

United States Treaties and Other International Agreements



VOLUME 28

IN SEVEN PARTS

Part 6

1976-77

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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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LIST OF DOCUMENTS CONTAINED IN PART 6 OF THIS VOLUME

TIAS	Page
8683 <i>Multilateral.</i> International Coffee Agreement, 1976. Agreement: Approved Dec. 3, 1975	6401
8684 <i>Philippines.</i> Agricultural commodities. Agreement: Signed May 12, 1977; with agreed negotiation minutes	6708
8685 <i>Austria.</i> Atomic energy (Power Burst Facility (PBF) research program). Agreement: Signed Feb. 25 and Mar. 3, 1977; with administrative understandings	6721
8686 <i>Austria.</i> Atomic energy (Loss of Fluid Test (LOFT) research program.) Agreement: Signed Feb. 25 and Mar. 3, 1977; with administrative understandings	6733
8687 <i>United Kingdom of Great Britain and Northern Ireland.</i> Atomic energy (reactor safety experiments). Agreement: Signed Nov. 10 and Dec. 14, 1976	6740
8688 <i>United Kingdom of Great Britain and Northern Ireland.</i> Atomic energy (safety research and development). Arrangement: Signed July 20 and Aug. 3, 1977	6755
8689 <i>Cuba.</i> Fisheries off the United States coasts. Agreement: Signed Apr. 27, 1977; with agreed minutes	6769
8690 <i>Abu Dhabi.</i> Technical assistance in customs improvement. Agreement: Signed Jan. 18 and Apr. 26, 1976	6815
8691 <i>Venezuela.</i> Educational cooperation. Agreement: Signed May 7, 1976	6843
8692 <i>Guatemala.</i> Emergency municipal reconstruction and repair. Agreement: Signed May 14, 1976	6847
8693 <i>Dominican Republic.</i> Technical services in equipment installations and airport facilities. Agreement: Signed May 6 and 28, 1976	6872
8694 <i>United Nations.</i> Trust Fund for Africa. Agreement: Signed June 17, 1976	6885
8695 <i>Switzerland.</i> Air charter services. Agreement: Signed July 14 and 27, 1977	6898
8696 <i>Jordan.</i> Road improvement. Agreement: Signed July 22, 1976 . . .	6910
8697 <i>Jordan.</i> School construction. Agreement: Signed July 22, 1976 . . .	6936
8698 <i>African Development Bank.</i> Regional onchocerciasis area Land Satellite (LANDSAT) related study. Agreement: Signed June 30, 1976 . . .	6963
8699 <i>Egypt.</i> Public and private sector productive enterprises. Agreement: Signed July 29, 1976	6971

TIAS	Page
8700 <i>Egypt.</i> Helwan-Talka gas turbine project. Agreement: Signed July 31, 1976	6989
8701 <i>Mexico.</i> Plant protection. Agreement: Signed Feb. 8, 1973. And amending agreements: Signed Sept. 10 and Oct. 9, 1973 and signed July 15 and 24, 1976	7004
8702 <i>Egypt.</i> Cement plant construction. Agreement: Signed July 31, 1976	7017
8703 <i>Philippines.</i> Waterworks systems. Agreement: Signed Aug. 7, 1976. And amending agreement: Signed Feb. 7, 1977	7035
8704 <i>Philippines.</i> Rural electrification. Agreement: Signed Aug. 6, 1976	7073
8705 <i>Iceland.</i> Information exchange on utilization of energy from geothermal sources. Agreement: Signed Nov. 23, 1973. And amending agreement: Signed Dec. 18, 1974 and Jan. 20, 1975	7105
8706 <i>Multilateral.</i> Transatlantic balloon program. Agreement: Signed July 21 and 22, 1976. And amending agreement: opened for signature Aug. 9, 1976	7114
8707 <i>Syria.</i> Investment guarantees. Agreement: Signed Aug. 9, 1976; with related letter	7122
8708 <i>Federal Republic of Germany.</i> Safeguarding technical data on JT-10D aircraft engine. Agreement: Signed Feb. 24 and Mar. 18, 1977	7146
8709 <i>Peru.</i> Agricultural commodities (transfers under Title II). Agreement: Signed July 21 and Aug. 8, 1976. And amending agreement: Signed Dec. 14 and 20, 1976	7152
8710 <i>Pakistan.</i> Agricultural commodities (transfers under Title II). Agreement: Signed Sept. 9, 1976; with minutes	7160
8711 <i>Mozambique.</i> Agricultural commodities (transfers under Title II). Agreement: Signed Sept. 14, 1976; with related note	7165
8712 <i>Mexico.</i> Colorado River waters (emergency deliveries to Tijuana). Agreement: Adopted June 13, 1972. And amending and extending agreement: Adopted Sept. 25, 1973, May 15, 1974, Aug. 31, 1976, Feb. 22, 1977	7169
8713 <i>Guatemala.</i> Municipal earthquake recovery. Agreement: Signed Sept. 20, 1976	7213
8714 <i>Bolivia.</i> Rural access roads. Agreement: Signed Sept. 20, 1976	7259
8715 <i>Ethiopia.</i> Agricultural commodities. Agreement: Signed June 15, 1976	7344
8716 <i>Syria.</i> Agricultural commodities. Agreement: Signed Apr. 20, 1976; with minutes of negotiations. And amending agreements: Signed May 11 and 16, 1976, June 2 and 3, 1976, Sept. 28 and 29, 1976	7370
8717 <i>Syria.</i> Agricultural commodities. Agreement: Signed Mar. 3, 1977	7392
8718 <i>Mexico.</i> Prisoner transfer. Treaty: Signed Nov. 25, 1976	7399
8719 <i>Pakistan.</i> Tarbela Dam repairs. Agreement: Signed Sept. 22, 1976	7419
8720 <i>Canada.</i> Transit pipelines. Agreement: Signed Jan. 28, 1977	7449
8721 <i>Singapore.</i> Air transport services. Agreement: Signed Oct. 18 and 31, 1977. With memorandum of consultation: Signed Sept. 23, 1977	7471

TIAS		Page
8722	<i>Lebanon.</i> Air transport services. Agreement: Signed Sept. 24 and Oct. 13, 1977	7479
8723	<i>Sudan.</i> Criminal investigations. Agreement: Signed Sept. 23, 1977 . .	7482
8724	<i>Pakistan.</i> Criminal investigations. Agreement: Signed Sept. 9, 1977 .	7488
8725	<i>Spain.</i> Criminal investigations. Agreement: Signed June 7 and July 22, 1977	7494
8726	<i>India.</i> Criminal investigation. Agreement: Signed Aug. 19, 1977 . .	7497
8727	<i>Japan.</i> Fisheries off the United States coasts. Agreement: Signed Feb. 10, 1977	7502
8728	<i>Japan.</i> Fisheries off the United States coasts. Agreement: Signed Mar. 18, 1977; with agreed minutes	7507
8729	<i>Union of Soviet Socialist Republics.</i> Cultural relations (exchanges for 1977-1979). Agreement: Dated Oct. 22, 1976	7565
8730	<i>Republic of Korea.</i> Economic assistance. Agreement: Signed Oct. 16, 1971	7591
8731	<i>Zaire.</i> Finance (consolidation and rescheduling of certain debts). Agreement: Signed June 17, 1977. With agreed minute: Signed June 16, 1976	7593
8732	<i>Union of Soviet Socialist Republics.</i> Space cooperation. Agreement: Signed May 18, 1977. With summary of discussion results: Dated Jan. 21, 1971	7624

MULTILATERAL

International Coffee Agreement, 1976

*Approved by the International Coffee Council at London December 3, 1975,
Ratification advised by the Senate of the United States of America August 23, 1976;
Ratified by the President of the United States of America September 21, 1976;
Ratification of the United States of America deposited with the Secretary-General of the United Nations September 24, 1976;
Proclaimed by the President of the United States of America September 22, 1977,
Entered into force provisionally October 1, 1976;
Entered into force definitively August 1, 1977*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA A PROCLAMATION

CONSIDERING THAT:

The International Coffee Agreement, 1976, with annexes, was opened for signature at United Nations Headquarters from January 31 through July 31, 1976, a certified copy of which Agreement, with annexes, in the English, French, Portuguese and Spanish languages, is hereto annexed,

The Senate of the United States of America by its resolution of August 23, 1976, two-thirds of the Senators present concurring therein, gave its advice and consent to the Agreement, with annexes,

The President of the United States of America ratified the Agreement, with annexes, on September 21, 1976, in pursuance of the advice and consent of the Senate,

The United States of America deposited its instrument of ratification on September 24, 1976, in accordance with the provisions of Article 60,

Pursuant to the provisions of Article 61 of the Agreement, the Agreement, with annexes, entered into force provisionally for the United States of America on October 1, 1976,

Pursuant to the provisions of Article 61 of the Agreement, the Agreement, with annexes, entered into force definitively for the United States of America on August 1, 1977,

NOW, THEREFORE, I, Jimmy Carter, President of the United States of American, proclaim and make public the Agreement, with annexes, to the end that it shall be observed and fulfilled with good faith on and after August 1, 1977, 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 twenty-second day of September in the year of our Lord one thousand nine hundred [SEAL] seventy-seven and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

By the President.

CYRUS VANCE

Secretary of State

INTERNATIONAL COFFEE AGREEMENT 1976

Preamble

The Governments Party to this Agreement,

Recognising the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and thus for the continuation of their development programmes in the social and economic fields;

Considering that close international cooperation on trade in coffee will foster the economic diversification and development of coffee-producing countries, will improve the political and economic relations between producers and consumers and will provide for increasing consumption of coffee,

Recognising the desirability of avoiding disequilibrium between production and consumption which can give rise to pronounced fluctuations in prices harmful both to producers and to consumers,

Believing that international measures can assist in correcting the effects of such disequilibrium, as well as help to ensure an adequate level of earnings to producers through remunerative prices;

Noting the advantages derived from the international cooperation which resulted from the operation of the International Coffee Agreements 1962 and 1968;[¹]

Have agreed as follows.

¹ TIAS 5505, 6584, 7809, 8277, 14 UST 1911, 19 UST 6883, 25 UST 379; 27 UST 1655.

CHAPTER I - OBJECTIVES

Article 1

Objectives

The objectives of this Agreement are:

- (1) to achieve a reasonable balance between world supply and demand on a basis which will assure adequate supplies of coffee at fair prices to consumers and markets for coffee at remunerative / prices to producers and which will be conducive to long-term equilibrium between production and consumption;
- (2) to avoid excessive fluctuations in the levels of world supplies, stocks and prices which are harmful to both producers and consumers;
- (3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in Member countries, thereby helping to bring about fair wages, higher living standards and better working conditions;
- (4) to increase the purchasing power of coffee-exporting countries by keeping prices in accordance with the provisions of paragraph (1) of this Article and by increasing consumption,
- (5) to promote and increase the consumption of coffee by every possible means; and
- (6) in general, in recognition of the relationship of the trade in coffee to the economic stability of markets for industrial products, to further international cooperation in connection with world coffee problems.

Article 2

General Undertakings by Members

(1) Members undertake to conduct their trade policy in such a way that the objectives set out in Article 1 may be attained. They further undertake to achieve these objectives by strict observance of the obligations and provisions of this Agreement.

(2) Members recognise the need to adopt policies which will maintain prices at levels which will ensure adequate remuneration to producers and seek to ensure that prices of coffee to consumers will not hamper a desirable increase in consumption.

(3) Exporting Members undertake not to adopt or maintain any governmental measures which would permit the sale of coffee to non-members on terms commercially more favourable than those which they are prepared to offer at the same time to importing Members, taking into account normal trade practices.

(4) The Council shall review periodically compliance with the provisions of paragraph (3) of this Article and may require Members to supply appropriate information in accordance with the provisions of Article 53.

(5) Members recognise that Certificates of Origin are a vital source of information on the trade in coffee. During periods when quotas are suspended, the responsibility for ensuring the proper use of Certificates of Origin rests with exporting Members. However, importing Members, while under no obligation to demand that Certificates accompany consignments of coffee when quotas are not in effect, shall cooperate fully with the Organization in the collection and verification of Certificates relating to shipments of coffee received from exporting Member countries in order to ensure that the maximum information is available to all Members.

CHAPTER II - DEFINITIONS

Article 3

Definitions

For the purposes of this Agreement:

(1) "Coffee" means the beans and cherries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble coffee. These terms shall have the following meaning:

- (a) "green coffee" means all coffee in the naked bean form before roasting;
- (b) "dried coffee cherry" means the dried fruit of the coffee tree; to find the equivalent of dried coffee cherry to green coffee, multiply the net weight of the dried coffee cherry by 0.50;
- (c) "parchment coffee" means the green coffee bean contained in the parchment skin, to find the equivalent of parchment coffee to green coffee, multiply the net weight of the parchment coffee by 0.80;
- (d) "roasted coffee" means green coffee roasted to any degree and includes ground coffee; to find the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19;
- (e) "decaffeinated coffee" means green, roasted or soluble coffee from which caffeine has been extracted; to find the equivalent of decaffeinated coffee to green coffee, multiply the net weight of the decaffeinated coffee in

green, roasted or soluble form by 1.00, 1.19 or 3.00^{1/} respectively;

(f) "liquid coffee" means the water-soluble solids derived from roasted coffee and put into liquid form; to find the equivalent of liquid to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 3.00^{1/},

(g) "soluble coffee" means the dried water-soluble solids derived from roasted coffee; to find the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 3.00^{1/}

(2) "Bag" means 60 kilogrammes or 132.276 pounds of green coffee; "tonne" means a metric tonne of 1,000 kilogrammes or 2,204.6 pounds; and "pound" means 453.597 grammes.

(3) "Coffee year" means the period of one year, from 1 October through 30 September

(4) "Organization", "Council" and "Board" mean, respectively, the International Coffee Organization, the International Coffee Council and the Executive Board.

(5) "Member" means a Contracting Party, including an inter-governmental organization referred to in paragraph (3) of Article 4, a designated territory or territories in respect of which separate Membership has been declared under the provisions of Article 5; or two or more Contracting Parties or designated territories, or both, which participate in the Organization as a Member group under the provisions of Articles 6 or 7

^{1/} The conversion factor of 3.00 shall be reviewed and may be revised by the Council in the light of decisions taken by recognised international authorities. [Footnote in the original.]

