For every invention which is produced or designed during the term and in pursuance or on the basis of this technical exchange concerning cooperation in the field of safety of nuclear facilities between the Nuclear Regulatory Commission of the United States of America (NRC) and the Federal Minister of the Interior (BMI) of the Federal Republic of Germany, the following shall apply:

1. When the invention is made using information which has been communicated on the basis of the Arrangement of 1 October 1975 by one Contracting Party, its consultants or contractors, the Contracting Party making the invention shall acquire all rights, title and interests to and for such invention, discovery, patent application or patent in all countries, although with the obligation of granting the other Contracting Party free of charge a non-exclusive and irrevocable license, including the right to grant sublicenses relating to such an invention, discovery, patent application or patent in all countries.

1.2 The Contracting Parties have agreed that this Arrangement should also include patents which are taken out by the European Patent Office after the effective date of the European patent conventions. Should difficulties in the application of the present Patent Addendum occur following the effective date of the European patent conventions, either Contracting Party can propose those changes which are required to effect adjustment of the above Article.

1.3 Neither Contracting Party may resort to discriminatory measures against citizens of the other Contracting Party with respect to granting licenses or sublicenses referred to in paragraph 1 above.

1.4 The Contracting Parties forego in their relationship with one another reimbursement for all costs arising to them especially from the obligation to pay reimbursements, premiums, charges or indemnifications with respect to the origin, acquisition or application for patent rights which are drawn up or produced during the term of the Arrangement of 1 October 1975 and as a consequence or because of the programs and activities contained therein; this is also valid for reimbursements paid according to German law relating to employee inventions. As to inventions coming within the scope of this Arrangement, the NRC foregoes towards the Federal Minister of the Interior making claims arising from the U.S. Atomic Energy Act of 1954^[1] in its current wording.

2. If an invention is made during the term and in pursuance or on the basis of this technical exchange arrangement, the Contracting Party to this arrangement not making such invention, nor contributing information used in the making of the invention, shall not make any claim to rights in the invention.

¹ 68 Stat. 919; 42 U.S.C. § 2011 et seq.

3. In the case of a license which the receiving Contracting Party grants to a third party, the conditions to which the receiving Contracting Party is liable with respect to this license are also made incumbent on the third party. The third party shall be especially obliged to make available inventions or other knowledge which he acquires during the exercise of the license to his grantor in order that such inventions or special knowledge can, if necessary, be utilized within the scope of this Arrangement.

4. The utilization of discoveries is uninhibited, moreover, subject to specifications of Article 6 of the Arrangement of 1 October 1975.

**VEREINBARUNG ZWISCHEN DEM BUNDESMINISTER DES
INNERN DER BUNDESREPUBLIK DEUTSCHLAND UND DER
NUCLEAR REGULATORY COMMISSION DER VEREINIGTEN
STAATEN VON AMERIKA ÜBER ZUSAMMENARBEIT AUF
DEM GEBIET DER SICHERHEIT KERNTHECHNISCHER
EINRICHTUNGEN**

Der Bundesminister des Innern der Bundesrepublik Deutschland, im folgenden BMI genannt, und die Nuclear Regulatory Commission der Vereinigten Staaten von Amerika, im folgenden NRC genannt

- im Hinblick auf ihr gemeinsames Interesse sowohl an einer Zusammenarbeit auf dem Gebiet der Sicherheit kerntechnischer Einrichtungen als auch an einem Erfahrungsaustausch über Fragen der Genehmigung kerntechnischer Einrichtungen,
- mit dem Ziel, die Sicherheit von kerntechnischen Einrichtungen zu erhöhen und nachteiligen Einwirkungen auf die Umwelt vorzubeugen,
- eingedenk der zwischen dem Bundesminister für Forschung und Technologie der Bundesrepublik Deutschland und der früheren Atomenergiekommission der Vereinigten Staaten von Amerika getroffenen Vereinbarungen über technischen Austausch und Zusammenarbeit auf den Gebieten der Reaktorsicherheitsforschung und -entwicklung, sowie der Behandlung und Beseitigung von radioaktiven Abfällen,

sind wie folgt übereingekommen:

Artikel 1

Der BMI und die NRC tauschen Informationen über Fragen der Sicherheit und der Sicherung kerntechnischer Einrichtungen aus. Informationen über Umwelteinflüsse solcher Einrichtungen werden ausgetauscht, soweit die jeweiligen Zuständigkeiten der Vertragsparteien dies zulassen.

Informationen beziehen sich auf:

1. Berichte über technische Sicherheit und Umwelteinflüsse, die von den für regulatorische Angelegenheiten verantwortlichen Stellen oder in deren Auftrag als Grundlage oder zur Begründung von Genehmigungs- und Grundsatzentscheidungen erstellt werden.
2. Wichtige Genehmigungs- und Aufsichtsmaßnahmen sowie Sicherheits- und Umweltentscheidungen, die die genannten Einrichtungen berühren.
3. Berichte über Betriebserfahrungen, wie zum Beispiel Berichte über Störfälle, Unfälle und Abschaltungen sowie Zusammenstellungen über Herkunft ("Stammbaum") und bisher festgestellte Zuverlässigkeitssdaten von Bauteilen und Systemen.
4. Regulatorische Verfahren für die Bewertung der Sicherheit und der Umweltauswirkungen solcher kerntechnischer Einrichtungen.

Artikel 2

Die NRC und der BMI arbeiten bei der Entwicklung regulatorischer Normen für diese Kernenergieanlagen zusammen.

1. Beide Seiten unterrichten sich gegenseitig über die Themen, zu denen die Entwicklung regulatorischer Normen im Gang oder geplant ist, und über ihre ungefähren Zeitpläne für die Durchführung dieser Entwicklungsarbeit.
2. Damit unnötige Doppelarbeit vermieden wird, werden, soweit es praktisch möglich ist, von Zeit zu Zeit Vereinbarungen über diejenigen Normen getroffen, bei denen die eine oder andere Stelle den Hauptteil der Entwicklungsarbeit übernimmt. Hierbei wird es sich um Normen handeln, die geeignet sind, beiden Ländern zu nützen.
3. Kopien der regulatorischen Normen, die von den zuständigen Stellen der Vertragsparteien verwendet werden müssen oder für eine Verwendung vorgeschlagen sind, werden von jeder Vertragspartei der anderen rechtzeitig zur Verfügung gestellt.

Artikel 3

Die Vertragsparteien sind sich einig, daß Berichte und Entwicklung von Normen außerhalb des Bereichs des regulatorischen Programms der NRC oder außerhalb des die Sicherheit kerntechnischer Einrichtungen und den Strahlenschutz betreffenden Aufgabenkreises des BMI nicht in dieses Abkommen einbezogen sind.

Artikel 4

1. Der Austausch von Informationen auf Grund dieses Abkommens erfolgt durch Briefe, Berichte und andere Dokumente sowie durch Besuche und Zusammenkünfte, die von Fall zu Fall vorher vereinbart werden.
2. Jährlich oder in anderen zu vereinbarenden Zeiträumen wird eine Sitzung abgehalten, um den Fortgang der Zusammenarbeit zu überprüfen, Änderungen zu empfehlen und Fragen zu erörtern, die in den Rahmen dieser Vereinbarung fallen. Termin, Ort und Tagesordnung für diese Sitzungen werden im voraus vereinbart.

Artikel 5

Jede Vertragspartei benennt zur Koordinierung ihres Anteils an der Zusammenarbeit einen Administrator.

1. Die Administratoren sind die Empfänger aller im Rahmen der Zusammenarbeit übermittelten Dokumente, wozu, sofern nichts anderes vereinbart wird, auch Kopien aller Briefe gehören. Die Administratoren sind für die Entwicklung der Zusammenarbeit im Rahmen der Bedingungen dieser Vereinbarung verantwortlich. Sie treffen auch die Vereinbarungen über die kerntechnischen Einrichtungen, die Gegenstand des Informations-austausches sein

sollen, über besondere Dokumente und Normen, die ausgetauscht werden sollen, sowie über die zu koordinierenden Arbeiten an Normen.

2. Alle drei Monate übersenden sich die Administratoren gegenseitig Schreiben, in denen die Titel aller Dokumente aufgeführt sind, die in den vorangegangenen drei Monaten im Rahmen dieses Austausches übermittelt worden sind.
3. Die Administratoren bestimmen, wieviel Kopien der Dokumente ausgetauscht werden sollen. Jedes Dokument wird, sofern möglich, von einer aus weniger als 250 Worten bestehenden Zusammenfassung begleitet, in der der Themenkreis und der Inhalt beschrieben werden.
4. Diese Einzelregelungen sollen unter anderem sicherstellen, daß ein angemessener Austausch von Informationen erreicht und aufrechterhalten wird.

Artikel 6

Im allgemeinen können die bei jeder Vertragspartei eingegangenen Informationen ohne weitere Genehmigung der anderen Vertragspartei uneingeschränkt verbreitet werden.

1. Mit Vorrechten verbundene Informationen, zum Beispiel private, vermögensrechtliche, betriebliche und solche Informationen, die von der absendenden Partei im Vertrauen darauf und unter der Bedingung geliefert werden, daß die Empfängerpartei die Informationen vor unbefugter Preisgabe schützt, werden von der absendenden Partei als solche bezeichnet und mit dem deutlichen Stempelaufdruck "Nicht zur Verbreitung ohne Genehmigung der NRC oder des BMI bestimmt" gekennzeichnet. Die Empfängerpartei darf solche bevorrechtigten Informationen nicht ohne vorherige schriftliche Genehmigung der absendenden Partei weitergeben:
 - auf amerikanischer Seite außerhalb der NRC, ihrer Berater und der mitwirkenden Behörden der Regierung der Vereinigten Staaten von Amerika,
 - auf deutscher Seite außerhalb der Regierung der Bundesrepublik Deutschland, ihrer Berater und der atomrechtlichen Genehmigungsbehörden.
2. Ist eine darüber hinausgehende Weitergabe entweder auf Grund nationaler Gesetze einer Vertragspartei erforderlich oder auf Grund anderer Umstände erwünscht, so werden die Vertragsparteien in der Weise zusammenarbeiten, daß sie ein Verfahren zur Beantragung einer solchen Genehmigung, soweit erforderlich, festlegen und einem von der Empfängerpartei gestellten Wunsch zur Weitergabe soweit entsprechen, als dies ihre eigene Gesetzgebung und Verfahrensregeln ermöglichen.
3. Falls jedoch eine Verpflichtung zur Weitergabe auch ohne Genehmigung der absendenden Partei als Ergebnis eines dem nationalen

Recht der Empfängerpartei entsprechenden Antrages in Erwägung zu ziehen ist, verpflichtet sich die Empfängerpartei, unverzüglich die absendende Partei zu unterrichten sowie auf Grund der Bestimmungen ihrer Gesetze geeignete Argumente gegen die Weitergabe vorzubringen.

4. Die Anwendung oder Verwendung der zwischen den Vertragsparteien auf Grund dieses Abkommens ausgetauschten oder übermittelten Informationen unterliegt der Verantwortung der Empfängerpartei. Die übermittelnde Vertragspartei übernimmt keine Gewähr dafür, daß eine solche Information für eine bestimmte Nutzung oder Anwendung geeignet ist.

Artikel 7

Die auf Grund dieser Vereinbarung ausgetauschten Informationen unterliegen den Regelungen über Patente, die in der Zusatzvereinbarung niedergelegt sind.

Artikel 8

Die Vertragsparteien sind sich darin einig, dass die Möglichkeit zur Erfüllung ihrer Verpflichtungen von der Verfügbarkeit dafür bestimmter Mittel abhängt.

Artikel 9

Eine gegenseitige Kostenerstattung ist zwischen deß Vertragsparteien nicht vorgesehen. Beide Vertragsparteien tragen jeweils die in ihrem Zuständigkeitsbereich entstehenden Kosten.

Artikel 10

Informationen der im Abkommen erfassten Art sind teilweise nicht in Dienststellen und Einrichtungen der Vertragsparteien selbst, sondern nur in anderen Dienststellen der Regierungen verfügbar. Jede Partei wird daher die andere in der Ausrichtung von Besuchen unter der Weiterleitung von Anfragen wegen Informationen an solche Stellen unterstützen. Dies beinhaltet selbstverständlich keine Verpflichtung anderer Stellen, diese Informationen bereitzustellen.

Artikel 11

Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten der Vereinbarung eine gegenteilige Erklärung abgibt.

Artikel 12

Diese Vereinbarung gilt für fünf Jahre. Sie kann im gegenseitigen Einvernehmen verlängert werden. Jede Vertragspartei kann diese Vereinbarung jederzeit gegenüber der anderen Vertragspartei mit einer Frist von sechs Monaten schriftlich kündigen.

Artikel 13

Diese Vereinbarung tritt am Tage ihrer Unterzeichnung in Kraft.

Geschehen zu Bonn am ersten Oktober 1975 in zwei Urschriften, jede in deutscher und englischer Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist.

DR. GUNTER HATKOPP

*Der Bundesminister des Innern
der Bundesrepublik Deutschland*

RICHARD T. KENNEDY

*Für die Nuclear Regulatory
Commission der Vereinigter
Staaten von Amerika*

PATENT—ZUSATZVEREINBARUNG

Für jede Erfindung, die während der Laufzeit und im Verfolg oder auf Grund dieses technischen Austausches über Zusammenarbeit auf dem Gebiet der Sicherheit kerntechnischer Einrichtungen zwischen der Nuclear Regulatory Commission der Vereinigten Staaten (NRC) und dem Bundesminister des Innern der Bundesrepublik Deutschland (BMI) gemacht oder konzipiert wird, gilt folgendes:

1. Wenn die Erfindung unter Verwendung von Informationen gemacht wird, die von einer Partei, ihren Beratern oder ihren Auftragnehmern auf Grund der Vereinbarung vom 1. Oktober 1975 mitgeteilt worden sind, erwirbt die Partei, welche die Erfindung macht, sämtliche Rechte, Ansprüche und Interessen auf und an solcher Erfindung, Entdeckung, Patentanmeldung oder Patent in allen Ländern, jedoch mit der Verpflichtung, der anderen Vertragspartei eine gebührenfreie, nicht ausschließliche und unwiderrufliche sowie mit dem Recht zur Erteilung von Unterlizenzen verbundene Lizenz auf eine solche Erfindung, Entdeckung, Patentanmeldung oder Patent in allen Ländern zu gewähren.
- 1.2 Die Vertragsparteien sind sich darüber einig, daß diese Vereinbarung auch Patente einbeziehen soll, die nach dem Inkrafttreten der Europäischen Patentübereinkommen bei dem Europäischen Patentamt erwirkt werden. Sollten sich nach dem Inkrafttreten der Europäischen Patentübereinkommen Schwierigkeiten bei der Anwendung dieser Patentvereinbarung ergeben, so kann jede Vertragspartei diejenigen Änderungen beantragen, die erforderlich sind, um die Anpassung des vorstehenden Artikels zu bewirken.
- 1.3 Keine Vertragspartei darf diskriminierende Maßnahmen gegen Staatsbürger der anderen Vertragspartei im Hinblick auf die Gewährung der unter Nummer 1 erwähnten Lizenzen oder Unterlizenzen ergreifen.

- 1.4 Die Vertragsparteien verzichten im Verhältnis zueinander auf die Erstattung aller Kosten, die ihnen insbesondere aus der Verpflichtung zur Zahlung von Vergütungen, Prämien, Gebühren oder Entschädigungen wegen der Entstehung, des Erwerbs oder der Schutzrechtsanmeldung von Erfindungen erwachsen, die während der Laufzeit der Vereinbarung vom 1. Oktober 1975 und im Verfolg oder auf Grund der darin vorgesehenen Programme und Tätigkeiten gemacht oder konzipiert werden; dies gilt auch für Vergütungen nach dem deutschen Gesetz über Arbeitnehmererfindungen. Für Erfindungen im Bereich dieses Abkommens verzichtet die NRC gegenüber dem Bundesminister des Innern darauf, Ansprüche aus dem U.S. Atomic Energy Act von 1954 in seiner jeweiligen Fassung geltend zu machen.
2. Wird eine Erfindung während der Laufzeit und im Verfolg oder auf Grund dieses Abkommens über technischen Austausch gemacht, so wird diejenige Vertragspartei, die diese Erfindung weder macht noch Information zu dieser Erfindung beiträgt, keine Ansprüche auf Rechte an dieser Erfindung geltend machen.
3. Bei einer Lizenz, die die empfangende Vertragspartei einem Dritten erteilt, sind die Bedingungen, der die empfangende Vertragspartei wegen dieser Lizenz unterliegt, auch dem Dritten aufzuerlegen. Der Dritte ist insbesondere zu verpflichten, Erfindungen oder sonstige Erkenntnisse, die er bei der Ausübung der Lizenz erwirbt, seinem Lizenzgeber so zur Verfügung stellen, daß dieser sie gegebenenfalls im Rahmen dieser Vereinbarung verwerten kann.
4. Die Auswertung von Entdeckungen ist im übrigen vorbehaltlich der Bestimmungen des Artikel 6 der Vereinbarung vom 1. Oktober 1975 unbeschränkt möglich.

NETHERLANDS

Atomic Energy: Research Program on Zircaloy Tubing

*Agreement signed at Washington and Petten
December 9 and 24, 1976;
Entered into force December 24, 1976.*

LETTER AGREEMENT

This is an agreement between the Stichting Energieonderzoek Centrum Nederland (ECN) and the United States Nuclear Regulatory Commission (NRC) concerning a cooperative research program entitled, "In-Pile Creep and Collapse of Zircaloy Tubing" to be conducted in the High Flux Reactor (HFR) at ECN-Petten as part of the NRC-sponsored research program entitled "Zircaloy Fuel Cladding Collapse Studies" to be performed by the United States Energy Research and Development Administration (ERDA) at the Oak Ridge National Laboratory (ORNL) which is operated for ERDA by Union Carbide Corporation.

This agreement shall become effective on the date of last signature by both parties, and shall terminate on December 31, 1980, unless extended by mutual agreement, or unless terminated earlier by either party upon written notice of six months prior to the effective date of termination.

1. The NRC, subject to the availability of funds for the research program, "Zircaloy Fuel Cladding Collapse Studies" at the Oak Ridge National Laboratory, shall be responsible for the following:

- a. the conduct of the feasibility study for the experimental methods and equipment, and a preliminary safety analysis of the irradiation experiments,
- b. the detailed design of the in-pile capsule, the specimen and specimen train, and the surface displacement sensing system including its associated instrumentation,
- c. the provision of the specimens, and the inner parts and instrumentation leads for the capsules, as determined by mutual agreement,
- d. aid and advice in the assembly, installation, conduct, and analysis of the first experiment. This may be extended to the subsequent in-pile experiments by mutual agreement,
- e. the experimental test matrix, the analyses of the experimental data, and the publication of progress and final technical reports in the publicly available literature.
It is anticipated that a maximum of twenty and a minimum of twelve in-pile experiments will be performed, and that four or more experiments will be conducted in the first twelve months of the program. If the test results indicate a need for additional tests, the number may be increased by mutual agreement, and
- f. the provision of the pressurizing equipment, temperature controllers and recorders required for controlling and recording the temperature of the specimen, heaters and power supplies required for heating the specimen to the desired test temperature, and the instrumentation required for the surface displacement sensing system.

2. The ECN, through the ECN-Petten Research Centre, will be responsible for the following:
 - a. provision of the necessary information and advice on the design of the in-pile capsule and associated experimental equipment as related to the HFR, the experimental position in the core, the requirements of the Reactor Safety Committee at Petten, and the preparation and presentation of the safety assessment to that safety committee,
 - b. provision of the irradiation services in a suitable position in the HFR, normal operating services during irradiation, monitoring of the progress of each experiment, and the collection and storage of the raw data printout,
 - c. provision of the post-irradiation capsule disassembly and specimen examination services in suitable hot cells, as mutually agreed upon,
 - d. assembly of the in-pile capsules including the furnishing of such capsule parts as are mutually agreed upon, the final assembly of the specimen surface displacement measuring system and specimen train, the installation in the experimental position in the HFR core, and the instrumentation installation, hook-up, and check-out,
 - e. the maintenance and repair of equipment furnished by NRC/ORNL,
 - f. the transmission of the collected data to ORNL in either raw form or to the degree of reduction mutually agreed upon, or both, and
 - g. provision of the instrumentation required for monitoring the reactor flux at the experimental position used, and other equipment required for operation of the experiment but not associated directly with the specimen or its measurement.
3. Each of the participants may make free use of the raw experimental data for their own, in-house, purpose. Each shall be individually responsible for their own subsequent analyses of that data, but a mutually agreed upon cooperative analysis is desired. Publication of details of the experimental technique, equipment, or results in any form releasable to others shall give proper credit to both organizations. Coauthorship of experimental reports in open literature technical publications is encouraged by both participants, but this shall not hinder publication of the experimental results in the Quarterly and Topical Reports made by ORNL to NRC and available to the public, nor in similar reports made by ECN-Petten.

4. NRC shall issue to ECN-Petten notices of and invitations to attend the Cladding Review Group and Fuel Behavior Code Review Group meetings conducted by the Fuel Behavior Research Branch, Division of Reactor Safety Research, (RSR), NRC, and to attend the RSR Information Meetings now held annually by the Division of Reactor Safety Research, NRC. ECN shall be responsible for any expenses encountered by its staff members in attending or participating in any such meetings.
5. NRC shall make available to ECN-Petten the updated versions of the computer programs developed by and for the Fuel Behavior Research Branch, RSR/NRC, notably FRAP-S, FRAP-T, and SIMTRAN I, but not excluding others developed later and as mutually agreed upon. The updated version shall be defined as the latest revision ready for release to the Argonne Code Center, as they become available and as determined by NRC.
6. In return for the contributions made by each participant to this agreement, there will be no financial accounts to be settled between ECN and NRC in this program.
7. It is understood that satisfactory arrangements must be agreed upon for the fabrication of parts and the assembly of capsules.
8. Each participant shall be responsible for the travel and other expenses of its own staff involved in this program, and in the attendance to any of the meetings, symposia, etc., at which presentations are made concerning this program.
9. Non-expendable items of equipment furnished by NRC/ORNL for this program shall remain the property of the U.S. Government and are loaned to ECN-Petten for the duration of this cooperative research program.
10. With respect to any invention or discovery made or conceived during the period of, or in the course of, or under this agreement, the NRC on behalf of the United States Government and the ECN-Petten on the behalf of the Netherlands Government hereby agree that:
 - a. If made or conceived while in attendance at meetings or when employing information which has been communicated under this agreement by one party or its contractors, the party making the invention shall acquire all right, title, and interest in and to any such invention, discovery, patent application or patent in all countries, subject to the grant to other party of a royalty-free non-exclusive, irrevocable license, with the right to grant sublicenses, in and to any such invention, discovery, patent applications, or patent,

in all countries, for use in the production or utilization of special nuclear material or atomic energy.

- b. Neither party shall discriminate against citizens of the country of the other party with respect to granting any license or sublicense under any invention pursuant to subparagraph a. above.
- c. Each party or its Government will assume the responsibility to pay awards or compensation required to be paid to its nationals according to the laws of its Country.

FOR THE UNITED STATES NUCLEAR
REGULATORY COMMISSION


Lee V. Gossick, Executive Director
for Operations

FOR THE STICHTING ENERGIEON-
DERZOEK CENTRUM NEDERLANDS


J. A. Goedkoop, Wetenschappelijk
Directeur

DATE December 9, 1976

DATE December 24, 1976

BRAZIL

Atomic Energy: Technical Information Exchange and Safety Research

*Arrangement signed at Washington May 20, 1976;
Entered into force May 20, 1976.*

ARRANGEMENT BETWEEN THE UNITED STATES NUCLEAR REGULATORY COMMISSION (U.S.N.R.C.) AND THE COMISSAO NACIONAL DE ENERGIA NUCLEAR (C.N.E.N.) OF BRAZIL FOR THE EXCHANGE OF TECHNICAL INFOR- MATION AND COOPERATION IN SAFETY RESEARCH

The United States Nuclear Regulatory Commission (hereinafter called the U.S.N.R.C.) and Comissao Nacional de Energia Nuclear (hereinafter called the C.N.E.N.), considering the desirability of a continuing exchange of information pertaining to regulatory matters, and collaboration in standards of the type required or recommended by these organizations for the regulation of safety and environmental impact of nuclear facilities, conclude the following agreement of cooperation.

I. SCOPE OF THE AGREEMENT

I-1 Technical Information Exchange

The U.S.N.R.C. and the C.N.E.N. agree to exchange the following types of technical information related to the regulation of safety and environmental impact of designated nuclear energy facilities:

- a. Topical reports concerned with technical safety and environmental effects written by or for the regulatory staff as a basis for, or in support of, regulatory decisions and policies.
- b. Significant licensing actions and safety and environmental decisions affecting these facilities.
- c. Detailed documents on the U.S.N.R.C. regulatory process of certain U.S. facilities designated by the C.N.E.N. as the prototypes of certain facilities being built in Brazil and reciprocal documents on these overseas counterpart facilities.

- d. Information in the field of reactor safety research which the parties have the right to disclose, either in the possession of one of the parties or available to it, including light water reactor safety information from technical areas agreed upon on a case-by-case basis. Each party will transmit immediately to the other urgent information concerning research results, indicating significant safety implications.
- e. Reports on operating experience, such as reports on incidents, accidents and shutdowns, and compilations of historical reliability data on components and systems.
- f. Regulatory procedures for safety and environmental impact evaluation of these nuclear facilities.
- g. Each party will make special efforts to give early advice to the other of important events, such as serious operating incidents and government-directed reactor shutdowns, that are of immediate interest to the other.

I-2 Cooperation in Safety Research

The execution of joint programs and projects of safety research and development, or those programs and projects under which activities are divided between the two parties including the use of test facilities and/or computer programs owned by either party, will be agreed upon on a case-by-case basis. Temporary assignments of personnel by one party in the other party's agency will also be considered on a case-by-case basis.

I-3 Collaboration in Development of Regulatory Standards

The U.S.N.R.C. and the C.N.E.N. further agree to cooperate in the development of regulatory standards for these nuclear facilities.

- a. Each party will inform the other of specific subjects on which regulatory standards development work is underway.
- b. Copies of regulatory standards required to be used, or proposed for use, by the regulatory organizations of the respective countries will be made available by each party on a timely basis.

II. ADMINISTRATION

- a. The exchange of information under this arrangement will be accomplished through letters, reports, and other documents, and by visits and meetings arranged in advance on a case-by-case basis. A meeting will be held annually, or at such other times as mutually agreed, to review the exchange activity, to recommend revisions, and to discuss topics within the scope of

the exchange. The time, place, and agenda for such meetings shall be agreed upon in advance. Visits which take place under the arrangement, including their schedules, shall have the prior approval of the administrators.

- b. An administrator will be designated by each party to coordinate its participation in the overall exchange. The administrators shall be the recipients of all documents transmitted under the exchange, including copies of all letters unless otherwise agreed. Within the terms of the exchange, the administrators shall be responsible for developing the scope of the exchange, including agreement on the designation of the nuclear energy facilities subject to the exchange, on specific documents and standards to be exchanged. These detailed arrangements are intended to assure, among other things, that a reasonable balanced exchange giving access to equivalent available information is achieved and maintained.
- c. The administrators shall determine the number of copies to be provided of the documents exchanged. Each document will be accompanied by an abstract, less than 250 words, describing its scope and content.
- d. In general, information received by each party to the arrangement may be disseminated freely without further permission of the other party. Privileged or confidential information supplied by the sending party on the condition that the receiving party protect the information from unauthorized disclosure will be clearly identified by the sending party with special stamps or other bold lettering. The receiving party will refrain from disseminating without approval of the sending party, such privileged information.
 - i. On the U.S. side, outside of the U.S.N.R.C. and consultants, and assisting agencies of the U.S. Government.
 - ii. On the Brazilian side, outside the concerned authorities of the C.N.E.N. and consultants and assisting agencies of the Brazilian Government.

Parties to the agreement will cooperate with each other in developing procedures for requesting such approval, if needed, and by responding, as far as their own regulation makes it possible, to the request from the receiving party for dissemination. If nevertheless dissemination, without approval from the sending party, is requested from the receiving party in pursuance of their own national law, the receiving party undertakes to inform at once the sending party, and, if necessary, to put before competent authority appropriate arguments.

- e. This agreement shall have a term of five years; it may be extended further by mutual written agreement, and terminated by either party upon thirty-day notice.

- f. The application or use of any information exchanged or transferred between the parties under this arrangement shall be the responsibility of the receiving party, and the transmitting party does not warrant the suitability of such information for any particular use or application.
- g. Recognizing that some information of the type covered in this arrangement is not available within the agencies which are parties to this arrangement, but is available from other agencies of the governments of the parties, each party will assist the other to the maximum extent possible by organizing visits and directing inquiries concerning such information to appropriate agencies of the government concerned. The foregoing shall not constitute a commitment of other agencies to furnish such information or to receive such visitors.
- h. Nothing contained in this arrangement shall require either party to take any action which would be inconsistent with its existing laws and regulations. Should any conflict arise between the terms of this arrangement and those laws and regulations, the parties agree to consult before any action is taken.
- i. Information exchanged under this agreement shall be subject to the patent provisions in the Patent Addendum of this document.

Signed in Washington, in duplicate, in Portuguese and in English, both copies of text being equally authentic, on the 20th of May, 1976.

Signed:

HERVASIO G. De CARVALHO

MARCUS A. ROWDEN

*On behalf of the Comissao
Nacional de Energia Nuclear*

*On behalf of the United States
Nuclear Regulatory Commission*

PATENT ADDENDUM FOR NRC-CNEN ARRANGEMENT

1. Definitions

When used in this Article unless the context otherwise indicates

- i. The term "personnel" means: (a) the employees of a party to this Arrangement and (b) the employees of a contractor of a party to this Arrangement.
- ii. The term "inventing party" means the party of this Arrangement whose personnel has made or conceived an invention or discovery during the course of or under the activities covered by the terms of this Arrangement.

TIAS 9071

2. Reporting and Allocation of Rights

- i. Except as otherwise provided in paragraph ii hereinafter, if an invention or discovery is made or conceived by the personnel of the inventing party during the course of or under the activities covered by the terms of this Arrangement, or if such invention was made or conceived as a direct result of information acquired by such personnel from the other party, then the inventing party:
 - (a) agrees to promptly disclose such invention or discovery to the other party;
 - (b) agrees to transfer and assign to the other party, all right, title, and interest in and to such invention or discovery in the country of the other party subject to the reservation of a nonexclusive, irrevocable, royalty-free license to make, use and sell such invention or discovery in such other country; and
 - (c) may retain the entire right, title, and interest in and to such invention or discovery in the country of the inventing party and in third countries but shall grant to the other party, upon request of the other party, a nonexclusive, irrevocable, royalty-free license to make, use, and sell such invention or discovery in such country of the inventing party and in such third countries.
- ii. In the event an invention or discovery is made or conceived by the personnel of the inventing party during the course of or under the activities covered by the terms of this Arrangement and such invention was made or conceived while such personnel was assigned to the other party, the inventing party:
 - (a) agrees to promptly disclose such invention or discovery to the other party;
 - (b) may retain the entire right, title, and interest in and to such invention or discovery in the country of the inventing party;
 - (c) shall grant to the other party, upon request of the other party, a nonexclusive, irrevocable, royalty-free license to make, use, and sell such invention or discovery in the country of the inventing party; and
 - (d) agrees to transfer and assign to the other party all right, title, and interest in and to such invention or discovery in the country of the other party and in third countries subject to the reservation of a nonexclusive, irrevocable, royalty-free license to make, use, and sell such invention or discovery in such other country and in such third countries.

- iii. As employed in this Arrangement, a license to a party to make, use, and sell an invention or discovery shall include the right to have others make, use, and sell such invention or discovery on behalf of such licensed party.

3. Claims for Compensation

Each party agrees to waive, and does hereby waive, any and all claims against the other party for compensation, royalty or award as regards any invention, discovery, patent application or patent made or conceived in the course of or under this Arrangement, and agrees to release, and does hereby release, the other party with respect to any and all such claims, including any claims under the provisions of the United States Atomic Energy Act of 1954, as amended.^[1]

AJUSTE ENTRE A UNITED STATES NUCLEAR REGULATORY COMMISSION (USNRC) E A COMISSÃO NACIONAL DE ENERGIA NUCLEAR (CNEN) PARA O INTERCÂMBIO DE INFORMAÇÕES REGULADORAS E DE COOPERACÃO EM PESQUISA DE SEGURANÇA

A United States Nuclear Regulatory Commission (de agora em diante denominada USNRC) e a Comissão Nacional de Energia Nuclear (de agora em diante denominada CNEN), considerando a necessidade de um contínuo intercâmbio de informações relativas a questões normativas e de colaboração sobre padrões do tipo exigido ou recomendado por essas organizações para a regulamentação da segurança do efeito de instalações nucleares no meio ambiente, concluem o seguinte ajuste de cooperação.

I. OBJECTIVO DO AJUSTE:

I.1 Intercâmbio de Informações Técnicas

A USNRC e a CNEN acordam o intercâmbio dos seguintes tipos de informações técnicas relativas à regulamentação de segurança e do efeito no meio ambiente das denominadas instalações nucleares:

- a. Relatórios específicos relativos à segurança técnica e aos efeitos no meio ambiente, redigidos pela, ou para a equipe reguladora, como base ou como suporte de decisões e diretrizes normativas.

¹ 68 Stat. 919; 42 U.S.C. § 2011 *et seq.*

- b. As ações relevantes sobre licenciamento e as decisões referentes à segurança e ao meio ambiente, relacionadas comessas instalações.
- c. Documentos detalhados sobre as normas de procedimento de USNRC para instalações norte-americanas, consideradas pela CNEN como protótipos de certas instalações em construção no Brasil, e documentos recíprocos sobre essas instalações.
- d. Informação no campo da pesquisa de segurança de reatores que as partes tenham o direito de liberar, que esteja na posse de uma das partes ou disponível para mesma, inclusive informação de áreas técnicas referente à segurança de reatores a água leve escolhidas de comum acordo, caso por caso. Cada parte transmitirá, imediatamente à outra, informação urgente relativa a resultados de pesquisas, indicando as implicações importantes na segurança.
- e. Relatórios sobre experiência operacional, tais como relatórios sobre incidentes, acidentes e paradas de reator, bem como compilação, em ordem cronológica, de dados sobre confiabilidade de componentes a sistemas.
- f. Procedimentos reguladores relativos à segurança e à avaliação do impacto dessas instalações no meio ambiente.
- g. Cada parte envidará esforços especiais para comunicar, com a devida urgência à outra parte, acontecimentos importantes, tais como incidentes sérios de operação e paradas do reator por ordem do Governo, que sejam de interesse imediato para a outra parte.

I.2 Cooperação em Pesquisa de Segurança

A execução de programas conjuntos e projetos de pesquisa e desenvolvimento, sobre segurança ou de programas e projetos cujas atividades estejam divididas entre as duas partes, inclusive o uso de instalações de ensaio e/ou programas de computador de propriedade de qualquer uma das partes, será estabelecida de comum acordo, caso por caso. A utilização temporária, por uma das partes, do pessoal pertencente à outra parte será também considerada caso por caso.

I.3 Colaboração no Desenvolvimento de Padrões Normativos

A USNRC e a CNEN concordam também em cooperar no desenvolvimento de padrões normativos para essas instalações nucleares.

- a. Cada parte informará à outra a respeito dos assuntos específicos sobre os quais se estejam desenvolvendo padrões normativos.
- b. Cada parte fornecerá, em tempo oportuno, cópias de padrões normativos exigidos ou recomendados para uso pelas organizações competentes dos respectivos países.