(6) "Exporting Member" or "exporting country" means a Member or country, respectively, which is a net exporter of coffee; that is, a Member or country whose exports exceed its imports.

(7) "Importing Member" or "importing country" means a Member or country, respectively, which is a net importer of coffee; that is, a Member or country whose imports exceed its exports.

(8) "Producing Member" or "producing country" means a Member or country, respectively, which grows coffee in commercially significant quantities.

(9) "Distributed simple majority vote" means a majority of the votes cast by exporting Members present and voting and a majority of the votes cast by importing Members present and voting, counted separately

(10) "Distributed two-thirds majority vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately

(11) "Entry into force" means, except as otherwise provided, the date on which this Agreement enters into force, whether provisionally or definitively

(12) "Exportable production" means the total production of coffee of an exporting country in a given coffee or crop year, less the amount destined for domestic consumption in the same year

(13) "Availability for export" means the exportable production of an exporting country in a given coffee year, plus accumulated stocks from previous years.

(14) "Export entitlement" means the total quantity of coffee which a Member is authorised to export under the various provisions of this Agreement, but excluding exports which under the provisions of Article 44 are not charged to quotas.

(15) "Shortfall" means the difference between the annual export entitlement of an exporting Member in a given coffee year and the amount of coffee which that Member has exported to quota markets in that coffee year

CHAPTER III - MEMBERSHIP

Article 4

Membership in the Organization

(1) Each Contracting Party, together with those territories to which this Agreement is extended under the provisions of paragraph (1) of Article 64, shall constitute a single Member of the Organization, except as otherwise provided for under the provisions of Articles 5, 6 and 7

(2) A Member may change its category of Membership on such conditions as the Council may agree.

(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Economic Community, or any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.

(4) Such intergovernmental organization shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its member States. In such cases, the member States of such intergovernmental organization shall not be entitled to exercise their individual voting rights.

(5) The provisions of paragraph (1) of Article 16 shall not apply to such intergovernmental organization but it may participate in the discussions of the Executive Board on matters within its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 19, the votes which its member States are entitled to cast in the Executive Board may be cast collectively by any one of those member States.

Article 5

Separate Membership in Respect of Designated Territories

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with the provisions of paragraph (2) of Article 64, declare that it is participating in the Organization separately with respect to any of the territories for whose international relations it is responsible, which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated territories will have a single Membership, and its designated territories, either individually or collectively as the notification indicates, will have separate Membership.

Article 6

Group Membership upon Joining the Organization

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Council and to the Secretary-General of the United Nations at the time of deposit of their respective instruments of approval, ratification, acceptance or accession, declare that they are joining the Organization

as a Member group. A territory to which this Agreement has been extended under the provisions of paragraph (1) of Article 64 may constitute part of such Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under the provisions of paragraph (2) of Article 64. Such Contracting Parties and designated territories must satisfy the following conditions:

- (a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity;
- (b) they shall subsequently provide satisfactory evidence to the Council that:
 - (i) the group has the organization necessary to implement a common coffee policy and that they have the means of complying, together with the other parties to the group, with their obligations under this Agreement; and that either
 - (ii) they have been recognised as a group in a previous international coffee agreement; or
 - (iii) they have a common or coordinated commercial and economic policy in relation to coffee and a coordinated monetary and financial policy, as well as the organs necessary to implement such policies, so that the Council is satisfied that the Member group is able to comply with the group obligations involved.
- (2) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be treated as if it were a single Member in relation to matters arising under the following provisions:

TIAS 8683

- (a) Articles 11, 12 and 20 of Chapter IV,
- (b) Articles 50 and 51 of Chapter VIII, and
- (c) Article 67 of Chapter X.

(3) The Contracting Parties and designated territories joining as a Member group shall specify the Government or organization which will represent them in the Council on matters arising under this Agreement other than those specified in paragraph (2) of this Article.

(4) The voting rights of the Member group shall be as follows:

- (a) the Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and cast by the Government or organization representing the group; and
- (b) in the event of a vote on any matters arising under the provisions of paragraph (2) of this Article, the parties to the Member group may cast separately the votes attributed to them under the provisions of paragraphs (3) and (4) of Article 13 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(5) Any Contracting Party or designated territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. If a party to a Member group withdraws from that group or ceases to participate in the Organization, the remaining parties to the group may apply to the Council to maintain the group; the group shall continue to exist unless the Council disapproves the

application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as this Agreement remains in force, again become a party to a group.

Article 7

Subsequent Group Membership

Two or more exporting Members may, at any time after this Agreement has entered into force, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration and have provided satisfactory evidence in accordance with the requirements of paragraph (1) of Article 6. Upon such approval, the Member group shall be subject to the provisions of paragraphs (2), (3), (4) and (5) of that Article.

CHAPTER IV - ORGANIZATION AND ADMINISTRATION

Article 8

Seat and Structure of the International Coffee Organization

(1) The International Coffee Organization established under the 1962 Agreement shall continue in being to administer the provisions and supervise the operation of this Agreement.

(2) The seat of the Organization shall be in London unless the Council by a distributed two-thirds majority vote decides otherwise.

(3) The Organization shall function through the International Coffee Council, the Executive Board, the Executive Director and the staff.

Article 9

Composition of the International Coffee Council

(1) The highest authority of the Organization shall be the International Coffee Council, which shall consist of all the Members of the Organization.

(2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

Article 10

Powers and Functions of the Council

(1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall have the powers and perform the functions necessary to carry out the provisions of this Agreement.

(2) The Council shall, by a distributed two-thirds majority vote, establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.

(3) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

Article 11

Election of the Chairman and Vice-Chairmen of the Council

(1) The Council shall elect, for each coffee year, a Chairman and a first, a second and a third Vice-Chairman.

(2) As a general rule, the Chairman and the first Vice-Chairman shall both be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the second and the third Vice-Chairmen shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member.

(3) Neither the Chairman nor any Vice-Chairman acting as Chairman shall have the right to vote. His alternate will in such case exercise the voting rights of the Member.

Article 12

Sessions of the Council

As a general rule, the Council shall hold regular sessions twice a year. It may hold special sessions should it so decide. Special sessions shall also be held at the request of the Executive Board, of any five Members, or of a Member or Members having at least 200 votes. Notice of sessions shall be given at least thirty days in advance except in cases of emergency. Sessions shall be held at the seat of the Organization, unless the Council decides otherwise.

Article 13**Votes**

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member - that is, exporting and importing Members, respectively - as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes, provided that the total number of basic votes within each category of Member does not exceed 150. Should there be more than thirty exporting Members or more than thirty importing Members, the number of basic votes for each Member within that category of Member shall be adjusted so as to keep the number of basic votes for each category of Member within the maximum of 150.

(3) Exporting Members listed in Annex 1 as having an initial annual export quota of 100,000 bags of coffee or more but less than 400,000 bags shall, in addition to the basic votes, have the number of votes attributed to them in column 2 of Annex 1. If any exporting Member referred to in this paragraph elects to have a basic quota under the provisions of paragraph (5) of Article 31, the provisions of this paragraph shall cease to apply to it.

(4) Subject to the provisions of Article 32, the remaining votes of exporting Members shall be divided among those Members having a basic quota in proportion to the average volume of their respective exports of coffee to importing Members in coffee years 1968/69 to 1971/72 inclusive. This will constitute the basis of voting for the exporting Members concerned until 31 December 1977. With effect from 1 January 1978 the remaining votes of exporting Members having a basic quota shall be calculated in proportion to the average volume of their respective exports of coffee to importing Members as follows:

<u>With effect from 1 January</u>	<u>Coffee Years</u>
1978	1969/70, 1970/71, 1971/72, 1976/77
1979	1970/71, 1971/72, 1976/77, 1977/78
1980	1971/72, 1976/77, 1977/78, 1978/79
1981	1976/77, 1977/78, 1978/79, 1979/80
1982	1977/78, 1978/79, 1979/80, 1980/81

(5) The remaining votes of importing Members shall be divided among those Members in proportion to the average volume of their respective coffee imports in the preceding three calendar years.

(6) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraphs (4) and (7) of this Article.

(7) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the Membership of the Organization, or if the voting rights of a Member are suspended or regained under the provisions of Articles 26, 42, 45 or 58.

(8) No Member shall hold more than 400 votes.

(9) There shall be no fractional votes.

Article 14

Voting Procedure of the Council

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorise any other exporting Member, and any importing Member may authorise any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (8) of Article 13 shall not apply in this case.

Article 15

Decisions of the Council

(1) All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided for in this Agreement.

(2) The following procedure shall apply with respect to any decision by the Council which under the provisions of this Agreement requires a distributed two-thirds majority vote:

- (a) if a distributed two-thirds majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 48 hours;
- (b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less importing or two or less exporting Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;
- (c) if a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one

exporting Member or one importing Member, the proposal shall be considered adopted, and

(d) if the Council fails to put a proposal to a further vote, it shall be considered rejected.

(3) Members undertake to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 16

Composition of the Board

(1) The Executive Board shall consist of eight exporting Members and eight importing Members elected for each coffee year in accordance with the provisions of Article 17. Members may be re-elected.

(2) Each member of the Board shall appoint one representative and, if it so desires, one or more alternates. Each member may also designate one or more advisers to its representative or alternates.

(3) The Executive Board shall have a Chairman and Vice-Chairman who shall be elected by the Council for each coffee year and may be re-elected. Neither the Chairman nor a Vice-Chairman acting as Chairman shall have the right to vote. If a representative is elected Chairman or if a Vice-Chairman is acting as Chairman, his alternate will have the right to vote in his place. As a general rule, the Chairman and the Vice-Chairman for each coffee year shall be elected from among the representatives of the same category of Member.

(4) The Board shall normally meet at the seat of the Organization but may meet elsewhere.

Article 17

Election of the Board

(1) The exporting and the importing members of the Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the provisions of the following paragraphs of this Article.

(2) Each Member shall cast for a single candidate all the votes to which it is entitled under the provisions of Article 13. A Member may cast for another candidate any votes which it holds under the provisions of paragraph (2) of Article 14.

(3) The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes.

(4) If, under the provisions of paragraph (3) of this Article, less than eight candidates are elected on the first ballot, further ballots shall be held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected.

(5) Any Member which did not vote for any of the Members elected shall assign its votes to one of them, subject to the provisions of paragraphs (6) and (7) of this Article.

(6) A Member shall be deemed to have received the number of votes cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected.

(7) If the votes deemed received by an elected Member exceed 499, Members which voted for or assigned their votes to such elected Member shall arrange among themselves for one or more of them to withdraw their votes from that Member and assign or re-assign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499

Article 18

Competence of the Board

(1) The Board shall be responsible to and work under the general direction of the Council.

(2) The Council may, by a distributed two-thirds majority vote, delegate to the Board the exercise of any or all of its powers other than the following:

- (a) approval of the administrative budget and assessment of contributions under the provisions of Article 25;
- (b) suspension of the voting rights of a Member under the provisions of Articles 45 or 58;
- (c) waiver of the obligations of a Member under the provisions of Article 56;
- (d) decisions on disputes under the provisions of Article 58;
- (e) establishment of conditions for accession under the provisions of Article 62;
- (f) a decision to require the exclusion of a Member under the provisions of Article 66;
- (g) a decision concerning renegotiation, extension or termination of this Agreement under the provisions of Article 68; and

- (h) recommendation of amendments to Members under the provisions of Article 69
- (3) The Council may, by a distributed simple majority vote, at any time revoke any powers which have been delegated to the Board.

Article 19

Voting Procedure of the Board

(1) Each member of the Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 17. Voting by proxy shall not be allowed. A member of the Board shall not be entitled to divide its votes.

(2) Any decision taken by the Board shall require the same majority as such decision would require if taken by the Council.

Article 20

Quorum for the Council and the Board

(1) The quorum for any meeting of the Council shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes. If there is no quorum at the time appointed for the commencement of any Council meeting, the Chairman of the Council may decide to postpone the opening time of the meeting for at least three hours. If there is no quorum at the new time set, the Chairman may again defer the opening time of the Council meeting for at least a further three hours. This procedure may be repeated until a quorum is present at the appointed time. Representation in accordance with the provisions of paragraph (2) of Article 14 shall be considered as presence.

(2) The quorum for any meeting of the Board shall be the presence of a majority of the members representing a distributed two-thirds majority of the total votes..

Article 21

The Executive Director and the Staff

(1) The Council shall appoint the Executive Director on the recommendation of the Board. The terms of appointment of the Executive Director shall be established by the Council and shall be comparable to those applying to corresponding officials of similar intergovernmental organizations.

(2) The Executive Director shall be the chief administrative officer of the Organization and shall be responsible for the performance of any duties devolving upon him in the administration of this Agreement.

(3) The Executive Director shall appoint the staff in accordance with regulations established by the Council.

(4) Neither the Executive Director nor any member of the staff shall have any financial interest in the coffee industry, coffee trade or the transportation of coffee.

(5) In the performance of their duties, the Executive Director and the staff shall not seek or receive instructions from any Member or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

Cooperation with other Organizations

The Council may make whatever arrangements are desirable for consultation and cooperation with the United Nations and its specialized agencies and with other appropriate intergovernmental organizations. The Council may invite these organizations and any organizations concerned with coffee to send observers to its meetings.

CHAPTER V - PRIVILEGES AND IMMUNITIES**Article 23**Privileges and Immunities

(1) The Organization shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

(2) The status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of Members while in the territory of the United Kingdom of Great Britain and Northern Ireland for the purpose of exercising their functions, shall continue to be governed by the Headquarters Agreement concluded between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the host Government) and the Organization on 28 May 1969.^[1]

(3) The Headquarters Agreement referred to in paragraph (2) of this Article shall be independent of this Agreement. It shall however terminate:

^[1] 700 UNTS 97.

- (a) by agreement between the host Government and the Organization;
- (b) in the event of the headquarters of the Organization being moved from the territory of the host Government;
or
- (c) in the event of the Organization ceasing to exist.

(4) The Organization may conclude with one or more other Members agreements to be approved by the Council relating to such privileges and immunities as may be necessary for the proper functioning of this Agreement.

(5) The Governments of Member countries other than the host Government shall grant the Organization the same facilities in respect of currency or exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialized agencies of the United Nations.

CHAPTER VI - FINANCE

Article 24

Finance

(1) The expenses of delegations to the Council, representatives on the Board and representatives on any of the committees of the Council or the Board shall be met by their respective Governments.

(2) The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the Members assessed in accordance with the provisions of Article 25. However, the Council may levy fees for specific services.

(3) The financial year of the Organization shall be the same as the coffee year

Article 25

Determination of the Budget and Assessment of Contributions

(1) During the second half of each financial year, the Council shall approve the administrative budget of the Organization for the following financial year and shall assess the contribution of each Member to that budget.

(2) The contribution of each Member to the budget for each financial year shall be in the proportion which the number of its votes at the time the budget for that financial year is approved bears to the total votes of all the Members. However, if there is any change in the distribution of votes among Members in accordance with the provisions of paragraph (6) of Article 13 at the beginning of the financial year for which contributions are assessed, such contributions shall be correspondingly adjusted for that year. In determining contributions, the votes of each Member shall be calculated without regard to the suspension of the voting rights of any Member or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current financial year, but the assessments made upon other Members for the current financial year shall not be altered.

Article 26**Payment of Contributions**

(1) Contributions to the administrative budget for each financial year shall be payable in freely convertible currency and shall become due on the first day of that financial year

(2) If any Member fails to pay its full contribution to the administrative budget within six months of the date on which the contribution is due, both its voting rights in the Council and its right to have its votes cast in the Board shall be suspended until such contribution has been paid. However, unless the Council by a distributed two-thirds majority vote so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(3) Any Member whose voting rights have been suspended either under the provisions of paragraph (2) of this Article or under the provisions of Articles 42, 45 or 58 shall nevertheless remain responsible for the payment of its contribution.

Article 27**Audit and Publication of Accounts**

As soon as possible after the close of each financial year, an independently audited statement of the Organization's receipts and expenditures during that financial year shall be presented to the Council for approval and publication.

TIAS 8688

CHAPTER VII - REGULATION OF EXPORTS AND IMPORTS

Article 28

General Provisions

(1) All decisions of the Council under the provisions of this Chapter shall be adopted by a distributed two-thirds majority vote.

(2) The word "annual" in this Chapter shall mean any period of twelve months established by the Council. However, the Council may adopt procedures for applying the provisions of this Chapter for a period longer than twelve months.

Article 29

Markets Subject to Quota

For the purpose of this Agreement, the world coffee market shall be divided into Member quota and non-member non-quota markets.

Article 30

Basic Quotas

(1) Each exporting Member shall, subject to the provisions of Articles 31 and 32, be entitled to a basic quota calculated in accordance with the provisions of this Article.

(2) If, under the provisions of Article 33, quotas come into effect during coffee year 1976/77, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated on the basis of the average volume of the annual exports of each exporting Member to importing Members in coffee years 1968/69 to 1971/72. This distribution of the fixed part shall remain in effect

until the quotas are suspended for the first time under the provisions of Article 33.

(3) If quotas are not introduced in coffee year 1976/77 but come into effect during coffee year 1977/78, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

- (a) the volume of its exports to importing Members during coffee year 1976/77 calculated on the basis of information obtained from Certificates of Origin; or
- (b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

This distribution of the fixed part shall remain in effect until the quotas are suspended for the first time under the provisions of Article 33.

(4) If quotas come into effect for the first time or are reintroduced during coffee year 1978/79, or at any time thereafter, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

- (a) the average of the volume of its exports to importing Members for coffee years 1976/77 and 1977/78 calculated on the basis of information obtained from Certificates of Origin; or
- (b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

(5) If quotas are introduced under the provisions of paragraph (2) of this Article and subsequently suspended, their reintroduction during coffee year 1977/78 shall be governed by the provisions of paragraph (3) of this Article and paragraph (1) of

Article 35. The reintroduction of quotas during coffee year 1978/79, or at any time thereafter, shall be governed by the provisions of paragraph (4) of this Article and paragraph (1) of Article 35.

Article 31

Exporting Members Exempt from Basic Quotas

(1) Subject to the provisions of paragraphs (4) and (5) of this Article, a basic quota shall not be allocated to the exporting Members listed in Annex 1. Subject to the provisions of Article 33, in coffee year 1976/77 these Members shall have the initial annual export quotas set out in column 1 of that Annex. Subject to the provisions of paragraph (2) of this Article and to those of Article 33, the quota of these Members in each of the subsequent coffee years shall be increased by:

- (a) 10 percent of the initial annual export quota in the case of Members whose initial annual export quota is less than 100,000 bags, and
- (b) 5 percent of the initial annual export quota in the case of Members whose initial annual export quota is 100,000 bags or more but less than 400,000 bags.

These annual increments shall be deemed, for the purpose of setting the annual quotas of the Members concerned whenever quotas are introduced or reintroduced under the provisions of Article 33, to have been effective from the entry into force of this Agreement.

(2) Not later than 31 July of each year, each Member referred to in paragraph (1) of this Article shall notify the Council of the amount of coffee it is likely to have available for export during the next coffee year. The quota for the next coffee year shall be

the amount thus indicated by the exporting Member, provided that such amount is within the permissible limit defined in paragraph (1) of this Article.

(3) When the annual quota of an exporting Member having an initial annual export quota of less than 100,000 bags reaches or exceeds the maximum of 100,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions applicable to exporting Members whose initial annual export quotas are 100,000 bags or more but less than 400,000 bags.

(4) When the annual quota of an exporting Member having an initial annual export quota of less than 400,000 bags reaches the maximum of 400,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions of Article 35 and the Council shall set a basic quota for such Member

(5) Any exporting Member listed in Annex 1 which exports 100,000 bags or more may at any time request the Council to establish a basic quota for it.

(6) Members whose annual quotas are less than 100,000 bags shall not be subject to the provisions of Articles 36 and 37

Article 32

Provisions for the Adjustment of Basic Quotas

(1) If an importing country which was neither a member of the International Coffee Agreement 1968 nor of the International Coffee Agreement 1968 as Extended becomes a Member of this Agreement, the Council shall adjust the basic quotas resulting from the application of the provisions of Article 30.

(2) The adjustment referred to in paragraph (1) of this Article shall take into account either the average exports of individual exporting Members to the importing country concerned during the period 1968 to 1972 or the proportionate share of individual exporting Members in the average imports of that country during the same period.

(3) The Council shall approve the data to be used as a basis for the calculations necessary for the adjustment of basic quotas, as well as the criteria to be followed for the purpose of applying the provisions of this Article.

Article 33

Provisions for the Introduction, Suspension and Reintroduction of Quotas

(1) Unless the Council decides otherwise, quotas shall come into effect at any time during the life of this Agreement if:

- (a) the composite indicator price remains on average, for 20 consecutive market days, at or below the ceiling of the price range currently in effect established by the Council under the provisions of Article 38;
- (b) in the absence of a decision by the Council to establish a price range:
 - (i) the average of the indicator prices for Other Mild and Robusta coffees remains on average, for 20 consecutive market days, at or below the average of these prices for calendar year 1975 as maintained by the Organization during the life of the International Coffee Agreement 1968 as Extended; or

(ii) subject to the provisions of paragraph (2) of this Article, the composite indicator price calculated under the provisions of Article 38 remains on average, for 20 consecutive market days, 15 percent or more below the average composite indicator price for the preceding coffee year during which this Agreement was in force.

Notwithstanding the preceding provisions of this paragraph, quotas shall not come into effect on the entry into force of this Agreement unless the average of the indicator prices for Other Mild and Robusta coffees remains on average, for the 20 consecutive market days immediately preceding that date, at or below the average of these prices for calendar year 1975.

(2) Notwithstanding the provisions of sub-paragraph (b) (ii) of paragraph (1) of this Article, quotas shall not come into effect, unless the Council decides otherwise, if the average of the indicator prices for Other Mild and Robusta coffees remains on average, for 20 consecutive market days, 22.5 percent or more above the average of these prices for calendar year 1975.

(3) The prices specified in sub-paragraph (b) (1) of paragraph (1) and in paragraph (2) of this Article shall be reviewed and may be revised by the Council prior to 30 September 1978 and to 30 September 1980.

(4) Unless the Council decides otherwise, quotas shall be suspended:

- (a) if the composite indicator price remains on average, for 20 consecutive market days, 15 percent above the ceiling of the price range established by the Council and currently in force; or
- (b) in the absence of a decision by the Council to establish a price range, if the composite indicator price remains

on average, for 20 consecutive market days, 15 percent or more above the average composite indicator price recorded during the preceding calendar year

(5) Unless the Council decides otherwise, quotas shall be reintroduced, after suspension under the provisions of paragraph (4) of this Article, in accordance with the provisions of paragraphs (1), (2) and (6).

(6) Whenever the relevant price conditions referred to in paragraph (1) of this Article are met, and subject to the provisions of paragraph (2) of this Article, quotas shall come into effect as soon as possible and in any event not later than the quarter following the fulfilment of the relevant price conditions. The quotas shall, except as otherwise provided for in this Agreement, be fixed for a period of four quarters. If the global annual and quarterly quotas have not previously been established by the Council, the Executive Director shall set a quota on the basis of the disappearance of coffee in quota markets, estimated in accordance with the criteria established in Article 34, such quota shall be allocated to exporting Members in accordance with the provisions of Articles 31 and 35.

(7) The Council shall be convened during the first quarter after quotas come into effect in order to establish price ranges and to review and, if necessary, revise quotas for such period as the Council deems advisable, provided that such period does not exceed twelve months from the date on which quotas came into effect.

Article 34

Setting of the Global Annual Quota

Subject to the provisions of Article 33, the Council shall, at its last regular session of the coffee year, set a global annual quota taking into account inter alia the following:

- (a) estimated annual consumption of importing Members;
- (b) estimated imports of Members from other importing Members and from non-member countries;
- (c) estimated changes in the level of inventories in importing Member countries and in free ports;
- (d) compliance with the provisions of Article 40 concerning shortfalls and their redistribution; and
- (e) for the introduction or reintroduction of quotas under the provisions of paragraphs (1) and (5) of Article 33, exports of exporting Members to importing Members and to non-members during the twelve-month period preceding the introduction of quotas.

Article 35

Allocation of Annual Quotas

- (1) In the light of the decision taken under the provisions of Article 34 and after deducting the amount of coffee required to comply with the provisions of Article 31, annual quotas shall be allocated in fixed and variable parts to exporting Members entitled to a basic quota. The fixed part shall correspond to 70 percent of the global annual quota, as adjusted to comply with the provisions of Article 31, and shall be distributed among exporting Members

in accordance with the provisions of Article 30. The variable part shall correspond to 30 percent of the global annual quota, as adjusted to comply with the provisions of Article 31. These proportions may be changed by the Council but the fixed part shall never be less than 70 percent. Subject to the provisions of paragraph (2) of this Article, the variable part shall be distributed among exporting Members in the proportion which the verified stocks of each exporting Member bear to the total verified stocks of all exporting Members having basic quotas, provided that, unless the Council establishes a different limit, no Member shall receive a share of the variable part of the quota in excess of 40 percent of the total volume of such variable part.

(2) The stocks to be taken into account for the purposes of this Article shall be those verified, in accordance with the appropriate rules for the verification of stocks, at the end of the crop year of each exporting Member immediately preceding the setting of quotas.

Article 36

Quarterly Quotas

(1) Immediately following the allocation of annual quotas under the provisions of paragraph (1) of Article 35, and subject to the provisions of Article 31, the Council shall allocate quarterly quotas to each exporting Member for the purpose of assuring an orderly flow of coffee to world markets throughout the period for which quotas are set.

(2) These quotas shall be, as nearly as possible, 25 percent of the annual quota of each Member. No Member shall be allowed to export more than 30 percent in the first quarter, 60 percent in the first two quarters, and 80 percent in the first three quarters. If

exports by any Member in one quarter are less than its quota for that quarter, the outstanding balance shall be added to its quota for the following quarter.

(3) The provisions of this Article shall also apply to the implementation of paragraph (6) of Article 33.

(4) If, on account of exceptional circumstances, an exporting Member considers that the limitations provided in paragraph (2) of this Article would be likely to cause serious harm to its economy, the Council may, at the request of that Member, take appropriate action under the provisions of Article 56. The Member concerned must furnish evidence of harm and provide adequate guarantees concerning the maintenance of price stability. The Council shall not, however, in any event, authorise a Member to export more than 35 percent of its annual quota in the first quarter, 65 percent in the first two quarters, and 85 percent in the first three quarters.

Article 37

Adjustment of Annual and Quarterly Quotas

(1) If market conditions so require, the Council may vary the annual and quarterly quotas allocated under the provisions of Articles 33, 35 and 36. Subject to the provisions of paragraph (1) of Article 35 and except as provided for in Article 31 and paragraph (3) of Article 39, the quotas of each exporting Member shall be varied by the same percentage.

(2) Notwithstanding the provisions of paragraph (1) of this Article, the Council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly quotas of exporting Members without, however, altering the annual quotas.

Article 38

Price Measures

(1) The Council shall establish a system of indicator prices which shall provide for a daily composite indicator price.

(2) On the basis of such a system, the Council may establish price ranges and price differentials for the principal types and/or groups of coffee and a composite price range.

(3) In establishing and adjusting any price range for the purposes of this Article, the Council shall take into consideration the prevailing level and trend of coffee prices including the influence thereon of:

- the levels and trends of consumption and production as well as stocks in importing and exporting countries;
- changes in the world monetary system;
- the trend of world inflation or deflation; and
- any other factors which might affect the achievement of the objectives set out in this Agreement.

The Executive Director shall supply the data necessary to permit the Council to give due consideration to the foregoing elements.

(4) The Council shall make rules concerning the effect of the introduction of quotas or adjustments thereto on contracts entered into prior to such introduction or adjustment.

Article 39

Additional Measures for the Adjustment of Quotas

(1) If quotas are in effect, the Council shall be convened in order to establish a system for the pro rata adjustment of

quotas in response to movements in the composite indicator price, as provided for in Article 38.

(2) Such a system shall include provisions regarding price ranges, the number of market days over which counts shall be held and the number and size of adjustments.

(3) The Council may also establish a system for increasing quotas in response to the movement of the prices of the principal types and/or groups of coffee.