II. ADMINISTRAÇÃO

- a. A troca de informação, na forma desse ajuste, será efetuada através de cartas, relatórios e outros documentos, por visitas e reuniões marcadas com a devida antecedência em cada caso. Anualmente, ou sempre que for mutuamente acordado, será realizada uma reunião para examinar as atividades desempenhadas no âmbito do intercâmbio, para recomendar revisões e para debater tópicos. A hora, local e agenda para tais reuniões serão combinados com antecedência. As visitas efetuadas no âmbito deste ajuste, incluindo os locais e as datas, deverão ter anuência prévia dos administradores.
- b. Cada uma das partes designará um responsável, aqui denominado administrador, para coordenar a participação dela no intercâmbio global decorrente deste ajuste. Os administradores deverão receber todos os documentos trocados entre as partes, incluindo cópias de todas as cartas, a menos que seja estipulado em contrário. De conformidade com os termos de intercâmbio, os administradores serão responsáveis pelo atendimento de seu objetivo, incluindo a concordância quanto a designação das instalações nucleares objeto da troca de informações sobre os documentos específicos e padrões que deverão ser objeto de intercâmbio. Um ou mais coordenadores técnicos poderão ser designados como contatos diretos para áreas disciplinares específicas. Esses coordenadores técnicos providenciarão para que ambos os administradores recebam cópias de todas as comunicações. Essas disposições detalhadas têm por finalidade assegurar que, entre outras coisas, um intercâmbio razoável e equilibrado permitindo acesso à informação equivalente disponível, seja alcançado e mantido.
- c. Os administradores deverão determinar o número de cópias dos documentos a serem trocados. Cada documento será acompanhado de um resumo com menos de 250 palavras, descrevendo seu objetivo e conteúdo.
- d. Em regra, a informação recebida por uma das partes deste ajuste poderá ser difundida livremente, sem necessidade de permissão da outra parte. A informação patenteada ou confidencial fornecida por uma das partes sob a condição de que a parte recebedora deverá salvaguardar dar a divulgação não autorizada, será claramente identificada pela parte remetente com carimbos especiais ou outra marcação bem evidente. A informação patenteada, sem que haja autorização de parte fornecedora, não poderá ser divulgada pela parte recebedora:
 - i. no que concerne ao lado americano, para fora da USNRC e consultores e agências participantes do Governo dos Estados Unidos; e
 - ii. no que diz respeito ao lado brasileiro, para fora do âmbito das autoridades interessadas da CNEN, consultores e agências participantes do Governo do Brasil.

As partes do ajuste cooperarão entre si no desenvolvimento de procedimentos para a solicitação de tal aprovação, caso seja necessário, e par atender, tanto quanto seus próprios regulamentos o permitam, ao solicitado pela parte recebedora com relação à divulgação. Se, porém, a divulgação, sem a aprovação da parte fornecedora, for solicitada pela parte recebedora, consoante sua própria lei nacional, a parte recebedora se compromete a informar imediatamente à parte fornecedora e, se necessário, a apresentar justificativa apropriada perante a autoridade competente.

- e. O presente ajuste terá a duração de cinco (5) anos, podendo ser prorrogado mediante mútuo entendimento por escrito, e, terminado por qualquer uma das partes após notificação prévia de trinta (30) dias.
- f. A aplicação ou uso de qualquer informação trocada ou transferida no âmbito deste acordo será da responsabilidade da parte recebedora, não sendo garantida pela parte fornecedora a conveniência de tais informações para qualquer outro uso ou aplicação.
- g. Reconhecendo que alguma informação do tipo abrangido por este ajuste não esteja disponível nas entidades envolvidas no presente ajuste, mas em outras entidades governamentais das partes, cada parte auxiliará ao máximo possível a outra, organizando visitas e formulando indagações pertinentes à referida informação, às entidades competentes do respectivo Governo. Isto entretanto não significa um compromisso para as de mais entidades de fornecerem tal informação ou de receberem os visitantes.
- h. Nada do que está contido neste ajuste obrigará a qualquer parte a agir em desacordo com as respectivas leis e regulamentos vigentes. Em caso de conflito entre os termos deste ajuste e as leis e regulamentos mencionados, as partes concordam em se consultar antes de que qualquer media seja tomada.
- i. A informação trocada no âmbito deste ajuste está sujeita às determinações de patente constante ao Adendo sobre Patentes deste documento.

FEITE em Washington, em duplicata, em português e em inglês, sendo ambos os textos igualmente autênticos, aos de maio de 1976.

HERVASIO G. DE CARVALHO

*Pela Comissão Nacional de
Energia Nuclear do Brasil*

MARCUS A. ROWDEN

*Pela United States Nuclear
Regulatory Commission*

**ADENDO SOBRE PATENTES REFERENTE AO AJUSTE ENTRE A USNRC
E A CNEN PARA INTERCÂMBIO DE INFORMAÇÕES REGULADORAS
E DE COOPERAÇÃO EM PESQUISA DE SEGURANÇA**

1 – DEFINIÇÕES

Quando usado, salvo menção expressa no texto,

(I) O termo “pessoal” significa:

- A) – Os empregados de uma das parte do presente ajuste; e
- B) – Os empregados de contratantes com uma das partes dos presentes ajuste.

(II) O termo “parte inventora” significa a parte, deste ajuste, cujo pessoal tenha feito ou concebido um invento ou descoberta durante o curso de ou decorrente das atividades compreendidas nos termos deste ajuste.

2 – COMUNICAÇÃO E DETERMINAÇÃO DE DIREITOS

(I) Exceto a outra forma estabelecida no parágrafo II, abaixo, se uma invenção ou descoberta for feita ou concebida pelo pessoal da parte inventora durante o curso ou em decorrência das atividades compreendidas non termos deste ajuste; ou se tal invenção for criada ou concebida como um resultado direto da informação obtida através de pessoal da outra parte, então a parte inventora:

- A) – Concorda em liberar prontamente tal invenção ou descoberta à outra parte;
- B) – Concorda em transferir e ceder à outra parte, todos os direitos, titularidade e interesse quanto a essa invenção ou descoberta no país da outra parte, sujeita à reserva de uma não exclusiva e irrevogável, licença gratuita, para fazer, usar e vender tal invenção ou descoberta nesse outro país; e
- C) – Pode preservar todos os direitos, titularidade e interesse quanto a essa invenção ou descoberta no país de parte inventora e em terceiros países, neste caso, deverá garantir à outra parte, quando por ela solicitada, uma licença não exclusiva, irrevogável e livre de “royalties”, para fazer, usar e vender tal invenção ou descoberta no país da parte inventora e em terceiros países.

(II) No caso de uma invenção ou descoberta ser feita ou concebida pelo pessoal da parte inventora, durante o curso ou em decorrência das atividades compreendidas pelos termos deste ajuste e tal invenção for feita ou concebida enquanto tal pessoal estiver cedido à outra parte, a parte inventora:

- A) – Concorda em liberar, prontamente, tal invenção ou descoberta à outra parte;

- B) – Pode preservar todos os direitos, titularidades e interesse quanto a essa invenção ou descoberta no país da parte inventora;
- C) – Concederá à outra parte, quando por ela solicitada, uma licença não exclusiva, irrevogável e livre de “royalties” para fazer, usar e vender tal invenção ou descoberta no país da parte inventora; e
- D) – Concorda em transferir e ceder à outra parte todos os direitos, titularidade e interesse quanto a essa invenção ou descoberta no país da outra parte e em terceiros países, sujeita à limitação de uma licença não exclusiva, irrevogável e livre de royalties para fazer, usar e vender tal invenção ou descoberta no outro país e em terceiros países.

(III) Conforme previsto neste ajuste, a licença para uma parte fazer, usar e vender uma invenção ou descoberta incluirá o direito de outros fazerem, usarem e venderem tal invenção ou descoberta em nome da parte autorizada.

3 – RECLAMAÇÕES PARA INDENIZAÇÃO

Cada parte concorda em renunciar, e aqui renuncia, a toda e qualquer reclamação contra a outra parte, com relação à compensação, direito ou concessão, com referência a qualquer invenção, descoberta, aplicação de patente elaborada ou concebida no curso de ou em decorrência deste ajuste e concorda em liberar, e aqui libera a outra parte com respeito a todas e quaisquer reclamações, inclusive quaisquer reclamações de acorda com as cláusulas da Lei sobre Energia Atômica dos Estados Unidos de 1954, com suas emendas.

FEITO em Washington, em duplicata, em português e em inglês, sendo ambos os textos igualmente autênticos, aos 20 de maio de 1976.

BAHAMAS

Aviation: Preclearance for Entry Into the United States

*Agreement extending application of the agreement
of April 23, 1974.*

Effectuated by exchange of notes

*Dated at Nassau December 28, 1977 and January 10, 1978;
Entered into force January 10, 1978.*

The American Embassy to the Bahamian Ministry of External Affairs

No. 140

The Embassy of the United States of America presents its compliments to the Ministry of External Affairs of the Government of the Commonwealth of the Bahamas and has the honor to refer to the Agreement of April 23, 1974^[1] between the Government of the United States of America and the Government of the Commonwealth of The Bahamas on Preclearance, and to discussions between representatives of our two Governments concerning the establishment of United States Preclearance at Freeport.

The United States proposes that Preclearance operations subject to the provisions of the Preclearance Agreement of April 23, 1974, be extended to Freeport. Furthermore, the United States Government agrees that it will commence Preclearance operations at Freeport on January 8, 1978.

The Government of the United States will consider this Note, together with your Government's Note of reply confirming agreement to the terms outlined above, to constitute an Agreement between our two Governments.

The Embassy of the United States of America avails itself of this opportunity to extend to the Ministry of External Affairs of the Government of the Commonwealth of The Bahamas the renewed assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA,
NASSAU, December 28, 1977.

¹ TIAS 7816; 25 UST 646.

The Bahamian Ministry of External Affairs to the American Embassy

Ministry of External Affairs
NASSAU, Bahamas

10 January, 1978

NO. 4

The Ministry of External Affairs of the Commonwealth of The Bahamas presents its compliments to the Embassy of the United States of America and has the honour to refer to the Embassy's Note 140 dated 28 December, 1977 pertaining to the Agreement of 23 April, 1974 between the Government of the United States of America and the Government of the Commonwealth of The Bahamas on Preclearance, and to discussions concerning the establishment of United States Preclearance at Freeport, Grand Bahama.

The Bahamas Government concurs with the proposal that preclearance operations be extended to Freeport, subject to the provisions of the aforementioned Agreement. The Bahamas Government has noted too the agreement of the United States Government to commence such preclearance operations at Freeport on 8 January, 1978.

The Bahamas Government considers that this Note together with the Embassy's Note No. 140 of 28 December, 1977, constitute an Agreement between our two Governments on the terms for establishment of preclearance operations at Freeport.

The Ministry of External Affairs of the Commonwealth of The Bahamas takes this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Embassy of the United States
of America,
Queen Street,
NASSAU, Bahamas



TIAS 9072

UNION OF SOVIET SOCIALIST REPUBLICS

Conservation of Migratory Birds and Their Environment

*Convention signed at Moscow November 19, 1976;
Ratification advised by the Senate of the United States of America July 12, 1978;
Ratified by the President of the United States of America July 31, 1978;
Confirmed by the Union of Soviet Socialist Republics September 11, 1978;
Ratification and confirmation exchanged at Washington October 13, 1978;
Proclaimed by the President of the United States of America October 31, 1978;
Entered into force October 13, 1978.
With joint declaration.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Convention between the United States of America and the Union of Soviet Socialist Republics Concerning the Conservation of Migratory Birds and Their Environment was signed at Moscow on November 19, 1976, the text of which Convention, in the English and Russian languages, is hereto annexed;

The Senate of the United States of America by its resolution of July 12, 1978, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Convention;

The Convention was ratified by the President of the United States of America on July 31, 1978, in pursuance of the advice and consent of the Senate, and was duly confirmed on the part of the Union of Soviet Socialist Republics;

It is provided in Article XII of the Convention that the Convention shall enter into force upon the exchange of instruments of ratification or confirmation;

The instruments of ratification and confirmation of the Convention were exchanged at Washington on October 13, 1978; and accordingly the Convention entered into force on that date;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Convention, to the end that it shall be observed and fulfilled with good faith on and after October 13, 1978, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this thirty-first day of October in
[SEAL] the year of our Lord one thousand nine hundred seventy-eight and of the Independence of the United States of America the two hundred third.

JIMMY CARTER

By the President:

CYRUS VANCE

Secretary of State

C O N V E N T I O N

Between the United States of America and the
Union of Soviet Socialist Republics Concerning
the Conservation of Migratory Birds and
Their Environment

The Government of the United States of America and the Govern-
ment of the Union of Soviet Socialist Republics,

Considering that migratory birds are a natural resource of
great scientific, economic, aesthetic, cultural, educational,
recreational and ecological value and that this value can be
increased under proper management;

Recognizing that many species of birds migrate between the
United States and the Soviet Union or that species of birds which
occur in the United States and the Soviet Union have common flyways,
breeding, wintering, feeding or moulting areas which should be
protected;

Considering that effective protection of migratory birds and
their environment requires substantial national effort, but
recognizing that international cooperation in this area can
provide significant assistance;

Recognizing that certain species of birds in both countries
are endangered and in need of particular protective measures;

Desiring to cooperate in implementing measures for the conservation of migratory birds and their environment and other birds of mutual interest;

Have agreed as follows:

ARTICLE I.

1. In this Convention, the term "migratory birds" means:

(a) The species or subspecies of birds for which there is evidence of migration between the Soviet Union and the United States derived as a result of banding, marking or other reliable scientific evidence; or

(b) The species or subspecies of birds, populations of which occur in the Soviet Union and the United States and have common flyways or common breeding, wintering, feeding, or moulting areas, and for these reasons there exists or could exist an exchange of individuals between such populations. The identification of such species or subspecies will be based upon data acquired by banding, marking, or other reliable scientific evidence.

2. In this Convention, the term "competent authority" means a national scientific or management agency authorized by the Contracting Party to implement the activities under this Convention. At the time of entering into force of this Convention, the Contracting Parties shall notify each other of their competent authorities for migratory birds pursuant to this Convention.

3. (a) A list of species and subspecies of birds by families, determined to be migratory in accordance with Paragraph I of this Article, is set forth in an Appendix to this Convention entitled "Migratory Birds";

(b) The competent authority of each Contracting Party shall be authorized by its government to review the "Migratory Birds" Appendix, and, if necessary, make recommendations for amendments thereto. The Appendix shall be considered amended upon the date when such recommendations are accepted by the competent authority of the other Contracting Party.

4. This Convention shall apply:

(a) For the United States of America: To all areas under the jurisdiction of the United States of America.

(b) For the Union of Soviet Socialist Republics: To all territories under the jurisdiction of the Union of Soviet Socialist Republics.

ARTICLE II.

1. Each Contracting Party shall prohibit the taking of migratory birds, the collection of their nests and eggs and the disturbance of nesting colonies. Also, any sale, purchase or exchange of these birds, whether dead or alive, or their nests or eggs, and any sale, purchase or exchange of their products or parts, shall be prohibited. The importation and exportation of migratory birds and their nests, eggs, parts, and products shall also be prohibited. Exception to these prohibitions may be made on the basis of laws, decrees or regulations of the respective Contracting Parties in the following cases:

- (a) For scientific, educational, propagative, or other specific purposes not inconsistent with the principles of this Convention;
- (b) For the establishment of hunting seasons in accordance with Paragraph 2 of this Article;
- (c) For the taking of migratory birds and the collection of their eggs by the indigenous inhabitants of the Chukchi and Koryaksk national regions, the Commander Islands and the State of Alaska for their own nutritional and other essential needs (as determined by the competent authority of the relevant Contracting Party) during seasons established in accordance with Paragraph 2 of this Article; and
- (d) For the purpose of protecting against injury to persons or property.

2. The hunting seasons for migratory birds provided for in Paragraph 1 (b) of this Article, and the seasons during which the indigenous inhabitants mentioned in Paragraph 1 (c) of this Article may take such birds and collect their eggs for their own nutritional and other essential needs (as determined by the competent authority of the relevant Contracting Party), shall be determined by the competent authority of each Contracting Party respectively. These seasons shall be set so as to provide for the preservation and maintenance of stocks of migratory birds.

3. With regard to a particular species of migratory bird, if the need arises, the competent authorities of the Contracting Parties may conclude special agreements on the conservation of these species and on the regulation of their taking. Such agreements shall not be inconsistent with the principles of this Convention.

ARTICLE III.

Each Contracting Party agrees to take, as soon as possible, the measures necessary to insure the execution of this Convention and its purposes.

ARTICLE IV.

1. To the extent possible, the Contracting Parties shall undertake measures necessary to protect and enhance the environment of migratory birds and to prevent and abate the pollution or detrimental alteration of that environment.

2. Among other things, each Contracting Party shall:

(a) Provide for the immediate warning of the competent authority of the other Contracting Party in case of substantial anticipated or existing damage to significant numbers of migratory birds or the pollution or destruction of their environment. The competent authorities of the Contracting Parties will establish necessary procedures for such warnings and will cooperate to the maximum possible degree in preventing, reducing or eliminating such damage to migratory birds and their environment and in providing for the rehabilitation of their habitat.

TIAS 8078

(b) Undertake measures necessary for the control of the import, export and establishment in the wild of live animals and plants that may be harmful to migratory birds or their environment

(c) Identify areas of breeding, wintering, feeding, and moulting which are of special importance to the conservation of migratory birds within the areas under its jurisdiction. Such identification may include areas which require special protection because of their ecological diversity or scientific value. These special areas will be included in list number I on the Appendix to this Convention entitled "Migratory Bird Habitat." The initial identification of areas shall be prepared within one year from the date of this Convention's entry into force. This list may be augmented or revised by the competent authority of each Contracting Party in relation to the areas under its jurisdiction. Such amendment enters into force upon notification of the competent authority of the other Contracting Party. Each Contracting Party shall, to the maximum extent possible, undertake measures necessary to protect the ecosystems in those special areas described on list number I against pollution, detrimental alteration and other environmental degradation.

3. The competent authorities of the Contracting Parties may by mutual agreement designate areas of special importance to the conservation of migratory birds outside the areas under their jurisdiction. These areas of special importance shall be included on list number II on the "Migratory Bird Habitat" Appendix to this Convention. This list number II may be amended by mutual agreement of the competent authorities of the Contracting Parties. Each Contracting Party shall, to the maximum extent possible, undertake measures necessary to ensure that any citizen or person subject to its jurisdiction will act in accordance with the principles of this Convention in relation to such areas. The Contracting Parties will

take measures to disseminate information about the significance of these areas to the conservation of migratory birds.

ARTICLE V.

1. The Contracting Parties agree that, for the conservation of those species and subspecies of migratory birds which are in danger of extinction, special protective measures are necessary and should be taken.
2. If one Contracting Party has decided that a species, subspecies or distinct segment of a population of migratory bird is in danger of extinction, and has established special measures for its protection, the competent authority of that Contracting Party shall inform the competent authority of the other Contracting Party of that decision and of any subsequent modification of such decision.
3. Upon notification, the other Contracting Party will take into account such protective measures in the development of its management plans for the conservation of migratory birds.

ARTICLE VI.

1. The Contracting Parties shall promote research related to the conservation of migratory birds and their environment, and agree to coordinate their national bird banding programs. In cases where it is desirable, such research may be conducted under agreed upon programs coordinated by the competent authorities of the Contracting Parties.

2. The competent authorities of the Contracting Parties shall exchange scientific information and publications related to the conservation of migratory birds and their environment.

ARTICLE VII.

Each Contracting Party shall to the maximum extent possible, undertake measures necessary to establish preserves, refuges, protected areas, and also facilities intended for the conservation of migratory birds and their environment, and to manage such areas so as to preserve and restore the natural ecosystems.

ARTICLE VIII.

In addition to those species and subspecies of birds named on the "Migratory Birds" Appendix, each Contracting Party may implement within the areas under its jurisdiction or with regard to any citizen or person subject to its jurisdiction, as it deems appropriate and necessary, any or all of the protective measures under this Convention for any species or subspecies of birds not listed in the "Migratory Birds" Appendix but belonging to the same family as a species or subspecies listed in the "Migratory Birds" Appendix.

ARTICLE IX.

This Convention shall in no way affect the right of the Contracting Parties to adopt stricter domestic measures which are deemed to be necessary to conserve migratory birds and their environment.

ARTICLE X.

The competent authorities of the Contracting Parties shall consult regarding the implementation of this Convention upon the request of the competent authority of either of the Contracting Parties.

ARTICLE XI.

If necessary to improve the conservation of migratory birds or their environment, this Convention may be amended by the agreement of the Contracting Parties.

ARTICLE XII.

1. This Convention shall be subject to ratification or confirmation pursuant to the domestic laws of each Contracting Party and shall enter into force on the day that instruments of ratification or confirmation are exchanged in agreement with international procedures.^[1]
2. This Convention shall remain in force for a period of 15 years from the date of its entry into force. Thereafter, it shall be renewed automatically on an annual basis, provided that any Contracting Party may terminate its rights and obligations under this Convention. Such termination shall take effect on the next expiration date of this Convention and may be accomplished by transmitting written notification of termination to the other Contracting Party at least six months prior to that expiration date.

^[1] Oct. 18, 1978.

Done in Moscow this 19th day of November, 1976, in duplicate,
in the English and Russian languages, both texts being equally
authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
UNION OF SOVIET SOCIALIST REPUBLICS:

E.U. Curtis Bohlen [¹]
Russell E. Train [²]

Boris Runov [³]

^¹ E. U. Curtis Bohlen
^² Russell E. Train
^³ Boris Runov

APPENDIX TO THE CONVENTION

MIGRATORY BIRDS

Family GAVIIDAE

Yellow-billed Loon	<i>Gavia adamsii</i>
Arctic Loon	<i>G. arctica</i>
Pacific Loon	<i>G. pacifica</i>
Red-throated Loon	<i>G. stellata</i>

Family COLYMBIDAE

Red-necked Grebe	<i>Podiceps grisegena</i>
Horned Grebe	<i>P. auritus</i>

Family DIOMEDEIDAE

Short-tailed Albatross	<i>Diomedea albatrus</i>
Black-footed Albatross	<i>D. nigripes</i>
Laysan Albatross	<i>D. immutabilis</i>

Family PROCELLARIIDAE

Fulmar	<i>Fulmarus glacialis</i>
Flesh-footed Shearwater	<i>Puffinus carneipes</i>
New Zealand Shearwater	<i>P. bulleri</i>
Sooty Shearwater	<i>P. griseus</i>
Slender-billed Shearwater	<i>P. tenuirostris</i>
Bonin Island Petrel	<i>Pterodroma leucoptera (=hypoleuca)</i>
Scaled Petrel	<i>P. inexpectata</i>

Family HYDROBATIDAE

Fork-tailed Storm Petrel	<i>Oceanodroma furcata</i>
Leach's Storm Petrel	<i>O. leucorhoa</i>
Harcourt's Storm Petrel	<i>O. castro</i>

Family PHALACROCORACIDAE

Pelagic Cormorant	<i>Phalacrocorax pelagicus</i>
Red-faced Cormorant	<i>P. urile</i>

Family ARDEIDAE

Plumed Egret	<i>Egretta intermedia</i>
Chinese Egret	<i>E. eulophotes</i>
Chinese Least Bittern	<i>Ixobrychus sinensis</i>
Shrenck's Least Bittern	<i>I. eurhythmus</i>

Family ANATIDAE

Whooper Swan	<i>Cygnus cygnus</i>
Bewick's Swan	<i>C. bewickii</i>
Whistling Swan	<i>C. columbianus</i>
Canada Goose	<i>Branta canadensis</i>
Black Brant	<i>B. nigricans</i>
Emperor Goose	<i>Philacte canagica</i>
White-fronted Goose	<i>Anser albifrons</i>
Bean Goose	<i>A. fabilis</i>
Snow Goose	<i>Chen caerulescens</i>

Mallard	<i>Anas platyrhynchos</i>
Spot-billed Duck	<i>A. poecilorhyncha</i>
Pintail	<i>A. acuta</i>
Garganey	<i>A. querquedula</i>
Falcated Teal	<i>A. falcata</i>
Green-winged Teal	<i>A. crecca</i>
Baikal Teal	<i>A. formosa</i>
European Wigeon	<i>A. penelope</i>
American Wigeon	<i>A. americana</i>
Shoveler	<i>A. clypeata</i>
Common Pochard	<i>Aythya ferina</i>
Greater Scaup	<i>A. marila</i>
Tufted Duck	<i>Aythya fuligula</i>
Common Goldeneye	<i>Bucephala clangula</i>
Bufflehead	<i>B. albeola</i>
Oldsquaw	<i>Clangula hyemalis</i>

Harlequin Duck	<i>Histrionicus histrionicus</i>
Steller's Eider	<i>Polysticta stelleri</i>
Common Eider	<i>Somateria mollissima</i>
King Eider	<i>S. spectabilis</i>
Spectacled Eider	<i>S. fischeri</i>
White-winged Scoter	<i>Melanitta deglandi</i>
Surf Scoter	<i>M. perspicillata</i>
Black Scoter	<i>M. nigra</i>
Red-breasted Merganser	<i>Mergus serrator</i>
Common Merganser	<i>M. merganser</i>
Smew	<i>M. albellus</i>
Family ACCIPITRIDAE	
Black Kite	<i>Milvus korschun</i> (=migrans)
Asiatic Sparrow Hawk	<i>Accipiter virgatus</i> (=gularis)
Rough-legged Hawk	<i>Buteo lagopus</i>
Golden Eagle	<i>Aquila chrysaetos</i>
White-tailed Eagle	<i>Haliaeetus albicilla</i>
Bald Eagle	<i>H. leucocephalus</i>
Steller's Sea Eagle	<i>H. pelagicus</i>
Northern Harrier	<i>Circus cyaneus</i>
Family PANDIONIDAE	
Osprey	<i>Pandion haliaetus</i>
Family FALCONIDAE	
Gyrfalcon	<i>Falco rusticolus</i>
Peregrine Falcon	<i>Falco peregrinus</i>
Merlin	<i>F. columbarius</i>
Family GRUIDAE	
Common Crane	<i>Grus grus</i>
Sandhill Crane	<i>G. canadensis</i>
Family RALLIDAE	
European Coot	<i>Fulica atra</i>
Family CHARADRIIDAE	
Semipalmated Plover	<i>Charadrius semipalmatus</i>
Little Ringed Plover	<i>C. dubius</i>

Mongolian Plover	<i>C. mongolus</i>
American Golden Plover	<i>Pluvialis dominica</i>
Black-bellied Plover	<i>P. squatarola</i>
Dotterel	<i>Eudromias morinellus</i>
Family SCOLOPACIDAE	
Ruddy Turnstone	<i>Arenaria interpres</i>
Common Snipe	<i>Capella (=Gallinago) gallinago</i>
Pintail Snipe	<i>C. (=Gallinago) stenura</i>
Marsh Snipe	<i>C. (=Gallinago) megala</i>
European Jacksnipe	<i>Lymnocryptes minimus</i>
Whimbrel	<i>Numenius phaeopus</i>
Far Eastern Curlew	<i>N. madagascariensis</i>
Terek Sandpiper	<i>Xenus cinereus</i>
Common Sandpiper	<i>Tringa (=Actitis) hypoleucos</i>
Wood Sandpiper	<i>Tringa glareola</i>
Spotted Redshank	<i>T. erythropus</i>
Marsh Sandpiper	<i>T. stagnatilis</i>
Greenshank	<i>T. nebularia</i>
Wandering Tattler	<i>Heteroscelus incanus</i>
Polynesian Tattler	<i>Heteroscelus brevipes</i>
Red Knot	<i>Calidris canutus</i>
Great Knot	<i>C. tenuirostris</i>
Rock Sandpiper	<i>C. ptilocnemis</i>
Sharp-tailed Sandpiper	<i>C. acuminata</i>
Pectoral Sandpiper	<i>C. melanotos</i>
Baird's Sandpiper	<i>C. bairdii</i>
Temminck's Stint	<i>C. temminckii</i>
Long-toed Stint	<i>C. subminuta</i>
Rufous-necked Sandpiper	<i>C. ruficollis</i>
Curlew Sandpiper	<i>C. ferruginea</i>
Dunlin	<i>C. alpina</i>
Western Sandpiper	<i>C. mauri</i>

Sanderling	<i>C. alba</i>
Long-billed Dowitcher	<i>Limnodromus scolopaceus</i>
Buff-breasted Sandpiper	<i>Tryngites subruficollis</i>
Bar-tailed Godwit	<i>Limosa lapponica</i>
Black-tailed Godwit	<i>L. limosa</i>
Ruff	<i>Philomachus pugnax</i>
Spoon-bill Sandpiper	<i>Eurynorhynchus pygmeus</i>
Broad-billed Sandpiper	<i>Limicola falcinellus</i>
Family PHALAROPODIDAE	
Wilson's Phalarope	<i>Phalaropus tricolor</i>
Red Phalarope	<i>P. fulicarius</i>
Northern Phalarope	<i>P. lobatus</i>
Family STERCORARIIDAE	
Pomarine Jaeger	<i>Stercorarius pomarinus</i>
Parasitic Jaeger	<i>Stercorarius parasiticus</i>
Long-tailed Jaeger	<i>S. longicaudus</i>
Family LARIDAE	
Glaucous Gull	<i>Larus hyperboreus</i>
Glaucous-winged Gull	<i>L. glaucescens</i>
Slaty-backed Gull	<i>L. schistisagus</i>
Herring Gull	<i>L. argentatus</i>
Mew Gull	<i>L. canus</i>
Black-headed Gull	<i>L. ridibundus</i>
Ivory Gull	<i>Pagophila eburnea</i>
Black-legged Kittiwake	<i>Rissa tridactyla</i>
Red-legged Kittiwake	<i>R. brevirostris</i>
Ross' Gull	<i>Rhodostethia rosea</i>
Sabine's Gull	<i>Xema sabini</i>
White-winged Black Tern	<i>Chlidonias leucoptera</i>
Common Tern	<i>Sterna hirundo</i>
Arctic Tern	<i>S. paradisaea</i>
Aleutian Tern	<i>S. aleutica</i>
Little Tern	<i>S. albifrons</i>

Family ALCIDAE

Common Murre	<i>Uria aalge</i>
Thick-billed Murre	<i>U. lomvia</i>
Black Guillemot	<i>Cephus grylle</i>
Pigeon Guillemot	<i>C. columba</i>
Marbled Murrelet	<i>Brachyramphus marmoratus</i>

Kittlitz's Murrelet	<i>B. brevirostris</i>
Ancient Murrelet	<i>Synthliboramphus antiquus</i>
Parakeet Auklet	<i>Cyclorrhynchus psittacula</i>
Crested Auklet	<i>Aethia cristatella</i>
Least Auklet	<i>A. pusilla</i>
Whiskered Auklet	<i>A. pygmaea</i>
Horned Puffin	<i>Fratercula corniculata</i>
Tufted Puffin	<i>Fratercula (=Lunda) cirrhata</i>

Family CUCULIDAE

Fugitive Hawk Cuckoo	<i>Cuculus fugax</i>
Common Cuckoo	<i>C. canorus</i>
Oriental Cuckoo	<i>C. saturatus</i>

Family STRIGIDAE

Snowy Owl	<i>Nyctea scandiaca</i>
Hawk Owl	<i>Surnia ulula</i>
Short-eared Owl	<i>Asio flammeus</i>
Boreal Owl	<i>Aegolius funereus</i>

Family APODIDAE

White-rumped Swift	<i>Apus pacificus</i>
Common Swift	<i>A. apus</i>
Needle-tailed Swift	<i>Hirundapus caudacutus</i>

Family UPUPIDAE

Hoopoe	<i>Upupa epops</i>
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Family PICIDAE

Wryneck	<i>Jynx torquilla</i>
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Family ALAUDIDAE

Skylark	<i>Alauda arvensis</i>
Horned Lark	<i>Eremophila alpestris</i>

Family HIRUNDINIDAE

Tree Swallow	<i>Iridoprocne bicolor</i>
Bank Swallow	<i>Riparia riparia</i>
House Martin	<i>Celichon urbica</i>
Barn Swallow	<i>Hirundo rustica</i>
Cliff Swallow	<i>Petrochelidon pyrrhonota</i>

Family CORVIDAE

Common Raven	<i>Corvus corax</i>
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Family TURDIDAE

Fieldfare	<i>Turdus pilaris</i>
Dusky Thrush	<i>T. pallidus (=obscurus)</i>
Blue Rock Thrush	<i>Monticola solitarius (=solitaria)</i>
Swainson's Thrush	<i>Catharus ustulatus</i>
Gray-cheeked Thrush	<i>C. minimus</i>
Wheatear	<i>Oenanthe oenanthe</i>
Bluethroat	<i>Luscinia svecia</i>
Siberian Rubythroat	<i>L. calliope</i>

Family SYLVIIDAE

Willow Warbler	<i>Phylloscopus trochilus</i>
Arctic Warbler	<i>P. borealis</i>
Middendorff's Grasshopper Warbler	<i>Locustella ochotensis</i>

Family MUSCICAPIDAE

Gray-spotted Flycatcher	<i>Muscicapa griseisticta</i>
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Family PRUNELLIDAE

Mountain Accentor	<i>Prunella montanella</i>
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Family MOTACILLIDAE

Gray Wagtail	<i>Motacilla cinerea</i>
White Wagtail	<i>M. alba</i>
Yellow Wagtail	<i>M. flava</i>
Water Pipit	<i>Anthus spinoletta</i>
Indian Tree Pipit	<i>A. hodgsoni</i>

Pechora Pipit	<i>Anthus gustavi</i>
Red-throated Pipit	<i>A. cervinus</i>
Family LANIIDAE	
Northern Shrike	<i>Lanius excubitor</i>
Family PARULIDAE	
Yellow-rumped Warbler	<i>Dendroica coronata</i>
Northern Waterthrush	<i>Seiurus noveboracensis</i>
Family FRINGILLIDAE	
Brambling	<i>Fringilla montifringilla</i>
Hawfinch	<i>Coccothraustes coccothraustes</i>
Eurasian Bullfinch	<i>Pyrrhula pyrrhula</i>
Common Rosefinch	<i>Carpodacus erythrinus</i>
Hoary Redpoll	<i>Acanthis hornemannii</i>
Common Redpoll	<i>A. flammea</i>
Family EMBERIZIDAE	
Savannah Sparrow	<i>Passerculus sandwichensis</i>
Slate-colored Junco	<i>Junco hyemalis</i>
Fox Sparrow	<i>Passerella iliaca</i>
Lapland Longspur	<i>Calcarius lapponicus</i>
Snow Bunting	<i>Plectrophenax nivalis</i>
Rustic Bunting	<i>Emberiza rustica</i>
Pallas' Reed Bunting	<i>E. pallasi</i>

JOINT DECLARATION

The Government of the United States of America and the
Government of the Union of Soviet Socialist Republics,

Considering that the migratory birds covered by the Convention
on the Conservation of Migratory Birds and Their Environment are an
international resource of great ecological value and that they
migrate between other countries as well as the United States of
America and the Union of Soviet Socialist Republics;

Recognizing that the protection of these migratory birds and
their environment requires expanded international cooperation and
that it would be highly desirable to have other countries accede
to this Convention;

Have agreed to consider the expansion of the Convention to
include additional Contracting Parties and have agreed to initiate
the necessary procedures to accomplish this goal.

Done in Moscow this 19th day of November, 1976, in duplicate,
in the English and Russian languages, both texts being equally
authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

E.H. Curtis Bohlen
Russell E. Train

FOR THE GOVERNMENT OF THE
UNION OF SOVIET SOCIALIST REPUBLICS:

Pomj

КОНВЕНЦИЯ

между Правительством Соединенных Штатов Америки и
Правительством Союза Советских Социалистических Республик
об охране перелетных птиц и среды их обитания

Правительство Соединенных Штатов Америки и Прави-
тельство Союза Советских Социалистических Республик,

считая, что перелетные птицы представляют собой
природный ресурс большой научной, экономической, эстети-
ческой, культурной, образовательной, рекреационной и
экологической ценности, и что эта ценность может быть
умножена при надлежащем контроле,

признавая, что многие виды птиц мигрируют между
Соединенными Штатами Америки и Советским Союзом, или что
виды птиц, которые обитают в Соединенных Штатах Америки и
в Советском Союзе, имеют общие пути пролета или общие области
размножения, зимовки, кормления или линьки, которые должны
находиться под охраной,

считая, что эффективная охрана перелетных птиц и
их среды обитания требует больших национальных усилий,
но признавая, что международное сотрудничество в этой
области может оказать важную помощь,

признаюая, что некоторые виды птиц в обеих странах находятся под угрозой исчезновения и нуждаются в особых мерах охраны,

желая сотрудничать в осуществлении мероприятий по охране перелетных птиц и среды их обитания, а также других птиц, представляющих взаимный интерес,

согласились о нижеследующем:

Статья I

I. В данной Конвенции термин "перелетные птицы" означает:

(а) виды или подвиды птиц, в отношении которых имеются свидетельства их миграции между Соединенными Штатами и Советским Союзом, полученные в результате кольцевания, мечения, или другие надежные научные свидетельства; или

(б) виды или подвиды птиц, популяции которых обитают в Соединенных Штатах и Советском Союзе и имеют общие пути пролета или общие области размножения, зимовок, кормления или линьки, и по этим причинам между такими популяциями существует или может существовать обмен особями. Выявление таких видов или подвидов будет основываться на данных, полученных путем кольцевания, мечения или на других, заслуживающих доверия, научных свидетельствах.