Article 40

Shortfalls

(1) Each exporting Member shall declare any anticipated shortfall from its export entitlement in order to permit redistribution in the same coffee year among exporting Members able and prepared to export the amount of shortfalls. Seventy percent of the quantity declared in accordance with the provisions of this paragraph shall be offered for redistribution in the first instance among other Members exporting the same type of coffee in proportion to their basic quotas and 30 percent in the first instance to Members exporting the other type of coffee also in proportion to their basic quotas.

(2) If a Member declares a shortfall within the first six months of a coffee year, the annual quota of that Member shall, in the following coffee year, be increased by an amount of 30 percent of the volume declared and not exported. This amount shall be charged to the annual export entitlements of those exporting Members which have accepted the redistribution under the provisions of paragraph (1) of this Article, pro rata to their participation in that redistribution.

Article 41

Export Entitlement of a Member Group

If two or more Members form a Member group in accordance with the provisions of Articles 6 and 7, the basic quotas or the export entitlements, as the case may be, of those Members shall be added together and the combined total treated as a single basic quota or a single export entitlement for the purposes of this Chapter

Article 42

Compliance with Quotas

(1) Exporting Members shall adopt the measures required to ensure full compliance with all provisions of this Agreement relating to quotas. In addition to any measures the Member itself may take, the Council may require such Member to adopt additional measures for the effective implementation of the quota system provided for in this Agreement.

(2) Exporting Members shall not exceed the annual and quarterly quotas allocated to them.

(3) If an exporting Member exceeds its quota for any quarter, the Council shall deduct from one or more of its subsequent quotas a quantity equal to 110 percent of that excess.

(4) If an exporting Member for the second time exceeds its quarterly quota, the Council shall make the same deduction as that provided for in paragraph (3) of this Article.

(5) If an exporting Member for a third or subsequent time exceeds its quarterly quota, the Council shall make the same deduction as provided for in paragraph (3) of this Article and the voting rights of the Member shall be suspended until such time as

the Council decides whether to exclude such Member from the Organization under the provisions of Article 66.

(6) The deductions provided for in paragraphs (3), (4) and (5) of this Article shall be deemed to be shortfalls for the purposes of paragraph (1) of Article 40.

(7) The Council shall apply the provisions of paragraphs (1) to (5) of this Article as soon as the necessary information is available.

Article 43

Certificates of Origin and Re-export

(1) Every export of coffee by a Member shall be covered by a valid Certificate of Origin. Certificates of Origin shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization.

(2) If quotas are in effect, every re-export of coffee by a Member shall be covered by a valid Certificate of Re-export. Certificates of Re-export shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization, and shall certify that the coffee in question was imported in accordance with the provisions of this Agreement.

(3) The rules referred to in this Article shall contain provisions which will permit their application to groups of importing Members forming a customs union.

(4) The Council may make rules governing the printing, validation, issuing and use of Certificates and may adopt measures to issue coffee export stamps against payment of a fee to be determined

by the Council. The affixing of such stamps to Certificates of Origin may be one of the means prescribed for the validation of such Certificates. The Council may make similar arrangements for the validation of other forms of Certificates and for the issuing of other forms of coffee stamps on conditions to be determined.

(5) Each Member shall notify the Organization of the government or non-government agency which is to perform the functions specified in paragraphs (1) and (2) of this Article. The Organization shall specifically approve a non-government agency upon submission by the Member of satisfactory evidence of the agency's ability and willingness to fulfil the Member's responsibilities in accordance with the rules and regulations established under the provisions of this Agreement. The Council may at any time, for cause, declare a particular non-government agency to be no longer acceptable to it. The Council shall, either directly or through an internationally recognised world-wide organization, take all necessary steps so that at any time it will be able to satisfy itself that all forms of Certificate are being issued and used correctly and to ascertain the quantities of coffee which have been exported by each Member

(6) A non-government agency approved as a certifying agency under the provisions of paragraph (5) of this Article shall keep records of the Certificates issued and the basis for their issue, for a period of not less than four years. In order to obtain approval as a certifying agency under the provisions of paragraph (5) of this Article, a non-government agency must previously agree to make such records available for examination by the Organization.

(7) If quotas are in effect Members shall, subject to the provisions of Article 44 and those of paragraphs (1) and (2) of Article 45, prohibit the import of any shipment of coffee which is not accompanied by a valid Certificate in the appropriate form issued in accordance with rules established by the Council.

(8) Small quantities of coffee in such forms as the Council may determine, or coffee for direct consumption on ships, aircraft and other international carriers, shall be exempt from the provisions of paragraphs (1) and (2) of this Article.

Article 44

Exports not Charged to Quotas

(1) As provided for in Article 29, exports to countries not members of this Agreement shall not be charged to quotas. The Council may make rules governing, inter alia, the conduct and supervision of this trade, the treatment of, and the penalties for, diversions and re-exports from non-member to Member countries and the documents required to cover exports to both Member and non-member countries.

(2) Exports of coffee beans as raw material for industrial processing for any purposes other than human consumption as a beverage or foodstuff shall not be charged to quotas, provided that the Council is satisfied from information supplied by the exporting Member that the coffee beans are in fact used for such other purposes.

(3) The Council may, at the request of an exporting Member, decide that exports of coffee made by that Member for humanitarian or other non-commercial purposes shall not be charged to its quota.

Article 45

Regulation of Imports

(1) To prevent non-member countries from increasing their exports at the expense of exporting Members, each Member shall,

TIAS 8683

whenever quotas are in effect, limit its annual imports of coffee from non-member countries which were not Members of the International Coffee Agreement 1968 to an amount equal to the annual average of its imports of coffee from non-member countries from either calendar year 1971 to calendar year 1974 inclusive, or from calendar year 1972 to calendar year 1974 inclusive.

(2) Whenever quotas are in effect, Members shall also limit their annual imports of coffee from each non-member which was a Member of the International Coffee Agreement 1968 or the International Coffee Agreement 1968 as Extended to a quantity not greater than a percentage of the average annual imports from that non-member during coffee years 1968/69 to 1971/72. Such percentage shall correspond to the proportion which the fixed part bears to the global annual quota, under the provisions of paragraph (1) of Article 35, at the time when quotas come into effect.

(3) The Council may suspend or vary these quantitative limitations if it finds such action necessary for the purposes of this Agreement.

(4) The obligations established in the preceding paragraphs of this Article shall not derogate from any conflicting bilateral or multilateral obligations which importing Members have entered into with non-member countries prior to the entry into force of this Agreement, provided that any importing Member which has such conflicting obligations shall carry them out in such a way as to minimise any conflict with the obligations established in the preceding paragraphs. Such Member shall take steps as soon as possible to bring its obligations into harmony with the provisions of paragraphs (1) and (2) of this Article and shall inform the Council of the details of the conflicting obligations as well as of the steps taken to minimise or eliminate the conflict.

(5) If an importing Member fails to comply with the provisions of this Article the Council may suspend both its voting rights in the Council and its right to have its votes cast in the Board.

CHAPTER VIII - OTHER ECONOMIC PROVISIONS

Article 46

Measures Related to Processed Coffee

(1) Members recognise the need of developing countries to broaden the base of their economies through, inter alia, industrialisation and the export of manufactured products, including the processing of coffee and the export of processed coffee.

(2) In this connection, Members shall avoid the adoption of governmental measures which could cause disruption to the coffee sector of other Members

(3) Should a Member consider that the provisions of paragraph (2) of this Article are not being complied with, it should consult with the other Members concerned, having due regard to the provisions of Article 57. The Members concerned shall make every effort to reach amicable settlement on a bilateral basis. If these consultations do not lead to a mutually satisfactory solution, either party may bring the matter before the Council for consideration under the provisions of Article 58.

(4) Nothing in this Agreement shall prejudice the right of any Member to take measures to prevent or remedy disruption to its coffee sector by imports of processed coffee.

Article 47

Promotion

(1) Members undertake to encourage the consumption of coffee by every possible means. To achieve this purpose, a Promotion Fund shall be established with the objectives of promoting consumption in importing countries by all appropriate means without regard to origin, type or brand of coffee, and of achieving and maintaining the highest quality and purity of the beverage.

(2) The Promotion Fund shall be administered by a committee. The membership of the Fund shall be limited to Members which contribute financially to the Fund.

(3) The Fund shall be financed during coffee years 1976/77 and 1977/78 by a compulsory levy on coffee export stamps or equivalent export authorisations, payable by exporting Members with effect from 1 October 1976. Such levy shall be 5 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of less than 100,000 bags, 10 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of 100,000 bags or more but less than 400,000 bags, and 25 U.S. cents per bag for all other exporting Members. The Fund may also be financed by voluntary contributions from other Members on terms to be approved by the committee.

(4) At any time, the committee may decide to continue to collect a compulsory levy in the third and subsequent coffee years if additional resources are necessary to comply with commitments undertaken in accordance with paragraph (7) of this Article. It may further decide to receive contributions of other Members on terms it shall approve.

(5) The resources of the Fund shall be used mainly to finance promotion campaigns in importing Member countries.

(6) The Fund may sponsor research and studies related to the consumption of coffee.

(7) Importing Members, or trade associations in importing Member countries acceptable to the committee, may present proposals for campaigns for the promotion of coffee. The Fund may provide resources to finance up to 50 percent of the cost of such campaigns. Whenever a campaign is agreed upon, the percentage contribution of the committee to the campaign shall remain unaltered. The campaigns may be for a period of more than one year but not more than five years.

(8) The payment referred to in paragraph (3) of this Article shall be made against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of Certificates of Origin, under the provisions of Article 43, shall incorporate provisions for the payment of the levy referred to in paragraph (3) of this Article.

(9) The levy referred to in paragraphs (3) and (4) of this Article shall be payable in U.S. dollars to the Executive Director, who shall deposit the funds derived therefrom in a special account to be designated the Promotion Fund Account.

(10) The committee shall control all funds in the Promotion Fund. As soon as possible after the close of each financial year, an independently audited statement of the receipts and expenditures of the Promotion Fund during that financial year shall be presented to the committee for approval. The audited accounts as approved by the committee shall be forwarded to the Council for information only.

(11) The Executive Director shall be the Chairman of the committee and shall report periodically to the Council on the activities of the committee.

(12) The administrative expenses necessary to carry out the provisions of this Article and those relating to promotion activities shall be charged to the Promotion Fund.

(13) The committee shall establish its own bye-laws.

Article 48

Removal of Obstacles to Consumption

(1) Members recognise the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.

(2) Members recognise that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

- (a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;
- (b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and
- (c) internal trade conditions and domestic legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

Article 49

Mixtures and Substitutes

(1) Members shall not maintain any regulations requiring the mixing, processing or using of other products with coffee for commercial resale as coffee. Members shall endeavour to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of ninety percent green coffee as the basic raw material.

(2) The Council may request any Member to take the steps necessary to ensure observance of the provisions of this Article.

(3) The Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article.

Article 50**Production Policy**

(1) To facilitate the achievement of the objective set out in paragraph (1) of Article 1, exporting Members undertake to use their best endeavours to adopt and to implement a production policy

(2) The Council may establish procedures for coordinating the production policies referred to in paragraph (1) of this Article. These procedures may include appropriate measures for, or encouragement of, diversification, together with the means whereby Members may obtain both technical and financial assistance.

(3) The Council may establish a contribution payable by exporting Members which shall be used to permit the Organization to carry out appropriate technical studies for the purpose of assisting exporting Members to adopt the measures necessary to pursue an adequate production policy. Such contribution shall not exceed 2 U.S. cents per bag exported to importing Member countries and shall be payable in convertible currency

Article 51**Policy Relative to Coffee Stocks**

(1) To complement the provisions of Chapter VII and of Article 50, the Council shall, by a distributed two-thirds majority vote, establish a policy relating to coffee stocks in producing Member countries.

(2) The Council shall adopt measures to ascertain annually the volume of coffee stocks in the hands of individual exporting Members in accordance with the provisions of Article 35. The Members concerned shall facilitate this annual survey

(3) Producing Members shall ensure that adequate facilities exist in their respective countries for the proper storage of coffee stocks.

(4) The Council shall undertake a study of the feasibility of supporting the objectives of this Agreement by an international stock arrangement.

Article 52

Consultation and Cooperation with the Trade

(1) The Organization shall maintain close liaison with appropriate non-governmental organizations concerned with international commerce in coffee, and with experts in coffee matters.

(2) Members shall conduct their activities within the framework of this Agreement in a manner consonant with established trade channels and shall refrain from discriminatory sales practices. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

Article 53

Information

(1) The Organization shall act as a centre for the collection, exchange and publication of:

- (a) statistical information on world production, prices, exports and imports, distribution and consumption of coffee; and
- (b) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of coffee.

(2) The Council may require Members to furnish such information as it considers necessary for its operations, including regular statistical reports on coffee production, production trends, exports and imports, distribution, consumption, stocks, prices and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. Members shall furnish information requested in as detailed and accurate a manner as is practicable.

(3) If a Member fails to supply or finds difficulty in supplying within a reasonable time statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the Member concerned to explain the reasons for non-compliance. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

(4) In addition to the measures provided for in paragraph (3) of this Article, the Executive Director may, after giving due notice and unless the Council decides otherwise, withhold the release of coffee stamps or other equivalent export authorisations as provided for in Article 43.

Article 54

Studies

(1) The Council may promote studies concerning the economics of coffee production and distribution, the impact of governmental measures in producing and consuming countries on the production and consumption of coffee, the opportunities for expansion of coffee consumption for traditional and possible new uses and the effects of the operation of this Agreement on producers and consumers of coffee, including their terms of trade.

(2) The Organization may study the practicability of establishing minimum standards for exports of coffee from producing Members.

Article 55

Special Fund

(1) A special Fund shall be established to permit the Organization to adopt and to finance the additional measures required to ensure that the relevant provisions of this Agreement can be implemented with effect from its entry into force or as close to that date as possible.

(2) Payments to the Fund shall consist of a levy of 2 U.S. cents on each bag of coffee exported to importing Members, payable by exporting Members with effect from the entry into force of this Agreement, unless the Council decides to decrease or suspend such levy

(3) The levy referred to in paragraph (2) of this Article shall be payable in U.S. dollars to the Executive Director against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of Certificates of Origin under the provisions of Article 43 shall incorporate provisions for the payment of this levy

(4) Subject to the approval of the Council, the Executive Director shall be authorised to expend monies from the Fund to meet the costs of introducing the system of Certificates of Origin referred to in Article 43, the expenditures involved in the verification of stocks required under the provisions of paragraph (2) of Article 51 and the costs of the improvements in the system for the collection and transmission of statistical information referred to in Article 53.

(5) To the extent possible, though separately from the administrative budget, the Fund shall be managed and administered in a manner similar to the administrative budget and shall be subject to an independent annual audit as required for the accounts of the Organization under the provisions of Article 27

Article 56

Waiver

(1) The Council may, by a distributed two-thirds majority vote, relieve a Member of an obligation, on account of exceptional or emergency circumstances, force majeure, constitutional obligations or international obligations under the United Nations Charter^[1] for territories administered under the trusteeship system.

(2) The Council, in granting a waiver to a Member, shall state explicitly the terms and conditions on which and the period for which the Member is relieved of such obligation.

(3) The Council shall not consider a request for a waiver of quota obligations on the basis of the existence in a Member country, in one or more years, of an exportable production in excess of its permitted exports or which is the consequence of the Member having failed to comply with the provisions of Articles 50 and 51.

^[1] TS 993, 59 Stat. 1031.

CHAPTER IX - CONSULTATIONS,
DISPUTES AND COMPLAINTS

Article 57

Consultations

Each Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultation regarding such representations as may be made by another Member with respect to any matter relating to this Agreement. In the course of such consultation, on request by either party and with the consent of the other, the Executive Director shall establish an independent panel which shall use its good offices with a view to conciliating the parties. The costs of the panel shall not be chargeable to the Organization. If a party does not agree to the establishment of a panel by the Executive Director, or if the consultation does not lead to a solution, the matter may be referred to the Council in accordance with the provisions of Article 58. If the consultation does lead to a solution, it shall be reported to the Executive Director who shall distribute the report to all Members.

Article 58

Disputes and Complaints

(1) Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation shall, at the request of any Member party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under the provisions of paragraph (1) of this Article, a majority of Members, or Members holding not less than one-third

of the total votes, may require the Council, after discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3)

(a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting Members;

(ii) two such persons nominated by the importing Members; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are Contracting Parties to this Agreement shall be eligible to serve on the advisory panel.

(c) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(d) The expenses of the advisory panel shall be paid by the Organization.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) The Council shall rule on any dispute brought before it within six months of submission of such dispute for its consideration.

(6) Any complaint that any Member has failed to fulfil its obligations under this Agreement shall, at the request of the Member making the complaint, be referred to the Council which shall make a decision on the matter

(7) No Member shall be found to have been in breach of its obligations under this Agreement except by a distributed simple majority vote. Any finding that a Member is in breach of its obligations under this Agreement shall specify the nature of the breach.

(8) If the Council finds that a Member is in breach of its obligations under this Agreement, it may, without prejudice to other enforcement measures provided for in other Articles of this Agreement, by a distributed two-thirds majority vote, suspend such Member's voting rights in the Council and its right to have its votes cast in the Board until it fulfils its obligations, or the Council may decide to exclude such Member from the Organization under the provisions of Article 66.

(9) A Member may seek the prior opinion of the Executive Board in a matter of dispute or complaint before the matter is discussed by the Council.

CHAPTER X - FINAL PROVISIONS

Article 59

Signature

This Agreement shall be open for signature at United Nations Headquarters from 31 January 1976 until and including 31 July 1976 by Contracting Parties to the International Coffee Agreement 1968 as Extended by Protocol and Governments invited to the sessions

of the International Coffee Council convened for the purpose of negotiating the International Coffee Agreement 1976.

Article 60

Ratification, Acceptance, Approval

(1) This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective constitutional procedures.

(2) Except as provided for in Article 61, instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations not later than 30 September 1976. However, the Council may grant extensions of time to signatory Governments which are unable to deposit their instruments by that date.

Article 61

Entry into Force

(1) This Agreement shall enter into force definitively on 1 October 1976 if, by that date, Governments representing at least twenty exporting Members holding at least 80 percent of the votes of the exporting Members and at least ten importing Members holding at least 80 percent of the votes of the importing Members, as set out in Annex 2, have deposited their instruments of ratification, acceptance or approval. Alternatively, it shall enter into force definitively at any time after 1 October 1976, if it is provisionally in force in accordance with the provisions of paragraph (2) of this Article and these percentage requirements are satisfied by the deposit of instruments of ratification, acceptance or approval

(2) This Agreement may enter into force provisionally on 1 October 1976. For this purpose, a notification by a signatory Government or by any other Contracting Party to the International Coffee Agreement 1968 as Extended by Protocol containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval in accordance with its constitutional procedures as rapidly as possible, which is received by the Secretary-General of the United Nations not later than 30 September 1976, shall be regarded as equal in effect to an instrument of ratification, acceptance or approval. A Government which undertakes to apply this Agreement provisionally pending the deposit of an instrument of ratification, acceptance or approval shall be regarded as a provisional Party thereto until it deposits its instrument of ratification, acceptance or approval, or until and including 31 December 1976 whichever is the earlier. The Council may grant an extension of the time within which any Government which is applying this Agreement provisionally may deposit its instrument of ratification, acceptance or approval.

(3) If this Agreement has not entered into force definitively or provisionally on 1 October 1976 under the provisions of paragraphs (1) or (2) of this Article, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made notifications containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval may, by mutual consent, decide that it shall enter into force among themselves. Similarly, if this Agreement has entered into force provisionally but has not entered into force definitively on 31 December 1976, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made the notifications referred to in paragraph (2) of this Article, may, by mutual consent, decide that it shall continue in force provisionally or enter into force definitively among themselves.

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Article 62**Accession**

(1) The Government of any State member of the United Nations or of any of its specialized agencies may, before or after the entry into force of this Agreement, accede to it upon conditions which shall be established by the Council.

(2) Instruments of accession shall be deposited with the Secretary-General of the United Nations. The accession shall take effect upon deposit of the instrument.

Article 63**Reservations**

Reservations may not be made with respect to any of the provisions of this Agreement.

Article 64**Extension to Designated Territories**

(1) Any Government may, at the time of signature or deposit of an instrument of ratification, acceptance, approval or accession, or at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall extend to any of the territories for whose international relations it is responsible; this Agreement shall extend to the territories named therein from the date of such notification.

(2) Any Contracting Party which desires to exercise its rights under the provisions of Article 5 in respect of any of the territories for whose international relations it is responsible or which desires to authorise any such territory to become part of a Member group formed under the provisions of Articles 6 or 7, may do so by making a notification to that effect to the Secretary-General of the United Nations, either at the time of the deposit of its instrument of ratification, acceptance, approval or accession, or at any later time.

(3) Any Contracting Party which has made a declaration under the provisions of paragraph (1) of this Article may at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall cease to extend to the territory named in the notification. This Agreement shall cease to extend to such territory from the date of such notification.

(4) When a territory to which this Agreement has been extended under the provisions of paragraph (1) of this Article subsequently attains its independence, the Government of the new state may, within 90 days after the attainment of independence, declare by notification to the Secretary-General of the United Nations that it has assumed the rights and obligations of a Contracting Party to this Agreement. It shall, as from the date of such notification, become a Contracting Party to this Agreement. The Council may grant an extension of the time within which such notification may be made.

Article 65**Voluntary Withdrawal**

Any Contracting Party may withdraw from this Agreement at any time by giving a written notice of withdrawal to the Secretary-General of the United Nations. Withdrawal shall become effective 90 days after the notice is received.

Article 66**Exclusion**

If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by a distributed two-thirds majority vote, exclude such Member from the Organization. The Council shall immediately notify the Secretary-General of the United Nations of any such decision. Ninety days after the date of the Council's decision, such Member shall cease to be a Member of the Organization and, if such Member is a Contracting Party, a Party to this Agreement.

Article 67**Settlement of Accounts with
Withdrawing or Excluded Members**

(1) The Council shall determine any settlement of accounts with a withdrawing or excluded Member. The Organization shall retain any amounts already paid by a withdrawing or excluded Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal or the exclusion

becomes effective, provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently ceases to participate in this Agreement under the provisions of paragraph (2) of Article 69, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has ceased to participate in this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization, nor shall it be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

Article 68

Duration and Termination

(1) This Agreement shall remain in force for a period of six years until 30 September 1982, unless extended under the provisions of paragraph (3) of this Article or terminated under the provisions of paragraph (4) of this Article.

(2) During the third year of this Agreement, namely the coffee year ending 30 September 1979, Contracting Parties shall notify the Secretary-General of the United Nations of their intention to continue to participate in this Agreement for the remaining three years of its duration. Any Contracting Party which, by 30 September 1979, has not made a notification of its intention to continue to participate in this Agreement for the remaining three years of its duration, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall with effect from 1 October 1979 cease to participate in this Agreement.

(3) The Council may, at any time after 30 September 1980, by a vote of 58 percent of the Members having not less than a distributed majority of 70 percent of the total votes, decide either that this Agreement be renegotiated or that it be extended, with or without modification, for such period as the Council shall determine. Any Contracting Party which by the date on which such renegotiated or extended Agreement enters into force has not made a notification of acceptance of such renegotiated or extended Agreement to the Secretary-General of the United Nations, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall as of that date cease to participate in such Agreement.

(4) The Council may at any time, by a vote of a majority of the Members having not less than a distributed two-thirds majority of the total votes, decide to terminate this Agreement. Such termination shall take effect on such date as the Council shall decide.

(5) Notwithstanding termination of this Agreement, the Council shall remain in being for as long as necessary to carry out the liquidation of the Organization, settlement of its accounts and disposal of its assets and shall have during that period such powers and functions as may be necessary for those purposes.

Article 69

Amendment

(1) The Council may, by a distributed two-thirds majority vote, recommend an amendment of this Agreement to the Contracting Parties. The amendment shall become effective 100 days after the Secretary-General of the United Nations has received notifications of acceptance from Contracting Parties representing at least

75 percent of the exporting countries holding at least 85 percent of the votes of the exporting Members, and from Contracting Parties representing at least 75 percent of the importing countries holding at least 80 percent of the votes of the importing Members. The Council shall fix a time within which Contracting Parties shall notify the Secretary-General of the United Nations of their acceptance of the amendment. If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

(2) Any Contracting Party which has not notified acceptance of an amendment within the period fixed by the Council, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall cease to participate in this Agreement from the date on which such amendment becomes effective.

Article 70

Supplementary and Transitional Provisions

(1) This Agreement shall be considered as a continuation of the International Coffee Agreement 1968 as Extended by Protocol.

(2) In order to facilitate the uninterrupted continuation of the International Coffee Agreement 1968 as Extended by Protocol

(a) All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 1968 as Extended by Protocol, in effect on 30 September 1976, whose terms do not provide for expiry on that date, shall remain in effect unless changed under the provisions of this Agreement;

(b) All decisions required to be taken by the Council during coffee year 1975/76 for application in coffee year 1976/77 shall be taken during the last regular session of the Council in coffee year 1975/76 and applied on a provisional basis as if this Agreement had already entered into force.

Article 71

Authentic Texts of the Agreement

The texts of this Agreement in the English, French, Portuguese and Spanish languages shall all be equally authentic. The originals shall be deposited with the Secretary-General of the United Nations.

IN WITNESS WHEREOF the undersigned, having been duly authorised to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

ANNEX 1

EXPORTING MEMBERS EXPORTING LESS THAN 400,000 BAGS
TO IMPORTING MEMBERS

Exporting Member	Initial annual export quota (000 bags)	Number of votes in addition to basic votes
	(1)	(2)
<u>Less than 100,000 bags</u>		
Gabon	25	0
Jamaica	25	0
Congo	25	0
Panama	41	0
Dahomey	33	0
Bolivia	73	0
Ghana	66	0
Trinidad and Tobago	69	0
Nigeria	70	0
Paraguay	70	0
Timor	82	0
Sub-total	579	
<u>More than 100,000 bags</u>		
Liberia	100	2
Guinea	127	2
Sierra Leone	180	3
Central African Republic	205	3
Togo	225	4
Rwanda	300	5
Venezuela	325	5
Burundi	360	6
Haiti	360	6
Sub-total	2,182	
TOTAL	2,761	

ANNEX 2

DISTRIBUTION OF VOTES

	<u>Exporting</u>	<u>Importing</u>
TOTAL	<u>1,000</u>	<u>1,000</u>
Australia	-	12
Belgium*	-	29
Bolivia	4	-
Brazil	336	-
Burundi	6	-
Cameroon	20	-
Canada	-	32
Central African Republic	7	-
Colombia	114	-
Congo	4	-
Costa Rica	22	-
Cyprus	-	5
Czechoslovakia	-	10
Dahomey	4	-
Denmark	-	23
Dominican Republic	12	-
Ecuador	16	-
El Salvador	35	-
Ethiopia	28	-
Federal Republic of Germany	-	104
Finland	-	22
France	-	87
Gabon	4	-
Ghana	4	-
Guatemala	33	-
Guinea	6	-
Haiti	12	-
Honduras	11	-
India	11	-
Indonesia	26	-
Ireland	-	6
Ivory Coast	49	-
Jamaica	4	-
Japan	-	37
Kenya	17	-
Liberia	4	-
Madagascar	16	-
Mexico	32	-
Netherlands	-	47
New Zealand	-	7
Nicaragua	13	-
Nigeria	4	-
Norway	-	16
Panama	4	-
Papua New Guinea	4	-
Paraguay	4	-
Peru	16	-
Portugal	-	12
Rwanda	6	-
Sierra Leone	6	-
Spain	-	28
Sweden	-	37
Switzerland	-	24
Tanzania	15	-
Timor	4	-
Togo	7	-
Trinidad and Tobago	4	-
Uganda	42	-
United Kingdom	-	51
United States of America	-	392
Venezuela	9	-
Yugoslavia	-	18
Zaire	21	-

* Includes Luxembourg [Footnote in the original.]