2. В настоящей Конвенции термин "компетентный орган" означает общегосударственный научный или административный орган, уполномоченный Договоривающейся Стороной осуществлять действия по настоящей Конвенции. В момент вступления в силу настоящей Конвенции Договоривающиеся Стороны должны уведомить друг друга о своих компетентных органах по вопросу перелетных птиц в соответствии с настоящей Конвенцией.

3. (а) Перечень видов и подвидов птиц по семействам, отнесенных к перелетным в соответствии с пунктом I настоящей Статьи, содержится в приложении к настоящей Конвенции, названном "Перелетные птицы".

(б) Компетентный орган каждой Договоривающейся Стороны уполномачивается своим правительством пересматривать приложение "Перелетные птицы" и, в случае необходимости, давать рекомендации о внесении в него изменений.

Приложение будет рассматриваться как измененное со дня принятия рекомендаций компетентным органом другой Договоривающейся Стороны.

4. Настоящая Конвенция будет распространяться:

(а) для Соединенных Штатов Америки: на всю территорию, находящуюся под юрисдикцией Соединенных Штатов Америки;

(б) для Союза Советских Социалистических Республик: на всю территорию, находящуюся под юрисдикцией Союза Советских Социалистических Республик.

Статья II

I. Каждой Договоривающейся Стороной будет установлен запрет на добывание перелетных птиц и сбор их гнезд и яиц и на нарушение состояния гнездовых колоний. Будет запрещена также любая продажа, покупка или обмен этих птиц живыми или мертвыми, или их гнезд, или яиц, и любая продажа, покупка или обмен их продуктами или частями. Импорт и экспорт перелетных птиц и их гнезд, яиц, частей и продуктов будут также запрещены. Исключение из этих запретов могут быть сделано на основании законов, постановлений или распоряжений соответствующей Договоривающейся Стороны в следующих случаях:

- (а) для научных, образовательных целей, в целях разведения или для других специфических целей, не противоречащих принципам данной Конвенции;
- (б) для установления сезонное охоты в соответствии с пунктом 2 данной статьи;
- (в) для добывчи перелетных птиц и сбора их яиц коренными жителями Командорских островов и штата Аляски, Чукотского, Корякского национальных округов для собственных нужд питания и других жизненных нужд (как это будет определено компетентными органами соответствующей Договоривающейся Стороны) во время сезонов, установленных в соответствии с пунктом 2 настоящей статьи;

(г) в целях предохранения от ущерба людей и имущества.

2. Сезоны охоты на перелетных птиц, предусмотренные пунктом I(б) настоящей статьи, и сезоны, в которые коренные жители упомянутые в пункте I(в) настоящей статьи, могут охотиться на таких птиц и собирать их яйца для собственных нужд питания и других жизненных нужд (как это будет определено компетентными органами соответствующей Договоривающейся Стороны), определяются компетентными органами соответственно каждой из Договоривающихся Сторон. Эти сезоны должны быть установлены таким образом, чтобы обеспечить сохранение и поддержание запасов перелетных птиц.

3. В отношении определенных видов перелетных птиц будет возможно, если в этом возникнет необходимость, заключение компетентными органами Договоривающихся Сторон специальных соглашений об охране этих видов и регулировании охоты на них. Такие соглашения не должны противоречить принципам данной Конвенции.

Статья II

Каждая из Договоривающихся Сторон согласна в наименее затратный срок принять меры, необходимые для осуществления настоящей Конвенции и поставленных ею целей.

Статья IV

I. В таком объеме, в котором это будет возможно, Договоривающиеся Стороны будут принимать меры, необходимые для охраны и улучшения среды обитания перелетных птиц и для предотвращения и снижения загрязнения или отрицательного изменений этой среды.

2. В том числе каждая из Договоривающихся Сторон будет:

(а) обеспечивать немедленное уведомление компетентных органов другой Договоривающейся Стороны в случае существенного предполагаемого или уже нанесенного ущерба значительному количеству перелетных птиц или загрязнения или разрушения среды их обитания. Компетентные органы Договоривающихся Сторон устанавливают необходимые процедуры такого уведомления, и будут сотрудничать в максимально возможной степени в предотвращении, уменьшении или исключении такого ущерба перелетным птицам и среде их обитания и в восстановлении их местообитаний;

(б) принимать меры, необходимые для контроля над экспортом, импортом и расселением живых животных и растений, которые могут принести ущерб перелетным птицам или среде их обитания;

(в) выявлять в пределах территорий, находящихся под ее юрисдикцией, районы размножения, зимовок, кормления и линьки, которые имеют особое значение для охраны перелетных птиц.

Такое выявление может включать районы, нуждающиеся в особой охране из-за их экологического разнообразия или научной ценности. Эти районы будут занесены в список I, приложения к настоящей Конвенции, именуемый "Местообитания перелетных птиц". Первоначальное определение районов будет осуществлено в течение года со дня вступления в силу настоящей Конвенции. Этот список может быть расширен или пересмотрен компетентными органами каждой Договорившейся Стороны в отношении территорий, находящихся под ее юрисдикцией. Такие изменения вступят в силу после уведомления об этом компетентных органов другой Договорившейся Стороны. Каждая Договорившаяся Сторона прилагает все возможные усилия к применению мер для охраны экосистем в таких особых районах, определенных списком I, от загрязнения, вредных изменений и других видов ухудшения среды.

3. Компетентные органы Договорившихся Сторон могут по взаимному согласию называть районы, имеющие особое значение для охраны перелетных птиц, вне территорий, находящихся под их юрисдикцией. Эти названные районы будут занесены в список II - "Местообитания перелетных птиц" - в приложении к данной Конвенции. Поправки в список II могут быть внесены по взаимному соглашению компетентных органов Договорившихся Сторон. Каждая Договорившаяся

Страна прилагает все возможные усилия к тому, чтобы все ее граждане и лица, находящиеся под ее юрисдикцией, действовали в соответствии с принципами данной Конвенции в отношении таких районов. Договоривающиеся Стороны принимают меры для распространения широкой информации о значении этих районов для охраны перелетных птиц.

Статья У

1. Договоривающиеся Стороны согласны с тем, что для сохранения тех видов и подвидов перелетных птиц, которые находятся под угрозой исчезновения, необходимы и должны быть приняты специальные меры охраны.
2. Если одна из Договоривающихся Сторон решила, что вид, подвид или отдельная часть популяции перелетных птиц находится под угрозой исчезновения и установила специальные меры их охраны, то компетентные органы этой Договоривающейся Стороны информируют компетентные органы другой Договоривающейся Стороны об этом решении и о любом последующем изменении этого решения.
3. При уведомлении, другая Договоривающаяся Сторона учтет эти меры при разработке своей программы по сохранению перелетных птиц.

Статья УІ

І. Договоривающиеся Стороны способствуют осуществлению исследований, касающихся сохранения перелетных птиц и среди их обитания, и соглашаются координировать свои национальные программы кольцевания. В случаях когда это желательно, такие исследования могут проводиться по согласованным программам, координируемым компетентными органами Договоривающихся Сторон.

2. Компетентные органы Договоривающихся Сторон осуществляют обмен научной информацией и публикациями, касающимися охраны перелетных птиц и среди их обитания.

Статья УІІ

Каждая Договоривающаяся Сторона прилагает все возможные усилия для создания заповедников, заказников, охраняемых территорий, а также учреждений, направленных на охрану перелетных птиц и среди их обитания, и на контроль за состоянием таких районов в целях сохранения и восстановления естественных экосистем.

Статья УІІІ

Каждая Договоривающаяся Сторона в дополнение к видам и подвидам птиц, перечисленным в приложении "Перелетные птицы", может осуществлять в пределах территории, находящейся под ее юрисдикцией, или в отношении всех своих

граждан и лиц, находящихся под ее юрисдикцией, так, как она сочтет правильным и необходимым, любые или все охранные меры для выполнения настоящей Конвенции по отношению любого вида или подвида птиц, не включенного в приложение "Перелетные птицы", но относящегося к тому же семейству, как вид или подвид птиц, который включен в приложение "Перелетные птицы".

Статья IX

Настоящая Конвенция никоим образом не влияет на право Договоривающихся Сторон принимать более строгие внутренние меры, считающиеся необходимыми для охраны перелетных птиц и среды их обитания.

Статья X

По просьбе компетентных органов любой из Договоривающихся Сторон, компетентные органы Договоривающихся Сторон консультируются относительно осуществления данной Конвенции.

Статья XI

В случае необходимости для улучшения охраны перелетных птиц или среды их обитания настоящая Конвенция может быть изменена по соглашению Договоривающихся Сторон.

Статья XII

1. Настоящая Конвенция подлежит ратификации или утверждению в соответствии с действующим в каждой из Договаривающихся Сторон законодательством и вступит в силу в день обмена ратификационными грамотами или документами об утверждении в соответствии с международной практикой.

2. Настоящая Конвенция будет оставаться в силе в течение 15 лет со дня ее вступления в силу. По истечении этого срока Конвенция будет автоматически возобновляться ежегодно, при условии, что любая Договаривающаяся Сторона может отказаться от своих прав и обязанностей по настоящей Конвенции. Такой отказ вступает в силу в день истечения очередного срока действия настоящей Конвенции и может быть осуществлен путем направления другой Договаривающейся Стороне письменного уведомления об этом не позднее чем за шесть месяцев до истечения срока действия Конвенции.

Совершено 19 ноября 1976 года в городе Москве в двух экземплярах, каждый на английском и русском языках, причем оба текста имеют одинаковую силу.

За Правительство
Соединенных Штатов
Америки

E. A. Curtis Bohlen
Ronald E. Train

За Правительство Союза
Советских Социалистических
Республик

Boris

Приложение к Конвенции
ПЕРЕЛЕТНЫЕ ПТИЦЫ

Family GAVIIDAE

Gavia adamsii
G. arctica
G. pacifica
G. stellata

Family COLYMBIDAE

Podiceps grisegena
P. auritus

Family DIOMEDEIDAE

Diomedea albatrus
D. nigripes
D. immutabilis

Family PROCELLARIIDAE

Fulmarus glacialis
Puffinus carneipes
P. bulleri
P. griseus
P. tenuirostris
Pterodroma leucoptera (=hypoleuca)
P. inexpectata

Family HYDROBATIDAE

Oceanodroma furcata
O. leucorhoa
O. castro

Family PHALACROCORACIDAE

Phalacrocorax pelagicus
P. urile

Family ARDEIDAE

*Egretta intermedia**E. eulophotes**Ixobrychus sinensis**I. eurhythmus*

Family ANATIDAE

*Cygnus cygnus**C. bewickii**C. columbianus**Branta canadensis**B. nigricans**Philacte canagica**Anser albifrons**A. fuscata**Chen caerulescens**Anas platyrhynchos**A. poecilorhyncha**A. acuta**A. querquedula**A. falcata**A. crecca**A. formosa**A. penelope**A. americana**A. clypeata**Aythya ferina**A. marila**Aythya fuligula**Bucephala clangula**B. albeola**Clangula hyemalis*

Histrionicus histrionicus

Polysticta stelleri

Somateria mollissima

S. spectabilis

S. fischeri

Melanitta deglandi

M. perspicillata

M. nigra

Mergus serrator

M. merganser

M. albellus

Family ACCIPITRIDAE

Milvus korschun (=migrans)

Accipiter virgatus (=gularis)

Buteo lagopus

Aquila chrysaetos

Haliaeetus albicilla

H. leucocephalus

H. pelagicus

Circus cyaneus

Family PANDIONIDAE

Pandion haliaetus

Family FALCONIDAE

Falco rusticolus

Falco peregrinus

F. columbarius

Family GRUIDAE

Grus grus

G. canadensis

Family RALLIDAE

Fulica atra

Family CHARADRIIDAE

Charadrius semipalmatus

C. dubius

C. mongolus

Pluvialis dominica

P. squatarola

Eudromias morinellus

Family SCOLOPACIDAE

Arenaria interpres

Capella (=Callinago) gallinago

C. (=Gallinago) stenura

C. (=Gallinago) megala

Lymnocryptes minimus

Numenius phaeopus

N. madagascariensis

Xenus cinereus

Tringa (=Actitis) hypoleucos

Tringa glareola

T. erythropus

T. stagnatilis

T. nebularia

Heteroscelus incanus

Heteroscelus brevipes

Calidris canutus

C. tenuirostris

C. ptilocnemis

C. acuminata

C. melanotos

C. bairdii

C. temminckii

C. subminuta

C. ruficollis

C. ferruginea

C. alpina

C. mauri

C. alba
Limnodromus scolopaceus
Tryngites subruficollis
Limosa lapponica
L. limosa
Philomachus pugnax
Eurynorhynchus pygmeus
Limicola falcinellus

Family PHALAROPODIDAE

Phalaropus tricolor
P. fulicarius
P. Lobatus

Family STERCORARIIDAE

Stercorarius pomarinus
Stercorarius parasiticus
S. longicaudus

Family LARIDAE

Larus hyperboreus
L. glaucescens
L. schistisagus
L. argentatus
L. canus
L. ridibundus
Pagophila eburnea
Rissa tridactyla
R. brevirostris
Rhodostethia rosea
Xema sabini
Chlidonias leucoptera
Sterna hirundo
S. paradisaca
S. aleutica
S. albifrons

Family ALCIDAE

Uria aalge
U. lomvia
Cephus grylle
C. columba
Brachyramphus marmoratus
B. brevirostris
Synthliboramphus antiquus
Cyclorrhynchus psittacula
Aethia cristatella
A. pusilla
A. pygmaea
Fratercula corniculata
Fratercula (=Lunda) cirrhata

Family CUCULIDAE

Cuculus fugax
C. canorus
C. saturatus

Family STRIGIDAE

Nyctea scandiaca
Surnia ulula
Asio flammeus
Aegolius funereus

Family APODIDAE

Apus pacificus
A. apus
Hirundapus caudacutus

Family UPUPIDAE

Upupa epops

Family PICIDAE

Jynx torquilla

Family ALAUDIDAE

*Alauda arvensis**Eremophila alpestris*

Family HIRUNDINIDAE

*Iridoprocne bicolor**Riparia riparia**Celichon urbica**Hirundo rustica**Petrochelidon pyrrhonota*

Family CORVIDAE

Corvus corax

Family TURDIDAE

*Turdus pilaris**T. pallidus (=obscurus)**Monticola solitarius (=solitaria)**Catharus ustulatus**C. minimus**Oenathe oenathe**Luscinia svecia**L. calliope*

Family SYLVIIDAE

*Phylloscopus trochilus**P. borealis**Locustella ochotensis*

Family MUSCICAPIDAE

Muscicapa griseisticta

Family PRUNELLIDAE

Prunella montanella

Family MOTACILLIDAE

*Motacilla cinerea**M. alba**M. flava**Anthus spinolella**A. hodgsoni*

TIAS 9073

Anthus gustavi

A. cervinus

Family LANIIDAE

Lanius excubitor

Family PARULIDAE

Dendroica coronata

Seiurus noveboracensis

Family FRINGILLIDAE

Fringilla montifringilla

Coccothraustes coccothraustes

Pyrrhula pyrrhula

Carpodacus erythrinus

Acanthis hornemannii

A. flammea

Family EMBERIZIDAE

Passerulus sandwichensis

Junco hyemalis

Passerella iliaca

Calcarius lapponicus

Plectrophenax nivalis

Emberiza rustica

E. pallasi

СОВМЕСТНАЯ ДЕКЛАРАЦИЯ

Правительство Соединенных Штатов Америки и
Правительство Союза Советских Социалистических Республик

считая, что перелетные птицы, охваченные Конвенцией об охране перелетных птиц и среды их обитания, являются международным ресурсом большой экономической ценности и что они мигрируют между другими странами равно как и между Соединенными Штатами и Советским Союзом;

признавая, что охрана этих перелетных птиц и среды их обитания требует широкого международного сотрудничества и что весьма желательно присоединение других стран к настоящей Конвенции;

согласились рассмотреть возможность расширения настоящей Конвенции для присоединения к ней других Договаривающихся Сторон, и согласились содействовать принятию мер, необходимых для достижения этой цели.

Совершено 19 ноября 1976 года в городе Москве в двух экземплярах, каждый на английском и русском языках, причем оба текста имеют одинаковую силу.

За Правительство
Соединенных Штатов
Америки

E. U. Anti Bohlen
James T. Train

За Правительство Союза
Советских Социалистических
Республик

Ram

INDIA

Remote Sensing: Acquisition of Satellite Data

*Memorandum of understanding signed at New Delhi
January 3, 1978;
Entered into force January 3, 1978.
With related note.*

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

NATIONAL REMOTE SENSING AGENCY (NRSA), GOVERNMENT OF INDIA

AND THE

UNITED STATES NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

The United States National Aeronautics and Space Administration (NASA), which conducts an experimental Landsat earth resources satellite program and, under certain conditions, provides for direct reception of data from these satellites by stations operated outside the United States, and the National Remote Sensing Agency (NRSA) which plans to establish a station to receive, process, archive and disseminate Landsat data, have decided to enter into this Memorandum of Understanding which, subject to the following terms and conditions, provides for (a) direct access to NASA's currently operating and future experimental Landsat satellites by the NRSA ground station and (b) availability to NASA and others of Landsat data acquired by this NRSA station.

1. For its part, NRSA will use its best efforts to:

- (a) set up and operate a ground station at Hyderabad for the reception, processing, archiving and dissemination of Landsat data at its own cost including the cost of the necessary communication links with the NASA Landsat Operations Control Center at the Goddard Space Flight Center;

- (b) produce at the Hyderabad station Landsat computer compatible tapes and image products;
- (c) ensure, in conformance with US Landsat data dissemination practices, unrestricted public availability of all Landsat data of areas within range of the Hyderabad ground station at a fair and reasonable charge, and in a non-discriminatory manner;
- (d) ensure the provision of processed Landsat data (imagery and digital products) to NASA-selected Principal Investigators whose test sites are within range of the Hyderabad station, for the period of coverage envisaged and under the same conditions as NASA applies to them. Should another country in the region operate a Landsat ground station, NRSA's obligation to provide data to NASA Principal Investigators in the other country will terminate as soon as the other country's ground station is capable of providing this service;
- (e) provide to NASA reasonable support requested by NASA in a spacecraft emergency condition, such as the provision of duplicate station tapes or high density digital tapes should the Landsat on-board tape recorders fail;
- (f) provide to NASA and the Earth Resources Observation Systems (EROS) Data Center on a monthly, cost-free

basis catalog listings of Landsat data acquired by the Hyderabad ground station. These catalog listings will also be made publicly available;

- (g) make available to NASA on request, for US Agencies' experimental purposes, on a cost-free basis and in reasonable quantities, copies of Landsat data acquired and processed by NRSA.

2. For its part, NASA will use its best efforts to:

- (a) program Landsat-2, Landsat-C and any subsequent experimental Landsat type satellites to acquire and transmit data of the area accessible for direct read-out by the Hyderabad station with a view to ensuring regular coverage of this area commensurate with the Landsat repeat cycle. Details of this programming will be subject to mutual agreement by the designated technical representatives of NASA and NRSA;
- (b) provide the Hyderabad ground station with orbital elements for calculating the antenna pointing angles necessary to acquire the Landsat transmitted signal, and for processing the data acquired;
- (c) process, on a time-available basis, as agreed by the designated technical representatives, a limited number of NRSA data tapes for initial evaluation and

calibration of the Hyderabad station's performance;

- (d) make available to NRSA for comparison purposes, a limited number of NASA Landsat data tapes covering selected portions of the Hyderabad station's coverage zone.

3. NRSA and NASA will each designate technical representatives to be responsible for coordinating the agreed functions and responsibilities of each party with the other. The technical representatives, or their deputies and advisors as mutually agreed, will participate in meetings of the Landsat Ground Station Operations Working Group. This Working Group, established by NASA, meets every six months and serves as a forum for exchange of technical information among station operators. Supplemental meetings between NRSA and NASA will be held as mutually agreed.

4. The following additional understandings are confirmed:

- (a) NRSA will take appropriate measures so that any radio frequency problem occurring in relation to Landsat data reception by the Hyderabad station is resolved to the satisfaction of the parties to this Memorandum of Understanding. In this context it is noted that provisions of the International Telecommunications Union's Radio Regulations require that radio frequencies for future operational Landsat type satellites will differ from those currently used for experimental satellites.

- (b) It is understood that the NASA Landsat program is experimental in character and, therefore, subject to change in accordance with modifications in technical requirements and opportunities, and that at the date of this Memorandum of Understanding, NASA cannot make a firm commitment regarding the launching of future Landsat type satellites. NASA, however, undertakes to keep NRSA informed in good time of any modifications to the satellite design or to its plans for the Landsat series of satellites which may affect the implementation of this Memorandum of Understanding.
- (c) NASA and NRSA will exchange, upon request, such technical information as may be necessary for the implementation of this Memorandum of Understanding, as is mutually agreed, and is consistent with the export regulations of the two countries.
- (d) NASA and NRSA may each release public information regarding their own activities under this Memorandum of Understanding and, insofar as the participation of the other party is concerned, after suitable consultation.
- (e) It is understood that construction on the Hyderabad ground station will be underway within fifteen months of the signing of this agreement. In the event that construction of the Hyderabad station is not underway

within fifteen months of the signing of this agreement, NASA, after consultation with NRSA, shall have the option to terminate its responsibilities under this agreement.

- (f) The responsibility for spacecraft control, health and status will remain with NASA throughout the execution of this Memorandum of Understanding.
- (g) When the expected coverage of a prospective Landsat ground station overlaps with that of the Hyderabad station, NASA will inform NRSA and will advise the prospective station operator of this NRSA/NASA Memorandum of Understanding which provides for the unrestricted public availability of data of areas within range of the Hyderabad station at a fair and reasonable charge. Should the prospective station operator choose to pursue plans for a station with substantially overlapping coverage, NASA will encourage the prospective station operator and NRSA to consult with a view toward reaching a mutually satisfactory understanding on responding to requests for data of the overlapping coverage area.
- (h) The US EROS Data Center will include with all responses to requests for Landsat data acquired in the Hyderabad station coverage zone, a statement noting that the Hyderabad station should have available more recent

and/or more complete data. In the event that the EROS Data Center receives requests for specific Landsat scenes, products or for specific information on their holdings, EROS will, in accordance with US Freedom of Information laws, provide the data and/or information requested.

- (i) The ability of NRSA and NASA to carry out their responsibilities under this Memorandum of Understanding is subject to the availability of appropriated funds.
- (j) Copies of any agreements signed by NRSA concerning sale of Landsat data from the Hyderabad ground station shall be made available to NASA upon request and shall be consistent with the provisions of paragraph 1 (c) above.

5. In consideration of the costs NASA is bearing for the Landsat space segment, NRSA will pay to NASA the sum of \$200,000 per annum beginning six months after the date the Hyderabad station begins to acquire Landsat data. NRSA will pay this sum in quarterly installments at the end of each quarter. This rate is expected to remain in effect until January 1, 1979 after which NASA may, after consultation with operating agencies, revise the rate and arrangements for cost sharing. Such revised cost sharing arrangements will be applied to all non-US Landsat stations on an equitable basis.

6. The present Memorandum of Understanding shall be subject to review by the two governments at any time following acceptance by

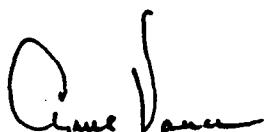
both governments of a future multilateral instrument in the form of guidelines, principles or agreements dealing with the same substantive matters.

7. This Memorandum of Understanding shall enter into force upon signature by NRSA and NASA representatives and shall continue in force for four years, subject to extension as may be agreed between NRSA and NASA.

8. DONE in New Delhi in four originals, two each in the English and Hindi languages, on the 3rd of January 1978.
In case of a difference in interpretation, the English text shall prevail.

For the National Aeronautics
and Space Administration

For the National Remote
Sensing Agency



Cyrus Vance
Secretary of State
United States of America



Atal Bihari Vajpayee
Minister for External Affairs
India

नेशनल रिमोट सैंसिंग स्जेन्सी (सन0आर0स्स0००), भारत सरकार
और
युनाइटेड स्टेट्स नेशनल स्प्योनोनाटिक्स संड सेस स्फिनिल्ड्रेशन (सन0स०स्स0००)
के बीच
समझौता जापन

युनाइटेड स्टेट्स नेशनल स्प्योनोनाटिक्स संड सेस स्फिनिल्ड्रेशन (सन0स०स्स0००) जो कि स्व प्रायोगिक लैडसेट भू संसाधन उपग्रह कार्यक्रम का संबंधित करता है और जो किन्हीं उपबन्धों के अधीन अमरीका से बाहर परिचालित केन्द्रों द्वारा इन उपग्रहों से आंकड़ों के प्रत्यक्ष अभिग्रहण की व्यवस्था करता है, और नेशनल रिमोट सैंसिंग स्जेन्सी जो कि लैडसेट से प्राप्त होने वाले आंकड़ों के अभिग्रहण, प्रवर्द्धन, भट्टाचारण और प्रसारण के लिए केन्द्रों की आपाना करने की योजना बना रही है, ने यह समझौता जापने करने का निर्णय किया है जिसमें निम्नलिखित शर्तों और उपबन्धों के अधीन रहते हुए (क) नेशनल रिमोट सैंसिंग स्जेन्सी के भू केन्द्र द्वारा सन0स०स्स0०० के इस सम्यक परिचालित हुए और भविष्य में प्रायोगिक लैडसेट उपग्रहों का प्रत्यक्ष उपयोग और (ख) इस नेशनल रिमोट सैंसिंग स्जेन्सी केन्द्र द्वारा लैडसेट आंकड़ों के सन0स०स्स0०० और अन्यों को उपलब्ध कराने की व्यवस्था की गई है।

1. अपनी ओर से नेशनल रिमोट सैंसिंग स्जेन्सी निम्नलिखित के लिए भारतीय प्रयास करेगी:

- (क) अपनी कीमत पर, जिसमें गोहड़हड़ सेस प्लाइट सेन्टर पर सन0स०स्स0०० लैडसेट ओपोरेशन्स कन्ट्रोल सेन्टर के साथ आवश्यक संचार शुल्कों आपाना करने की लागत भी शामिल है, लैडसेट आंकड़ों के अभिग्रहण, प्रवर्द्धन, भट्टाचारण और प्रसारण के लिए हैदराबाद में भू केन्द्र की आपाना और उसका परिचालन करेगा,
- (ख) हैदराबाद केन्द्र में लैडसेट कम्प्यूटर कम्पैटीबल टेपों और रमेज प्राइवेट्स का निर्माण करेगा,
- (ग) अमरीकी लैडसेट आंकड़ा प्रसारण व्यवस्थाओं के अनुपालन में उपयुक्त और तर्क संगत प्रभार पर हैदराबाद भू केन्द्र की पारास के भीतर के क्षेत्रों के समस्त लैडसेट आंकड़ों को बिना किसी रोक टोक के सार्वजनिक स्थ से उपलब्ध कराना सुनिश्चित करेगा और सेसा करते हुए किसी के विस्त्र तोई भेदभाव नहीं करेगा,
- (घ) इस बात की सुनिश्चित करना कि सन0स०स्स0०० के चयनित प्रशान अन्येष्ठों

(प्रिसिपल इन्वेस्टिगेटर्स) को, जिनके परीक्षण अल, हैदराबाद भू केन्द्र के पारस के अंतर्गत आते हैं प्रक्रियाबद्ध लैडसेट आंकड़े, इमजरी संड डिजिटल प्राइवेट्स (दृश्याकली तथा अंकीय उत्पाद) प्रदान किए जाते हैं। इस सामग्री को प्रदान करने की व्यवस्था परिकल्पित अवधि के लिए और उन शर्तों पर होगी, जिस स्तर में एन०स०स०स००० उन्हें उन पर लगू करता है। यदि इस क्षेत्र में कोई अन्य देश, लैडसेट भू केन्द्र का परिचालन करता है तो जैसे ही उस अन्य देश का भू केन्द्र इस सेवा को प्रदान करने में सक्षम हो जाता है, नेशनल रिमोट सैसिंग सेजेसी का, अन्य देश में एन०स०स०स००० के प्रधान अन्वेषकों को आंकड़े प्रदान करने का दायित्व समाप्त हो जाएगा,

- (रु) अंतरिक्षयान के आकस्मिक संकट में फँस जाने पर, एन०स०स०स००० के अनुरोध पर उन्हें उचित सहायता प्रदान करना जैसे अंतरिक्ष यान पर लैडसेट टेप रिकार्डर के काम करना बन्द कर देने की अधिति में हुल्लीकेट स्टेशन टेपों अथवा ऊच घन्त्व अंकीय टेपों (हाई डैसिटो डिजिटल टेप्स) की व्यवस्था करना,
 - (च) एन०स०स०स००० और अमरीकी इंडियन डेटा सेन्टर को, हर मास और निःशुल्क आधार पर हैदराबाद भू केन्द्र द्वारा प्राप्त लैडसेट आंकड़ों (डेटा) की केटेलाइस लिस्टिंग्स भी सार्वजनिक स्तर से उपलब्ध कराई जाएंगी,
 - (छ) अमरीकी स्टैंसियों के प्रायोगिक उददेशों के लिए, नेशनल रिमोट सैसिंग सेजेसी द्वारा प्राप्त और प्रक्रियाबद्ध लैडसेट आंकड़ों को, एन०स०स००० स० को, उनके अनुरोध पर निःशुल्क आधार पर तथा उपयुक्त परिमाण में, प्रतियां उपलब्ध कराना।
2. अपनी ओर से, एन०स०स०स००० निम्नलिखित के लिए भरसक प्रयास करेगा कि:
- (क) हैदराबाद केन्द्र द्वारा प्रत्यक्ष वाचन के लिए, अभियान्य क्षेत्र के आंकड़े प्राप्त करने तथा उन्हें प्रेषित करने के लिए, लैडसेट-२, लैडसेट-३ी और अन्य परवर्ती प्रायोगिक लैडसेट टाइप उपग्रहों का प्रोग्राम करना ताकि लैडसेट पुनरावर्ती चक्र (रिपोर्ट साइक्ल) के अनुस्त इस क्षेत्र के बारे में

नियमित ढंग से जांकड़े प्राप्त करना सुनिश्चित किया जा सके । इन प्रीग्रामों के बारे में व्यौरे, सन०स०स०स०० और नेशनल रिमोट सैसिंग स्जेसी के मनोनीत तकनीकी प्रतिनिधियों की पारस्परिक सहमति से निर्धारित किए जाएंगे,

- (घ) स्टोना निर्देशक कोणों का परिचलन करने के लिए, जो लैडसेट द्वारा प्रसारित संकेत अर्जित करने के लिए आवश्यक है तथा अर्जित जांकड़ों को प्रक्रियाबद्ध करने के लिए हैदराबाद भू केन्द्र को क्षीय अवधि (आर्बिटल सलिमैन्ट्स) प्रदान करना,
- (ग) मनोनीत तकनीकी प्रतिनिधियों के सहमत होने पर, सम्य उपलब्धि के आधार पर, हैदराबाद केन्द्र के कार्य निष्पादन के प्राथमिक मूल्यांकन और अंश शोधन के लिए, सीमित संख्या में नेशनल रिमोट सैसिंग स्जेसी के डेटा टेप्स को प्रक्रियाबद्ध करना,
- (घ) नेशनल रिमोट सैसिंग स्जेसी को, तुलना करने के उद्देश्यों के लिए, सीमित संख्या में सन०स०स०स०० लैडसेट से डेटा टेप्स उपलब्ध कराना जिसके अंतर्गत हैदराबाद केन्द्र के अधिग्रहण बोर्ड के चयनित घागों को शामिल किया गया है ।

3. नेशनल रिमोट सैसिंग स्जेसी और सन०स०स०स००, द्वारा अपनी-अपनी ओर से तकनीकी प्रतिनिधि मनोनीत किए जाएंगे जिन पर कि दोनों पक्षों के स्क दूसरे के प्रति, सम्मत कार्यों और उत्तराधित्यों को समन्वित करने का दायित्व होगा । तकनीकी प्रतिनिधि अथवा उनके उप-प्रतिनिधि अथवा सलाहकार जैसे भी आपस में तय होंगा, लैडसेट भू केन्द्र परिचालन कार्यकारी ग्रुप की बैठकों में भाग लेंगे । इस कार्यकारी ग्रुप की स्थापना सन०स० सस०स०० द्वारा की गई है और इसकी बैठक हर क. मास के पश्चात होती है और इसका उपयोग केन्द्र परिचालकों के बीच तकनीकी जानकारी के आदान-प्रदान के लिए मौज के स्तर में किया जाता है । इसकी संपूरक बैठकें नेशनल रिमोट सैसिंग स्जेसी और सन०स०स०स०० के बीच पारस्परिक सहमति से अप्रोजित की जाएंगी ।

4. निनलिखित अंतरिक्ष समझौतों की पुष्टि की जाती है :

- (क) नेशनल रिमोट सैसिंग स्जेसी इस बात के लिए उपयुक्त कार्यदाही करेगी कि हैदराबाद केन्द्र दवारा लैडसेट और्क्से अभियान करने के संबंध में रोहियो आवृत्ति (फ्रेंच वैसी) के बारे में उत्पन्न होने वाली विसी समस्या का समाधान, इस समझौता जापन के पक्षों की संतुष्टि के अनुसार किया जाता है। इस संदर्भ में इस बात को भी नोट कर लिया गया है कि अंतर्राष्ट्रीय दूरसंचार संघ (यूनियन) के रोहियो विनियमों के प्रावधानों में यह अपेक्षा की जाती है कि भविष्य के लैडसेट टाइप उपग्रहों के लिए रोहियो आवृत्तियाँ, इस समय प्रायोगिक उपग्रहों के लिए उपयोग की जाने वाली रोहियो आवृत्तियाँ से विभिन्न होंगी।
- (ख) यह समझा जाता है कि सन०८०स्स०८० लैडसेट कार्यक्रम का इवाय प्रायोगिक है और इसलिए तकनीकी अपेक्षाओं और अवसरों में संशोधन के अनुसार इसमें परिवर्तन किया जा सकता है और कि इस समझौता जापन की तारीख को, भविष्य के लैडसेट टाइप उपग्रह छोड़ने के संबंध में सन०८०स्स०८० कोई दूद प्रतिबद्धता प्रकट नहीं कर सकता है। सन०८०स्स०८०, तथापि, इस बात का दायित्व लेता है, कि उपग्रह डिज़ाइनों अथवा उपग्रहों की लैडसेट ऐण्ड संबंधी इसकी योजनाओं में जब भी कभी स्से कोई परिवर्तन होगे जिनका इस समझौता जापन के कार्यान्वयन पर विपरीत प्रभाव पहुँचा है तो वह नेशनल रिमोट सैसिंग स्जेसी को काफ़ी समय पहले इसकी सूचना दे देगा।
- (ग) सन०८०स्स०८० और नेशनल रिमोट सैसिंग स्जेसी इक दूसरे के अनुरूप पर, ऐसी तकनीकी जानकारी का आदानप्रदान करेंगे जो कि पारस्परिक सहमति से इस समझौता जापन के कार्यान्वयन के लिए आवश्यक होगी और जो दोनों देशों के नियंत्रित विनियमों के अनुच्छ दोंगे।
- (घ) सन०८०स्स०८० और नेशनल रिमोट सैसिंग स्जेसी, इस समझौता जापन के अंतर्गत अपने अपने कार्यकलापों के बारे में सूचना, सांख्यिकीय स्पष्ट से उपलब्ध कराएंगे और जहाँ तक अन्य पक्ष के इसमें

सम्पर्कित होने का प्रश्न है सेसा उपयुक्त पारस्परिक पारामर्श के पश्चात् ही किया जाएगा।

- (अ) यह समझा जाता है कि हैदराबाद भू केन्द्र का निर्माण, इस करार पर इसकारा किस जाने के पन्ड्रह मास के भीतर प्रारम्भ हो जाएगा। यदि इस करार के इसकारित होने पन्ड्रह मास के भीतर हैदराबाद केन्द्र का निर्माण कार्य प्रारम्भ नहीं होता तो सन०स०स०स० को, नेशनल रिमोट सैसिंग सजेसी के साथ पारामर्श करने के पश्चात्, इस करार के अंतर्गत अपने दायित्वों को समाप्त करने का विकल्प (अधिकार) होगा।
- (ब) इस समझौता जापन के कार्यान्वयन की पूरी अवधि के दौरान, अंतिष्ठ यान के नियन्त्रण, और उसको ठीक़नाक खित भूमि में रखने का दायित्व सन०स०स०स० पर होगा।
- (छ) जब किसी भावी लैडसैट भू केन्द्र का प्रत्याशित प्रसारण और हैदराबाद केन्द्र का प्रसारण स्क दूसरे को अति व्याप्त करता है तो सन०स०स०स०, नेशनल रिमोट सैसिंग सजेसी को इस तथ्य के बारे में सूचित कोगा और भावी केन्द्र परिचालक को इस नेशनल रिमोट सैसिंग सजेसी/सन० स०स०स० के इस समझौता जापन के बारे में सूचित करेगा जिसमें उपयुक्त और तर्कसंगत प्रभार पर हैदराबाद केन्द्र के पास में आर क्षेत्रों से संबंधित आंकड़ों के सार्वजनिक स्पष्ट से बोरोकटोक उपलब्ध कराने की व्यवस्था की गई है। यदि भावी केन्द्र परिचालक पर्याप्त मात्रा में अति व्याप्त प्रसारण संहित केन्द्र को चलाना चाहता है तो सन०स०स० स० भावी परिचालक और नेशनल रिमोट सैसिंग सजेसी को स्क दूसरे से पारामर्श करने के लिए प्रेरित करेगा ताकि वे अतिव्याप्त प्रसारण क्षेत्र के बारे में आंकड़ों के लिए अनुरोधों को स्वीकार करने के बारे में पारस्परिक स्पष्ट में संतोषजनक समझौते पर पहुंच सकें।
- (ज) अमरीकी इरोज़ डेटा सेन्टर, हैदराबाद केन्द्र अभियान क्षेत्र के अंतर्गत प्राप्त लैडसैट आंकड़ों के लिए किस गर अनुरोधों पर उन सभी अनुक्रियाओं का समोदर्श करते हुए स्क वकलब्ध में इस बात का उल्लेख करेगा कि हैदराबाद केन्द्र के पास अपेक्षाकृत अधिक नृतन और/अथवा अपेक्षाकृत अधिक पूरे आंकड़े उपलब्ध होने चाहिए। इरोज़ डेटा सेन्टर द्वारा विशिष्ट लैडसैट दृश्यावलियों, उत्पादों अथवा उनके अधिकार में उपलब्ध

विशिष्ट जानकारी के लिए अनुरोध प्राप्त करने की दिशा में इरोड़ु, संयुक्त राष्ट्र अमरीका की सूचना प्राप्त करने की स्वतन्त्रता संबंधी

विशिष्टों के अनुसार, मांगे गए आंकड़े और/स्थवा सूचना प्रदान करेगा।

(ब) इस समझौता जापन के अधीन नेशनल रिमोट सैसिंग स्जेसी और एन० स०स०स०० का अपने अपने-अपने दायित्वों का निभाने का सामर्थ्य, इस प्रयोजन के लिए विनियोजित धनराशि की उपलब्धि पर निर्भर करेगा।

(ट) हैदराबाद भू केन्द्र से सैडसैट आंकड़ों के विक्रय के संबंध में नेशनल रिमोट सैसिंग स्जेसी द्वारा इस्ताक्षरित, किन्वी भी करारों की प्रतियाँ, एन०स०स०स०० द्वारा अनुरोध करने पर उसे उपलब्ध कराई जाएंगी और यह उपर्युक्त पैरा। (ग) की व्यवस्थाओं के अनुभ्य होगा।

5. एन०स०स०स०० द्वारा लैंडसेट अंतरिक्ष छम्फ पर किस जाने वाले व्ययों को ध्यान में रखते हुए, नेशनल रिमोट सैसिंग स्जेसी एन०स०स०स०० की प्रतिवर्ष 200,000 डालर की राशि अदा करेगी। यह अदायगी, उस तिथि के बाद मास पश्चात आरम्भ होगी जिस तिथि को हैदराबाद केन्द्र लैंडसेट आंकड़ों का अभिग्रहण शुरू करता है। नेशनल रिमोट सैसिंग स्जेसी यह राशि, तिमाही किसी भी प्रत्येक तिमाही के समाप्त होने पर, चुकाएगी। अशा है कि उक्त दर । जनवरी, 1979 तक लागू होगी जिसके पश्चात एन०स०स०स०० परिचालन अधिकारणों के साथ परामर्श करने के पश्चात इस दर का संशोधन कर सकता है और लागत की साझेदारी की व्यवस्था कर सकता है। इस प्रकार की संशोधित लागत साझेदारी की व्यवस्था साथ्य के आधार पर सभी गैर-अमरीकी लैंडसेट भू केन्द्रों पर लागू होगी।

6. दोनों सरकारों द्वारा इन्हीं प्रकार के मूल विषयों से संबंधित मार्ग निर्देशों, सिद्धांतों या करारों के रूप में भावी बहुपक्षी दस्तावेज को स्वीकार करने के पश्चात किसी भी समय दोनों सरकारों द्वारा वर्तमान करार की समीक्षा की जा सकेगी।

7. यह समझौता जापन, नेशनल रिमोट सैसिंग स्जेसी और एन०स०स०स०० के प्रतिनिधियों द्वारा इस्ताक्षर किस जाने पर लागू होगा और चार कर्ष

तक लागू रहेगा, बशर्ते कि इस अवधि को बढ़ाने के लिए नेशनल
रिमोट सैंसिंग सेक्युरिटी और सन०स०स०स० के बीच कोई सहमति
नहीं होती ।

8. नई दिल्ली में चार मूल पाठों में, दो हिन्दी में तथा दो अंग्रेज़ी में,
3 जनवरी, 1978 को तुला । निर्वचन में असदमति की दिशा में
अंग्रेज़ी पाठ मात्र होगा ।

नेशनल स्प्योनाइटिक्स संड ईपीस

स्ट्रेलिनिंद्रेशन की ओर से


(साहस आर० रामन)

संयुक्त राज्य अमेरिका के राज्य सचिव

नेशनल रिमोट सैंसिंग सेक्युरिटी

की ओर से

अमेरिक विद्यारी वाजपेयी
(अटल विद्यारी वाजपेयी)

विदेश मंत्री, भारत सरकार

[RELATED NOTE]



DR. A. RAMACHANDRAN
SECRETARY

Telegram : SCIENCEHTECH

Telephone : 78008- 652260

Telex : 031-2096

भारत सरकार

विज्ञान और प्रौद्योगिकी विभाग

GOVERNMENT OF INDIA

DEPARTMENT OF SCIENCE & TECHNOLOGY

Technology Bhawan,

New Mebran Road,

New Delhi-110029.

3rd January 1978

Excellency,

I have the honour to refer to the Memorandum of Understanding between the National Remote Sensing Agency of the Government of India and the United States National Aeronautics and Space Administration concerning the establishment and operation of a ground station facility at Hyderabad, signed at New Delhi on 3rd January 1978 and to state that it is the understanding of the Government of India that the provisions of this Memorandum of Understanding shall be without prejudice to the stand that has been or may be taken by India at the United Nations or any other international forum on the question of the remote sensing aspects of the uses of outer space. It is also the understanding of my Government that the availability of data under the provisions of the aforesaid Memorandum shall not prejudice any rights and obligations of the parties under international law which may be established in future with respect to remote sensing activities.

Accept, Your Excellency, the assurances of my highest consideration.

A. Ramachandran

(A. RAMACHANDRAN)

Dr. Robert A Frosch,
Administrator,
National Aeronautics & Space Administration,
WASHINGTON DC

SOCIALIST REPUBLIC OF ROMANIA

Visa Facilitation

*Agreement effected by exchange of notes
Dated at Bucharest September 1 and October 10, 1977;
Entered into force October 10, 1977.*

The American Embassy to the Romanian Ministry of Foreign Affairs

PS 7-2/1907

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Socialist Republic of Romania and has the honor to express its pleasure at the Ministry's acceptance of the visa facilitation proposals embodied in the Embassy's diplomatic notes PS 7-2/1401 and PS 7-2/1403 of May 9, 1977.^[1]

A. As requested by the Ministry's note (Nota verbala nr. 08/61090 of July 13, 1977)^[1] the Embassy is hereby combining the texts of the separate notes into this single note.

B. The Government of the United States agrees to issue multiple entry visas valid for a six-month period to Romanian citizens applying for tourist ('Turistica') and business ('interes de serviciu/tratative comerciale) visas, and also transit visas valid for multiple entries for one year to the bearers of Romanian diplomatic and official passports.

C. In addition, holders of Romanian diplomatic or official passports being assigned permanently or temporarily to the Romanian Embassy at Washington and the Romanian Mission in New York, and members of Romanian permanent or temporary delegations to the United Nations, and immediate family members of the above can expect that the U.S. Government will normally complete processing of visa applications in five working days from the date of submission.

D. In urgent cases in the categories in Paragraph C above and in cases of employees of Romanian Ministries and their immediate family members who wish only to transit the United States, the U.S. Government will process visa applications in less than five working days, and in urgent cases, even immediately. In such instances, expeditious handling of the application will be undertaken only if the U.S. Government receives, at the time of the visa issuance, infor-

¹ Not printed

mation as to the traveler's planned date and port of arrival in the United States, identification of the means of transport to be utilized, including airline's name and flight number, the destination and purpose of entry and, in the case of transit travelers, the itinerary through and means of transport from the United States.

E. The U.S. Government will likewise endeavor to process visa applications of holders of Romanian diplomatic or official passports, who are not in the above categories, in five working days or as soon as possible as permitted by U.S. visa regulations and procedures. The U.S. Government will similarly endeavor to process in five working days or less applications for "courtesy" visas from Romanians desiring to make personal visits to Romanian officials assigned in the United States.

The Embassy understands that this Note, together with the Ministry's Note verbale accepting the above proposals and granting reciprocal Romanian visa facilitation for holders of United States passports, will constitute agreement between the two governments on this subject.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Socialist Republic of Romania the assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA
BUCHAREST, September 1, 1977

The Romanian Ministry of Foreign Affairs to the American Embassy

REPUBLICA SOCIALISTA ROMANIA
MINISTERUL
AFACERILOR EXTERNE

Nr. 08/67993

Ministerul Afacerilor Externe al Republicii Socialiste România prezintă salutul său Ambasadei Statelor Unite ale Americii și are onoarea a confirma primirea Notei Verbale a Ambasadei nr. PS7-2/1907 din 1 septembrie 1977, având următorul conținut:

"PS 7-2/1907

Ambasada Statelor Unite ale Americii prezintă complimentele sale Ministerului Afacerilor Externe al Republicii Socialiste România și are onoarea de a-și exprima satisfacția față de acceptarea de către Minister a propunerilor privind facilitățile în materie de vize cuprinse în Notele diplomatice ale Ambasadei PS 7-2/1401 și PS 7-2/1403 din 9 mai 1977.

TIAS 9075

A. Așa cum s-a solicitat prin nota Ministerului (Nota Verbală nr.08/61090 din 13 iulie 1977) Ambasada include textele notelor separate într-o singură notă.

B. Guvernul Statelor Unite este de acord să elibereze vize cu intrări multiple, valabile pe o perioadă de șase luni, cetățenilor români care solicită vize turistice (Turistica) și de afaceri (interes de serviciu/tratative comerciale) și, de asemenea, vize de tranzit, valabile pentru intrări multiple pe o perioadă de un an, posesorilor de pașapoarte diplomatice și oficiale române.

C. De asemenea, în ceea ce privește posesorii de pașapoarte diplomatice și oficiale române numiți permanent sau temporar la Ambasada română din Washington și Misiunea română din New York, membrii delegațiilor române permanente sau temporare la Națiunile Unite, precum și membrii lor de familie apropiati, este de presupus că guvernul Statelor Unite va soluționa cererile de viză în termen de cinci zile lucrătoare de la data prezentării lor.

D. În cazurile urgente privind categoriile prevăzute la paragraful C de mai sus, precum și angajații ministerelor române, inclusiv membrii lor de familie apropiate, care doresc să tranziteze Statele Unite, guvernul Statelor Unite va soluționa cererile de viză în mai puțin de cinci zile lucrătoare, iar în cazurile urgente chiar imediat. În astfel de situații, cererile de viză vor fi soluționate prompt numai dacă guvernul Statelor Unite primește, pînă în momentul acordării vizei, detalii cu privire la data și locul sosirii în Statele Unite, mijloacele de transport ce vor fi folosite, inclusiv numele companiei aeriene și numărul zborului, destinația și scopul intrării și, în cazul călătorilor în tranzit, itinerariul prin și mijloacele de transport din Statele Unite.

E. De asemenea, guvernul Statelor Unite se va strădui să rezolve cererile de viză ale posesorilor de pașapoarte diplomatice și oficiale române, care nu sunt inclusi în categoriile de mai sus, în termen de cinci zile lucrătoare sau cît mai curînd posibil potrivit regulilor și procedurilor Statelor Unite. Guvernul Statelor Unite se va strădui, de asemenea, să rezolve în termen de cinci zile lucrătoare sau mai puțin cererile pentru vizele de "curtoazie" ale cetățenilor români care doresc să facă vizite în interes personal oficialilor români numiți în Statele Unite.

Ambasada înțelege că această Notă, împreună cu Nota Verbală a Ministerului prin care se acceptă propunerile de mai sus și se acordă aceleiasi facilități în materie de vize române posesorilor de pașapoarte ale Statelor Unite, vor constitui acordul între cele două guverne în această materie.

Ambasada Statelor Unite ale Americii folosește acest prilej pentru a reînn noi Ministerului Afacerilor Externe al Republicii Socialiste România asigurarea considerației sale celei mai înalte.

AMBASADA STATELOR UNITE ALE AMERICII,
BUCUREȘTI, 1 septembrie 1977."

Ministerul Afacerilor Externe al Republicii Socialiste România are onoarea a comunica Ambasadei Statelor Unite ale Americii acordul asupra celor de preced și consideră Nota Verbală a Ambasadei și Nota Verbală de răspuns drept o înțelgere între cele două părți cu privire la accordarea reciprocă de facilități în materie de vize.

Ministerul Afacerilor Externe al Republicii Socialiste România foloșește acest prilej pentru a reînnoi Ambasadei Statelor Unite ale Americii asigurarea considerației sale celei mai înalte.

BUCUREȘTI, 10 octombrie 1977

[SEAL]

Translation

SOCIALIST REPUBLIC OF ROMANIA
MINISTRY OF FOREIGN AFFAIRES

No. 08/67993

The Ministry of Foreign Affairs of the Socialist Republic of Romania presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of the Embassy's note verbale no. PS7-2/1907 of September 1, 1977, which reads as follows:

[For the English language text, see pp. 4705-4706.]

The Ministry of Foreign Affairs of the Socialist Republic of Romania has the honor to inform the Embassy of the United States of America that it agrees with the foregoing and considers the note verbale of the Embassy and the note verbale in reply as an agreement between the two Parties on reciprocal facilitation with respect to visas.

The Ministry of Foreign Affairs of the Socialist Republic of Romania avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

BUCHAREST, October 10, 1977

[SEAL]

FEDERAL REPUBLIC OF GERMANY

Atomic Energy: Safeguards and Security Research and Development

Agreement effected by exchange of letters

Signed at Bonn and Washington September 29, 1977;

Entered into force September 29, 1977.

The German Deputy Assistant Secretary, International Affairs, Federal Ministry for Research and Technology, to the Deputy Assistant Administrator for National Security, Energy Research and Development Administration

DER BUNDESMINISTER
FÜR FORSCHUNG UND TECHNOLOGIE

Durchwahl-Nr. 50/3400

BONN, 29. September 1977

MR. EDWARD B. GILLER
Deputy Assistant Administrator
for National Security
U.S. Energy Research and
Development Administration
Washington, D.C. 20545
USA

SEHR GEEHRTER HERR GILLER:

Dieses Schreiben bezieht sich auf Gespräche zwischen Vertretern des Bundesministeriums für Forschung und Technologie (BMFT) und der Botschaft der Vereinigten Staaten in Bonn sowie auf Sitzungen von Delegationen der Vereinigten Staaten und der Bundesrepublik Deutschland vom 5.-9. April 1976 und am 12./13. Oktober 1976 am Sitz der Energy Research and Development Administration (ERDA) in Germantown über eine mögliche Zusammenarbeit bei Forschung und Entwicklung auf dem Gebiet der Sicherungsmaßnahmen und des physischen Schutzes von Kernmaterial.

Ich möchte Ihnen vorschlagen, daß die Zusammenarbeit bei Forschung und Entwicklung auf dem Gebiet der Sicherungsmaßnahmen und des physischen Schutzes von Kernmaterial entsprechend den in der beigefügten Anlage niedergelegten Bedingungen aufgenommen

(4709)

TIAS 9076

wird. Ich schlage ferner vor, daß der Ausdruck "während der Laufzeit oder im Rahmen dieser Vereinbarung" in Artikel X ausschließlich auf Erfindungen und Entdeckungen Anwendung finden soll, die bei der Durchführung dieser Vereinbarung gemacht oder konzipiert worden sind.

Wenn Sie hiermit einverstanden sind, schlage ich vor, daß dieses Schreiben und Ihre diesbezügliche Antwort eine Vereinbarung in dieser Angelegenheit darstellen, die mit dem Datum Ihrer Antwort in Kraft tritt. Diese Vereinbarung wird zusätzlich zu der Vereinbarung zwischen dem Bundesminister des Innern und der U.S. Nuclear Regulatory Commission vom 1. Oktober 1975 geschlossen, die sich nicht auf F.u.E-Aktivitäten erstreckt.

Eine englische Übersetzung dieses Schreibens mit Anlage ist beigelegt.

Mit freundlichen Grüßen
Im Auftrag

REINHARD LOOSCH

(Reinhard Loosch)

ANLAGE

Allgemeine Bedingungen

- I. Gegenstand der Zusammenarbeit zwischen den Vertragsparteien sind FuE-Aktivitäten zur Verbesserung der Sicherungsmaßnahmen und des physischen Schutzes von Kernmaterial. Diese Zusammenarbeit kann sich auf den Austausch von Informationen, Ausrüstungen und Personal erstrecken und umfaßt auch die einvernehmlich vereinbarten Forschungs- und Entwicklungsarbeiten.
- II. Die Bereiche der Zusammenarbeit, die in diesem kriegswechsel (im folgenden als "Vereinbarung" bezeichnet) genannt werden, werden in gegenseitigem Einvernehmen spezifiziert und können in gegenseitigem Einvernehmen geändert oder erweitert werden.
- III. Beide Vertragsparteien stellen sich gegenseitig Informationen auf spezifizierten Teilgebieten im Gesamtbereich der Sicherungsmaßnahmen und des physischen Schutzes von Bernmaterial zur Verfügung, die sich in ihrem Besitz befinden oder ihnen zugänglich sind und zu deren Weitergabe sie berechtigt sind.
- IV. Der Informationsaustausch zwischen den Vertragsparteien erfolgt durch Austausch technischer Berichte und experimenteller Daten, durch Schriftwechsel, Besuche, gemeinsame

Expertentreffen sowie in anderer, von den Vertragsparteien vereinbarter Form.

V. Gemeinsame Forschungs- und Entwicklungsprojekte sowie die Einzelheiten gemeinsamer Projekte, der technische Umfang, die Aufgabenverteilung und Zeitpläne werden von Fall zu Fall vereinbart.

VI. Es wird eine Ständige Koordinierungsgruppe (PCG), bestehend aus je zwei Vertretern der Bundesrepublik Deutschland und der Vereinigten Staaten von Amerika, gebildet. Die PCG hat folgende Aufgaben:

- A. Sie überwacht und koordiniert alle im Rahmen gemeinsamer Projekte durchzuführenden Aktivitäten.
- B. Sie versucht, technische und administrative Probleme, die sich aus der Zusammenarbeit ergeben, zu lösen.
- C. Häufigkeit und Ort der Sitzungen der PCG richten sich nach den Erfordernissen des gemeinsamen Programms aus der Sicht der Programmleiter.

Mindestens einmal jährlich hält die PCG eine Sitzung ab, auf der das gemeinsame Programm überprüft und mögliche Änderungen und Ergänzungen erörtert werden. Die Mitglieder der PCG laden zu diesen Sitzungen Mitglieder anderer Stellen in ihrem jeweiligen Land ein, die an den Ergebnissen der Forschungs- und Entwicklungstätigkeiten im Rahmen des gemeinsamen Programms interessiert sind. Diese Sitzungen finden abwechselnd in der Bundesrepublik Deutschland und den Vereinigten Staaten statt.

VII. Die Benutzung von Versuchsausrüstungen, Anlagen und/oder Computerprogrammen, die einer Vertragspartei gehören, durch die andere Vertragspartei wird von Fall zu Fall vereinbart. Der Austausch von zusätzlichem Personal wird von Fall zu Fall vereinbart.

VIII. Beide Vertragsparteien vereinbaren, daß die gemäß dieser Vereinbarung zur Verfügung gestellten oder ausgetauschten Informationen einem großen Personenkreis zugänglich gemacht werden, sofern nicht die Notwendigkeit besteht, die im Rahmen dieser Vereinbarung ausgetauschten geheimhaltungsbedürftigen und rechtlich geschützten Informationen zu schützen, oder die Bestimmungen des Artikels X dem entgegenstehen.

Nutzung rechtlich geschützter Informationen

A. Definitionen

1. Der Ausdruck "Informationen" bedeutet wissenschaftliche oder technische Daten, Ergebnisse oder Methoden

der Forschung und Entwicklung sowie sonstige Informationen, die gemäß dieser Vereinbarung zur Verfügung gestellt oder ausgetauscht werden sollen.

2. Der Ausdruck "rechtlich geschützte Informationen" bedeutet Betriebsgeheimnisse, geschäftliche oder finanzielle Informationen, die nur wenigen bekannt und vertraulich sind, und umfaßt ausschließlich Informationen, die
 - a. vom Besitzer als vertraulich behandelt werden;
 - b. ihrer Natur nach normalerweise von ihrem Besitzer vertraulich behandelt werden;
 - c. von der weitergebenden Vertragspartei bisher nur unter der Bedingung, daß sie vertraulich behandelt würden, an andere Stellen (einschließlich der empfangenden Vertragspartei) weitergegeben wurden;
 - d. der empfangenden Vertragspartei ansonsten nicht ohne Einschränkung bezüglich ihrer weiteren Verbreitung aus einer anderen Quelle zur Verfügung stehen.

B. Verfahren

1. Eine Vertragspartei, die gemäß dieser Vereinbarung rechtlich geschützte Informationen erhält, hat den vertraulichen Charakter dieser Informationen zu wahren. Jedes Dokument, das rechtlich geschützte Informationen enthält, ist deutlich mit einem Vermerk zu versehen, der die Verbreitung außerhalb der empfangenden Stelle einschränkt.
2. Die Weitergabe von rechtlich geschützten, im Rahmen dieser Vereinbarung vertraulich erhaltenen Informationen wird, soweit nicht etwas anderes vereinbart wird, beschränkt auf
 - a. Personen, die bei der empfangenden Vertragspartei arbeiten oder bei ihr angestellt sind, sowie an die in Betracht kommenden Ressorts und Regierungsstellen im Lande der empfangenden Vertragspartei, die mit Arbeiten beschäftigt sind, die mit dem Gegenstand der rechtlich geschützten Informationen in Zusammenhang stehen.
 - b. Hauptauftragnehmer oder Unterauftragnehmer der empfangenden Vertragspartei mit Sitz im Staatsgebiet der empfangenden Vertragspartei, jedoch nur zur Verwendung im Rahmen ihrer Verträge mit der empfangenden Vertragspartei bei Arbeiten im Zusammenhang mit dem Gegenstand der rechtlich geschützten Informationen;

unter der Voraussetzung, daß alle so verbreiteten rechtlich geschützten Informationen gemäß einer Vereinbarung über ihre Vertraulichkeit mit einem ihrer Weitergabe einschränkenden Vermerk versehen werden, ähnlich dem in Unterabsatz B.1. geforderten. Die Weitergabe von Ausrüstungen oder Materialien, die rechtlich geschützte, für eine Person mit den entsprechenden Kenntnissen erkennbare Informationen enthalten, muß wie die Weitergabe von Informationen behandelt werden.

- C. Jede Vertragspartei bemüht sich nach besten Kräften zu gewährleisten, daß rechtlich geschützte Informationen, die sie im Rahmen dieser Vereinbarung erhalten hat, im Sinne dieser Vereinbarung behandelt werden. Stellt eine Vertragspartei fest, daß sie in Zukunft nicht mehr oder aller Voraussicht nach nicht mehr in der Lage sein wird, die Nicht-Weitergabe-Bestimmungen zu erfüllen, unterrichtet sie die andere Vertragspartei unverzüglich. Die Vertragsparteien beraten sich daraufhin über geeignete zu ergreifende Maßnahmen.
- D. Informationen aus Seminaren oder anderen Veranstaltungen im Rahmen dieser Vereinbarung und Informationen als Folge der Abordnung von Personal, der Benutzung von Einrichtungen und gemeinsamer Projekte werden von den Vertragsparteien entsprechend den Grundsätzen dieses Absatzes behandelt; allerdings unter der Voraussetzung, daß keine mündlich mitgeteilten Informationen den Erfordernissen der beschränkten Weitergabe nach dieser Vereinbarung unterliegen, es sei denn, die die Informationen mitteilende Person setzt den Empfänger von dem rechtlich geschützten Charakter der mitgeteilten Informationen in Kenntnis.
- E. Diese Vereinbarung schließt in keiner Weise die Verwendung oder Verbreitung von Informationen aus, die eine Vertragspartei außerhalb dieser Vereinbarung erhalten hat.
- IX. Die Anwendung oder Verwendung von aufgrund dieser Vereinbarung zwischen den Vertragsparteien ausgetauschten oder weitergegebenen Informationen obliegt der empfangenden Vertragspartei, und die weitergebende Vertragspartei übernimmt keine Gewähr dafür, daß diese Informationen für einen bestimmten Zweck geeignet sind.
- X. A. Für jede während der Laufzeit oder im Rahmen dieser Vereinbarung gemachte oder knozierte Erfindung oder Entdeckung gilt:
 1. sofern sie vom Personal einer Vertragspartei (der abordnenden Vertragspartei) oder deren Auftragnehmern

während der Abordnung zur anderen Vertragspartei (der empfangenden Vertragspartei) oder deren Auftragnehmern im Zusammenhang mit dem Austausch von Wissenschaftlern, Ingenieuren, und anderen Spezialisten gemacht wurde:

- a. erwirbt die empfangende Vertragspartei sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, Entdeckung auf die Patentanmeldung oder das Patent in ihrem Land und in Drittländern, vorbehaltlich der Gewährung einer nicht ausschließlichen, unwiderruflichen, gebührenfreien Lizenz an die abordnende Vertragspartei mit dem Recht der Erteilung von Unterlizenzen in bezug auf die Erfindung, Entdeckung, Patentanmeldung oder das Patent zur Verwendung für Herstellung, Nutzung, Transport oder Lagerung besonderer Kernmaterialien oder die Herstellung oder Nutzung von Atomenergie; und
 - b. erwirbt die abordnende Vertragspartei sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, Entdeckung, auf die Patentanmeldung oder das Patent in ihrem Land, vorbehaltlich der Gewährung einer nicht ausschließlichen, unwiderruflichen, gebührenfreien Lizenz an die empfangende Vertragspartei mit dem Recht der Erteilung von Unterlizenzen in bezug auf die Erfindung, Entdeckung, Patentanmeldung oder das Patent zur Verwendung für Herstellung, Nutzung, Transport oder Lagerung besonderer Kernmaterialien oder für die Herstellung oder Nutzung von Atomenergie.
2. Sofern die Erfindung von einer Vertragspartei oder deren Auftragnehmern als unmittelbares Ergebnis der Verwendung von Informationen, die ihr aufgrund dieser Vereinbarung von der anderen Vertragspartei oder deren Auftragnehmern oder während eines Seminars oder anderer gemeinsamer Veranstaltungen mitgeteilt wurden, gemacht oder konzipiert wurde, soll die Vertragspartei, die die Erfindung gemacht hat, sämtliche Rechte, Ansprüche und Anrechte an der Erfindung, Entdeckung, auf die Patentanmeldung oder das Patent in allen Ländern erwerben, vorbehaltlich der Erteilung einer gebührenfreien, nicht ausschließlichen, unwiderruflichen Lizenz an die andere Vertragspartei mit dem Recht der Erteilung von Unterlizenzen in bezug auf die Erfindung, Entdeckung, Patentanmeldung oder das Patent in allen Ländern zur Verwendung für Herstellung, Nutzung, Transport oder Lagerung von besonderem Kernmaterial oder Atomenergie.

3. Hinsichtlich anderer bestimmter Formen der Zusammenarbeit einschließlich des Austausches von Materialien, Geräten und Ausrüstungsgegenständen für besondere gemeinsame Forschungsprojekte sorgen die Vertragsparteien für eine angemessene Aufteilung der Rechte an Erfindungen aus dieser Zusammenarbeit. Im allgemeinen sollte jedoch jede Vertragspartei normalerweise über die Rechte an derartigen Erfindungen in ihrem Lande verfügen, vorbehaltlich der Erteilung einer nicht ausschließlichen, unwiderruflichen, gebührenfreien Lizenz an die andere Vertragspartei, und die Rechte an derartigen Erfindungen und Entdeckungen in anderen Ländern sollten von den Vertragsparteien auf der Grundlage der Billigkeit vereinbart werden.
 4. Es gilt als vereinbart, daß jede Vertragspartei nach dem Inkrafttreten der Europäischen Patentkonventionen (Übereinkommen über die Erteilung europäischer Patente Übereinkommen über das europäische Patent für den Gemeinsamen Markt) eine Änderung des Absatzes A beantragen kann, damit im Rahmen der Europäischen Patentkonventionen Rechte eingeräumt werden, die Unterabsatz A. 1-3 entsprechen.
- B. Keine Vertragspartei soll Bürger der anderen Vertragspartei hinsichtlich der Gewährung einer Lizenz bzw. Unterlizenz für eine Erfindung nach Absatz A. diskriminieren.
- C. Jede Vertragspartei verzichtet auf alle Ansprüche auf Ausgleich, Gebühren oder Entschädigung gegenüber der anderen Vertragspartei in bezug auf Erfindungen, Entdeckungen, Patentanmeldungen oder Patente, die im Rahmen dieser Vereinbarung gemacht oder konzipiert wurden, und stellt die andere Vertragspartei von allen derartigen Ansprüchen frei; hierzu gehören auch Ansprüche nach den Bestimmungen des US Atomic Energy Act von 1954, in der geänderten Fassung, und des deutschen Arbeitnehmererfindergesetzes vom 25. Juli 1957 (BGBI 1957 Teil I, S. 765), in der geänderten Fassung.
- XI. Informationen, die aus Gründen der nationalen Sicherheit von einer Vertragspartei als geheim eingestuft wurden, werden gemäß dem Notenwechsel zwischen der Regierung der Bundesrepublik Deutschland und der Regierung der Vereinigten Staaten von Amerika vom 23. Dezember 1960 ausgetauscht. Auf die Bestimmungen des Notenwechsels einschließlich der Anlage wird hiermit verwiesen. Als "geheim eingestufte Informationen" im Sinne dieser Vereinbarung gelten solche Informationen der beiden Vertragsparteien nicht, die "Restricted Data" im Sinne der Definition des

United States Atomic Energy Act von 1954 in der geänderten Fassung darstellen.

- XII. A. Wird ein Austausch von Personal im Rahmen dieser Vereinbarung erwogen, so sorgt jede Vertragspartei für die Auswahl qualifizierten Personals für die Abordnung zur anderen Vertragspartei.
- B. Jede Vertragspartei ist für die Zahlung von Gehältern, Versicherungsbeiträgen und Zulagen an ihr Personal während der Dauer der Abordnung zur gastgebenden Vertragspartei verantwortlich, sofern nichts anderes vereinbart wird.
- C. Jede Vertragspartei kommt für die Reise- und Unterhaltskosten ihres Personals während der Dauer der Abordnung zur gastgebenden Vertragspartei auf, sofern nichts anderes vereinbart wird.
- D. Die gastgebende Vertragspartei sorgt nach besten Kräften für entsprechende Unterbringung des Personals der anderen Vertragspartei und seiner Familien auf der Basis der Gegenseitigkeit.
- E. Jede Vertragspartei ist dem abgeordneten Personal der anderen Vertragspartei (und seinen Familien), soweit erforderlich, bei administrativen Formalitäten (Reisevorbereitungen etc.) behilflich.
- F. Das Personal jeder Vertragspartei hält sich an die bei der gastgebenden Einrichtung geltenden allgemeinen Arbeitsvorschriften und Sicherheitsbestimmungen.
- XIII. A. In gegenseitigem Einvernehmen kann eine Vertragspartei bei gemeinsamen Projekten und Experimenten zu verwendende Ausrüstungsgegenstände zur Verfügung stellen. In derartigen Fällen liefert die entsendende Vertragspartei so schnell wie möglich eine detaillierte Aufstellung der zur Verfügung zu stellenden Ausrüstungsgegenstände zusammen mit den entsprechenden Spezifikationen sowie der technischen Information und Dokumentation.
- B. Die von der entsendenden Vertragspartei für die Verwendung in gemeinsamen Projekten und Experimenten zur Verfügung gestellten Ausrüstungsgegenstände und erforderlichen Ersatzteile bleiben ihr Eigentum und werden nach Beendigung des gemeinsamen Projekts oder Experiments an die entsendende Vertragspartei zurückgegeben, wenn nichts anderes vereinbart ist.
- C. Die obengenannten Ausrüstungsgegenstände finden in der gastgebenden Einrichtung nur in gegenseitigem Einvernehmen zwischen den Vertragsparteien oder ihren maßgebenden Vertretern in dieser Einrichtung Verwendung.
- D. Die gastgebende Einrichtung stellt die für die Ausrüstung erforderlichen Räumlichkeiten zur Verfügung und liefert

- auch elektrischen Strom sowie Wasser, Gas etc. entsprechend den gemeinsam zu vereinbarenden technischen Erfordernissen.
- E. Die Verantwortung und die Kosten für den Hin- und Rück-transport der Ausrüstung und der Materialien auf dem Luft- oder Seeweg zwischen den Vereinigten Staaten von Amerika und einem zugelassenen Eingangshafen in der Bundesrepublik Deutschland in der Nähe des endgültigen Bestimmungsortes sowie die Verantwortung für die sichere Verwahrung und die Transportversicherung trägt die ERDA.
- F. Die Verantwortung und die Kosten für den Hin- und Rücktransport der Ausrüstung und der Materialien auf dem Luft- oder Seeweg zwischen der Bundesrepublik Deutschland und einem zugelassenen Eingangshafen in den Vereinigten Staaten von Amerika in der Nähe des endgültigen Bestimmungsortes sowie die Verantwortung für die sichere Verwahrung und die Transportversicherung trägt der BMFT.
- G. Die von der entsendenden Vertragspartei für die Durchführung gemeinsamer Projekte oder Experimente zur Verfügung gestellte Ausrüstung gilt als wissenschaftliche Ausrüstung, die keinen kommerziellen Charakter hat.
- H. Die empfangende Vertragspartei tut alles in ihren Kräften stehende, um eine zollfreie Einfuhr der gemäß diesem Artikel zur Verfügung gestellten Ausrüstung zu gewährleisten.
- XIV.** Die Zusammenarbeit im Rahmen dieser Vereinbarung erfolgt in Übereinstimmung mit den Gesetzen und Vorshhriften des jeweiligen Landes. Alle mit dieser Vereinbarung zusammenhängenden Fragen, die während der Laufzeit auftauchen, werden von den Vertragsparteien in gegenseitigem Einvernehmen geregelt.
- XV.** Kosten, die aus der Zusammenarbeit gemäß dieser Vereinbarung entstehen, werden alle von der Vertragspartei getragen, bei der sie entstehen, sofern nichts anderes vereinbart wird. Es gilt als vereinbart, daß die Vertragsparteien ihre Verpflichtungen nur vorbehaltlich der Verfügbarkeit entsprechender finanzieller Mittel nachkommen können.
- XVI.** Beide Vertragsparteien stimmen überein, daß hinsichtlich der Entschädigung für während der Durchführung gemeinsamer Projekte verursachte Schäden folgende Bestimmungen gelten sollen. Es gilt als vereinbart, daß diese Entschädigung sich nach den Gesetzen des Landes richtet, auf dessen Hoheitsgebiet der Schaden eingetreten ist, sofern nichts anderes bestimmt wird.