ACCORD INTERNATIONAL DE 1976 SUR LE CAFE

Préambule

Les Gouvernements Parties au présent Accord,

Reconnaissant que le café revêt une importance exceptionnelle pour l'économie de nombreux pays qui dépendent dans une large mesure de ce produit pour leurs recettes d'exportation et par conséquent pour continuer leurs programmes de développement social et économique;

Considérant qu'une étroite coopération internationale dans le domaine des échanges de café permettra d'encourager la diversification et l'expansion de l'économie des pays producteurs de café, d'améliorer les relations politiques et économiques entre pays producteurs et pays consommateurs et de contribuer à l'accroissement de la consommation;

Reconnaissant qu'il est souhaitable d'éviter un déséquilibre entre la production et la consommation qui peut donner lieu à des fluctuations de prix accusées, préjudiciables aux producteurs comme aux consommateurs;

Convaincus que des mesures internationales peuvent aider à corriger les effets de ce déséquilibre et contribuer à assurer aux producteurs des recettes suffisantes au moyen de prix rémunérateurs;

Prenant note des avantages obtenus grâce à la coopération internationale suscitée par la mise en œuvre des Accords internationaux de 1962 et 1968 sur le Café,

Sont convenus de ce qui suit.

CHAPITRE PREMIER - OBJECTIFS**Article premier****Objectifs**

Les objectifs de l'Accord sont

- 1) De réaliser un équilibre judicieux entre l'offre et la demande de café, dans des conditions qui assureront aux consommateurs un approvisionnement suffisant à des prix équitables et aux producteurs des débouchés à des prix rémunérateurs, et qui permettront d'équilibrer de façon durable la production et la consommation;
- 2) D'éviter des fluctuations excessives de l'offre mondiale, des stocks et des prix, préjudiciables aux producteurs comme aux consommateurs;
- 3) De contribuer à mettre en valeur les ressources productives, à éléver et maintenir l'emploi et le revenu dans les pays Membres, et d'aider ainsi à y réaliser des salaires équitables, un plus haut niveau de vie et de meilleures conditions de travail,
- 4) D'accroître le pouvoir d'achat des pays exportateurs de café en maintenant les prix à un niveau conforme aux dispositions du paragraphe 1) du présent Article et en augmentant la consommation;
- 5) D'encourager la consommation du café de toutes les manières possibles;
- 6) D'une façon générale, et compte tenu des liens qui existent entre le commerce du café et la stabilité économique des marchés ouverts aux produits industriels, de favoriser la coopération internationale dans le domaine des problèmes mondiaux du café.

Article 2

Engagements généraux des Membres

1) Les Membres s'engagent à conduire leur politique commerciale de façon à réaliser les objectifs énoncés à l'Article premier. Ils s'engagent en outre à atteindre ces objectifs en remplissant strictement les obligations du présent Accord et en observant ses dispositions.

2) Les Membres reconnaissent la nécessité d'adopter des politiques permettant de maintenir les prix du café à des niveaux qui assurent aux producteurs une rémunération suffisante tout en cherchant à assurer aux consommateurs des prix qui ne fassent pas obstacle à un accroissement souhaitable de la consommation.

3) Les Membres exportateurs s'engagent à ne prendre ou à ne maintenir en vigueur aucune mesure gouvernementale qui permettrait de vendre du café à des pays non membres à des conditions commerciales plus favorables que celles qu'ils sont disposés à offrir au même moment à des Membres importateurs, compte tenu des pratiques commerciales normales.

4) Le Conseil passe en revue périodiquement la mise en œuvre des dispositions du paragraphe 3) du présent Article et peut demander aux Membres de transmettre les renseignements appropriés, conformément aux dispositions de l'Article 53.

5) Les Membres reconnaissent que les certificats d'origine constituent une source indispensable de renseignements sur les échanges de café. Pendant les périodes où les contingents sont suspendus, les Membres exportateurs assument la responsabilité de veiller à ce que les certificats d'origine soient utilisés à bon escient. Toutefois, bien que les Membres importateurs ne soient pas tenus d'exiger que des

certificats accompagnent les lots de café lorsque les contingents ne sont pas en vigueur, ils coopéreront pleinement avec l'Organisation pour le rassemblement et la vérification des certificats ayant trait à des expéditions en provenance de pays Membres exportateurs, afin que le plus grand nombre possible de renseignements soit à la disposition de tous les pays Membres.

CHAPITRE II - DEFINITIONS

Article 3

Définitions

Aux fins du présent Accord

1) "Café" désigne le grain et la cerise du cafier, qu'il s'agisse de café en parche, de café vert ou de café torréfié, et comprend le café moulu, le café décaféiné, le café liquide et le café soluble. Ces termes ont la signification suivante:

- a) "Café vert" désigne tout café en grain, déparché, avant torréfaction;
- b) "Cerise de café séchée" désigne le fruit séché du cafier; l'équivalent en café vert des cerises de café séchées s'obtient en multipliant par 0,50 le poids net des cerises séchées;
- c) "Café en parche" désigne le grain de café vert dans sa parche; l'équivalent en café vert du café en parche s'obtient en multipliant par 0,80 le poids net du café en parche;

- d) "Café torréfié" désigne le café vert torréfié à un degré quelconque, et comprend le café moulu; l'équivalent en café vert du café torréfié s'obtient en multipliant par 1,19 le poids net du café torréfié;
- e) "Café décaféiné" désigne le café vert, torréfié ou soluble, après extraction de caféine; l'équivalent en café vert du café décaféiné s'obtient en multipliant par 1, 1,19 ou 3,00 ^{1/} respectivement, le poids net du café décaféiné vert, torréfié ou soluble;
- f) "Café liquide" désigne les solides solubles dans l'eau obtenus à partir du café torréfié et présentés sous forme liquide; l'équivalent en café vert du café liquide s'obtient en multipliant par 3,00 ^{1/} le poids net des solides de café déshydratés contenus dans le café liquide;
- g) "Café soluble" désigne les solides, déshydratés et solubles dans l'eau, obtenus à partir du café torréfié; l'équivalent en café vert du café soluble s'obtient en multipliant par 3,00 ^{1/} le poids net du café soluble.
- 2) "Sac" désigne 60 kilogrammes, soit 132,276 livres de café vert; "tonne" désigne la tonne métrique de 1 000 kilogrammes, soit 2 204,6 livres; "livre" désigne 453,597 grammes.
- 3) "Année caférière" désigne la période de douze mois qui va du 1 octobre au 30 septembre.

^{1/} Le facteur de conversion de 3,00 est revu et peut être modifié par le Conseil compte tenu des décisions prises à ce sujet par les autorités internationales compétentes.

4) "Organisation" signifie l'Organisation internationale du Café; "Conseil" signifie le Conseil international du Café; "Comité" signifie le Comité exécutif

5) "Membre" signifie une Partie Contractante, y compris une organisation intergouvernementale mentionnée au paragraphe 3) de l'Article 4, un ou des territoires désignés qui ont été déclarés comme Membre séparé en vertu de l'Article 5; plusieurs Parties Contractantes, plusieurs territoires désignés, ou plusieurs Parties Contractantes et territoires désignés qui font partie de l'Organisation en tant que groupe Membre, en vertu des Articles 6 et 7

6) "Membre exportateur" ou "pays exportateur" désigne respectivement un Membre ou un pays qui est exportateur net de café, c'est-à-dire un Membre ou un pays dont les exportations dépassent les importations.

7) "Membre importateur" ou "pays importateur" désigne respectivement un Membre ou un pays qui est importateur net de café, c'est-à-dire un Membre ou un pays dont les importations dépassent les exportations.

8) "Membre producteur" ou "pays producteur" désigne respectivement un Membre ou un pays qui produit du café en quantités suffisantes pour avoir une signification commerciale.

9) "Majorité répartie simple" signifie la majorité absolue des voix exprimées par les Membres exportateurs présents votant, et la majorité absolue des voix exprimées par les Membres importateurs présents votant.

10) "Majorité répartie des deux tiers" signifie les deux tiers des voix exprimées par les Membres exportateurs présents votant, et les deux tiers des voix exprimées par les Membres importateurs présents votant.

- 11) "Entrée en vigueur" signifie, sauf indication contraire, la date à laquelle l'Accord entre en vigueur, provisoirement ou définitivement.
- 12) "Production exportable" désigne la production totale de café d'un pays exportateur pendant une année ou une campagne caférière donnée, diminuée de la quantité prévue pour les besoins de la consommation intérieure pendant la même année.
- 13) "Disponibilités à l'exportation" désigne la production exportable d'un pays exportateur au cours d'une année caférière donnée, augmentée des stocks reportés des années précédentes.
- 14) "Quantité à exporter sous contingent" désigne la quantité totale de café qu'un Membre est autorisé à exporter aux termes des diverses dispositions de l'Accord, à l'exclusion des exportations hors contingent effectuées conformément aux dispositions de l'Article 44.
- 15) "Déficit" désigne la différence entre la quantité de café qu'un Membre exportateur a le droit d'exporter sous contingent pendant une année caférière donnée et la quantité que ce Membre a exportée à destination des marchés sous contingent pendant ladite année caférière.

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CHAPITRE III - MEMBRES

Article 4

Membres de l'Organisation

1) Chaque Partie Contractante constitue, avec ceux des territoires auxquels l'Accord s'applique en vertu du paragraphe 1) de l'Article 64, un seul et même Membre de l'Organisation, sous réserve des dispositions prévues aux Articles 5, 6 et 7

2) Dans des conditions à convenir par le Conseil, un Membre peut changer de catégorie.

3) Toute mention du mot "Gouvernement" dans le présent Accord est réputée valoir pour la Communauté économique européenne ou une organisation intergouvernementale ayant des responsabilités comparables en ce qui concerne la négociation, la conclusion et l'application d'accords internationaux, en particulier d'accords sur des produits de base.

4) Une telle organisation intergouvernementale n'a pas elle-même de voix mais, en cas de vote sur des questions relevant de sa compétence, elle est autorisée à disposer des voix de ses Etats membres, et elle les exprime en bloc. Dans ce cas, les Etats membres de cette organisation intergouvernementale ne sont pas autorisés à exercer individuellement leurs droits de vote.

5) Les dispositions du paragraphe 1) de l'Article 16 ne sont pas applicables à une telle organisation intergouvernementale; toutefois, celle-ci peut participer aux discussions du Comité exécutif sur les questions relevant de sa compétence. En cas de vote sur des questions relevant de sa compétence et par dérogation aux dispositions du paragraphe 1) de

l'Article 19, les voix dont ses Etats membres sont autorisés à disposer au Comité exécutif sont exprimées en bloc par l'un quelconque de ces Etats membres.

Article 5

Participation séparée de territoires désignés

Toute Partie Contractante qui est importatrice nette de café peut, à tout moment, par la notification prévue au paragraphe 2) de l'Article 64, déclarer qu'elle participe à l'Organisation indépendamment de tout territoire qu'elle désigne parmi ceux dont elle assure la représentation internationale qui sont exportateurs nets de café. Dans ce cas, le territoire métropolitain et les territoires non désignés constituent un seul et même Membre, et les territoires désignés ont, individuellement ou collectivement selon les termes de la notification, la qualité de Membre distinct.

Article 6

Participation initiale en groupe

1) Deux ou plusieurs Parties Contractantes qui sont exportatrices nettes de café peuvent, par notification adressée au Conseil et au Secrétaire général de l'Organisation des Nations Unies lors du dépôt de leurs instruments respectifs d'approbation, de ratification, d'acceptation ou d'adhésion, déclarer qu'elles entrent dans l'Organisation en tant que groupe. Un territoire auquel l'Accord s'applique en vertu du paragraphe 1) de l'Article 64 peut faire partie d'un tel groupe si le gouvernement de l'Etat qui assure ses

relations internationales a adressé la notification prévue au paragraphe 2) de l'Article 64. Ces Parties Contractantes et ces territoires désignés doivent remplir les conditions suivantes

- a) Se déclarer disposés à accepter la responsabilité, aussi bien individuelle que collective, du respect des obligations du groupe;
- b) Ils doivent par la suite prouver à la satisfaction du Conseil
 - i) Que le groupe a l'organisation nécessaire à l'application d'une politique commune en matière de café, et qu'ils ont les moyens de s'acquitter, conjointement avec les autres membres du groupe, des obligations que leur impose le présent Accord; et
 - ii) Soit qu'un précédent accord international sur le café les a reconnus comme un groupe;
 - iii) Soit qu'ils ont une politique commerciale et économique commune ou coordonnée en matière de café et une politique monétaire et financière coordonnée ainsi que les organes nécessaires à l'application de ces politiques, de façon que le Conseil soit assuré que le groupe est en mesure de se conformer à toutes les obligations collectives qui en découlent
- 2) Le groupe Membre constitue un seul et même Membre de l'Organisation, étant toutefois entendu que chaque membre du groupe sera traité en Membre distinct pour les questions qui relèvent des dispositions suivantes

a) Articles 11, 12 et 20 du Chapitre IV;

b) Articles 50 et 51 du Chapitre VIII,

c) Article 67 du Chapitre X.

3) Les Parties Contractantes et les territoires désignés qui entrent en tant que groupe indiquent le gouvernement ou l'organisation qui les représentera au Conseil pour les questions dont traite l'Accord, à l'exception de celles qui sont énumérées au paragraphe 2) du présent Article.

4) Le droit de vote du groupe s'exerce de la façon suivante

a) Le groupe Membre a, pour chiffre de base, le même nombre de voix qu'un seul pays Membre entré à titre individuel dans l'Organisation. Le gouvernement ou l'organisation qui représente le groupe reçoit ces voix et en dispose;

b) Au cas où la question mise aux voix rentre dans le cadre des dispositions énoncées au paragraphe 2) du présent Article, les divers membres du groupe peuvent disposer séparément des voix que leur attribuent les paragraphes 3) et 4) de l'Article 13, comme si chacun d'eux était un Membre individuel de l'Organisation, sauf que les voix du chiffre de base restent attribuées au gouvernement ou à l'organisation qui représente le groupe.

5) Toute Partie Contractante ou tout territoire désigné qui fait partie d'un groupe peut, par notification au Conseil, se retirer de ce groupe et devenir Membre distinct. Ce retrait prend effet lors de la réception de la notification par le Conseil. Quand un des membres d'un groupe s'en retire ou cesse d'être un Membre de l'Organisation, les autres

membres du groupe peuvent demander au Conseil de maintenir ce groupe; le groupe conserve son existence à moins que le Conseil ne rejette cette demande. En cas de dissolution du groupe, chacun de ses ex-membres devient un Membre distinct. Un Membre qui a cessé d'appartenir à un groupe ne peut pas redevenir membre d'un groupe quelconque tant que le présent Accord reste en vigueur.