TIAS 9076

A. Schäden zwischen den Vertragsparteien

1. Jede Vertragspartie ist allein verantwortlich für die Zahlung von Entschädigungen für Schäden, die ihrem Personal entstanden sind, unabhängig davon, wo der Schaden eingetreten ist, und verlangt von der anderen Vertragspartei keinerlei Ersatz für Schäden, die an ihrem Eigentum entstanden sind, sofern in Absatz A. 2 und 3 nichts anderes bestimmt wird.
2. Falls der dem Personal einer der Vertragsparteien entstandene Schaden grob fahrlässig oder vorsätzlich durch das Personal der anderen Vertragspartei verursacht wurde, erstattet letztere der ersteren eine vereinbarte Summe, die die erstere der Person oder den Personen, die den Schaden erlitten haben, zu zahlen verpflichtet wäre.
3. Falls ein Schaden am Eigentum einer Vertragspartei grob fahrlässig oder vorsätzlich durch das Personal der anderen Vertragspartei verursacht wurde, entschädigt letztere die erstere für den erlittenen Schaden.

B. Schäden mit Beteiligung Dritter**1. Schadhafte Ausrüstung**

Für Schäden, die dem Personal oder am Eigentum Dritter durch die schadhafte Ausrüstung einer Vertragspartei entstehen, wird Schadensersatz durch die Vertragspartei, welcher die Ausrüstung gehört, geleistet, sofern Absatz B. 3 nichts anderes bestimmt.

2. Durch das Personal

Für Schäden, die dem Personal oder am Eigentum Dritter durch das Personal einer Vertragspartei entstehen, wird durch diejenige Vertragspartei Schadensersatz geleistet, auf deren Hoheitsgebiet der Schaden eingetreten ist, sofern Absatz B.3 nichts anderes bestimmt.

3. Grob fahrlässiges oder vorsätzliches Handeln

Wurde der in Absatz B. 1 und 2 bezeichnete Schaden durch grob fahrlässiges oder vorsätzliches Handeln des Personals einer Vertragspartei verursacht, trägt diese Vertragspartei die finanzielle Verantwortung gegenüber Dritten.

4. Durch Dritte verursachte Schäden

Für den Fall, daß dem Personal oder am Eigentum einer der beiden oder beider Vertragsparteien durch einen Dritten irgendwelcher Schaden entsteht, leistet jede der beiden Vertragsparteien der anderen auf deren Ersuchen hin Hilfe bei der Durchsetzung ihrer Forderungen gegenüber dem Dritten.

5. Klärung von Fragen

Die Vertragspartei, auf deren Hoheitsgebiet der Schaden eingetreten ist, nimmt es auf sich, in Abstimmung mit der anderen Vertragspartei alle mit der Feststellung von Ursachen, Ausmaß und Notwendigkeit des Schadensersatzes zusammenhängenden Fragen mit dem Dritten zu klären. Jede dies bezügliche Einigung bedarf der Zustimmung der anderen Vertragspartei. Nach Regelung der Angelegenheit einigen sich beide Vertragsparteien einvernehmlich hinsichtlich des Schadensersatzes.

- C. Bei Meinungsverschiedenheiten setzen die beiden Vertragsparteien einen paritätisch besetzten Ausschuß ein. Die Beschlüsse des Ausschusses werden dem BMFT und der ERDA vorgelegt, die die Beschlüsse prüfen und gemeinsam eine endgültige Entscheidung treffen.
- D. Die vorstehenden Bestimmungen gelten nicht für durch ein nukleares Ereignis verursachte Schäden im Sinne der Gesetze der Vertragsparteien. Die Höhe des Schadensersatzes für durch ein nukleares Ereignis verursachte Schäden richtet sich nach den Gesetzen der Vertragsparteien.
- E. Definition

- a) "Personal" einer Vertragspartei sind die Bediensteten der Vertragspartei, ihre Auftragnehmer und Unterauftragnehmer, die im Rahmen dieser Vereinbarung Leistungen erbringen, sowie die Bediensteten dieser Auftragnehmer und Unterauftragnehmer, die im Rahmen dieser Vereinbarung Leistungen erbringen.
- b) "Ausrüstung" oder "Eigentum" einer Vertragspartei sind die Ausrüstung oder das Eigentum im Besitz der betreffenden Vertragspartei oder des Auftragnehmers oder der Unterauftragnehmer der betreffenden Vertragspartei, die im Zusammenhang mit gemeinsamen Projekten im Rahmen dieser Vereinbarung Leistungen erbringen.

- XVII. Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika binnen drei (3) Monaten nach Inkrafttreten dieser Vereinbarung eine gegenteilige Erklärung abgibt.
- XVIII. Diese Vereinbarung hat eine Laufzeit von fünf (5) Jahren vom Tage des Inkrafttretens und kann in gegenseitigem Einvernehmen verlängert werden. Jede Vertragspartei kann die Vereinbarung jederzeit kündigen, indem die Vertragspartei, die die Vereinbarung zu kündigen wünscht, dies drei (3) Monate im voraus schriftlich notifiziert.

Translation

BONN, Sept. 29, 1977

THE FEDERAL MINISTER
FOR RESEARCH AND TECHNOLOGY

MR. EDWARD B. GILLER
Deputy Assistant Administrator
for National Security
U.S. Energy Research and
Development Administration
Washington, D.C. 20545
U.S.A.

No. 59/3400

DEAR MR. GILLER:

This letter is in reference to discussions between representatives of the Federal Ministry for Research and Technology (BMFT) and the United States Embassy in Bonn, and meetings between delegations of the United States and the Federal Republic of Germany from April 5 to 9, 1976, and on October 12-13, 1976 at the headquarters of the Energy Research and Development Administration (ERDA) in Germantown, on possible cooperation in the field of safeguards and physical security of nuclear material.

I should like to propose that cooperation in research and development in the field of safeguards and physical security of nuclear material be initiated in accordance with the terms set forth in the Annex to this letter. I propose, furthermore, that the term "in the course of or under this agreement" in article X be applied exclusively to inventions and discoveries made or conceived in the implementation of this agreement.

If the foregoing is agreeable to you, I propose that this letter and your reply to that effect shall constitute an agreement on this matter, entering into effect on the date of your reply. This agreement is concluded in addition to the Arrangement between the Federal Minister of the Interior and the U.S. Nuclear Regulatory Commission of October 1, 1975,^[1] which does not extend to R&D activities.

An English translation of this letter and its Annex^[2] is enclosed.

Yours sincerely,
By order:

REINHARD LOOSCH
(Reinhard Loosch)

¹ TIAS 9069; *ante*, p. 4612.

² For the English language text of the annex, see pages 4722-4729.

The Deputy Assistant Administrator for National Security, Energy Research and Development Administration, to the German Deputy Assistant Secretary, International Affairs, Federal Ministry for Research and Technology

UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

SEP 29 1977

Deputy Assistant Secretary,
International Affairs
REINHARD LOOSCH
*Federal Ministry for
Research and Technology
Bonn-Bad Godesberg
Federal Republic of Germany*

DEAR MR. LOOSCH:

We are pleased to agree to the general terms and conditions as contained in the General Annex to this letter of cooperation in the field of nuclear materials safeguards and physical security research and development. We have agreed that the term, "in the course of or under this agreement," used in Article X will be applied exclusively to inventions and discoveries made or conceived in the implementation of this agreement.

The General Annex referred to above is identical to that contained in your letter of 29 September 1977.

A German translation of this letter, and its Annex,[¹] is enclosed.

Sincerely,

EDWARD B. GILLER

Edward B. Giller
*Deputy Assistant Administrator
for National Security*

Enclosures:

1. Translation
2. General Annex (English)
3. General Annex (German)

cc: Dr. C. Patermann, FRG Embassy,
Wash., D.C., w/encls.

¹ Not printed.

SEPTEMBER 29, 1977

ANNEX

General Terms and Conditions

- I. Cooperation between the Parties shall be directed towards R&D activities to improve nuclear material safeguards and physical security. This cooperation may extend to exchanges of information, equipment, and staff and includes mutually agreed upon research and development.
- II. The areas of cooperation covered by this Exchange of Letters (hereinafter referred to as the "Agreement") will be specified and may be modified or expanded by mutual agreement.
- III. Both Parties shall make available to each other information in specified areas of the field of nuclear materials safeguards and physical security which they have the right to disclose, either in their possession or available to them.
- IV. Information exchanged between the Parties shall be in the form of technical reports, experimental data, correspondence, visits, joint experts meetings, and such other forms as jointly agreed to by the Parties.
- V. Joint research and development projects shall be agreed upon on a case-by-case basis, including details of joint projects, technical scope, distribution of responsibilities, and time scheduled for performance.
- VI. A Permanent Coordinating Group (PCG) shall be established consisting of two members each from the United States of America and the Federal Republic of Germany. The PCG shall have the following functions:
 - A. It shall monitor and coordinate all the activities to be carried out under joint projects.
 - B. It shall attempt to solve technical and administrative problems which may arise out of the joint collaboration.
 - C. The PCG shall meet as frequently and at such locations as program management considerations of the joint program require.

At least annually, the PCG shall arrange a meeting in which the joint program will be reviewed and possible modifications and additions discussed. Members of the PCG shall invite to such meetings members of other organizations in their respective countries which have an interest in the results of the research and development activities of the joint program. Such meetings shall be held alternately in the Federal Republic of Germany and the United States.

- VII. The use by one Party of test equipment, facilities, and/or computer programs owned by the other Party shall be agreed upon on a case-by-case basis. Exchanges of support staff shall be agreed upon on a case-by-case basis.
- VIII. Both Parties agree that information provided or exchanged under this agreement should be given wide distribution, subject to the need to protect classified information and proprietary information exchanged hereunder and to the provisions of Clause X.

Use of Proprietary Information

A. Definitions

1. The term "information" means scientific or technical data, results or methods of research and development, and any other information intended to be provided or exchanged under this agreement.
2. The term "proprietary information" means information which contains trade secrets or commercial or financial information which is privileged or confidential, and may only include such information which:
 - a. Has been held in confidence by the owner;
 - b. Is of a type which is customarily held in confidence by its owner;
 - c. Has not been transmitted by the transmitting Party to other entities (including the receiving Party) except on the basis that it be held in confidence; and
 - d. Is not otherwise available to the receiving Party from another source without restriction on its further dissemination.

B. Procedures

1. A Party receiving proprietary information pursuant to this agreement shall respect the privileged nature thereof. Any document which contains proprietary information shall be clearly marked restricting dissemination outside the recipient's organization.
2. Dissemination of proprietary information received in confidence under this agreement, will, unless otherwise mutually agreed upon, be limited to:
 - a. Persons within or employed by the receiving Party and concerned Government departments and Government agencies in the country of the receiving Party, engaged in work relating to the subject matter of the proprietary information;
 - b. Prime contractors or subcontractors of the receiving Party located within the geographical limits of the

receiving Party's nation for use only within the framework of their contracts with the receiving Party in work relating to subject matter of the proprietary information; provided that any proprietary information so disseminated shall be pursuant to an agreement of confidentiality and shall be marked with a restrictive legend similar to that required by subparagraph B.1. above. Dissemination of equipment and materials embodying proprietary information discernible by a knowledgeable person is to be treated as dissemination of information.

- C. Each Party shall exercise its best efforts to ensure that proprietary information received by it under this agreement is controlled as provided herein. If one of the Parties becomes aware that it will be, or may reasonably be expected to become, unable to meet the nondissemination provisions of this Clause, it shall immediately inform the other party. The parties shall thereafter consult to define an appropriate course of action.
- D. Information arising from seminars and other meetings arranged under this agreement and information arising from the attachments of staff, use of facilities and joint projects shall be treated by the Parties according to the principles specified in this clause; provided, however, no information orally communicated shall be subject to the limited disclosure requirements of this agreement unless the individual communicating the information places the recipient on notice as to the proprietary character of the information communicated.
- E. Nothing contained in this agreement shall preclude the use or dissemination of information received by a Party other than pursuant to this agreement.

IX. The application or use of any information exchanged or transferred between the Parties under this agreement shall be the responsibility of the Party receiving it, and the transmitting Party does not warrant the suitability of such information for any particular use or application.

X. A. With respect to any invention or discovery made or conceived in the course of or under this agreement:

1. If made or conceived by personnel of one Party (the assigning Party) or its contractors while assigned to the other Party (recipient Party) or its contractors in connection with exchanges of scientists, engineers, and other specialists:
 - a. The recipient Party shall acquire all rights, title, and interest in and to any such invention, discovery,

patent application, or patent in its own country and in third countries, subject to a non-exclusive, irrevocable, royalty-free license to the assigning Party, with the right to grant sub-licenses, under any such invention, discovery, patent application or patent, for use in the production, utilization, transport or storage of special nuclear material or production or utilization of atomic energy; and

- b. The assigning Party shall acquire all rights, title, and interest in and to any such invention, discovery, patent application, or patent in its own country subject to a non-exclusive, irrevocable, royalty-free license to the recipient Party, with the right to grant sub-licenses, under any such invention, discovery, patent application, or patent, for use in the production, utilization, transport, or storage of special nuclear material or the production or utilization of atomic energy.
2. If made or conceived by a Party or its contractors as a direct result of employing information which has been communicated to it under this agreement by the other Party or its contractor or communicated during seminars or other joint meetings, the Party making the invention shall acquire all right, title, and interest in and to any such invention, discovery, patent application, or patent in all countries, subject to a grant to the other Party of a royalty-free, non-exclusive, irrevocable license with the right to grant sub-licenses, in and to any such invention, discovery, patent application, or patent, in all countries, for use in the production, utilization, transport, or storage of special nuclear material or atomic energy.
3. With regard to other specific forms of cooperation, including exchanges of materials, instruments, and equipment for special joint research projects, the Parties shall provide for appropriate distribution of rights to inventions resulting from such cooperation. In general, however, each Party should normally determine the rights to such inventions in its own country, with a non-exclusive, irrevocable, royalty-free license to the other Party, and the rights to such inventions and discoveries in other countries should be agreed upon by the Parties on an equitable basis.
4. It is understood that after the European Patent Conventions (Ubereinkommen Uber die Erteilung Europaischer Patente, Ubereinkommen Uber das Europaische Patent Fur Den Gemeinsamen Market) have come into force, either Party may request a modifica-

- tion of this paragraph A. for the purpose of according equivalent rights as provided in sub-paragraphs A. 1.-3. above under the European Patent Conventions.
- B. Neither Party shall discriminate against citizens of the other Party with respect to granting any license or sub-license under any invention pursuant to paragraph A. above.
- C. Each Party waives any and all claims against the other Party for compensation, royalty, or award as regards any invention or discovery, patent application, or patent, made or conceived under this agreement, and releases the other Party with respect to any and all such claims, including any claims under the provisions of the U.S. Atomic Energy Act of 1954, as amended,^[1] and the German Employee's Inventions Law (Arbeitnehmererfindergesetz) of July 25, 1, 1957 (DGB1, 1957, Part 1, Page 765), as amended.
- XI. Information which is classified by either Party for national security reasons shall be exchanged pursuant to the Exchange of Notes between the Governments of the United States of America and the Federal Republic of Germany signed December 23, 1960.^[2] All of the provisions of such Exchange of Notes and the Annex thereto are incorporated herein by reference. "Classified information," for the purposes of this agreement, shall not include Restricted Data of either Party as defined by the United States Atomic Energy Act of 1954, as amended.
- XII. A. Wherever an exchange of staff is contemplated under this agreement, each Party shall ensure that qualified staff are selected for attachment to the other Party.
- B. Each Party shall be responsible for the salaries, insurance, and allowance to be paid its personnel while on attachment to the host Party unless otherwise agreed.
- C. Each Party shall pay for the travel and living expenses of its personnel while on attachment to the host Party unless otherwise agreed.
- D. The host establishment shall use its best efforts to arrange for comparable accommodations for the other Party's personnel and their families on a mutually agreeable reciprocal basis.
- E. Each Party shall provide all necessary assistance to the attached staff (and their families) or the other Party as regards administrative formalities (travel arrangements, etc.).

¹ 68 Stat. 919; 42 U.S.C. § 2011 *et seq.*

² Not printed.

F. The personnel of each Party shall conform to the general rules of work and safety regulations in force at the host establishment.

- XIII. A. By mutual agreement, a Party may provide equipment to be utilized in joint projects and experiments. In such cases, the sending Parties shall supply, as soon as possible, a detailed list of the equipment to be provided together with the relevant specifications and technical and informational documentation.
- B. Title to the equipment and necessary spare parts supplied by the sending Party for use in joint projects and experiments shall remain in the sending Party and the property shall be returned to the sending Party upon completion of the joint project or experiment, unless otherwise agreed.
- C. The above-mentioned equipment shall be brought into operation at the host establishment only by mutual agreement between the Parties or between their senior representatives at the host establishment.
- D. The host establishment shall provide the necessary premises for the equipment, and shall provide for electric power, water, gas, etc., in accordance with technical requirements which shall be as mutually agreed upon.
- E. The responsibility and expenses for the transport of equipment and materials from the United States of America by plane or ship to an authorized port of entry in the Federal Republic of Germany convenient to the ultimate destination, and return, and also responsibility for its safekeeping and insurance en route shall rest with ERDA.
- F. The responsibility and expenses for the transport of equipment and materials from the Federal Republic of Germany by plane or ship to an authorized port of entry in the United States of America convenient to the ultimate destination, and return, and also responsibility for their safekeeping and insurance en route shall rest with the BMFT.
- G. The equipment provided by the sending Party for carrying out joint projects and experiments shall be considered to be scientific, not having a commercial character.
- H. The recipient Party shall use its best efforts to assure duty-free entry into its territory of any equipment provided pursuant to this article.

XIV. Cooperation under this agreement shall be in accordance with the laws and regulations of the respective countries. All questions relating to the agreement arising during its term shall be settled by the Parties by mutual agreement.

- XV. Except when otherwise specifically agreed, all costs resulting from cooperation under this agreement shall be borne by the Party that incurs them. It is understood that the ability of the Parties to carry out their obligations is subject to the availability of appropriated funds.
- XVI. Both Parties agree that the following provisions shall apply concerning compensation for damages incurred during the implementation of joint projects. It is understood that such compensation shall be in accordance with the laws of the country on whose territory damages will have been incurred, except as otherwise provided.

A. First and second Party damages:

1. Each Party shall alone be responsible for payment of compensation for damages suffered by its staff regardless of where the damages have been incurred, and will not bring suit or lodge any other claims against the other party for damages to its property except as noted in Paragraphs A.2. and A.3.
2. If damages suffered by the staff of one of the Parties is due to the gross negligence or intentional misconduct of the staff of the other Party, the latter shall reimburse the former an agreed sum of money which the former would be obliged to pay to the person or persons suffering the damages.
3. If damages to the property of one Party are due to the gross negligence or intentional misconduct of the staff of the other Party, the latter shall compensate the former for the damages suffered.

B. Third Party damages:

1. Defective equipment

Damages caused to the staff or property of a third Party by defective equipment of a Party shall be compensated for by the Party to which the equipment belongs, except as noted in Paragraph B.3.

2. By staff

Damages caused to the staff or property of a third Party by the staff of a Party will be compensated for by the Party in whose territory the damages occurred, except as noted in Paragraph B.3.

3. Gross negligence or intentional misconduct

If damages referred to in Paragraph B.1 and B.2 were due to the gross negligence or intentional misconduct of the staff of a Party, that Party will bear the financial responsibility in regard to the third Party.

4. Damage by third Party

In the event of damage of any kind caused by a third Party to the staff or property of one or both of the parties each of the two contracting Parties will render the other aid in corroboration of claims on the third Party.

5. Resolution of questions

The Party on whose territory the damage was incurred will, in consultation with the other Party, take upon itself the resolution, with the third Party, of all questions connected with the determination of the causes, extent and necessity for compensation for damages incurred. Any such resolution shall have the concurrence of the other Party. After resolution of the matter, both Parties will decide, between themselves, the questions relating to compensation for damages incurred.

- C. In the event of any dispute between the two Parties, a committee shall be appointed by the Parties, with equal representation. The conclusions of the committee will be presented to ERDA and BMFT who will review the conclusions and arrive at a mutual agreement concerning final disposition.
- D. The foregoing provisions of this clause shall have no applicability to damages caused by a nuclear incident as defined by the laws of the Parties. Compensation for damage caused by such a nuclear incident shall be in accordance with the laws of the Parties.

E. Definitions

1. "Staff" of a Party means the employees of the Party, its contractors and subcontractors performing services under this agreement, and employees of these contractors and subcontractors performing services under this agreement.
2. "Equipment" or "property" of a Party means the equipment or property owned by that Party, or by the contractors or subcontractors of that Party who perform services in connection with joint projects under this agreement.

XVII. This agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the United States of America within 3 months from the effective date of this agreement.

XVIII. This agreement shall remain in effect for 5 years after its effective date and may be extended by mutual agreement. The agreement may be terminated at any time at the discretion of either Party, upon 3 months advance notification in writing by the Party seeking to terminate the agreement.

SAUDI ARABIA

Solar Energy

*Agreement signed at Riyadh October 30, 1977;
Entered into force January 11, 1978.*

SAUDI ARABIAN - UNITED STATES
JOINT COMMISSION
ON
ECONOMIC COOPERATION

PROJECT AGREEMENT

BETWEEN THE

SAUDI ARABIAN NATIONAL CENTER
FOR
SCIENCE AND TECHNOLOGY

AND THE

SAUDI ARABIAN MINISTRY OF
FAINANCE AND NATIONAL ECONOMY, JOINTLY

AND THE

UNITED STATES DEPARTMENT OF ENERGY

AND THE

UNITED STATES DEPARTMENT OF TREASURY, JOINTLY

FOR

COOPERATION IN THE FIELD OF SOLAR ENERGY

Project Agreement
Between
The Saudi Arabian National Center for
Science and Technology
and the Saudi Arabian Ministry of Finance and
National Economy, Jointly,
and the United States Department of Energy
and the United States Department of Treasury, Jointly
for
Cooperation in the Field of Solar Energy

Article I.

1. This Project Agreement between the Saudi Arabian National Center for Science and Technology (SANCST) and the Saudi Arabian Ministry of Finance and National Economy (MFNE) and the United States Department of Energy (DOE) and the United States Department of Treasury (Treasury), hereinafter called the Agencies, sets forth arrangements for technical cooperation in the field of Solar Energy for the mutual benefit of the two countries.

2. The Agreement will be carried out under the auspices of the United States - Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia signed on February 13, 1975 [1] which is hereby incorporated by reference and becomes a part of this Agreement.

3. Activities under this project will take into consideration the general aims expressed in the United States - Saudi Arabian Project Agreement for Technical Cooperation in Science and Technology of February 29, 1976. [2]

Article II.

1. The objectives of this Agreement are: (a) to cooperate in the field of solar energy technology for the mutual benefit of the two countries; (b) to advance the development of solar energy technology; and (c) to facilitate the transfer of technology developed under this Agreement.

2. Areas of cooperation may include research, development and demonstration projects on all types of solar energy systems of mutual interest to the Kingdom of Saudi Arabia and to the United States. Programs and projects may be considered for centralized solar applications such as electric and total energy systems, as well as for decentralized solar applications, such as water heating, space heating and cooling, agricultural and industrial process heating, electricity generation, and irrigation projects. Solar technologies to be investigated may include heating and cooling, solar thermal, photovoltaics, biomass conversion, wind and ocean energy systems.

¹ TIAS 8072; 26 UST 880.

² TIAS 9019; *ante*, p. 8893.

3. One of the purposes of this Agreement is to improve research capabilities of SANCST and of Saudi Arabian and United States universities, institutes, and research centers in the solar energy field.

Article III.

1. DOE and SANCST will be responsible for the development, coordination and implementation of solar program activities under this Agreement.

2. DOE shall designate an appropriate organizational component to be responsible for coordination between the DOE and SANCST under this Agreement. SANCST shall designate an appropriate SANCST official or officials to be responsible for coordination between SANCST and DOE under this Agreement.

3. Over-all coordination of this Joint Economic Commission Project with other Joint Economic Commission activities within the United States Government and provision of certain administrative facilities and support for this Project will be the responsibility of Treasury. The Office of the Joint Economic Commission in Riyadh (JECOR) will provide a communication link between SANCST and MFNE on the one hand and DOE and Treasury on the other. JECOR will facilitate activities under this Agreement and will monitor the implementation of this Agreement in Saudi Arabia. Funds for these services will be expended in accordance with Article V.

Article IV.

Cooperation in accordance with this Agreement may include, but is not limited to, the following:

1. Joint research, development and demonstration projects as described in Article II in which DOE and SANCST agree to share the work and costs.

2. Exchange of scientific and technical information, and results and methods of solar research and development.

3. The organization of seminars and other meetings on mutually agreed topics concerning problems of research and development in solar energy technology.

4. Exchange visits by specialist teams or individuals to solar energy facilities of the other Agency.

5. Education exchange opportunities for training or study in solar energy research and technology at institutions in the countries of the Agencies.

Other specific forms of cooperation may be jointly agreed by the Agencies.

Selection of the aforementioned teams and individuals will be subject to the approval of DOE and SANCST and will be based solely on the considerations of professional capability, experience and other merit factors.

Article V.

To cover the costs of cooperative activities under this Agreement, the Agencies shall provide funds as follows:

1. Over the five (5) year period of this Agreement, MFNE agrees to designate for deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement the sum of Fifty Million Dollars (\$50,000,000). An initial sum of \$250,000 will be deposited in the dollar trust account for planning costs and shall constitute a portion of the first fiscal year funding. Funds to be agreed upon each fiscal year thereafter will be deposited on or before January 1 of each subsequent calendar year to cover the Saudi Arabian share of approved program costs.

2. Over the five (5) year period of this Agreement, DOE agrees to designate for deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement the sum of Fifty Million Dollars (\$50,000,000). An initial sum of \$250,000 will be designated for planning costs and shall constitute a portion of the first fiscal year funding. Funds to be agreed upon each fiscal year thereafter will be deposited on or before January 1 of each subsequent calendar year to cover the U.S. share of approved program costs.

3. Monies will be expended in matching amounts from each Government's contribution to fund fiscal year programs.

4. Monies provided by the Agencies may be co-mingled in order to fund cooperative activities under this Agreement.

5. Treasury shall provide periodic reports to MFNE concerning the use of all funds spent under this Agreement.

Article VI.

1. For each particular project or program within the solar energy areas listed in Articles II and IV, specific annexes to this Agreement shall be executed by DOE and SANCST.

2. Each annex shall contain detailed provisions for implementing that particular project or program, including inter-alia, management of the project or program, exchange of equipment, protection of proprietary information, patents, and liability. Cooperation under

these annexes shall be subject to all general provisions of this Agreement.

Article VII.

If any Agency participating in this Agreement is rendered unable because of force majeure to perform its responsibilities under this Agreement, these responsibilities shall be suspended during the period of continuance of such inability. The term "Force Majeure" means acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by or within the control of any Agency. In the event of suspension of an Agency's duties because of force majeure, the Agencies shall consult and endeavor jointly to resolve any attendant difficulties.

Article VIII.

1. This Agreement shall enter into force upon dispatch by Treasury to MFNE of written confirmation that the initial Saudi funds described in Article V above have been deposited in the Trust Account and that the initial United States funds described in Article V above have been designated by DOE.^[1] This Agreement shall remain in effect for five years unless terminated either in accordance with paragraph 3 below or through expiration of the Technical Cooperation Agreement. The implementation of, and progress under, this Agreement will be subject to annual review by the Agencies.

2. This Agreement may be amended or extended by the mutual written consent of all Agencies participating therein.

3. This Agreement may be terminated at any time at the discretion of either Government, upon ninety (90) days written notice. Such termination shall be without prejudice to any rights which may have accrued under this Agreement and to any Agency up to the date of such termination.

4. All joint efforts and experiments not completed at the termination of this Agreement shall be continued until their completion under the terms of this Agreement, provided sufficient funds are available.

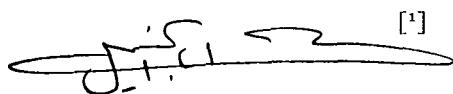
5. All questions related to this Agreement arising during its term shall be settled by the Agencies by mutual agreement.

6. Additional financing under this Agreement over and above the initial sums of \$250,000 referred to in Article V shall be subject to the availability of appropriated funds.

¹ Jan. 11, 1978.

This Agreement is executed the
in Riyadh, Saudi Arabia.

30th day of October 1977



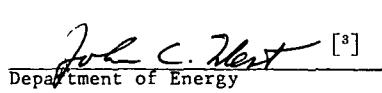
[¹]

Ministry of Finance and
National Economy

Department of the Treasury



[²]



Department of Energy

¹ Mohammad Aba al-Khail
² W. Michael Blumenthal
³ John C. West

NIGER

Range and Livestock

*Agreement signed at Niamey September 26, 1977;
Entered into force September 26, 1977.*

A.I.D. Project Number 683-0202

PROJECT
GRANT AGREEMENT
BETWEEN THE
REPUBLIC OF NIGER
AND THE
UNITED STATES OF AMERICA
FOR
NIGER RANGE AND LIVESTOCK

DATE: 26 SEP. 1977

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A.I.D. Project No. 683-0202

Project Grant Agreement

Date: 28 SEP. 1977

Between The Republic of Niger (RN)

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above with respect to the undertaking by the RN of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex I, addresses in two phases the problem of low productivity and deteriorating range conditions in the pastoral zone of Niger. Phase I, which is proposed in this document, consists of studies and pilot interventions to: (1) provide information on the existing livestock production system, (2) measure the impact of various productivity-increasing interventions, and (3) establish the technical and social feasibility of preserving the Sahelian rangeland. The pilot interventions and studies will be conducted in the central pastoral zone of Niger. The area is bounded by Agadez, Tahoua, and Tanout. The project area constitutes portions of four arrondissements. Tchin-Tabaradene, Agadez, Dakoro and Tanout. This project will also include training and construction to establish the basic infrastructure required to develop a long-term program based on the above studies. A Phase II project is envisioned to implement a long-term action program based on the Phase I studies. Although it is presently anticipated that, subject to the availability of funds and mutual agreement by the Parties, a Phase II activity will be undertaken and that A.I.D. will continue its support for Phase II the amount and duration of which is to be determined by A.I.D.; no commitment is made by A.I.D. at this time to furnish such assistance.

The specific outputs of this project are:

1. a series of range resources and water development studies and a pilot range management effort with one or two groups of herders who traditionally graze their animals in contiguous areas, to provide a basis for a range management plan in the project areas;
2. a sociological study of traditional herder range use and animal husbandry practices which will, among other things, establish the social feasibility of increasing the control over range use in the pastoral zone;
3. a livestock production system study of two groups of herding families; half as a control group and half to receive a complete health care and disease control package, supplementary feeds, and access to salt and minerals;
4. a series of short-term studies to provide data on human and cattle populations, legislative issues related to range management, and recurring cost implications of expanded Republic of Niger programs in the pastoral zone.

In addition, this project will begin laying the groundwork for a Phase II action program by:

1. constructing livestock stations in the project area;
2. sending Nigeriens to be trained in the U.S. in the fields of livestock extension and range management;
3. developing local training capability in range management and livestock extension; and
4. advising the Republic of Niger on the organizational and manpower development implications of comprehensive livestock and range management programs in the pastoral zone.

The end result of these studies and interventions will be a cost effective and implementable range management plan and livestock productivity program that meets technical needs of the area and is as compatible with traditional grazing practices. The goal of the project

is to preserve and improve the natural resource and to increase the income and well being of the traditional herders in the pastoral zone of Niger. Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1., elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

SECTION 2.2.: Incremental Nature of Project

- (a) It is anticipated that A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.
- (b) In the event that A.I.D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Grant Project Standard Provisions Annex^[1] Section D.1, provided, that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.
- (c) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation within the RN, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant

To assist the RN to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,^[2] agrees to grant the RN under the terms of this Agreement not to exceed One Million Five Hundred Thousand United States ("U.S.") dollars (\$1,500,000).

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

² 75 Stat. 424; 22 U.S.C. § 2151 note.

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. RN Resources for the Project

- (a) The RN agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by the RN for the project will be on an "in kind" basis and will be provided in increments. The first increment for fiscal year 1977 will be not less than the equivalent of \$17,900, and the total resources provides for the project will be not less than the equivalent of US \$440,000 borne on an "in kind" basis as detailed in Annex I.

SECTION 3.3. Project Assistance Completion Date

- (a) The "Project Assistance Completion date" (PACD), which is September 30, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been furnished for the Project as contemplated in this Agreement.
- (b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D., agrees to in writing. After such period, A.I.D., giving notice in writing to the RN, may at any time or times reduce the amount of the Grant

by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation to which disbursement will be made, the RN will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) A statement of the name of the person holding or acting in the office of the RN specified in Section 8.2, and any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 4.2. Disbursement for Procurement of Goods of U.S. Sources and Origin. Prior to disbursement under the grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the procurement of goods of U.S. sources and origin the RN will, except as the Parties may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D. a statement designating an American procurement services agent acceptable to A.I.D. who will procure these goods in the name of the RN in accordance with A.I.D. regulations.

SECTION 4.3. Disbursement for Construction Costs. Prior to disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the construction of buildings or other facilities the RN will submit to A.I.D.:

- (a) Plans and specifications, bid documents, and cost estimates in form and substance acceptable to A.I.D.
- (b) An executed contract for construction or other services for the project acceptable to A.I.D. with a firm or firms acceptable to A.I.D.

SECTION 4.4. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1, 4.2 and 4.3 have been met, it will promptly notify the RN.

SECTION 4.5. Terminal Dates for Conditions Precedent.

- (a) If all of the conditions specified in Section 4.1 have not been met within thirty (30) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the RN.
- (b) If all of the conditions specified in Section 4.2 have not been met within thirty (30) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the RN.

Article 5: Special CovenantsSECTION 5.1. Administrative Structure of the Project

- (a) The RN will select and appoint a senior level Nigerien civil servant as Director of the Project. He will supervise the implementation of the Project. This Director will be under the authority of the Ministry of Rural Development and coordinate with the Livestock Service in the implementation of the project. The Ministry of Rural Development will have overall responsibility for the project.
- (b) Within the limits of the definition of the Project in Section 2.1, as amplified in Annex I, all latitude is left to the RN to eventually integrate this Project into a larger structure to manage its projects for the modernization of the pastoral zone. (i.e. Office for the Pastoral Zone).
- (c) A.I.D. will designate one of its permanent employees who resides in Niamey to serve as a liaison between A.I.D., the Project Director and the project implementation unit. The Project will be responsible for providing administrative and logistic support to the employee according to the provisions of the project budget.
- (d) The Project provides for the employment of Technicians to assist the Project Director. These Technicians will be recruited according to those qualifications specified by the RN. The actual employment of these Technicians will not be confirmed until the RN has given its final approval. These Technicians will be under the authority of the Project Director who will assign them work tasks according to the needs of the Project.

SECTION 5.2. Project Personnel. Four (4) Nigerien counterparts cadre B or above, will be assigned to the Project to cooperate and co-ordinate with contracted technicians in project implementation. This joint staff will be officed together. This joint staff will be responsible for carrying out all project activities and be responsible to the Project Director.

SECTION 5.3. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems, in this or other projects; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.4. Assignment of Project Equipment and Commodities. During the life of the project vehicles, office supplies and other support equipment and commodities will be assigned to the Project in quantities sufficient for its personnel to carry out their respective functions in the implementation of the project. The detailed assignment of equipment and commodities shall be specified in Project Implementation Letters in accordance with Annex II Article A. Upon completion of this project all equipment and commodities will revert to the Ministry of Rural Development for the furtherance of project objectives.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States and its associated territories (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.(1)(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Republic of Niger ("Local Currency Costs"). Except as A.I.D. may otherwise agree in writing all drugs and pharmaceutical products under the Grant will have their origin in the US and their source in the U.S.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

- (a) After satisfaction of conditions precedent, the RN may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:
 - (1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in RN's behalf for the Project; or,
 - (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.
- (b) Banking charges incurred by RN in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless RN instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

- (a) After satisfaction of conditions precedent, the RN may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in the Project Implementation Letters, requests to finance such costs.
- (b) The local currency needed for such disbursements may be obtained:
 - (1) by acquisition by A.I.D. with U.S. Dollars by purchase,
 - (2) by A.I.D. (A) requesting the RN to make available the local currency for such costs, and (B) thereafter making available to the RN through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the RN or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the RN, which dollars will be utilized for procurement from the United States under appropriate procedures described in the Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b) (2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into RN by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the RN will make such arrangements as may be necessary so that such funds may be converted into currency of RN at the highest rate of exchange which, at the time the conversion is made, is not unlawful in RN.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the RN:

Mail Address: Minister of Rural Development
B.P. 241
Niamey, Republic of Niger

To A.I.D.:

Mail Address: Area Development Office
US A.I.D.
B.P. 201
Niamey, Republic of Niger

All such communications will be in French or English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the RN will be represented by the individual holding or acting in the office of Ministry of Rural Development and A.I.D. will be represented by the individual holding or acting in the office of Regional Development Officer, each of whom, by written notice, may designate additional representatives for all purposes, other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the RN, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)^[1] is attached to and forms part of this Agreement.

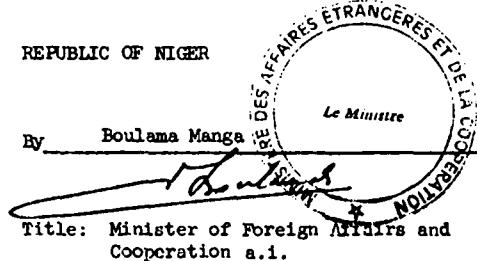
¹ See footnote 1, p. 4743.

SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the Republic of Niger and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF NIGER

By _____ Boulama Manga



Title: Minister of Foreign Affairs and Cooperation a.i.

UNITED STATES OF AMERICA

By _____ John S. Davison

Title: Chargé d'Affaires, a.i.
Embassy of the United States of America

ANNEX 1Detailed Project Description
and Financial PlanA. Project Purpose

The project covered by this agreement is the first phase of a two and possibly three phase effort to increase the income and well-being of herders in the pastoral zone while preserving rangeland resources. Its purpose is to carry out studies on existing conditions and implement pilot range management and animal husbandry practices. Based on the pilot interventions and studies a range management and livestock extension plan will be developed for the pastoral zone of Niger. In addition, this project will begin to lay the groundwork for a larger scale program to be implemented over the long-term. The basic approach will be, first to develop a thorough understanding of the existing livestock production and resources utilization systems in the pastoral zone from both a technical and socio-economic standpoint and, second, to implement pilot interventions that are technically, economically and socially feasible for expansion in a Phase II activity. At the end of this project, the RN will have: (1) information on the costs, benefits, and manpower and organization requirements for a livestock productivity program, and (2) a range management plan that has been pilot tested will specify what needs to be done to prevent deterioration of this basic resource and how controls can best be instituted.

The area selected for Phase I activities (about 4,000,000 hectares) includes both the low rainfall area in the north of the pastoral zone and higher rainfall area in the south and will enable the project staff to monitor the animal husbandry and resource use practices of selected herders at all times of the year.

It is expected that a larger Phase II project based on the findings of Phase I would be implemented in an area substantially larger than the 4,000,000 hectare area described above. This larger area would still be in the central part of the pastoral zone but could extend east to Tanout and west to Tahoua.

B. Project Activities

The activities to be carried out under this project can be divided into four categories: range management, livestock production, sociological studies and interventions and training.

1. Range Management

The range management component will define and demonstrate technically feasible ways of protecting and improving the natural resources of the project area. The specific range management-related interventions during the period of the project will be as follows:

- a. A continual assessment of range conditions with a view to arriving at a sound technical approach for determining carrying capacities and recommend grazing patterns. This will include a study of existing water points. This will involve setting up and monitoring range transects and enclosures in different parts of the project area; correlating range conditions with rainfall patterns and preparing overlay maps showing changes in vegetation from year to year; and, finally, the preparation of a system of continuous range assessment to be adopted by the RN as part of a broadbased range management program. In the event it is determined that pastoral resources of the project zone are being under utilized, AID will, at that time, consider a revision of the project to include a restocking program that would promote the optimum utilization of the range resources of the zone. If it is determined that the pasture resources are being over utilized and depleted, the RN will take measure to reduce the number of animals to optimize utilization of its pasture resources. As part of this activity, a complete review of agostological and other related technical data that exists on the project area will be carried out under the project direction.
- b. Mapping of the project area. This will involve aerial photography, comparison with photos taken in 1955, and ground surveys to complement the photographs.
- c. Reseeding experiments to determine whether it is economic to speed up the process of revegetation of denuded areas rather than rely solely on natural development which in some cases will take decades.
- d. In-country training in range management. The project will with assistance of a short-term agriculture education consultant prepare a series of short courses in range management for the Livestock School in Niamey, and for in-service training of Livestock Service field personnel.
- e. Experimentation with various methods of surface water development and traditional well improvement. Experiments with surface water will be aimed at finding ways of enabling herds to remain in the northern part of the pastoral zone for a larger period of time after the rainy season, thereby reducing grazing pressure on the dry season pastures to the south. The project provides funds

to construct as many as three catchment areas of different size and depth. The project will monitor their use and measure seepage, evaporation, water consumption and effects on herd movements and range condition in the vicinity of the catchment area. The well improvement program will explore ways of increasing the life of traditional hand-dug wells, reduce contamination and facilitate the drawing of water. The major intervention in this regard will be the lining of the upper 5 to 10 meters of about 15 wells. The objective is to design a better traditional well at a cost herders will be able and willing to incur.

- f. Experimentation with various methods of fire control. The extent of fire damage in the project area will be closely monitored by the project and the technical and economic feasibility of reducing the damage will be explored. This will include the study of the costs and results of a fire-break construction program now underway in the Sahel. A program of fire control will be developed as part of the range management plan that is envisioned to be implemented in Phase II.

2. Livestock Production

The livestock production component of the project will carry out a major study to determine the costs and benefits of a comprehensive small herder-oriented livestock productivity program in the pastoral zone; provide support to the existing livestock program (mostly animal health) in Niger; and construct facilities required for expanding the on-going program and for the anticipated Phase II project. The specific activities in this component are as follows:

A package of inputs to increase livestock production will be tested in conjunction with range management trials with a group of herders and compared to traditional production systems to determine the cost and benefits of a comprehensive government program to increase animal productivity in the pastoral zone.

- a. Although it is generally recognized that productivity can be increased, it is not yet clear that the required interventions are in fact cost-effective under existing conditions of inadequate feed supply, multiple-objective livestock raising practices and high cost inputs. A study will be designed and supervised by the project and will produce a final report that will describe and analyze existing livestock production systems in the pastoral zone and the impact of increased inputs and improved practices. The package of improved services to be provided under the study will include: (1) complete vaccination coverage, (2) internal and external parasite treatment, (3) mineral supplements and (4) feed supplements for calves during the stress period at the end of the dry season. These inputs and services will be provided to sample herds participating in the pilot range management activity and

an additional sample of traditional herds will be monitored for comparison purposes. The project will obtain data with respect to mortality, weight gains, fertility, disease incidence, milk production, etc., and will analyze the costs and benefits of the program from the standpoint of the RN and the herder.

- b. A study of the recurring cost implications of the project interventions. This study will be carried out by a macro-economist over a period of about four (4) months and address the basic issues of what it costs to provide improved livestock services in the pastoral zone and what are the means through which the RN can recover some of these costs.
- c. Support for the existing livestock program in the project area. At present the animal health program consists mostly of providing vaccinations against rinderpest and contagious bovine pleuropneumonia (CBP). Under this project the Livestock Service will expand its animal health program in the project area.
- d. Construction of facilities required for the animal health and livestock extension program. Specifically, the project will finance the construction of livestock posts at Aderbissinat Gadebeji, Ingall and Abalak. Each post will consist of office, laboratory, storage facility, corral, a very rudimentary abattoir and hide drying facility, and living quarters for one family. In addition, ten (10) livestock handling facilities will be constructed in the area to be serviced by the livestock posts at Aderbissinat and Gadabeji. Each of these will consist of a holding pen (12 M x 12 M) and a working chute.
- e. The design of a livestock extension program for the pastoral zone. During the course of Phase I the project will coordinate closely with appropriate section within the Livestock Service in developing an extension program anticipated to be implemented in the project area in Phase II. Conclusions will be based on current husbandry practices, and from introducing production interventions. Additionally the project will identify training needs for the Livestock personnel who will provide the extension services.
- f. A study will be conducted of all major livestock markets in the project zone to determine how the present marketing system is constituted. The efficiency of the marketing

chain from primary producer to terminal markets in Niger will be analyzed and recommendations will be made as to how to improve the market share for the primary producer and deal with the expected increased offtake. The livestock market study will include an analysis of projected domestic and export demand for Nigerien livestock products.

3. Sociological Studies and Interventions

A critical purpose of the Phase I project is the development of a resource conservation plan for the pastoral zone. A herder sociology unit will address this project purpose and other important needs of the herders in the project area through the following activities:

- a. The collection of data from a sample of herding communities on current population, resource utilization, organizational structures, regional economic institutions, and development situations.
- b. The formation of a network of "herder community aides" chosen by the sample herding communities themselves, whose task will be to monitor and report veterinary and other health needs, pasture conditions and marketing problems, and to animate extension efforts in a larger Phase II project.
- c. The creation of locally-adapted extension and communication materials and techniques through the use of cassette recordings in local languages for information sharing, herder discussions and seminars, and other animation, educational, and interest articulation techniques.
- d. Most importantly, the creation of a pilot herders' associations, based on criteria of indigenous social organization, micro-ecological zone, and existing administrative units. The eventual long-term role of these associations will be to receive and discuss information on the physical, animal and human resources of relevant geographical areas, develop with project technicians a long-term understanding of their resources, and work toward developing a sound resource management plan for their own areas.
- e. In Phase I, one or two associations made up of members who graze their animals in contiguous areas will be organized to undertake a pilot range management effort. The herders in these associations will limit grazing to the recommended carrying capacity as determined by the project range management staff. These will be the same herders who will receive complete vaccination coverage, treatment for internal parasites and external parasites, mineral salt supplements and supplementary calf feeds.

- f. Based on the experiences of the project implementation team the feasibilities of the creation of a permanent herder sociology capability within the office charged with implementing a range management and livestock extension program will be determined.
- g. The completion of three subsidiary studies by outside consultants temporarily attached to the unit.
 - (1) A human and animal census or sample census of Phase I project zone at two points in 1979.
 - (2) A legal/sociologist analysis of the relations between national legislation and the traditional land tenure system in the zone and assistance provided in drafting the necessary land tenure code revisions to implement a range management plan.
 - (3) A sociological report on the southeastern part of the project zone, an area where little information has been developed for judging the feasibility of later interventions.

4. Training

This component will be oriented to assist the Ministry of Rural Development to increase its capacity to address the three related areas of animal health, livestock extension and range management and will consist of:

- a. Ten participants will be sent to the U.S. for degree training. These participants will form the core staff to organize and manage a comprehensive livestock production and range management program. Six participants will receive degrees in range management, four with minors in animal husbandry and two with minors in agricultural engineering. Two participants will receive degrees in rural sociology with minors in agricultural extension, and two will receive degrees in agricultural economics, one with concentration in production and one in marketing.
- b. Nine members of the livestock service staff will be sent to the U.S. and a third country for short courses aimed specifically at meeting the manpower needs of a multifaceted range management program. These participants will serve as counterparts to the American technicians assigned to the project team.

- c. Six Nigerien officials from the policy making level will be sent to the U.S. and other African countries to observe on-going range management projects, facilities and equipment of land management, agencies, water development and soil conservation structures, range reseeding, and rehabilitation efforts, and educational facilities and curriculum for range management. At least 2 or 3 of these officials are expected to attend the International Range Lands Conference to be held in Denver August 1978.
- d. Basic training of the regular Livestock Service staff in Animal Husbandry and Range Management. This is intermediate level training that should most appropriately be done in-country. In addition to training of Livestock Service staff, the project provides for a short term consultant in livestock education to advise the school for livestock agents on the curriculum necessary to meet the training needs of a much broadened livestock program. The livestock production and range management staff will assist and possibly participate in the in-country training of Livestock Service staff.
- e. Training of basic extension agents at the herder level. This is training of members of herding families and can be done in the field. The project livestock production unit and the Livestock Service staff with the assistance of the project sociologist will develop an approach to training herders in animal husbandry and range management that will be implemented during the anticipated Phase II project.

The end product of the above described activities will be the project purpose, i.e., a comprehensive implementable program to increase animal productivity and conserve the natural resources of the pastoral zone, and the development of a national institutional capacity to carry out the recommended interventions. This program will be prepared by the project staff in coordination with the Livestock Service and other related Services for review by the Ministry of Rural Development by September 30, 1980. Assuming that all of the major feasibility issues to be addressed in Phase I are successfully resolved, the RN will have all the basic information it needs to begin a large scale program to increase animal productivity, and control range use in the pastoral zone, specifically it will have: (1) data on the costs and benefits of various interventions on productivity, and (2) a range management plan specifying kinds and levels of use based on the physical and biological characteristics of the land and how the controls can best be instituted, and report of the project team will form the basis for possibly undertaking a Phase II action program in the program area.

The inputs required to carry out the above activities consist of personnel, commodities, construction and training. The project will provide the following personnel to assist the Project Director to implement the program; a range management advisor and his counterpart, a livestock production advisor and his counterpart, a sociologist and his counterpart, a marketing economist and ten (10) Staff Support Personnel. In addition the Project will require approximately twenty seven (27) man months of studies. The commodities and equipment component consists of vehicles and items required to carry out the studies and experiments. The construction component is mainly the four (4) livestock stations. Training consists of approximately ten (10) degree programs, and thirty five (35) man-months of non-degree programs, and ten (10) observation tours and or attendance at international range management conferences.

Although it is presently anticipated that, subject to the availability of funds and mutual agreement by the Parties, a Phase II activity will be undertaken and that AID will continue its support for Phase II; the amount and duration of which is to be determined by AID; no commitment is made by AID at this time to furnish such assistance.

C. Implementation

The activities described above are to be implemented over a period of about three years according to the schedule given below. For each activity the action agent is shown as well as the scheduled date beginning or completion. The dates are meant to be approximations but should be considered as fairly firm because: (1) some of the dates are keyed to the rainy and dry seasons and (2) many of the activities are interrelated and delays in individual events have ramifications throughout the project. The dates are shown in months and are related to the month when the Project Grant Agreement is signed.

Schedule of Activities

<u>Activity</u>	<u>Action Agent</u>	<u>Date</u>
1. Aerial photography of project area	RN/Contractor	0 plus 4 - Jan. 78
2. Arrival of project staff and assignment of counterparts	AID/RN	0 plus 6 - Mar. 78
3. Arrival of commodities and equipment	RN/AID	0 plus 6 - Mar. 78

<u>Activity</u>	<u>Action Agent</u>	<u>Date</u>
4. Construction of first Livestock Post	RN/Contractor	O plus 6 - Mar. 78
5. Selection and processing of participant trainees	RN/AID	O plus 7 - Apr. 78
6. Livestock, sociology, range management and marketing studies begin	RN/AID	O plus 7 - Apr. 78
7. Selection of water catchments areas begins	RN/AID	O plus 9 - June 78
8. Academic trainees leave for U.S.	RN/AID	O plus 11 - Aug. 78
9. Livestock production studies begins	RN/AID	O plus 13 - Oct. 78
10. First interim report by each project unit	Project Staff	O plus 15 - Dec. 78
11. First census of population and livestock	RN/Consultant	O plus 18 - Mar. 79
12. Construction of catchment areas complete	Contr/RN	O plus 20 - May 79
13. First evaluation	AID/RN	O plus 21 - June 79
14. Recurring cost study	RN/Consultant	O plus 24 - Sept. 79
15. Second census	RN/Consultant	O plus 25 - Oct. 79
16. In-country training of staff for Phase II begins	RN/AID	O plus 25 - Oct. 79
17. Socio-legal study of land tenure	RN/Consultant	O plus 26 - Nov. 79
18. Livestock production, sociology range management and marketing studies complete	RN/AID	O plus 33 - June 80

<u>Activity</u>	<u>Action Agent</u>	<u>Date</u>
19. Construction and staff of livestock posts complete	RW/Contr.	0 plus 34 - July 80
20. Final report on range management and livestock extension programs complete	RW/AID	0 plus 36 - Sept. 80

D. Financial Analysis

The following is an explanation of cost of project inputs. The figures included in this text are a combination of cost obligated under this document and anticipated cost subject to future availability of funds as explained in Section 2.2 above.

1. Project Input - Personnel, Long-Term

Standard estimates of \$100,000/man-year for long-term professional contractors were used. These costs are inclusive of housing and other logistic support. The long-term professional contractors are the range management advisor, animal husbandry advisor, sociologist and a marketing economist. Costs for the Staff Support Personnel is estimated to be \$25,000 per man-year.

2. Project Input - Personnel, Short-Term

The Project Budget provides for the financing of short term consultants to assist in completion of the following:

- (1) The livestock productivity study
- (2) A recurrent cost study
- (3) The Range Resource studies, aerial photography, and evaluation of the Range Management Plan
- (4) The human and livestock Census of the Pastoral Zone
- (5) The development of local training program in range management.
- (6) A social analysis of the South East sector of the Project Zone.

3. Project Input - Local Staff

<u>No. & Description</u>	<u>Cost each/qtr. (\$ thous.)</u>	<u>Total cost/qtr. (\$ thous.)</u>
10 chauffeurs	.544 (includes travel)	5.4
2 mechanics	.470	.9
2 mechanics assistants	.403	.8
2 bilingual secretaries	.762	1.5
2 clerk typists	.762	1.5
2 translator/interpreters	1.478	3.0
Staff support personnel	.381	8.0
3 janitors	.200	<u>.6</u>
TOTAL Office and Support - Local		21.7

The project will hire one each, secretary, translator and typist in FY 77. The project plans to hire the full complement of the balance of the office staff in FY 78 in order to provide training and to cope with the expected large volume of documents, both in French and English, expected at the start of the implementation phase of the project.

Laborers will be contracted during the first quarter 1978. The cost for ten (10) laborers for construction of exclosures for six (6) months is \$4,800.

Census takers are expected to be hired in 1979. Cost for fifteen (15) for eight (8) months is \$15,300.

4. Project Input - Training

Training cost are based on AID and USDA standard cost for training in FY 77. The detail is as follows:

10 degree training \$13,000 each the first year and \$11,000 each the second and third year or	\$350,000
35 man-months of US or third country practical training at \$2,000 per month or	\$ 70,000
10 observational tours in US at \$5,000 each or	\$ 50,000
Local training of RN personnel and Volunteer herder aids	\$ 54,000

5. Other Operating Cost

Animal health supplies will be provided to the Livestock Service to maintain their disease control program in the project area and provide all vaccinations and parasite control required by the study herds. This is anticipated to cost \$150,000.

Supplementary feed and minerals for the project are expected to cost no more than:

200 MT. of feed concentrate	\$ 43,000
15,000 Mineral. blocks	\$ 70,000
Seed for the reseeding plots are estimated to cost	\$ 5,000
Chemical analysis of forage plants to be contracted with U.S. Laboratory is expected to cost	\$ 5,000
Tools to be used in construction of exclosures and reseeding plots and feed mixing (shovels, picks, wheelbarrow, etc.)	\$ 3,600
Livestock handling equipment for production study (weighing tapes, sheep crooks, sheep markets, ear notchers, salt block, halters, etc. will cost	\$ 5,000
A review will be undertaken of all literature available in Paris, U.S., Niger and other Sahelian countries on the social structure and livestock production of Sahelian Nomads and agroecological data on the Sahel, and collect copies of pertinent information for use by the PZM office and project staff	\$ 20,000

Rent for an office - \$8,000 per year beginning FY 78 and renewed for 9 months in FY 79. Utilities are estimated to cost \$15,000 per year.

Office supplies are expected to cost \$6,000 per year or \$20,000 total.

Petroleum, oil, lubricants (POL) and maintenance costs for vehicles to be used in the project are as follows:

Pick-up and passenger - type vehicles 24 x 20,000 km x \$.20/km	\$ 96,000/year
3 small station wagons 3 x 20,000 km x \$.15/km	\$ 9,000/year
2-5 ton trucks 2 x 20,000 km x \$.40	\$ 16,000/year
TOTAL	\$121,000/year

For FY 77 \$20,000 will be obligated with all other obligation yearly as per estimates above.

6. Project Specific Input #7 - Construction

a. Livestock Stations

- | | |
|---|------------------|
| 1. <u>Aderbissinat</u> | <u>\$ 55,490</u> |
| 2. <u>Abalek</u> | <u>\$ 47,650</u> |
| 3. <u>Ingall</u> | <u>\$ 50,350</u> |
| 4. <u>Gadabeqi</u> | <u>\$ 55,200</u> |
| 5. Five (5) stock handling facilities in vicinity of Aderbissinat; Holding Pen - 12 M x 12 M and Working chute - 14 M long x 0.6 M wide | \$ 4,100 |
| 6. Five (5) stock handling facilities in vicinity of Gadabeqi; Holding Pen 12 M x 12 M and Working chute - 14 M long x 0.6 wide | \$ 3,500 |

b. Exclosures

The cost for twenty (20) fenced range indicator and reseeding plots in various locations are each 100 M x 100 M, or

8000 M of fencing @ \$7.55/M	\$ 60,400
Surface water catchment areas. Cost estimated for three (3) are	\$ 20,000

c. Well improvements

Estimated costs are as follows:

Local cost - 15 wells

Cement per well - 4 tons @ \$140/ton	\$ 8,400
Rebar per well - 500 kgs at \$0.56/kg	\$ 4,200
Labor per well - \$140	\$ 6,000

Well improvement equipment costs

Tripod for hoist (local manufacture)	\$ 600
Block and tackle (2 ton capacity)	\$ 500
Well ring forms (local manufacture)	<u>\$ 1,200</u>

\$ 22,400

7. Project Input - Other Capital Items

Communication equipment:

Portable tape recorder and tape copying equipment	\$ 18,000
Cassettes and batteries	<u>\$ 6,000</u>

\$ 24,000

Camping equipment. For project technicians, field workers and local hire interviewers, these items have been estimated \$20,000.

Vehicles of the following type, number and cost, to be obligated in FY 77:

a. Pickup, 4-wheel drive, long wheel base, 3/4 tons,
front-mounted winch five (5) @ \$8,000 each \$ 40,000

TIAS 9078

b. Small pickup w/crew cab, long wheel base w/trailer hitch and front-mounted winch, two (2) @ \$8,500	\$ 17,000
c. 4-wheel drive utility vehicle seventeen (17) @ \$8,000 each	\$136,000
d. 5-ton truck, 4 wheel drive, w/front-mounted winch and flat bed two (2) @ \$16,000 each	\$ 32,000
e. Small station wagon three (3) @ \$5,000	<u>\$ 15,000</u>
TOTAL, vehicles	\$240,000

Vehicle equipment for first and second echelon garages is estimated to cost \$8,000.

Camels. Thirty (30) camels are planned for transportation in the project zone. Cost of each, including saddles, halters, and feed is estimated at \$400 per camel, for a total of \$12,000.

Office equipment and hardware: \$8,450

An aerial photography contract for mapping of the entire project zone with actual photography being done in early FY 78.

Fly, expose, develop, and print one set of natural color photographs at 1:24,000 scale over an area of 15,000 sq. miles to cost \$140,000

Interpretation of photographs and compilation of photo derived maps including thirty (30) days ground truth mission \$ 60,000

TOTAL \$200,000

Purchase of LANDSAT imagery of project zone in FY 78 will cost \$1,500 and imagery of other parts of pastoral zone for comparison and planning purposes will cost \$12,500.

Book and other printed material to establish reference library on range management in PZM office will cost \$3,000.

Equipment for the livestock post to include kerosene refrigerators, microscopes, balling guns, scissor, scalpels, syringes, etc. are expected to cost \$2,100 per post or \$8,400 for the four (4) post.

Range monitoring equipment for range resource studies to include; rangefinders, soil test equipment, scales, tapes, calculators, maps, microscopes, soil augers, thermometers, wind gauges, etc. are expected cost \$6,000.

Notes to Cost of Inputs Including Inflation and Contingency

Inflation factors are taken into account by the following rationale

Weighted average inflation: 11.5%/year

For FY 78, the inflation rate is 11.5% base cost; for FY 79, the rate is 23.0% of base cost; for FY 80, the rate is 34.5 % of base cost.

The weighted average contingency factor is 12%.

Table 1 - PROJECTED OBLIGATIONS BY YEAR (\$000)

	<u>FY 77</u>	Future Years Anticipated			<u>Total</u>	<u>Local Cost In US \$</u>	<u>Foreign Exchange Cost</u>
		<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>			
<u>Personnel</u>							
<u>Long-Term</u>							
Range Management Adv.	113.5	46.5	40.0	50.0	250.0	-	250.0
Animal Husbandry Adv.	113.5	46.5	40.0	50.0	250.0	-	250.0
Rural Sociologist	113.5	46.5	40.0	50.0	250.0	-	250.0
Marketing Economist	113.5	36.5	-	-	150.0	-	150.0
Auxilliary Personnel	156.7	243.3	125.0	100.0	625.0	-	625.0
<u>Short-Term Personnel</u>	<u>125.0</u>	-	<u>140.0</u>	-	<u>265.0</u>	-	<u>265.0</u>
<u>Local</u>							
Office and Support	29.0	86.8	67.7	65.1	248.6	248.6	-
Laborers	3.6	6.0	4.8	3.6	18.0	18.0	-
Census Takers	-	-	15.3	-	15.3	15.3	-
<u>Training</u>							
Degree (Long-Term)	-	130.0	110.0	110.0	350.0	-	350.0
Practical (Short-Term)	-	40.0	30.0	-	70.0	-	70.0
Observation	-	25.0	25.0	-	50.0	-	50.0
Local	-	18.0	26.0	10.0	54.0	54.0	-
<u>Other Operating Cost</u>							
Animal Health Sup.	-	100.0	50.0	-	150.0	-	150.0
Mineral and Feed Mix	-	76.5	36.5	-	113.0	113.0	-
Seed	-	5.0	-	-	5.0	-	5.0
Chemical Analysis	-	-	5.0	-	5.0	-	5.0
Tools (shovel, pick,etc.)	2.6	1.0	-	-	3.6	3.6	-
Livestock Hand Equip.	1.0	4.0	-	-	5.0	-	5.0
Review of Literature	-	20.0	-	-	20.0	-	20.0
Rent and Utilities Office	-	31.0	15.0	18.0	64.0	64.0	-
Office Supplies	2.0	6.0	6.0	6.0	20.0	20.0	-
POL	20.0	106.5	121.0	86.7	335.2	335.2	-

	<u>FY 77</u>	Future Years Anticipated			<u>Total</u>	<u>Local Cost In US \$</u>	<u>Foreign Exchange Cost</u>
		<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>		<u>US \$</u>	<u>—</u>
Capital Cost (Construction)							
Livestock Stations	-	55.5	153.2	-	208.7	208.7	-
Livestock Handling Fac.	-	4.1	3.5	-	7.6	7.6	-
Exclosures	60.4	-	-	-	60.4	40.4	20.0
Well & Catchments	-	29.4	13.0	-	42.4	42.4	-
Other Capital Cost							
Communications Equip.	-	24.0	-	-	24.0	24.0	-
Camping Equip.	20.0	-	-	-	20.0	-	20.0
Vehicles	240.0	-	-	-	240.0	-	240.0
Vehicle Equip.	8.0	-	-	-	8.0	8.0	-
Camels	-	9.0	3.0	-	12.0	-	-
Office Equipment	8.5	-	-	-	8.5	8.5	-
Aerial Photo	200.0	-	-	-	200.0	-	200.0
Landsat Images	1.5	-	12.5	-	14.0	-	14.0
Technical Library	1.0	2.0	-	-	3.0	-	3.0
Equipment for Post	-	2.1	6.3	-	8.4	-	8.4
Range Monitor Equip.	6.0	-	-	-	6.0	-	6.0
Subtotal Project Cost	1339.3	1201.2	1088.8	550.4	4179.3	1223.3	2956.4
Inflation	-	138.0	250.4	189.9	578.4	169.5	408.9
Subtotal	1339.3	1339.3	1339.3	740.3	4758.8	1392.8	3065.3
Contingency	160.7	160.7	160.8	89.0	571.2	167.0	404.2
GRAND TOTAL	1500.0	1500.0	1500.0	829.3	5329.3	1559.8	3769.5

Table 2 - DISTRIBUTION OF PROJECT COST OVER OUTPUTS AND FX BREAK OUT
INCLUDING ACTUAL AND ANTICIPATED OBLIGATIONS

	Range Mgmt. Experiments	Lvstk. Pro. Study & Inter- ventions	Socio- Logical Studies	Human Resource Devel.	General Overhead	Total
Personnel						
Long-Term						
Range Management Adv.	250.0					250.0
An. Husbandry Adv.		250.0				250.0
Rural Sociologist			250.0			250.0
Mktg. Economist		150.0				150.0
Auxiliary personnel	175.0	250.0	75.0		125.0	625.0
Short-Term Personnel	40.0	100.0	65.0	60.0		265.0
Local						
Office and Support		25.1	62.9		160.6	248.6
Laborers	4.8	13.2				18.0
Census Takers			15.3			15.3
Training						
Degree (IT)				350.0		350.0
Practical (ST)				70.0		70.0
Observation				50.0		50.0
Local				54.0		54.0
Operational Cost						
Animal Health Sup		150.0				150.0
Min. & Feed Mix		113.0				113.0
Seed	5.0					5.0
Chemical Analysis	5.0					5.0
Tools (shovel, pick, etc.)	3.6					3.6
Livestock Hand Equip.		5.0				5.0
Review of Lit.	7.5	5.0	7.5			20.0
Rent & Utilities Off.					64.0	64.0
Office Supplies					20.0	20.0
POL	110.0	121.0	33.0		71.2	335.2

	Range Mgmt. Ex- periments	Livstk Pro. Study & Inter- ventions	Socio- Logical Studies	Human Resource Devel.	General Overhead	Total
Capital Cost						
Livestock Stations		208.7				208.7
Livest. Handling Fac		7.6				7.6
Exclosures	60.4					60.4
Wells & Catchments	42.4					42.4
Other Capital Cost						
Communication Equip.			24.0			24.0
Camping Equip	5.0	5.0	10.0			20.0
Vehicles	81.0	88.0	24.0	24.0	240.0	
Vehicle Equip.					8.0	8.0
Camels	2.0	2.8	7.2			12.0
Office Equip.					8.5	8.5
Aerial Photo	200.0					200.0
Landsat Images	14.0					14.0
Technical Library	3.0					3.0
Equip. for Post			8.4			8.4
Range Monitor Equip	6.0					6.0
Subtotal	1014.7	1502.8	573.9	584.0	501.3	4179.7
Inflation & Con- tingency	279.4	413.8	157.5	160.9	138.0	1149.6
Grant Total	1294.1	1916.6	731.4	744.9	642.3	5329.3
Percent of Total	24.3	36.0	13.7	14.0	12.0	

Table 3 - PROJECT COST SUMMARY TABLE OUTPUT/INPUT (\$000)

	<u>Range Mgt. Unit</u>	<u>Livestock Prod. Unit</u>	<u>Sociologi- cal Unit</u>	<u>Human Resource Dev. Unit</u>	<u>Overhead</u>	<u>Total</u>
1. Personnel						
Long-Term	425.0	650.0	325.0		125.0	1525.0
Consultants	40.0	100.0	65.0	60.0	-	265.0
Local	4.8	38.3	78.2	-	160.6	281.9
2. Training						
Long-Term				350.0		350.0
Short-Term				120.0		120.0
Local				54.0		54.0
3. Operating Cost	131.1	394.0	40.5		155.2	720.8
4. Capital Cost						
Construction	102.8	216.3	-	-	-	319.1
Vehicles	81.0	88.0	24.0	-	47.0	240.0
Equipment	16.0	16.2	41.2	-	16.5	89.9
Aerial Photo	214.0	-	-	-	-	214.0
Subtotal	1014.7	1502.8	573.9	584.0	504.3	4179.7
Inflation & Cont.	279.4	413.8	157.5	160.9	138.0	1149.6
Total	1294.1	1916.6	731.4	744.4	642.3	5329.3
% of total cost	24.3	36.0	13.7	14.0	12.0	100.0

Table 4 - PROJECT COST SUMMARY TABLE BY YEAR (\$000)

US AID Inputs	Future Years Anticipated					Local Cost in US \$	Foreign Ex- change Cost
	FY 77	FY 78	FY 79	FY 80	Total		
Personnel							
Long-Term	610.7	419.3	245.0	250.0	1525.0	-	1525.0
Consultants	125.0	-	140.0	-	265.0	-	265.0
Local	32.6	92.8	87.8	68.7	281.9	281.9	-
Training							
Long-Term	-	130.0	110.0	110.0	350.0	-	350.0
Short-Term	-	65.0	55.0	-	120.0	-	120.0
Local	-	18.0	26.0	10.0	54.0	54.0	-
Other Operating Cost	25.6	350.0	233.5	110.7	720.8	535.8	185.0
Capital Cost							
Construction	60.4	89.0	169.7	-	319.1	299.1	20.0
Vehicles	240.0	-	-	-	240.0	-	240.0
Equipment	45.0	37.0	9.3	-	91.3	28.5	37.4
Aerial Photo	201.5	-	12.5	-	214.0	-	214.0
<u>Subtotal</u>	<u>1339.3</u>	<u>1201.2</u>	<u>1088.8</u>	<u>550.4</u>	<u>4179.7</u>	<u>1223.3</u>	<u>2956.4</u>
Inflation	-	138.1	250.4	189.9	578.4	169.5	408.9
Contingency	160.7	160.7	160.8	89.0	571.2	167.0	404.2
<u>Total</u>	<u>1500.0</u>	<u>1500.0</u>	<u>1500.0</u>	<u>829.3</u>	<u>5329.3</u>	<u>1559.8</u>	<u>3769.5</u>
<u>RW Inputs (in kind)</u>							
Personnel	16.0	63.8	63.8	47.8	191.4	191.4	
Other Operating Cost	-	33.1	33.1	-	66.2	66.2	
Capital Cost	-	31.0	31.0	-	62.0	62.0	
Inflation & Cont.	1.9	31.8	48.3	24.2	120.8	120.8	
<u>Total</u>	<u>17.9</u>	<u>159.6</u>	<u>176.2</u>	<u>72.0</u>	<u>440.8</u>	<u>440.8</u>	

A.I.D Projet Numéro 683-0202

ACCORD DE SUBVENTION POUR PROJET
ENTRE
LA REPUBLIQUE DU NIGER
ET LES
ETATS-UNIS D'AMERIQUE
POUR
GESTION DES PARCOURS ET
ELEVAGE AU NIGER

DATE : 26 SEP. 1977

A.I.D. Projet Numéro 683-0202

Accord de Subvention pour Projet

26 SEP. 1977.

En Date du ——————

Entre la République du Niger (RN)

Et

Les Etats-Unis d'Amérique, par l'intermédiaire de
l'Agence pour le Développement International ("A.I.D.").

Article 1 : L'Accord

L'objet du présent Accord est de fixer les conditions que doivent remplir les parties susmentionnées quant à l'exécution par la RN du Projet décrit ci-dessous et quant au financement du Projet par les Parties.