Article 7

Participation ultérieure en groupe

Deux Membres exportateurs ou plus peuvent, une fois que l'Accord est entré en vigueur, demander à tout moment au Conseil l'autorisation de se constituer en groupe. Le Conseil les y autorise s'il constate qu'ils lui ont adressé la déclaration et les preuves exigées au paragraphe 1) de l'Article 6. Dès que le Conseil a donné cette autorisation, les dispositions des paragraphes 2), 3), 4) et 5) de l'Article 6 deviennent applicables au groupe.

CHAPITRE IV - CONSTITUTION ET ADMINISTRATION

Article 8

Siège et structure de l'Organisation internationale du Café

1) L'Organisation internationale du Café créée par l'Accord de 1962 continue d'exister pour assurer la mise en œuvre du présent Accord et en surveiller le fonctionnement.

2) L'Organisation a son siège à Londres, à moins que le Conseil n'en décide autrement à la majorité répartie des deux tiers des voix.

3) L'Organisation exerce ses fonctions par l'intermédiaire du Conseil international du Café, du Comité exécutif, du Directeur exécutif et du personnel.

Article 9

Composition du Conseil international du Café

1) L'Autorité suprême de l'Organisation est le Conseil international du Café, qui se compose de tous les Membres de l'Organisation.

2) Chaque Membre nomme un représentant au Conseil et, s'il le désire, un ou plusieurs suppléants. En outre, chaque Membre peut désigner un ou plusieurs conseillers pour accompagner son représentant ou ses suppléants.

Article 10

Pouvoirs et fonctions du Conseil

1) Le Conseil, investi de tous les pouvoirs que confère expressément l'Accord, a les pouvoirs et exerce les fonctions nécessaires à l'exécution des dispositions de l'Accord.

2) Le Conseil arrête, à la majorité répartie des deux-tiers, les règlements nécessaires à l'exécution de l'Accord et conformes à ses dispositions, notamment son propre règlement intérieur et les règlements applicables à la gestion financière de l'Organisation et à son personnel.

Le Conseil peut prévoir dans son règlement intérieur une procédure qui lui permette de prendre, sans se réunir, des décisions sur des points déterminés.

3) En outre, le Conseil tient à jour la documentation nécessaire à l'accomplissement des fonctions que lui confère l'Accord, et toute autre documentation qu'il juge souhaitable.

Article 11

Election du Président et des Vice-Présidents du Conseil

1) Le Conseil élit pour chaque année cafière un Président de même qu'un premier, un deuxième et un troisième Vice-Président.

2) En règle générale, le Président et le premier Vice-Président sont tous deux élus parmi les représentants des Membres exportateurs ou parmi les représentants des Membres importateurs, et les deuxième et troisième Vice-Présidents parmi les représentants de l'autre catégorie. Cette répartition alterne chaque année cafière.

3) Ni le Président ni le Vice-Président qui fait fonction de Président n'a le droit de vote. Dans ce cas, leur suppléant exerce le droit de vote du Membre.

Article 12

Sessions du Conseil

En règle générale, le Conseil se réunit deux fois par an en session ordinaire. Il peut tenir des sessions extraordinaires s'il en décide ainsi. Des sessions extraordinaires

se tiennent aussi à la demande du Comité exécutif, ou de cinq Membres, ou d'un ou plusieurs Membres réunissant 200 voix au minimum. Les sessions du Conseil sont annoncées au moins trente jours à l'avance, sauf en cas d'urgence. Les sessions ont lieu au siège de l'Organisation, à moins que le Conseil n'en décide autrement.

Article 13

Voix

1) Les Membres exportateurs ont ensemble 1 000 voix et les Membres importateurs également; ces voix sont réparties à l'intérieur de chaque catégorie, celle des exportateurs et celle des importateurs, comme l'indiquent les paragraphes suivants.

2) Chaque Membre a, comme chiffre de base, cinq voix, à condition que le total de ces voix ne dépasse pas 150 pour chaque catégorie de Membres. S'il y avait plus de 30 Membres exportateurs ou plus de 30 Membres importateurs, le chiffre de base attribué à chaque Membre de cette catégorie serait ajusté de façon que le total des chiffres de base ne dépasse pas 150 pour chaque catégorie.

3) Les Membres exportateurs énumérés à l'Annexe 1 et dont le contingent annuel d'exportation initial est égal ou supérieur à 100 000 sacs mais inférieur à 400 000 sacs auront, outre les voix correspondant au chiffre de base, le nombre de voix qui leur est attribué dans la colonne 2 de l'Annexe 1. Si l'un des Membres exportateurs auxquels s'appliquent les dispositions du présent paragraphe choisit d'avoir un contingent de base en vertu du paragraphe 5) de l'Article 31, les dispositions du présent paragraphe cessent d'être applicables pour lui.

4) Sous réserve des dispositions de l'Article 32, le restant des voix des Membres exportateurs est réparti entre les Membres ayant un contingent de base, au prorata du volume moyen de leurs exportations respectives de café à destination des Membres importateurs pendant les années caférières 1968/69 à 1971/72 inclusivement. Ceci constitue la base pour le calcul des voix des Membres exportateurs concernés jusqu'au 31 décembre 1977. A compter du 1 janvier 1978, le restant des voix des Membres exportateurs ayant un contingent de basé est calculé au prorata du volume moyen de leurs exportations respectives de café à destination des Membres importateurs, de la manière indiquée ci-après.

<u>Avec effet à compter du 1 janvier</u>	<u>Années caférières</u>
1978	1969/70, 1970/71, 1971/72, 1976/77
1979	1970/71, 1971/72, 1976/77, 1977/78
1980	1971/72, 1976/77, 1977/78, 1978/79
1981	1976/77, 1977/78, 1978/79, 1979/80
1982	1977/78, 1978/79, 1979/80, 1980/81

5) Le restant des voix des Membres importateurs est réparti entre eux au prorata du volume moyen de leurs importations de café des trois années civiles précédentes.

6) Le Conseil répartit les voix au début de chaque année caférière en vertu du présent Article, et cette répartition reste en vigueur pendant l'année en question, sauf dans les cas prévus aux paragraphes 4) et 7)

7) Quand un changement survient dans la participation à l'Organisation, ou si le droit de vote d'un Membre est suspendu ou rétabli en vertu des Articles 26, 42, 45 ou 58, le Conseil procède à une nouvelle répartition des voix, qui obéit aux dispositions du présent Article.

- 8) Aucun Membre n'a plus de 400 voix.
- 9) Il ne peut y avoir de fraction de voix.

Article 14

Procédure de vote du Conseil

1) Chaque Membre dispose de toutes les voix qu'il détient et n'est pas autorisé à les diviser. Il peut cependant disposer différemment des voix qui lui sont données par procuration, conformément aux dispositions du paragraphe 2) du présent Article.

2) Tout Membre exportateur peut autoriser tout autre Membre exportateur et tout Membre importateur peut autoriser tout autre Membre importateur à représenter ses intérêts et à exercer son droit de vote à une ou plusieurs séances du Conseil. La limitation prévue au paragraphe 8) de l'Article 13 ne s'applique pas dans ce cas.

Article 15

Décisions du Conseil

1) Le Conseil prend toutes ses décisions et fait toutes ses recommandations à la majorité répartie simple, sauf disposition contraire du présent Accord.

2) La procédure suivante s'applique à toute décision que le Conseil doit, aux termes de l'Accord, prendre à la majorité répartie des deux tiers

- a) Si la proposition n'obtient pas la majorité répartie des deux tiers en raison du vote négatif d'un, deux ou trois Membres exportateurs ou d'un, deux ou trois Membres importateurs, elle est, si le Conseil

- en décide ainsi à la majorité des Membres présents et à la majorité répartie simple des voix, remise aux voix dans les 48 heures;
- b) Si, à ce deuxième scrutin, la proposition n'obtient encore pas la majorité répartie des deux tiers, en raison du vote négatif d'un ou deux Membres exportateurs ou d'un ou deux Membres importateurs, elle est, si le Conseil en décide ainsi à la majorité des Membres présents et à la majorité répartie simple des voix, remise aux voix dans les 24 heures;
- c) Si, à ce troisième scrutin, la proposition n'obtient toujours pas la majorité répartie des deux tiers en raison du vote négatif d'un Membre exportateur ou d'un Membre importateur, elle est considérée comme adoptée;
- d) Si le Conseil ne remet pas une proposition aux voix, elle est considérée comme repoussée.
- 3) Les Membres s'engagent à accepter comme obligatoires toutes les décisions que le Conseil prend en vertu de l'Accord.

Article 16

Composition du Comité exécutif

- 1) Le Comité exécutif se compose de huit Membres exportateurs et de huit Membres importateurs élus pour chaque année caféière conformément aux dispositions de l'Article 17. Ils sont rééligibles.

2) Chaque Membre du Comité exécutif désigne un représentant et, s'il le désire, un ou plusieurs suppléants. En outre, chaque Membre peut désigner un ou plusieurs conseillers pour accompagner son représentant ou ses suppléants.

3) Elus pour chaque année cafière par le Conseil, le Président et le Vice-Président du Comité exécutif sont rééligibles. Ni le Président ni le Vice-Président qui fait fonction de Président n'a le droit de vote. Si un représentant est élu Président ou si un Vice-Président fait fonction de Président, leur suppléant exerce le droit de vote. En règle générale, le Président et le Vice-Président sont tous deux élus parmi les représentants de la même catégorie de Membres pour chaque année cafière.

4) Le Comité exécutif se réunit normalement au siège de l'Organisation, mais peut se réunir ailleurs.

Article 17

Election du Comité exécutif

1) Les Membres exportateurs de l'Organisation élisent les Membres exportateurs du Comité exécutif, et les Membres importateurs de l'Organisation les Membres importateurs du Comité exécutif. Les élections de chaque catégorie ont lieu selon les dispositions suivantes.

2) Chaque Membre vote pour un seul candidat, en lui accordant toutes les voix dont il dispose en vertu de l'Article 13. Il peut accorder à un autre candidat les voix dont il disposerait par procuration conformément aux dispositions du paragraphe 2) de l'Article 14.

3) Les huit candidats qui recueillent le plus grand nombre de voix sont élus; toutefois, aucun candidat n'est élu au premier tour de scrutin s'il n'a pas obtenu 75 voix au moins.

4) Si moins de huit candidats sont élus au premier tour de scrutin selon les dispositions du paragraphe 3) du présent Article, de nouveaux tours de scrutin ont lieu, auxquels seuls participent les Membres qui n'ont voté pour aucun des candidats élus. A chaque nouveau tour de scrutin, le minimum de voix nécessaire pour être élu diminue successivement de cinq unités, jusqu'à ce que les huit candidats soient élus.

5) Un Membre qui n'a pas voté pour un des Membres élus confère à un d'entre eux les voix dont il dispose, sous réserve des dispositions des paragraphes 6) et 7) du présent Article.

6) On considère qu'un Membre a obtenu les voix qui lui ont été données lors de son élection, plus les voix qui lui ont été conférées plus tard, à condition que le total des voix ne dépasse 499 pour aucun Membre élu.

7) Au cas où les voix considérées comme obtenues par un Membre élu dépasseraient 499, les Membres qui ont voté pour ce Membre élu ou qui lui ont conféré leurs voix s'entendront pour qu'un ou plusieurs d'entre eux retirent les voix qu'ils lui ont accordées et les confèreront ou les transfèreront à un autre Membre élu, de façon que les voix obtenues par chaque Membre élu ne dépassent pas le chiffre limite de 499.

Article 18

Compétence du Comité exécutif

- 1) Le Comité exécutif est responsable devant le Conseil et travaille selon ses directives générales.
- 2) Le Conseil peut, à la majorité répartie des deux tiers des voix, déléguer au Comité exécutif tout ou partie de ses pouvoirs à l'exclusion des suivants
 - a) Voter le budget administratif et fixer les cotisations, en vertu de l'Article 25;
 - b) Suspendre le droit de vote d'un Membre, en vertu de l'Article 45 ou de l'Article 58;
 - c) Dispenser un Membre de ses obligations, en vertu de l'Article 56;
 - d) Se prononcer sur les différends, en vertu de l'Article 58;
 - e) Fixer des conditions d'adhésion, en vertu de l'Article 62;
 - f) Décider de demander l'exclusion d'un Membre de l'Organisation, en vertu de l'Article 66;
 - g) Prendre une décision sur la question de soumettre l'Accord à de nouvelles négociations, de le proroger ou de le résilier, en vertu de l'Article 68;
 - h) Recommander un amendement aux Membres, en vertu de l'Article 69
- 3) Le Conseil peut à tout moment, à la majorité répartie simple, annuler les pouvoirs qu'il a délégués au Comité.

Article 19**Procédure de vote du Comité exécutif**

- 1) Chaque membre du Comité exécutif dispose des voix qu'il a obtenues en vertu des paragraphes 6) et 7) de l'Article 17. Le vote par procuration n'est pas admis. Aucun membre du Comité exécutif n'est autorisé à partager ses voix.
- 2) Les décisions du Comité sont prises à la même majorité que les décisions analogues du Conseil.

Article 20**Quorum aux réunions du Conseil et du Comité**

- 1) Le quorum exigé pour toute réunion du Conseil est constitué par la majorité des Membres, si cette majorité représente la majorité répartie des deux tiers du total des voix. Si, à l'heure fixée pour le début d'une séance du Conseil le quorum n'est pas atteint, le Président du Conseil peut décider de retarder d'au moins trois heures l'ouverture de la séance. Si, à l'heure prévue pour la nouvelle réunion, le quorum n'est toujours pas atteint, le Président peut encore différer d'au moins trois heures l'ouverture de la séance. Cette procédure peut être répétée jusqu'à ce que le quorum soit atteint au moment fixé pour le début de la séance. Les Membres représentés par procuration en vertu du paragraphe 2) de l'Article 14 sont considérés comme présents.

- 2) Le quorum exigé pour toute réunion du Comité exécutif est constitué par la majorité des Membres si cette majorité représente la majorité répartie des deux tiers du total des voix.