Article 2 : Le Projet

SECTION 2.1. : Définition du Projet : Le Projet qui est décrit plus en détail dans l'Annexe I, s'attaque au cours de deux phases au problème de la basse productivité et de la détérioration des conditions de pâturage dans la zone pastorale du Niger. La Phase I qui est proposée dans ce document consiste en études et interventions pilotes visant (1) à fournir des renseignements sur le système actuel de production du bétail, (2) à mesurer l'impact de diverses interventions visant à accroître la productivité et (3) à mettre en place un système de factibilité technique et social pour préserver les pâturages sahéliens. Les interventions pilotes et les études seront menées dans la partie centrale de la zone pastorale du Niger, c'est à dire la région identifiée par les villes d'Agadez, Tahoua et Tanout. La zone du projet est constituée par des parties de quatre arrondissements : Tchin-Tabaraden, Agadez, Dakoro et Tanout. Ce projet comprendra également un volet de formation et de construction pour créer l'infrastructure de base nécessaire pour mettre en place un programme à long terme basé sur les études ci-dessus. Une Phase II est envisagée pour exécuter un programme d'action à long terme à partir des études réalisées au cours de la Phase I.

Rien qu'à l'heure actuelle il soit prévu, sous réserve la disponibilité des fonds et de l'accord mutuel des Parties, d'entreprendre une Phase II et que l'AID continuera à apporter son soutien pour cette Phase II, dont le montant et la durée seront déterminés par l'AID, aucun engagement n'est pris par l'AID pour fournir actuellement cette assistance.

Les résultats particuliers de ce projet sont :

1. - une série d'études sur le développement des ressources en pâturage et des ressources hydrauliques et un effort de gestion pilote des pâturages avec un ou deux groupes d'éleveurs qui font traditionnellement pâturez leurs animaux dans des zones contigües, ce qui fournirait la base d'un plan de gestion des pâturages dans la zone du projet ;
2. - une étude sociologique sur l'utilisation traditionnelle des pâturages par les éleveurs et les méthodes de production animale qui entre autres établiront la factibilité sociale d'un contrôle accru d'utilisation des pâturages dans la zone pastorale ;
3. - une étude sur le système de production animale chez deux groupes d'éleveurs ; une moitié servant de groupe témoin, et l'autre moitié recevant tous les soins sanitaires, un contrôle des maladies, des appoiments alimentaires et recevant du sel et des sels minéraux ;
4. - une série d'études à court terme pour fournir des données sur les populations humaines et animales, les problèmes juridiques en rapport avec la gestion des pâturages, et les implications financières des programmes de vulgarisation dans la zone pastorale.

En outre, ce projet préparera le terrain pour un programme d'action en Phase II en :

1. - construisant des postes d'élevage dans les zones du projet ;
2. - envoyant des Nigériens en formation aux Etats-Unis dans le domaine de la vulgarisation de l'élevage et la gestion des pâturages ;
3. - développant les possibilités de formation locale en gestion des pâturages et vulgarisation de l'élevage et ;
4. - informant la République du Niger des implications pour l'organisation et la main-d'œuvre, de programmes globaux d'élevage et gestion des pâturages.

Le résultat final de ces études et interventions sera un plan de gestion des pâturages à coûts réels et réalisable lié à un programme de productivité animale correspondant aux besoins techniques de la zone et compatible avec les méthodes de pâturage traditionnelles. Le but du projet est de sauvegarder et améliorer les ressources naturelles et d'accroître le revenu et le bien-être des éleveurs traditionnels dans la zone pastorale du Niger. L'Annexe 1, ci-jointe, amplifie la définition

du Projet contenue dans la section 2.1. Dans les limites de la définition du Projet contenue dans cette section 2.1., les éléments de la description élargie énoncée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants agréés des Parties nommées à la Section 8.2., sans amendement officiel du présent Accord.

SECTION 2.2. : Nature Différentielle du Projet

- (a) Il est prévu que la contribution de l'AID au Projet se fera par augmentations, la première étant mise à disposition conformément à la Section 3.1. de cet Accord. Des augmentations ultérieures seront sujettes à la disponibilité des fonds de l'AID à cette fin, ainsi qu'à l'Accord mutuel des Parties d'entreprendre le projet, au moment d'une augmentation ultérieure.
- (b) Au cas où l'AID ne fait pas une augmentation prévue dans un délai raisonnable, il s'entend qu'une des Parties peut décider de mettre fin au présent Accord conformément à l'Annexe Section D.1., des provisions standards pour un Accord de subvention pour Projet, pourvu que, dans les limites des fonds disponibles à cet instant et engagés par les Parties, la date d'achèvement puisse être prolongée de 30 jours pour permettre des arrangements et que chaque Partie fasse le maximum pour conserver et accroître les bénéfices de l'activité du Projet qui a déjà eu lieu.
- (c) Dans le cadre de la date d'achèvement de l'assistance pour le Projet indiquée dans le présent Accord, l'AID après consultation avec la RN peut préciser dans des lettres d'exécution du Projet, les périodes appropriées pour l'utilisation des fonds accordés par l'AID au titre d'une augmentation individuelle d'assistance.

Article 3. - Financement

SECTION 3.1. La Subvention : Pour aider la RN à financer les coûts de l'exécution du Projet, l'AID, conformément à la loi de 1961, sur l'Aide Etrangère telle qu'elle a été amendée, accepte d'accorder à la RN une subvention aux termes d'un montant qui ne dépassera pas un million cinq cent mille dollars des Etats-Unis ("5.000") dollars (1.500.000).

La subvention peut être utilisée pour financer les coûts en devises, comme défini à la Section 6.1., et les coûts en monnaie locale comme défini à la Section 6.2., des biens et services nécessaires à l'exécution du Projet.

SECTION 3.2. - Ressources de la RN pour l'Exécution du Projet

- (a) La RN accepte de fournir ou de faire fournir pour l'exécution du Projet, tous les fonds, outre la subvention, et toutes les autres ressources requises pour exécuter efficacement et en temps voulu le Projet.
- (b) Les ressources fournies par la RN pour le Projet se feront sur une base "en nature" et par augmentations. La première augmentation pour l'année fiscale 1977 sera au moins égale à l'équivalent de \$17,900 et les ressources totales fournies pour le projet seront au moins égales à l'équivalent de US \$440,000 supportés sur une base en "nature" comme indiqué en détail dans l'Annexe A.

SECTION 3.3. - Date d'Achèvement d'Assistance pour le Projet

- (a) La "Date d'Achèvement d'Assistance pour le Projet" (DAAP) à savoir le 30 septembre 1980, ou toute autre date dont les Parties peuvent convenir par écrit, est la date à laquelle les Parties estiment que tous les services financés au titre de la Subvention auront été exécutés et que tous les biens financés au titre de cette Subvention auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.
- (b) A moins que l'A.I.D. n'en convienne autrement par écrit, elle ne publierà, ni n'approuvera des documents qui autoriseraient le décaissement de la Subvention, pour la prestation de services exécutés après la DAAP ou pour des biens fournis aux fins du Projet comme l'envisage le présent Accord, après cette date.
- (c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qui indiquent les Lettres d'Exécution du Projet doivent parvenir à l'AID ou à la Banque mentionnée à la Section 7.1. au plus tard neuf (9) mois après la DAAP ou toute autre période dont l'AID convient par écrit. Après cette période, l'AID après avoir envoyé avis écrit, la RN, peut à n'importe quel moment réduire le montant de la Subvention de tout ou en partie de ce montant pour lequel les demandes de décaissement accompagnées des pièces justificatives nécessaires qui indiquent les Lettres d'Exécution du Projet, n'ont pas été reçues avant l'arrivée à expiration de ladite période.

Article 4. - Conditions à remplir avant le Décaissement

SECTION 4.1. Premier Décaissement : Avant le premier décaissement effectué au titre de la Subvention ou avant la publication par l'AID des documents en vertu desquels le décaissement sera fait, la RN à moins

que les Parties n'en décident autrement par écrit, fournira à l'AID sous une forme et dans un fonds établis à la satisfaction de cette dernière :

- (a) Une déclaration du nom de la personne représentant la RN ou agissant en son nom comme l'indique la Section 8.2, et de tout autre représentant, ainsi qu'une signature spécimen de chaque personne dont le nom figure dans ladite déclaration.

SECTION 4.2. Décaissement pour l'Achat de Biens en provenance des Etats-Unis

Avant le décaissement effectué au titre de la Subvention ou avant la publication par l'AID des documents en vertu desquels le décaissement sera fait pour l'achat des biens en provenance des Etats-Unis, la RN à moins que les Parties n'en décident autrement par écrit, fournira à l'AID sous une forme et dans un fonds établis à la satisfaction de cette dernière déclaration désignant un transitaire américain acceptable pour l'AID qui achètera ces biens au nom de la RN et conformément aux réglementations de l'AID.

SECTION 4.3. Décaissement pour Frais de Construction

Avant le décaissement effectué au titre de la Subvention ou avant la publication par l'AID des documents en vertu desquels le décaissement sera fait pour la construction de bâtiments ou toutes autres installations la RN soumettra à l'AID :

- (a) Les plans et les spécifications, les documents de marché, et les estimations des coûts sous une forme et dans un fonds acceptables pour l'AID.
- (b) Un contrat exécuté pour des constructions ou tout autre service pour le Projet, acceptable pour l'AID avec une ou plusieurs signatures acceptables pour l'AID.

SECTION 4.4. Notification : Lorsque l'AID a établi que les conditions mentionnées à la Section 4.1., 4.2., et 4.3. ont été remplies, elle notifiera rapidement la RN.

SECTION 4.5. Dates Finales d'Accomplissement des Conditions Susmentionnées

- (a) Si toutes les conditions mentionnées à la Section 4.1. n'ont pas été remplies dans les trente (30) jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'AID peut convenir par écrit, l'AID a la faculté de mettre fin au présent Accord en notifiant par écrit à la RN.

- (b) Si toutes les conditions mentionnées à la Section 4.2. n'ont pas été remplies dans les trente (30) jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'AID peut convenir par écrit, l'AID a la faculté d'annuler le solde non décaissé de la Subvention dans la mesure où elle ne s'est pas engagée envers les Parties tiers et elle peut mettre fin au présent Accord en envoyant un avis écrit à la RN.

Article 5. - Conventions Spéciales

SECTION 5.1. - Structure Administrative du Projet

- (a) La RN choisira et nommera un fonctionnaire nigérien de haut niveau en qualité de Directeur de Projet. Il supervisera l'exécution du Projet. Ce Directeur sera placé sous l'autorité du Ministère du Développement Rural et coordonnera avec le Service de l'Elevage l'exécution du Projet. Le Ministère du Développement Rural aura la responsabilité générale du Projet.
- (b) Dans les limites de la définition du Projet, telle qu'elle figure à la Section 2.1., et est détaillée à l'Annexe 1, toute latitude est laissée à la RN pour éventuellement intégrer ce projet dans une structure plus large qui gérerait ses projets de modernisation de la zone pastorale (par ex. Bureau pour la Zone Pastorale).
- (c) Hors du cadre du projet, l'AID désignera un de ses employés permanents qui réside à Niamey pour servir de liaison entre l'AID et la Direction du projet. La Direction du projet sera chargée de fournir un appui administratif et logistique à cet employé selon les provisions du budget du Projet.
- (d) Pour assister le Directeur, le Projet prévoit l'engagement de techniciens. Ces techniciens seront recrutés sur demande du Gouvernement Nigérien selon les qualifications spécifiques par ce dernier. L'engagement définitif de ces techniciens dépendra de l'agrément de la RN. Ils seront sous l'autorité directe du Directeur du Projet qui leur confiera du travail selon les besoins du Projet.
- (e) L'AID pourra également sur la demande du Directeur du Projet, recruter un personnel auxiliaire à long terme pour assister le Directeur et ses techniciens, ainsi que des consultants pour entreprendre des travaux de courte durée pour lesquels le Niger ne serait pas en mesure de recruter des cadres nigériens qualifiés. Les fonctions de chaque membre de ce personnel seront définies par le Directeur du Projet en collaboration avec ses techniciens et les services nigériens concernés.

SECTION 5.2. - Personnel du Projet

Quatre (4) homologues nigériens, cadre B minimum, seront affectés au Projet pour collaborer avec les techniciens engagés aux fins du Projet. Ce personnel mixte sera dans les mêmes bureaux. Il sera chargé de l'exécution du Projet et dépendra du Directeur du Projet.

SECTION 5.3. - Evaluation du Projet

Les Parties décident d'établir un programme d'évaluation qui fera partie du Projet. Sauf indication contraire des Parties par écrit, le programme comprendra pendant l'exécution du projet et à un ou plusieurs moments par la suite : (a) une évaluation de l'état d'avancement du Projet (b) l'identification et l'évaluation des problèmes ou des contraintes qui peuvent entraver la réalisation des objectifs fixés (c) l'évaluation de la manière dont ces informations peuvent être utilisées pour contribuer à surmonter ces problèmes et (d) l'évaluation dans la mesure du possible de l'incidence globale du Projet sur le développement.

SECTION 5.4. - Affectation du Matériel et des Biens du Projet

Pendant la durée du Projet, les véhicules, matériel de bureau et tout autre matériel ou biens seront affectés au Projet en quantité suffisante pour que le personnel du Projet puisse mener à bien ses tâches respectives pour l'exécution du Projet. L'affectation détaillée du matériel et des biens sera précisée dans les Lettres d'Exécution du Projet conformément à l'article A de l'Annexe II.

A la fin du Projet, tout le matériel et les biens reviendront au Ministère du Développement Rural pour la poursuite des objectifs du Projet.

Article 6. - Source d'Achat**SECTION 6.1. - Coûts en Devises**

Conformément à la Section 7.1., les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'Exécution du Projet et ayant leur source et origine aux Etats-Unis et ses territoires associés (Code 000 du Livre de Code Géographique de l'AID tel qu'il était en vigueur à l'époque où les commandes sont placées et les marchés passés dans ces biens et services) ("Coûts en Devises") à moins que l'AID n'en convienne autrement par écrit et à moins que la Section C, b) de l'Annexe sur les dispositions types de la Subvention pour Projet n'en stipule autrement quant à l'assurance maritime.

SECTION 6.2 - Coûts en Monnaie Locale

Conformément à la Section 7.2., les décaissements seront uniquement utilisés pour financer les coûts des biens et services nécessaires à l'exécution du Projet et ayant leur source et, à moins que l'AID n'en convienne autrement par écrit et leur origine en République du Niger ('Coûts en Monnaie Locale'). À moins que l'AID n'en convienne autrement par écrit, tous les médicaments et produits pharmaceutiques financés dans le cadre de la Subvention auront leur origine et leur source aux Etats-Unis d'Amérique.

Article 7. - DécaissementSECTION 7.1. - Décaissement des Coûts en Devises

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, la RN peut obtenir le décaissement des fonds au titre de la Subvention pour le financement des coûts en devises des biens et services nécessaires à l'exécution du Projet et ce, conformément aux termes du présent Accord, par le jeu des méthodes ci-après qui ont été convenues d'un commun accord :

- (1) en présentant à l'AID, accompagnées des pièces justificatives nécessaires comme le stipulent les Lettres d'Exécution du Projet, (A) des demandes de remboursement pour ces biens ou services ou, (B) des demandes de fourniture de ces biens ou services par l'AID à la RN au titre du Projet ;
 - (2) en demandant à l'AID d'émettre des Lettres d'engagement pour des montants précis (A) à une ou plusieurs banques des Etats-Unis, acceptables par l'AID, engageant l'AID à rembourser cette banque ou ces banques pour les paiements effectués par elle à des entrepreneurs ou fournisseurs, dans le cadre d'une lettre de crédit par exemple, pour l'achat de ces biens et services ou (B) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'AID à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens ou services.
- (b) Les frais bancaires encourus par la RN pour ce qui est des Lettres d'engagement et des Lettres de crédit seront financés au titre de la Subvention à moins que la RN n'instruise l'AID de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre de la Subvention.

SECTION 7.2. - Décaissement pour le Financement des Coûts en Monnaie Locale

- (a) Après avoir rempli avec satisfaction les conditions susmentionnées, le pays bénéficiaire peut obtenir les décaissements des fonds au titre de la Subvention pour le financement des coûts en monnaie locale nécessaires à l'exécution du projet conformément aux termes du présent Accord en soumettant à l'AID, accompagnées des pièces justificatives requises comme le stipulent les Lettres d'Exécution du Projet, les demandes de financement de ces coûts.
- (b) La monnaie locale requise pour ces décaissements peut être obtenue :
- (1) par l'acquisition par l'AID en dollars E.U. par achat,
 - (2) par l'AID (A) en demandant à la RN de mettre à disposition la monnaie locale requise pour financer ces coûts et (B) en mettant à disposition de la RN par l'ouverture ou l'amendement de Lettres de crédit spéciales en faveur du pays bénéficiaire ou de son mandataire, un montant en dollars E.U. équivalent au montant en monnaie locale rendu disponible par la RN, dollars qui seront utilisés pour l'achat aux Etats-Unis dans le cadre de procédures appropriées décrites dans les Lettres d'Exécution du Projet.

L'équivalent en dollars E.U. de la monnaie locale rendu disponible au titre de la Subvention sera, dans le cas de l'alinéa (b) (1) ci-dessus, le montant en dollars E.U. requis par l'AID pour obtenir la monnaie locale, et dans le cas de l'alinéa (b) (2) ci-dessus, un montant calculé au taux de change indiqué dans le Mémoire d'Exécution de la Lettre Spéciale de crédit applicable à la date d'ouverture ou d'amendement de la lettre de crédit spéciale.

SECTION 7.3. - Autres formes de décaissement

Les décaissements de la Subvention peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

SECTION 7.4. - Taux de change

Sauf indication spécifique prévue à la Section 7.2. si les fonds fournis dans le cadre de la Subvention sont introduits dans la RN par l'AID, ou par un organisme privé ou public pour satisfaire aux obligations de l'AID, la RN prendra les mesures nécessaires pour s'assurer que ces fonds peuvent être transformés dans la monnaie locale de la RN au taux de change le plus élevé, qui à l'époque de la conversion n'est pas illégal dans la RN.

Article 8. - Divers**SECTION 8.1. - Communications**

Tout avis, demande, document ou autre communication présenté par une Partie ou l'autre dans le cadre du présent Accord sera présenté par écrit, télégramme ou par cable et sera considéré comme remis ou envoyé lorsqu'il parviendra à la Partie intéressée à l'adresse ci-après :

A la REPUBLIQUE DU NIGER :

Adresse : Ministère du Développement Rural
BP 241
NIAMEY (République du Niger)

A l'A.I.D.

Adresse : Area Development Office
U.S.A.I.D., BP 201
NIAMEY (République du Niger)

Toutes les communications seront rédigées en Français ou en Anglais à moins que les Parties n'en conviennent autrement par écrit. D'autres adresses peuvent remplacer l'adresse ci-dessus sur avis de l'intéressé.

SECTION 8.2. - Représentants

Aux fins du présent Accord, la RN sera représentée par une personne agissant au nom du Ministère du Développement Rural, et l'AID sera représentée par la personne occupant le poste de Représentant Régional pour le Developpement ou agissant pour son compte, chacun d'eux pouvant par avis écrit, désigner d'autres représentants à toutes les fins autres que celles d'exercer le pouvoir de la Section 2.1. de réviser les éléments de la description élargie à l'Annexe 1. Les noms des représentants de la RN accompagnés des signatures spécimens seront communiqués à l'AID qui peut accepter comme document agréé n'importe quel instrument signé par ces représentants en application du présent Accord jusqu'à réception de l'avis écrit de révocation de leur autorité.

SECTION 8.3. - Annexe relative aux Dispositions Standard

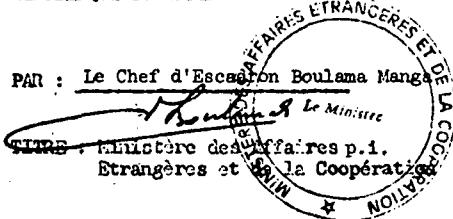
Une "Annexe relative aux dispositions standard régissant la Subvention pour Projet" (Annexe 2) figure ci-joint au présent Accord et en fait partie.

SECTION 3.4. - Libellé de l'Accord

Le présent Accord est préparé en anglais et en français. En cas d'ambiguité ou de conflit entre les deux versions, la version anglaise seule fera foi.

EN FOI DE QUOI, la République du Niger et les Etats Unis d'Amérique, chacun agissant par l'intermédiaire de son Représentant ci-dessous agréé, ont fait signer le présent Accord au leur nom et l'ont fait remettre à la date de l'année susmentionnée.

REPUBLIQUE DU NIGER



ETATS-UNIS D'AMERIQUE

PAR : John S. Davidson

John S. DAVIDSON

TITRE : Chargé d'Affaires p.i.
Ambassade des Etats-Unis
d'Amérique

ANNEKE 1.Description Détailée du Projet et
Plan FinancierA. - Objectif du Projet

Le Projet couvert par cet Accord est la première des deux ou trois phases visant à augmenter les revenus et le bien-être des pasteurs dans la zone pastorale tout en préservant les ressources des pâturages. Son objectif est d'effectuer des études sur les conditions actuelles et mettre en œuvre des méthodes pilotes de gestion des pâturages et d'élevage. A partir de ces interventions pilotes et de ces études, un plan de gestion des pâturages et de vulgarisation de l'élevage sera mis au point pour la zone pastorale du Niger. En outre ce projet servira de base pour un programme de grande envergure qui doit être réalisé à long terme. L'approche de base sera d'abord, d'étudier à fond les systèmes actuels de la production animale et d'utilisation des ressources dans la zone pastorale d'un point de vue à la fois technique et socio-économique et deuxièmement, d'identifier des interventions techniquement et socialement faisables pour les mettre en œuvre durant la Phase II. A la fin de ce projet, le Gouvernement du Niger aura (1) des renseignements sur les coûts, bénéfices, main d'œuvre et organisation requises pour un programme de production animale et (2) un plan de gestion des pâturages qui spécifiera ce qu'il y a lieu de faire pour empêcher la dégradation de ces derniers et la meilleure façon dont des contrôles peuvent être utilisés.

La zone choisie pour les activités de la Phase I (environ 4.000.000 hectares) comprend à la fois une région de faible pluviosité au Nord de la zone pastorale et à haute pluviosité dans le Sud ; ceci permettant à l'équipe du Projet de contrôler l'économie animale et les méthodes d'utilisation des ressources par les pasteurs sélectionnés pendant toute l'année.

On s'attend à ce que la Phase II du Projet basée sur les conclusions de la Phase I sera mise en œuvre dans une région beaucoup plus étendue que les 4.000.000 hectares indiqués ci-dessus. Cette vaste région serait toujours située au centre de la zone pastorale, mais pourrait s'étendre à l'Est jusqu'à Tanout et à l'Ouest jusqu'à Tahoua.

B. - Activités du Projet

Les activités devant être réalisées au cours du Projet peuvent être divisées en quatre catégories : gestion des pâturages, production animale, études et interventions sociologiques et formation.

1. - Gestion des Parcours

Le volet gestion des parcours visera à définir les moyens techniquement réalisables de protéger et améliorer les ressources naturelles de la zone du Projet. Les interventions liées à la gestion spécifiques des parcours pendant la période du projet seront les suivantes :

a) Une évaluation continue de la situation des parcours en vue d'en arriver à une approche technique solide pour déterminer les capacités de charge et proposer des plans de rotation des paturages et de parcours. Ceci comprendra une étude des points d'eau existants ; la mise en place et la surveillance de parcelles de référence clôturées ; l'étude correlative de la condition des paturages et de la pluviométrie ; la préparation de cartes superposées pour démontrer les changements végétatifs d'une année sur l'autre ; et enfin la préparation d'un système d'évaluation permettant des paturages que le Gouvernement Nigérien pourra adopter comme partie d'un programme de grande envergure de gestion des paturages. Au cas où il sera démontré que les ressources pastorales de la zone sont sous-utilisées, l'AID pourra alors considérer une révision du projet afin d'inclure un programme de repeuplement qui cherchera à promouvoir une utilisation optimale des ressources des parcours. Dans le cas contraire, le Gouvernement du Niger prendra les dispositions pour réduire le nombre de bêtes en vue d'une utilisation optimale des ressources pastorales.

Une partie de ces activités consistera en un inventaire complet par la direction du Projet, des données en agrostologie et autres données techniques disponibles dans la zone du Projet.

b) Cartographie de la zone du Projet. Ceci comprendra des photographies aériennes, la comparaison avec des photos prises en 1955, et des enquêtes sur le terrain pour confirmer les photographies.

c) Des expériences de ré-ensemencement pour déterminer s'il est économiquement plus viable d'accélérer le processus de régénération des plages décapées, que de compter uniquement sur la régénération naturelle qui dans certains cas prendra des dizaines d'années.

d) Formation sur le terrain en gestion des paturages. Avec l'aide d'un consultant à court terme en éducation agricole, le projet préparera une série de cours abrégés sur la gestion des paturages à l'usage de l'Ecole de l'Elevage à Niamey et pour la formation sur le terrain du personnel du Service de l'Elevage.

e) Expérimentation avec des méthodes différentes du développement des eaux de surface et de l'amélioration des puits traditionnels. Des expériences concernant les eaux de surface viseront à trouver des moyens donnant la possibilité aux troupeaux de rester dans la partie Nord de la zone pastorale pendant plus longtemps après la saison des pluies ; afin de réduire la surcharge sur les paturages de saison sèche vers le Sud. Le Projet fournira des fonds pour la construction de trois bassins de captation des eaux de taille et de profondeur différentes. Le Projet contrôlera leur utilisation et mesurera les fuites, l'évaporation, la

consommation d'eau et les effets sur les mouvements des troupeaux et la situation des pâturages aux alentours des bassins de captation. Le programme d'amélioration des puits explorera différents moyens d'accroître la durée de vie des puits traditionnels creusés à la main, de réduire la contamination et de faciliter l'entraînement. L'intervention la plus importante à cet égard sera le revêtement des 5 à 10 mètres supérieurs d'environ 15 puits. L'objectif est de préparer le plan du meilleur type de puits traditionnels à un coût de revient, rendant les pasteurs capables et désireux d'en encourir les frais.

f) Expérimentation de diverses méthodes de contrôle des incendies. L'étendue des dommages dus aux incendies dans la zone du Projet sera étroitement surveillée par le projet et la possibilité de réalisation technique et économique visant à en réduire les dégâts sera explorée. Ceci comprendra l'étude des coûts et des résultats d'un programme de construction de parc-feu déjà lancé au Sahel. Un programme de contrôle des feux de brousse sera élaboré dans le cadre du Plan de Gestion prévu pour la phase II.

2. - La Production Animale

Le volet production animale du Projet effectuera une étude visant à déterminer les coûts et les bénéfices d'un petit programme intégré de production animale dans la zone pastorale ; il fournit un support au programme d'élevage déjà existant (surtout en unité animale) au Niger, et construire les installations requises pour étendre le programme en cours à la Phase II du Projet qui est prévue. Les activités spécifiques de ce volet sont les suivantes :

Un ensemble d'intrants destinés à accroître la production animale sera testé conjointement avec les essais de gestion des pâturages sur un groupe de pasteurs et comparé aux systèmes de production traditionnels pour déterminer les coûts et les bénéfices d'un programme gouvernemental intégré visant à accroître la production animale dans la zone pastorale.

a) Bien qu'il soit généralement reconnu que la production peut être accrue, il reste à démontrer que le coût des interventions sera en rapport avec le rendement dans les conditions actuelles de sous-alimentation de pratiques d'élevage du bétail à multi objectifs et d'intrants fort coûteux. Une étude sera préparée et supervisée par le Projet et il sera rédigé un rapport final décrivant et analysant les systèmes de production animale existants dans la zone pastorale et l'impact des apports accrus et des pratiques améliorées. L'ensemble des services améliorés qui doivent être fournis pendant l'étude comprendra (1) vaccinations complètes (2) traitement contre les parasites internes et externes, (3) suppléments minéraux et (4) nourriture d'appoint pour les veaux pendant la saison difficile à la fin de la saison sèche. Ces apports et services seront fournis à des troupeaux témoins participant aux activités pilotes de gestion des pâturages. Un second échantillon de troupeaux traditionnels sera contrôlé dans le but de faire la comparaison. Le projet obtiendra des données ayant trait à la mortalité, aux gains de poids, à la fertilité, à l'incidence de la maladie, à la production de lait etc..., et analysera les coûts et les bénéfices du programme du point de vue de la RN et des pasteurs.

- b. Une étude des implications des coûts récurrents que représentent les interventions du Projet. Cette étude sera effectuée par un spécialiste macro-économique au cours d'une période d'environ quatre (4) mois et abordera des problèmes de base à savoir le coût des services pour l'amélioration de l'élevage dans la zone pastorale et quels sont les moyens par lesquels le Gouvernement peut en récupérer une partie.
- c. Support pour le programme de l'élevage existant dans la zone du Projet. Actuellement le programme pour la santé animale consiste surtout à fournir des vaccins contre la peste bovine et la pleuro-pneumonie bovine contagieuse (PBC). Au cours de ce Projet, le Service de l'Elevage améliorera son programme de vaccination dans la zone du Projet.
- d. La construction d'installations requises pour le programme de santé animale et de vulgarisation de l'élevage — spécifiquement le projet finançera la construction de stations d'élevage à Aderbissinat, Gadabéji, InGall et Abalak. Chaque station sera constituée d'un bureau, un abattoir rudimentaire et d'installations pour le séchage des peaux et un logement pour la famille. En plus, dix (10) installations pour le bétail seront construites dans les deux premières stations et seront desservies par le personnel des stations d'élevage d'Aderbissinat et de Gadabéji. Chacune de ces installations sera constituée par un enclos de 12 m x 12 m d'un couloir de travail.
- e. Le plan du programme de vulgarisation de l'élevage dans la zone pastorale. Au cours de la Phase I, le projet en coordination étroite avec la station appropriée du Service de l'Elevage, mettra au point un programme de vulgarisation dont l'exécution est prévue dans la zone du Projet pendant la Phase II. Les conclusions seront basées sur les pratiques courantes de l'élevage et sur les résultats des interventions sur la production. De plus, le Projet établira les besoins en formation pour le personnel de l'élevage devant travailler pour les services de vulgarisation.
- f. Il sera entrepris une étude de tous les principaux marchés de bétail de la zone du Projet pour déterminer la structure du système de commercialisation actuelle. L'efficacité de la chaîne de commercialisation de premier producteur aux marchés finaux au Niger sera analysée et des recommandations seront faites sur la façon d'augmenter la part de marché pour le premier producteur et le moyen de traiter la hausse des ventes prévues. L'étude sur les marchés de bétail comprendra une analyse des prévisions de la demande intérieure et extérieure pour les produits de l'élevage Nigérien.

3. Etudes et Interventions Sociologiques

Un objectif délicat de la Phase I du Projet est l'élaboration d'un plan de conservation des ressources pour la zone pastorale. Une unité de sociologie s'occupera de ce domaine et des autres besoins importants des pasteurs dans la zone du Projet à travers six enquêtes :

- a. La collecte de données dans les communautés des pasteurs sur la population actuelle, l'utilisation des ressources, les structures d'organisation, les institutions économiques régionales et les problèmes de développement.
- b. La formation d'un réseau "vulgarisateur" choisis parmi les pasteurs eux-mêmes, dont les tâches seraient de contrôler et de rapporter les besoins vétérinaires, les conditions des pâturages, et les problèmes de marchés et d'animer les travaux de vulgarisation prévus pour la Phase II du Projet.
- c. L'installation de matériel et de techniques localement adaptées pour la vulgarisation et l'information utilisant des enregistrements sur cassettes dans les langues locales pour la communication des informations, les séminaires et discussions avec les pasteurs et autres techniques d'animation, éducatives et d'intérêt technique.
- d. Très important, est la création d'associations pilotes de pasteurs basées sur des critères d'organisation sociale traditionnelle de zones micro-écologiques et d'unités administratives existantes. Le rôle à long terme éventuel de ces associations sera de recevoir et de discuter les informations sur les ressources physiques, animales, et humaines des régions géographiques en question ; et d'arriver avec les techniciens du Projet à une compréhension à long terme de leurs ressources, et de travailler au développement d'un plan de gestion solide des ressources pour leurs propres régions.
- e. Au cours de la Phase I, seront organisées une ou deux associations formées de pasteurs qui font pâture leur animaux dans des zones contigües afin d'entreprendre des activités pilotes de gestion des pâturages. Les pasteurs de ces associations limiteront le pâturage à la capacité de charge recommandée qui sera fixée par le personnel de gestion des pâturages du Projet. Ces mêmes pasteurs bénéficieront pour leurs animaux, des vaccinations complètes, du traitement contre les parasites internes et externes, de suppléments de sels minéraux et d'aliments supplémentaires pour les veaux.
- f. A partir de l'expérience acquise par l'équipe chargée de l'exécution du Projet, sera déterminée la factibilité de la création d'une unité permanente sociologique en charge des pasteurs, dans le cadre du bureau chargé de la mise en oeuvre du programme de vulgarisation de l'élevage et de gestion des pâturages.
- g. L'élaboration de trois études subsidiaires par des consultants extérieurs provisoirement attachés à l'unité :
 - (1) un recensement humain et animal ou un recensement par sondage en deux points de la zone de la Phase I du Projet en 1979

(2) une étude juridique/sociologique sur les relations entre la législation nationale et le système foncier traditionnel dans la zone. L'assistance fournie consistera à rédiger les révisions nécessaires des codes fonciers pour exécuter un plan de gestion des pâturages.

(3) une analyse sociologique de la partie Sud-Est de la zone du Projet, région sur laquelle peu d'informations sont disponibles, pour juger des possibilités d'interventions.

4. Formation

Ce volet tendra à aider le Ministère du Développement Rural à accroître sa capacité de prendre en charge les trois domaines de santé animale, vulgarisation de l'élevage et gestion des pâturages. Il consistera en :

a. Dix participants seront envoyés aux Etats-Unis pour faire des études universitaires. Ces participants formeront le noyau du personnel chargé d'organiser et de gérer un programme global de production du bétail et de gestion des pâturages. Six participants recevront une spécialisation en gestion des pâturages, quatre avec option économique animale, et deux agro-économie. Deux participants se spécialiseront en sociologie rurale avec options en vulgarisation agricole, et deux se spécialiseront en agro-économie, une avec option sur la production et une sur la commercialisation.

b. Neuf membres du personnel du Service de l'Elevage seront envoyés aux Etats-Unis et dans un autre pays pour des cours de courte durée principalement dans le but de faire face aux besoins de main d'œuvre d'un programme de gestion des pâturages à multiples facettes. Ces participants sont les homologues des techniciens américains affectés à l'équipe du Projet.

c. Six fonctionnaires Nigériens, à un niveau de décision, seront envoyés aux Etats-Unis et dans d'autres pays africains pour observer des projets de gestion des pâturages en fonctionnement, des installations, et du matériel pour la gestion des sols, les agences, les structures prises en place pour le développement hydraulique et la conservation des sols, des efforts pour les pâturages, le rensemencement, et la réhabilitation, les installations pédagogiques et le programme de gestion des pâturages. Au moins 2 ou 3 de ces personnes devront assister à la Conférence Internationale sur les Pâturages qui aura lieu à Denver en Août 1978.

d. Formation de base du personnel du Service de l'Elevage en économie animale et gestion des pâturages. C'est une formation de niveau moyen qui devrait être faite sur le terrain. En plus de la formation du personnel du Service de l'Elevage, le Projet fournira un consultant à court terme en enseignement des techniques de l'élevage pour aider l'Ecole des agents d'élevage dans la réforme des

programmes d'études nécessaires pour faire face aux besoins de formation d'un programme d'élevage élargi. Le personnel en production animale et gestion des pâturages aidera et éventuellement participera à la formation sur le terrain du personnel du Service de l'Elevage.

- e. Formation d'agents de vulgarisation au niveau des pasteurs. Il s'agit de la formation de membres des familles des pasteurs et peut être fait sur le terrain. L'unité de production animale du Projet et le personnel du Service de l'Elevage avec l'assistance du sociologue élaboreront un programme pour la formation des pasteurs en économie animale et gestion des pâturages, qui sera mis à exécution pendant la Phase II prévue du Projet.

Le résultat final des activités décrites ci-dessus sera l'objectif du Projet, à savoir un programme intégré réalisable d'accroissement de la production animale et de conservation des ressources naturelles et la zone pastorale, et la mise au point de structures institutionnelles nationales capables de réaliser les interventions recommandées. Ce programme sera préparé par le personnel du Projet en collaboration avec le Service de l'Elevage et les autres services intéressés, et sera présenté au Ministère du Développement Rural vers le 30 Septembre 1980. Tenant pour acquis que les principaux problèmes rencontrés dans la Phase I seront résolus avec succès, la RN aura toutes les informations de base nécessaires pour commencer un programme à grande échelle visant à augmenter la production animale et contrôler l'utilisation des pâturages dans la zone pastorale. En particulier, elle disposera (1) de données sur les coûts et les bénéfices de diverses interventions de productivité et (2) un plan de gestion des pâturages précisant la nature et le niveau de l'utilisation basée sur les caractéristiques physiques et biologiques du sol et la meilleure façon d'instituer des contrôles. Le rapport de l'équipe du Projet formera la base d'un éventuel programme d'action de la Phase II dans la zone du Projet.

Les apports requis pour réaliser les activités ci-dessus consistent en personnel, marchandises, construction et formation. Le Projet fournira le personnel suivant pour aider le Directeur de Projet à exécuter le programme, un Conseiller en gestion des pâturages et son homologue ; un Conseiller en production animale et son homologue ; un Sociologue et son homologue ; un Economiste spécialiste de commercialisation. Dix (10) personnels techniques d'appoint. De plus, le projet requierra environ 27 hommes-mois d'études. Le volet matériel et équipement sera constitué principalement de véhicules et autres articles destinés à permettre la réalisation des études et des expériences. Le volet construction se compose essentiellement des quatre (4) stations d'élevage. La formation consiste en environ dix (10) programmes universitaires, trente cinq (35) hommes-mois de programmes sans diplôme et dix (10) voyages pour étude et (ou) comme auditeurs libres à des conférences internationales sur la gestion des pâturages.

C. - Exécution

Les activités décrites ci-dessus doivent être exécutées sur une période d'environ trois ans selon le calendrier ci-dessous. Pour chaque activité, l'agent d'exécution est indiqué ainsi que la date prévue de début ou d'achèvement. Les dates ne sont qu'approximatives mais devront être considérées comme assez fermes parce que : 1) certaines de ces dates sont liées à la saison des pluies et la saison sèche et 2) de nombreuses activités sont liées entre elles et des retards pour certaines auraient des répercussions sur tout le Projet. Les dates sont indiquées en mois et dépendant du mois où sera signé l'Accord de Subvention pour le Projet.

TIAS 9078

Calendrier des Activités

<u>Activité</u>	<u>Agent d'Exécution</u>	<u>Date</u> (mois)
1. Photographie Aérienne de la Zone du Projet	RN/Sous-traitant	0+4 Jan '78
2. Arrivée de l'équipe du Projet et désignation des homologues	AID/Gouvern. du Niger	0+6 Mars 78
3. Arrivée matériel et des équip.	RN/AID	0+6 Mars 78
4. Construction de la 1ère station d'élevage	RN/Sous-traitant	0+6 Mars 1978
5. Sélection et formalités d'envoi des stagiaires	RN/AID	0+7 Avr. 78
6. Début des études sur la production animale, la sociologie, la gestion des pâturages et la commercialisation	RN/AID	0+7 Avr. 78
7. Début sélection des bassins de captation	RN/AID	0+9 Juin 78
8. Départ des boursiers aux Etats-Unis	RN/AID	0+11 Août 78
9. Début études production animale	RN/AID	0+13 Oct. 78
10. Premier rapport intérimaire pour chaque unité du Projet	Personnel du Projet	0+15 Déc. 78
11. Premier recensement de la population et du bétail	RN/Consultant	0+18 Mars 79
12. Fin construction bassins de captation	Sous-traitant/RN	0+20 Mai 79
13. Première évaluation	AID/RN	0+21 Juin 79
14. Étude des coûts récurrents	RN/Consultant	0+24 Sept. 79
15. Deuxième recensement	RN/Consultant	0+25 Oct. 79
16. Début formation sur le terrain, personnel pour Phase II.	RN/AID	0+25 Oct. 79

17. Etude socio-juridique des droits fonciers RN/Consultant 0+26 Nov. 79
18. Fin des études de production animale, sociologie, gestion des pâturages et commercialisation RN/AID 0+33 Juin 80
19. Fin de la construction des stations d'élevage et mise en place du personnel RI/Sous-traitant 0+34 Juil. 80
20. Fin rapport final sur la gestion des pâturages et le programme de vulgarisation de l'élevage RN/AID 0+36 Sept. 80.

D. - Analyse Financière

Ci-après figure une explication du coût des intrants du Projet. Les chiffres compris dans ce texte sont une combinaison des coûts engagés selon ce document et des coûts prévus sous réserve de la disponibilité future des fonds, tel qu'il est expliqué à la Section 2.2, ci-dessus.

1. Intrant du Projet - Personnel à Long Terme

Les estimations types de 100.000 dollars/hommes année pour du personnel technique à long terme ont été utilisées. Ces coûts comprennent le logement et tout autre support logistique. Le personnel technique à long terme se compose d'un conseiller en gestion des pâturages, un conseiller en production animale, un sociologue et un économiste spécialiste en commercialisation. Les coûts pour les personnels techniques d'appoint sont évalués à 25.000 dollars par homme-année.

2. Intrant du Projet - Personnel à Court Terme

Le Budget du Projet prévoit le financement de consultants à court terme pour aider à la réalisation de ce qui suit :

- a) l'étude de productivité de l'élevage.
- b) une étude des coûts récurrents.
- c) les études sur les ressources en pâturages, la photographie aérienne, et l'évaluation du Plan de Gestion des Pâturages.
- d) le recensement de la population humaine et animale dans la zone pastorale.
- e) la mise au point d'un programme de formation locale en gestion des pâturages.
- f) une analyse sociale du secteur Sud-Est de la zone du Projet.

3. Intrant du Projet - Personnel Local

<u>Nombre et Description</u>	<u>Coût Trimestre</u> <u>(milliers de \$)</u>	<u>Coût Total</u> <u>Trimestre</u> <u>(milliers de \$)</u>
10 Chauffeurs	0,514 (y compris voyage)	5,4
6 Mécaniciens	0,470	0,9
2 Assistants mécaniciens	0,403	0,8

2 Secrétaires bilingues	0,762	1,5
2 Dactylos	0,762	1,5
2 Traducteurs/Interprètes	1,478	3,0
Personnel Technique d'appoint	0,381	0,0
3 gardiens	0,200	0,6
		<hr/>
Total Bureau et support local.....	21,7	

Le Projet engagera également une secrétaire, un traducteur et une dactylo sur AF 77. Le Projet prévoit d'embaucher tout le reste du personnel de bureau sur AF 78 afin de prévoir la formation et de faire face à la grande quantité de documents attendus, en français et en anglais dès le début de la Phase d'Exécution du Projet.

Des manoeuvres seront engagés et imputés pendant le premier trimestre 1978. Le coût pour dix (10) manoeuvres pour la construction d'enclos pendant six (6) mois est de 4,800 dollars.

Les agents recenseurs sont prévus pour être engagés en 1979. Le coût de quinze (15) agents pendant huit (8) mois est de 15,300 dollars.

4. Intrant du Projet-Formation

Les coûts de formation sont basés sur les coûts standards de l'AID et USDAO pour la formation dans AF 77. Voici les détails :

10 formations de cadre à 18,000 dollars chaque pour la première année et 11,000 dollars chaque la seconde et troisième année, soit :	350.000 \$
35 hommes-mois de formation pratique aux Etats-Unis ou dans un pays tiers à 2,000 \$ par mois, soit :	70.000 \$
10 voyages d'études aux Etats-Unis à 5,000 \$ chaque, soit :	50.000 \$
7 formations locales de personnel et volontaire de la République du Niger	54.000 \$

5. Autres Frais de Fonctionnement

Les fournitures pour la santé animale seront fournies au Service de l'Elevage pour maintenir leur programme de contrôle des maladies dans la zone du Projet et fournir toutes les vaccinations et les contrôles de parasites nécessaires aux 60 troupeaux étudiés. Le coût prévu est de 150,000.

La nourriture et les sels minéraux supplémentaires pour le Projet coûteront au maximum

200 MT. de concentrés	43.000 \$
15,000 blocs de sels minéraux	70.000 \$

Les semences pour les parcelles de ré-ensemencement sont évaluées à 5.000 dollars.

L'analyse chimique des forages faite par un laboratoire américain coûtera 5.000 dollars.

Les outils utilisés pour la construction d'enclos, les parcelles de ré-ensemencement et de mélange des aliments (pelles, pioches, brouettes etc...) : 3.600 dollars.

Le matériel pour le bétail pour l'étude sur la production (mètres de perce, crochets pour moutons, marques pour les moutons, encoches pour oreilles, supports pour blocs de sel, longes, etc...) : 5.000 dollars.

Il sera procédé au dépouillement de toute la documentation disponible à Paris, aux USA, au Niger et dans d'autres pays du Sahel sur la structure sociale et la production animale chez les nomades sahariens et les données agrostologiques sur le Sahel. Elle réunira des copies des renseignements appropriés pour utilisation par le Bureau PZH et le personnel du Projet : \$ 20.000.

La location d'un bureau : \$ 8.000 par an à partir de AF 78, et renouvelé pour 9 mois sur AF 79. Les équipements sont évalués à \$ 15.000 par an.

Les fournitures de bureau coûteront 6.000 dollars par an soit 20.000 \$ au total.

Les coûts de l'essence, huiles, lubrifiants pour les véhicules utilisés dans le Projet sont les suivants :

Véhicules type pick up et passagers 2½ x 20.000 km x 0,20 C/km	96.000 \$ par an
3 petites station-wagon 3 x 20.000 km x 0,15 C/km	9.000 \$ par an
2 camions de 5 tonnes 2 x 20.000 km x 0,40 C/km	16.000 \$ par an
TOTAL	<u>121.000 \$</u> par an

Pour AF 77, 20.000 dollars seront imputés avec toutes les autres obligations par année selon les estimations ci-dessus.

6. Intrant particulier du Projet n° 7 - Construction

a) Stations d'Elevage

1. Aderbissinat
Abalaï, In Gall et Gadabéji sont programmés 55.490 \$

en AF 79. Leurs coûts sont les suivants :

2. Abalak	47,650 \$
3. Ingall	50,350 \$
4. Gadebéji	55,200 \$
5. Cinq (5) installations pour traitement du bétail au voisinage de l'enclos d'Aderbissinet 12 M x 12 M et couloir de travail 14 M de long x 0,6 M de large	4,100 \$
6. Cinq (5) installations pour traitement du bétail au voisinage de l'enclos de Gadebéji — 12 M x 12 M et couloir de travail — 14 M de long x 0,6 M de large	3,500 \$

b. Enclos

Le coût de vingt (20) parcelles avec clôture pour paturages et réensemement à divers endroits avec chacune, 100 M x 100 M ou 8.000 M de clôture à 7,55 \$/M 60,400 \$

Zones pour la captation des eaux de surface. Le coût pour les trois (3) est évalué à 20,000 \$

c. Amélioration des Puits :

Les coûts sont évalués de la façon suivante :

Coût local - 15 puits	
Ciment par puits - 4 tonnes à 140 \$/tonne	8,400 \$
Armatures par puits - 500 kgs à 0,56 \$/kg	4,200 \$
Main d'œuvre par puits - 140 \$	6,000 \$
Coût du matériel pour l'amélioration des puits	
Trépied pour treuil (fabrication locale)	600 \$
Poulie et appareil de levage (capacité 2 tonnes)	500 \$
Formes et revêtement intérieur des puits (fabrication locale)	— 1,200 \$
	22,400 \$

7. Intrant du Projet - Autres Biens d'Equipement

Matériel de communication

Magnétophone portatif	18,000 \$
Cassettes et piles	6,000 \$
	24,000 \$

Matériel de Camping - Pour les techniciens du Projet, le personnel sur le terrain et les enquêteurs recrutés localement, ces articles ont été évalués à 20,000 \$

Les Véhicules du type quantité et coût suivants seront imputés sur AF 77.

- | | | |
|----|---|-------------------|
| a. | Cinq (5) Pick up traction 4 roues, chassis long - 3/4 tonnes avec treuil à l'avant à 8,000 \$ chaque | 40,000 \$ |
| b. | Deux (2) petits pick up avec cabine passagers, chassis long avec crochets pour remorque et treuil à l'avant à 8,900 \$ chaque | 17,000 \$ |
| c. | Six-sept (17) véhicules utilitaires 4 roues motrices et (si possible) avec treuil à l'avant à 8,900 \$ chaque | 136,000 \$ |
| d. | Deux (2) camions 5 tonnes, 4 roues motrices avec treuil à l'avant et support de moteur horizontal à 16,900 \$ chaque | 32,000 \$ |
| e. | Trois (3) petites station-wagon à 5,900 \$ chaque | 15,000 \$ |
| | <u>SUMM. VEHICLES</u> | <u>240,000 \$</u> |

Le coût des équipements des véhicules pour les garages du 1er et 2ième échelon est évalué à 8,000 \$

Chameaux - Trente (30) chameaux sont prévus pour le transport dans la Zone du Projet. Le coût par chaque chameau y compris les selles, licous et nourriture est évalué à 400 £ soit un total de 12,000 £

Matiéries de Bureau 8,450 £

Un contrat de photographies aériennes pour faire la cartographie de toute la zone du Projet. Les photographies étant réellement faites au début de AF 78.

Le vol, la prise de vue, le développement et le tirage d'un jeu de photos couleurs à l'échelle 1/24,000 sur une superficie de 15.000 miles coûtera 140,000 \$

L'intégration des photographies et la composition de cartes à partir des photos comprenant trente (30) jours de mission de contrôle sur le terrain 60,000 \$

TOTAL : 200,000 \$

L'achat des vues par satellite de la zone du Projet sur AF 78 coûtera 1,500 \$ et les vues d'autres parties de la zone du Projet pour pouvoir comparer et planifier coûteront 12,500 \$

Les livres et tous les autres imprimés pour la constitution d'une bibliothèque de référence sur la gestion des pâturages au bureau PZM coûteront 3,000 \$.

Le matériel pour la station d'élevage comprenant les réfrigérateurs au kérozène, les microscopes, les pistolets médicaux, ciseaux, les scalpels, les seringues, etc... coûtera 2,100 \$ par station ou 8,400 \$ pour les quatre (4) stations.

Le matériel pour le contrôle des pâturages pour l'étude des ressources en pâturages comprendra : des pluviomètres, du matériel pour tester le sol, des balances, des rubans, des machines à calculer, des cartes, des microscopes, des sondes de terrain, des thermomètres, des anémomètres, etc... coûtera 6,000 \$.

Notes sur les coûts des Intrants y compris Inflation et imprévus

Les facteurs d'inflation sont pris en compte d'après le raisonnement suivant :

Inflation moyenne pondérée : 11,5 %/an

Pour AF 78, le taux d'inflation est 11 % du coût de base ; pour AF 79, le taux est de 23,0 % ; pour AF 80, le taux est de 34,5 %.

Le facteur imprévu moyen pondéré est de 12 %.

Tableau 1. OBLIGATIONS PRÉVUES PAR ANNÉE

<u>Personnel à Long Terme</u>	AF 77	Prévisions années futures			Total	Coût local en ₣ UC	Coût des changes
		AF 78	AF 79	AF 80			
Conseiller en Gestion des pâturages	113.5	46.5	40.0	50.0	250.0	-	250.0
Conseiller en Economie animale	113.5	46.5	40.0	50.0	250.0	-	250.0
Sociologue	113.5	46.5	40.0	50.0	250.0	-	250.0
Economiste spécial en commercialisation	113.5	36.5	-	-	150.0	-	150.0
Personnel technique d'appoint	156.0	243.3	125.0	100.0	625.0	-	625.0
<u>Personnel à Court Terme</u>	125.0	-	140.0	0	265.0	-	265.0
<u>Local</u>							
Bureau et Support	29.0	86.8	57.7	65.1	248.6	248.6	-
Manœuvres	3.0	6.0	4.0	3.0	18.0	18.0	-
Agents recenseurs	-	-	15.3	-	15.3	15.3	-
<u>Formation</u>							
Universitaire (long terme)	-	130.0	110.0	110.0	350.0	-	350.0
Technique (court terme)							

Observation	25.0	25.0	-	50.0	-	50.0
Local	18.0	26.0	10.0	54.0	54.0	-
Autres frais de fonctionnement						
Sup. santé animale	100.0	50.0	-	150.0	-	150.0
Mélanges secs minéraux-aliments	76.5	36.5	-	113.0	113.0	-
Semences	5.0	..	-	5.0	..	5.0
Analyse chimique	-	5.0	-	5.0	-	5.0
Outils (pelles, pioches, etc.)	2.6	1.0	..	3.6	3.6	-
Matériel trait. bétail	1.0	4.0	..	5.0	..	5.0
Revue documenta-						
tion	20.0	..	-	20.0	-	20.0
Location bureau et installations	31.0	15.0	18.0	64.0	64.0	-
Fournit de bureau	2.0	6.0	6.0	20.0	20.0	-
Essence, huile, lubrifiants	20.0	106.5	121.0	86.7	335.2	335.2
Frais d'Equipement						
Stat. élevage	55.5	153.2	-	208.7	208.7	-
Instal. Trait.Elev.	4.1	3.5	-	7.6	7.6	-
Enclos	60.4	-	..	60.4	40.4	20.0
Puits et réserv.	-	29.4	13.0	-	42.4	42.4
Autres Frais d'équipement						
Matériel commun.	-	24.0	..	-	24.0	24.0
" "camping	20.0	-	..	-	20.0	-
Véhicules	240.0	-	..	-	240.0	-
Mat. véhiculcs	8.0	-	-	-	8.0	8.0
Chameaux	-	9.0	3.0	..	13.0	12.0

Matériel bureau	8.5	:	-	-	-	:	8.5	8.5	..
Photos aériennes	200.0	:	-	:	200.0	-	200.0
Vues par satellite	1.5	:	-	12.5	-	:	14.0	-	14.0
Bibliothèque techn.	1.0	:	2.0	-	-	:	3.0	-	3.0
Matériel pour stations	-	:	2.1	6.3	-	:	8.4	-	8.4
Matériel pour contrôle des pâturages	6.0	:	-	..	-	:	6.0	-	6.0
Sous-Total coût projet	1339.3	:	1201.2	1088.8	550.4	:	4179.3	1223.3	2956.4
Inflation	"	:	138.0	250.4	189.9	:	578.4	169.5	408.9
Sous-total	1339.3	:	1339.3	1339.3	740.3	:	4758.8	1392.8	3065.3
Imprévus	160.7	:	160.7	160.8	89.0	:	571.2	167.0	404.2
GRAND TOTAL	1500.0	:	1500.0	1500.0	829.3	:	5329.3	1559.8	3769.5

Tableau 2. — REPARTITION DES COUTS DU PROJET PAR RESULTATS Y COMPRIS OBLIGATIONS REELLES ET PREVUES

Personnel Long terme	Exp. Gest. Pâturages	Etude prod. anim. et int.	Etudes So- ciologiques	Devel. Res- sources hum.	Dép. Géné- rales	Total
Cons. gest. R&D :	250.0	:	:	:	:	250.0
Cons. Econ. Ami- nale	:	250.0	:	:	:	250.0
Sociologue	:	:	250.0	:	:	250.0
Econ. en commerç	:	150.0	:	:	:	150.0
Personnel technique d'appoint	175.0	750.0	75.0	:	12.50	625.0
Personnel à court terme	40.0	100.0	65.0	60.0	:	265.0
Local Bureau et sup- port	:	25.1	62.9	:	160.6	248.6
Manœuvres	4.8	13.2	:	:	:	18.0
Agents recen- seurs	:	:	15.3	:	:	15.3
Formation universitaire (L, T)	:	:	:	350.0	:	350.0
Tecchnique (CT)	:	:	:	70.0	:	70.0
Observation	:	:	:	50.0	:	50.0

<u>Local</u>				54.0		54.0 -
Frais de foncti-						
onnement local:						
Sup. santé ani-	150.0					150.0 \$
male						
Mélange sole						
minéraux et						
aliments	113.0					113.0
Somences	5.0					5.0
Analyse chimiqu	5.0					5.0
Outils (polios,						
piochon, etc	3.6					3.6
Matériel trait.						
bétail	5.0					5.0
Revue documen-						
tation	7.5	5.0	7.5			20.0
Location bureau						
et installation					64.0	64.0
Fournitures de					20.0	20.0
bureau						
Essence, huile,						
Lubrifiant	110.0	121.0	33.0		71.2	335.2
<u>Frais d'Équipement</u>						
Station d'élevage		208.7				208.7
Installations						
bétail		7.6				7.6
Enclos	60.4					60.4
Puits et rainer-						
voirs	42.4					42.4
Autres frais						
d'équipement						
Matériel de						
communicatio			24.0			24.0
Matériel camping	5.0	5.0	10.0			20.0

Véhicules	81.0	88.0	24.0	24.0	240.0
Matériel véhi- cules	:	:	:	8.0	8.0
Chameaux	: 2.0	2.8	7.2	:	12.0
Matériel de bureau	:	:	:	8.5	8.5
Photos aérienne	: 200.0	:	:	:	200.0
Images par satellite	:	:	:	:	:
	: 14.0	:	:	:	14.0
Bibliothèque technique	:	:	:	:	:
	: 3.0	:	:	:	3.0
Matériel pour poète	:	8.4	:	:	8.4
Matériel con- trôle pâturages	: 6.0	:	:	:	6.0
Sous-total	: 1014.7	1502.8	573.9	584.0	501.3
Inflation et imprévu	:	:	:	:	:
	: 279.4	413.8	157.5	160.9	138.0
GRAND TOTAL	: 1294.1	19116.6	731.4	744.9	642.3
% du total	: 24.3	36.0	13.7	14.0	12.0

TABLEAU 3. RESUME COÛTS DU PROJET - RESULTATS/INTRANTS (en \$ 000).

	Unité Gest. Pâturage	Unité Prod. Animale	Unité Sociologie	Unité Dev. Ressources Humaines	Frais Généraux	Total
1. Personnel						
Long terme	425,0	660,0	325,0		125,0	1825,0
Consultants	40,0	100,0	65,0	60,0	-	265,0
Local	4,8	38,3	78,2	--	160,6	281,9
2. Formation						
Long terme				350,0		350,0
Court terme				120,0		120,0
Locale				54,0		54,0
3. Frais de Fonctionnement						
4. Frais d'Équipement						
Construction	102,8	216,3	-	-	-	319,1
Véhicules	81,0	88,0	24,0	-	47,0	240,0
Matériel	16,0	16,2	41,2	-	16,5	89,5
Photo Aérienne	214,0	-	-	-	-	214,0
Sous-Total	3014,7	1502,8	573,9	584,0	504,3	4179,7
Inflation et Imprévu	279,4	413,8	157,5	160,9	138,0	149,6
TOTAL	1294,1	1916,6	731,4	744,9	642,3	5329,3
% des coûts totaux	24,3	36,0	13,7	14,0	14,0	100,0

Tableau 4 - RESUME DES COUTS DU PROJET PAR ANNEE (EN ₣ 000).

APPORTS USAID	prévisions années futures				TOTAL	Coûts Locaux en US \$	Coûts des Echanges
	AF 77	AF 78	AF 79	AF 80			
<u>Personnel</u>							
Long terme	610,7	419,3	245,0	250,0	1525,0	-	1525,0
Consultants	125,0	-	140,0	-	265,0	-	265,0
Local	32,6	92,8	87,8	68,7	281,9	281,9	-
<u>Formation</u>							
Long terme	-	130,0	110,0	110,0	350,0	-	350,0
Court terme	-	65,0	55,0	-	120,0	-	120,0
Locale	-	18,0	26,0	10,0	54,0	54,0	-
<u>Autres Frais de Fonctionnement</u>							
Contrat coût Matériel	25,6	350,0	233,5	110,7	720,8	535,8	185,0
Véhicules	60,4	89,0	169,7	-	319,1	299,1	20,0
Matériel	240,0	-	-	-	240,0	-	240,0
Photo Aérienne	45,0	37,0	9,3	-	91,3	28,5	37,4
Sous-Total	1339,3	201,2	1088,8	550,4	4179,7	1223,3	2956,4
Inflation	-	136,1	250,4	189,9	576,4	169,5	408,9
Imprévu	160,7	160,7	160,8	89,0	571,2	167,0	404,2
TOTAL	1500,0	1500,0	1500,0	829,3	5329,3	1559,8	3769,5
<u>APPORTS RN (en nature)</u>							
Personnel	16,0	63,8	63,8	47,8	191,4	191,4	
Autres Frais de Fonctionnement	-	33,1	33,1	-	66,2	66,2	
Coût	-	31,0	31,0	-	62,0	62,0	
Inflation et Imprévu	1,9	31,8	48,3	24,2	120,8	120,8	
TOTAL	17,9	159,6	176,2	72,0	440,8	440,8	

TIAS 9078

INDONESIA
Mapping, Charting and Geodesy

*Memorandum of understanding signed at Jakarta
October 21, 1977;
Entered into force October 21, 1977.*

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
CONCERNING
MAPPING, CHARTING AND GEODESY COOPERATION

ARTICLE I

PURPOSE

The purpose of this Memorandum is to establish an understanding between the Government of the Republic of Indonesia through its Department of Defense and Security, and the Government of the United States of America through its Department of Defense, concerning cooperation and mutual assistance in mapping, charting and geodesy, as well as the exchange of maps, charts, aerial photography, and related data, as mutually agreed.

The implementation of this Memorandum of Understanding shall be specified in separate Memoranda.

ARTICLE II

IMPLEMENTING AGENCIES

The Pusat Survey dan Pemetaan ABRI (PUSSURTA ABRI) for the Government of the Republic of Indonesia, and the Defense

Mapping Agency (DMA) for the Government of the United States of America are authorized to implement this Memorandum.

ARTICLE III

BASIS OF THE MEMORANDUM

The United States assistance stipulated in this Memorandum shall complement relevant development programs of the Government of the Republic of Indonesia, and shall jointly be implemented.

ARTICLE IV

MUTUAL OBLIGATIONS

1. Any action taken by either of the implementing agencies shall be subject to the requirements of their respective national legislation and the availability to that agency of personnel, materials and funds.

2. Specific responsibilities and the necessary arrangements shall be determined by the following agencies:

a. The Defense Mapping Agency (DMA) is the principal U.S. agency concerned and as such will be responsible for matters of U.S. policy, programming, and coordination of the activities of the producing agencies.

The following U.S. producing agencies will coordinate specific details of their respective programs through such Indonesian channels as are specified by PUSSURTA ABRI:

(1) The Defense Mapping Agency Topographic Center (DMATC).

- (2) The U.S. Naval Oceanographic Office (NAVOCEANO)
- (3) The Defense Mapping Agency Hydrographic Center
(DMAHC)
- (4) The Defense Mapping Agency Aerospace Center
(DMAAC).

b. The Pusat Survey dan Pemetaan ABRI (PUSSURTA ABRI) is the principal Indonesian agency and will be responsible for matters of Indonesian policy, programming, and overall basic responsibility and coordination of the activities of the agencies concerned, namely:

- (1) The Jawatan Topografi TNI-AD (JANTOP TNI-AD)
- (2) The Jawatan Hidro-Oseanografi (JANHIDROS)
- (3) The Jawatan Pemotretan Udara TNI-AU
(JANPOTRUD TNI-AU).

ARTICLE V

PROTECTIVE RESTRICTIONS

1. Any security classification or other release restrictions specified by the releasing authority of either implementing agency will be applied and enforced by the recipient.
2. Any original data obtained during the cooperative programs shall be the property of the Government of the Republic of Indonesia and the U.S. implementing agencies may obtain copies thereof.
3. Any topographic maps and aeronautical charts at scales of 1 : 250,000 and larger and any original data related thereto,

provided by the Government of the Republic of Indonesia or produced under the joint program, shall not be released outside the U.S. Government without the prior authorization of the Government of the Republic of Indonesia.

ARTICLE VI

STATUS OF U.S. PERSONNEL IN INDONESIA

Members of the U.S. Armed Forces, and other U.S. personnel (civilian employees of the US) entering Indonesia in connection with this agreement shall be afforded the rights, privileges, and immunities stipulated in the respective Memoranda of Understanding.

ARTICLE VII

REVISION OF MEMORANDUM

This Memorandum of Understanding and associated Memoranda of Understanding will be subject to review at any time upon written notice by either of the implementing agencies.

ARTICLE VIII

DATE OF ENTRY INTO FORCE AND SIGNATURE

This Memorandum of Understanding shall enter into force upon signature by the authorized representatives of both Governments and shall remain in force until one year after either of the

Governments shall have notified the other of its intention to terminate this Memorandum.

ARTICLE IX

FINAL CLAUSE

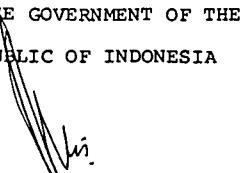
In case of differences in interpretation or implementation of this Memorandum of Understanding, the matters shall be solved through negotiation and consultation.

The undersigned, being duly authorized, have signed this Memorandum of Understanding.

Done in duplicate at Jakarta this twenty first day of October one thousand nine hundred and seventy seven in the English and Indonesian Languages. Both texts are equally authentic.

FOR THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA


ARIS MOENANDAR
LAKSAMANA PERTAMA TNI
KEPALA PUSAT SURVEY DAN
PEMETAAN ABRI


DESMOND W. COFFELT, JR
INTERNATIONAL RELATIONS OFFICE
HEADQUARTERS, DEFENSE MAPPING
AGENCY

MEMORANDUM OF UNDERSTANDING ANTARA PEMERINTAH REPUBLIK INDONESIA DAN PEMERINTAH AMERIKA SERIKAT TENTANG KERJASAMA DALAM BIDANG PEMETAAN DARAT, PEMETAAN LAUT DAN UDARA DAN GEODESI

PASAL I

Tujuan

Tujuan dari memorandum ini adalah untuk menyatakan suatu pengertian antara Pemerintah Republik Indonesia melalui Departemen Pertahanan dan Keamanannya, dan Pemerintah Amerika Serikat melalui Departemen Pertahanannya, tentang kerjasama dan saling membantu dalam bidang pemetaan darat, pemetaan laut dan udara, geodesy serta pertukaran peta-peta darat, peta-peta laut dan udara, foto udara dan data yang berhubungan dengannya, seperti yang disetujui bersama.

Pelaksanaan Memorandum ini akan ditetapkan dalam memorandum-memorandum tersendiri.

PASAL II

Badan-Badan Pelaksana

Pusat Survey dan Pemetaan ABRI (PUSSURTA ABRI) dan Defense Mapping Agency (DMA) diberi wewenang untuk melaksanakan memorandum ini masing-masing untuk Pemerintah Republik Indonesia dan Pemerintah Amerika Serikat.

PASAL III

Dasar-Dasar Memorandum

Bantuan dari Amerika Serikat yang disetujui dalam Memorandum ini harus mengisi program-program pembangunan yang berkaitan dari Pemerintah Republik Indonesia, dan akan dilaksanakan bersama.

PASAL IV

Kewajiban-Kewajiban Bersama

1. Setiap tindakan yang dilakukan oleh salah satu badan pelaksana akan tergantung pada persyaratan-persyaratan dari perundangan masing-masing negara dan tersedianya personil, materiil dan dana pada badan pelaksana itu.
2. Tanggung jawab khusus dan pengaturan yang perlu akan ditentukan oleh badan-badan dibawah ini :
 - a. Defense Mapping Agency (DMA) adalah badan pelaksana utama dari Amerika Serikat yang dimaksud dan antara lain akan bertanggung jawab tentang hal-hal yang menyangkut kebijaksanaan, penyusunan program dan pengkoordinasian kegiatan-kegiatan dalam badan-badan pelaksana.

Badan-badan pelaksana Amerika Serikat berikut akan mengkoordinasikan perincian khusus dari masing-masing programnya melalui saluran-saluran Indonesia seperti ditentukan oleh PUS-SURTA ABRI:

- 1) The Defense Mapping Agency Topographic Center (DMATC).
 - 2) The Naval Oceanographic Office (NAVOCEANO)
 - 3) The Defense Mapping Agency Hydrographic Center (DMAHC).
 - 4) The Defense Mapping Agency Aerospace Center (DMAAC).
- b. Pusat Survey dan Pemetaan ABRI (PUSSURTA ABRI) adalah badan-badan pelaksana utama Indonesia dan akan bertanggung jawab tentang hal-hal yang menyangkut kebijaksanaan, penyusunan program dan keseluruhan pertanggung-jawaban dasar serta mengkoordinasikan kegiatan-kegiatan dari badan pelaksana yang bersangkutan, yaitu:
- 1) Jawatan Topografi TNI-AD (JANTOP TNI-AD)
 - 2) Jawatan Hidro-Oseanografi (JANHIDROS)
 - 3) Jawatan Pemotretan Udara TNI-AU (JANPOTRUD TNI-AU).

PASAL V

Pembatasan-Pembatasan Pengamanan

1. Setiap klasifikasi pengamanan atau pembatasan-pembatasan penyiaran lainnya yang ditentukan oleh yang berwewenang menyuarakan dari salah satu badan pelaksana akan dipakai dan diselenggarakan oleh badan yang menerima.
2. Setiap data asli yang didapat selama program kerjasama akan menjadi milik Pemerintah Republik Indonesia dan badan-badan pelaksana Amerika Serikat dapat memperoleh copy-copy dari padanya.
3. Setiap peta topografi dan peta nautika udara dengan skala 1:250.000 dan lebih besar serta setiap data asli yang berkaitan dengan itu, yang diberikan oleh Pemerintah Republik Indonesia atau dihasilkan dalam rangka program kerjasama, tidak akan diberikan keluar dari Pemerintah Amerika Serikat dengan tidak ada izin dari Pemerintah Republik Indonesia terlebih dahulu.

PASAL VI

Status Personil Amerika Serikat Di Indonesia

Anggota Angkatan Bersenjata Amerika Serikat dan personil Amerika Serikat lainnya (pegawai Sipil Amerika Serikat) yang memasuki wilayah Indonesia sehubungan dengan persetujuan ini akan diberi hak-hak, keistimewaan-keistimewaan dan kekebalan-kekebalan sebagaimana ditetapkan dalam masing-masing Memorandum of Understanding.

PASAL VII**Perobahan Pada Memorandum**

Memorandum of Understanding dan Memoranda of Understanding yang berkaitan dengannya, dapat ditinjau kembali sewaktu-waktu dengan pemberitahuan tertulis oleh salah satu badan pelaksana.

PASAL VIII**Tanggal Mulai Berlaku Dan Penanda-Tanganan**

Memorandum of Understanding ini mulai berlaku setelah ditandatangani oleh Wakil-Wakil yang diberi wewenang oleh kedua Pemerintah dan akan tetap berlaku selama satu tahun setelah salah satu Pemerintah menyampaikan maksudnya untuk memutuskan Memorandum ini kepada Pemerintah yang lain.

PASAL IX**Penutup**

Apabila terjadi perbedaan pendapat ataupun pelaksanaan dari Memorandum of Understanding ini, persoalan-persoalan tersebut akan diselesaikan melalui musyawarah dan konsultasi. Penanda tangan, yang telah menanda tangani Memorandum of Understanding ini, adalah yang diberi wewenang.

Dibuat dalam dua rangkap di Jakarta pada tanggal Duapuluhan Satu bulan Oktober tahun Seribu Sembilan Ratus Tujuh Puluh Tujuh dalam bahasa Inggeris dan Indonesia, Kedua naskah bernilai sama.

ATAS NAMA PEMERINTAH
REPUBLIK INDONESIA

ARIS MOENANDAR

Laksama Pertama Tni Aris
Moenandar
Kepala Pusat Survey Dan Pemetaan Abri

ATAS NAMA PEMERINTAH
AMERIKA SERIKAT

DESMOND W. COFFELT, JR.

Desmond W. Coffelt, Jr.
*International Relations Office
Headquarters, Defense Mapping
Agency*

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