Article 21**Directeur exécutif et personnel**

1) Le Conseil nomme le Directeur exécutif sur la recommandation du Comité exécutif. Il fixe les conditions d'emploi du Directeur exécutif; elles sont comparables à celles des fonctionnaires homologues d'organisations intergouvernementales similaires.

2) Le Directeur exécutif est le chef des services administratifs de l'Organisation; il est responsable de l'exécution des tâches qui lui incombent dans l'administration du présent Accord.

3) Le Directeur exécutif nomme le personnel conformément au règlement arrêté par le Conseil.

4) Le Directeur exécutif et les autres fonctionnaires ne doivent avoir aucun intérêt financier ni dans l'industrie cafétière ni dans le commerce ou le transport du café.

5) Dans l'accomplissement de leurs devoirs, le Directeur exécutif et le personnel ne sollicitent ni n'acceptent d'instructions d'aucun Membre, ni d'aucune autorité extérieure à l'Organisation. Ils s'abstiennent de tout acte incompatible avec leur situation de fonctionnaires internationaux et ne sont responsables qu'envers l'Organisation. Chaque Membre s'engage à respecter le caractère exclusivement international des fonctions du Directeur exécutif et du personnel et à ne pas chercher à les influencer dans l'exécution de leur tâche.

Article 22Collaboration avec d'autres organisations

Le Conseil peut prendre toutes les dispositions voulues pour consulter l'Organisation des Nations Unies et les institutions spécialisées, ainsi que d'autres organisations intergouvernementales appropriées, et pour collaborer avec elles. Le Conseil peut inviter ces organisations, ainsi que toute organisation qui traite de questions caférières, à envoyer des observateurs à ses réunions.

CHAPITRE V - PRIVILEGES ET IMMUNITES**Article 23**Privilèges et immunités

- 1) L'Organisation possède la personnalité juridique. Elle a notamment la capacité de contracter, d'acquérir et d'aliéner des biens immobiliers et mobiliers, ainsi que d'ester en justice.
- 2) Le statut, les priviléges et les immunités de l'Organisation, du Directeur exécutif, des membres du personnel et des experts, ainsi que des représentants des pays Membres pendant les séjours que l'exercice de leurs fonctions les amène à effectuer sur le territoire du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord continueront à être régis par l'Accord de siège conclu entre le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord (ci-après dénommé Gouvernement hôte) et l'Organisation en date du 28 mai 1969

3) L'Accord de siège mentionné au paragraphe 2) du présent Article est indépendant du présent Accord. Toutefois, il prendrait fin

- a) Par consentement mutuel du Gouvernement hôte et de l'Organisation;
- b) Dans le cas où le siège de l'Organisation serait transféré hors du territoire du Gouvernement hôte; ou
- c) Dans le cas où l'Organisation cesserait d'exister

4) L'Organisation peut conclure avec un ou plusieurs autres Membres des accords qui devront recevoir l'approbation du Conseil, portant sur les priviléges et immunités qui pourraient être nécessaires pour le bon fonctionnement du présent Accord.

5) Les gouvernements des pays Membres autres que le Gouvernement hôte accordent à l'Organisation les mêmes facilités en ce qui concerne les réglementations monétaires ou de change, le maintien de comptes bancaires et le transfert de fonds, que celles qui sont accordées aux institutions spécialisées de l'Organisation des Nations Unies.

CHAPITRE VI - FINANCES

Article 24

Dispositions financières

1) Les dépenses des délégations au Conseil, ainsi que des représentants au Comité exécutif et à tout autre comité du Conseil ou du Comité exécutif, sont à la charge de l'Etat qu'ils représentent.

2) Pour couvrir les autres dépenses qu'entraîne l'application du présent Accord, les Membres versent une cotisation annuelle. Ces cotisations sont réparties comme il est dit à l'Article 25. Toutefois, le Conseil peut exiger une rétribution pour certains services.

3) L'exercice financier de l'Organisation coïncide avec l'année civile.

Article 25

Vote du budget et fixation des cotisations

1) Au second semestre de chaque exercice financier, le Conseil vote le budget administratif de l'Organisation pour l'exercice financier suivant et répartit les cotisations des Membres à ce budget.

2) Pour chaque exercice financier, la cotisation de chaque Membre est proportionnelle au rapport qu'il y a, au moment du vote du budget, entre le nombre des voix dont il dispose et le nombre de voix dont disposent tous les Membres réunis. Si toutefois, au début de l'exercice financier pour lequel les cotisations sont fixées, la répartition des voix entre les Membres se trouve changée en vertu du paragraphe 6) de l'Article 13, le Conseil ajuste les cotisations en conséquence pour cet exercice. Pour déterminer les cotisations, on dénombre les voix de chaque Membre sans tenir compte de la suspension éventuelle du droit de vote d'un Membre et de la redistribution des voix qui aurait pu en résulter.

3) Le Conseil fixe la contribution initiale de tout pays qui devient Membre de l'Organisation après l'entrée en vigueur du présent Accord en fonction du nombre des voix qui lui sont

attribuées et de la fraction non écoulée de l'exercice en cours; mais les cotisations assignées aux autres Membres pour l'exercice en cours restent inchangées.

Article 26

Versement des cotisations

- 1) Les cotisations au budget administratif de chaque exercice financier sont payables en monnaie librement convertible et sont exigibles au premier jour de l'exercice.
- 2) Un Membre qui ne s'est pas acquitté intégralement de sa cotisation au budget administratif dans les six mois de son exigibilité perd, jusqu'au moment où il s'en acquitte, son droit de voter au Conseil et de voter ou de faire voter pour lui au Comité exécutif. Cependant, sauf décision prise par le Conseil à la majorité répartie des deux tiers, ce Membre n'est privé d'aucun des autres droits que lui confère le présent Accord, ni relevé d'aucune des obligations que celui-ci lui impose.
- 3) Un Membre dont le droit de vote est suspendu, en application soit des dispositions du paragraphe 2) du présent Article, soit des dispositions des Articles 42, 45 ou 58, reste néanmoins tenu de verser sa cotisation.

Article 27

Vérification et publication des comptes

Le plus tôt possible après la clôture de chaque exercice financier, le Conseil est saisi, pour approbation et publication, d'un état, vérifié par expert agréé, des recettes et dépenses de l'Organisation pendant cet exercice financier

**CHAPITRE VII - REGLEMENTATION DES EXPORTATIONS
ET DES IMPORTATIONS**

Article 28

Dispositions générales

1) Toutes les décisions que le Conseil prend en vertu des dispositions du présent chapitre sont prises à la majorité répartie des deux tiers.

2) Le mot "annuel" désigne, dans le présent chapitre, toute période de douze mois établie par le Conseil. Toutefois, celui-ci peut adopter des procédures pour appliquer les dispositions du présent chapitre pendant une période supérieure à douze mois.

Article 29

Marchés soumis au contingentement

Aux fins du présent Accord, le marché mondial du café est divisé en marchés des pays Membres sous contingent et en marchés des pays non membres hors contingent.

Article 30

Contingents de base

1) Chaque Membre exportateur a droit, sous réserve des dispositions des Articles 31 et 32, à un contingent de base calculé conformément aux dispositions du présent Article.

2) Si, en application des dispositions de l'Article 33, le contingentement prend effet pendant l'année caférière 1976/77, le contingent de base à utiliser pour la répartition de la

part fixe des contingents est calculé à partir du volume moyen des exportations annuelles de chaque Membre exportateur à destination des pays Membres importateurs pendant les années caféières 1968/69 à 1971/72. Cette répartition de la part fixe reste en vigueur jusqu'au moment où les contingents sont suspendus pour la première fois en vertu de l'Article 33.

3) Si les contingents ne sont pas introduits pendant l'année caféière 1976/77, mais prennent effet au cours de 1977/78, le contingent de base à utiliser pour la répartition de la part fixe des contingents est calculé en choisissant pour chaque Membre exportateur celui des chiffres ci-après qui est le plus élevé

- a) Le volume de ses exportations à destination des pays Membres importateurs au cours de l'année caféière 1976/77, calculé à partir des renseignements transmis par les certificats d'origine;
- b) Le chiffre obtenu par l'application de la procédure exposée au paragraphe 2) du présent Article.

Cette répartition de la part fixe du contingent reste en vigueur jusqu'au moment où les contingents sont suspendus pour la première fois en vertu de l'Article 33.

4) Si les contingents prennent effet pour la première fois, ou s'ils sont rétablis pendant l'année caféière 1978/79 ou à toute date ultérieure, le contingent de base à utiliser pour la répartition de la part fixe des contingents est calculé en choisissant pour chaque Membre exportateur celui des deux chiffres ci-après qui est le plus élevé

- a) La moyenne du volume de ses exportations à destination des pays Membres importateurs pendant les années caféières 1976/77 et 1977/78, calculée à partir des renseignements transmis par les certificats d'origine;

- b) Le chiffre obtenu par l'application de la procédure exposée au paragraphe 2) du présent Article.
- 5) Si les contingents sont introduits, conformément aux dispositions du paragraphe 2) du présent Article, et sont suspendus par la suite, leur rétablissement au cours de 1977/78 est régi par les dispositions du paragraphe 3) du présent Article et celles du paragraphe 1) de l'Article 35. Le rétablissement des contingents au cours de l'année caférière 1978/79 ou à toute date ultérieure est régi par les dispositions du paragraphe 4) du présent Article et celles du paragraphe 1) de l'Article 35.

Article 31

Membres exportateurs auxquels il n'est pas attribué de contingent de base

- 1) Il n'est pas attribué de contingent de base aux Membres exportateurs énumérés à l'Annexe 1, sous réserve des dispositions des paragraphes 4) et 5) du présent Article. Ces Membres auront, pendant l'année caférière 1976/77, sous réserve des dispositions de l'Article 33, le contingent annuel d'exportation initial qui se trouve dans la colonne 1 de cette Annexe. Sous réserve des dispositions du paragraphe 2) du présent Article et des dispositions de l'Article 33, le contingent de ces Membres est augmenté pendant chacune des années caférières suivantes
- a) De 10 pour cent du contingent annuel d'exportation initial, dans le cas des Membres dont le contingent annuel d'exportation initial est inférieur à 100 000 sacs;

- b) De 5 pour cent du contingent annuel d'exportation initial, dans le cas des Membres dont le contingent annuel d'exportation initial atteint ou dépasse 100 000 sacs mais est inférieur à 400 000 sacs.

On considère, en vue d'arrêter les contingents annuels des Membres intéressés lorsque le contingentement est introduit ou rétabli en vertu de l'Article 33, que ces augmentations annuelles ont pris effet depuis l'entrée en vigueur du présent Accord.

2) Au plus tard le 31 juillet de chaque année, chacun des Membres auxquels s'appliquent les dispositions du paragraphe 1) du présent Article, notifie au Conseil les quantités de café dont il disposera probablement pour l'exportation au cours de l'année caférière suivante. Les quantités ainsi indiquées par le Membre exportateur intéressé constituent le contingent de ce Membre pour l'année caférière suivante, à condition qu'elles se trouvent dans les limites autorisées définies au paragraphe 1) du présent Article.

3) Lorsque le contingent annuel d'un Membre exportateur dont le contingent annuel d'exportation initial est inférieur à 100 000 sacs, atteint ou dépasse le volume maximum de 100 000 sacs mentionné au paragraphe 1) du présent Article, ce Membre est soumis aux dispositions applicables aux Membres exportateurs dont le contingent annuel d'exportation initial est égal ou supérieur à 100 000 sacs mais inférieur 400 000 sacs.

4) Lorsque le contingent annuel d'un Membre exportateur dont le contingent annuel d'exportation initial est inférieur à 400 000 sacs atteint le chiffre maximum de 400 000 sacs mentionné au paragraphe 1) du présent Article, ce Membre est soumis aux dispositions de l'Article 35 et le Conseil fixe un contingent de base pour ce pays Membre.

5) Tout Membre exportateur figurant à l'Annexe 1 et dont les exportations s'élèvent à 100 000 sacs ou davantage peut, à n'importe quel moment, demander au Conseil de fixer pour lui un contingent de base.

6) Les Membres dont le contingent annuel est inférieur à 100 000 sacs ne sont pas soumis aux dispositions des Articles 36 et 37

Article 32

Dispositions relatives à l'ajustement des contingents de base

1) Si un pays importateur qui n'était partie ni à l'Accord international de 1968 sur le Café, ni à l'Accord international de 1968 sur le Café tel que prorogé, devient Partie au présent Accord, le Conseil ajuste les contingents de base résultant de l'application des dispositions de l'Article 30.

2) L'ajustement mentionné au paragraphe 1) du présent Article est effectué soit en fonction de la moyenne des exportations de chaque Membre exportateur à destination du pays Membre importateur concerné, pendant la période 1968 à 1972, soit en fonction de la participation au prorata de chaque Membre exportateur à la moyenne des importations de ce pays, calculée pendant la même période.

3) Le Conseil approuve les données numériques à partir desquelles est calculé l'ajustement des contingents de base ainsi que les critères à appliquer afin de mettre en oeuvre les dispositions du présent Article.

Article 33

Dispositions concernant l'établissement,
la suspension et le rétablissement des contingents

- 1) A moins que le Conseil n'en dispose autrement, les contingents sont établis à n'importe quel moment pendant la durée du présent Accord, si
- a) Le prix indicatif composé est en moyenne, pendant 20 jours de marché consécutifs, égal ou inférieur au prix maximum de la marge de prix en vigueur, établie par le Conseil conformément aux dispositions de l'Article 38;
 - b) A défaut d'une marge de prix établie par le Conseil
 - i) La moyenne entre les prix indicatifs des Autres Arabicas doux et des Robustas est en moyenne, pendant vingt jours de marché consécutifs, égale ou inférieure à la moyenne de ces prix pour l'année civile 1975, maintenue par l'Organisation tandis que l'Accord international de 1968 sur le Café tel que prorogé était en vigueur; ou
 - ii) Sous réserve des dispositions du paragraphe 2) du présent Article, le prix indicatif composé calculé conformément aux dispositions de l'Article 38 est en moyenne, pendant vingt jours de marché consécutifs, inférieur de 15 pour cent ou davantage à la moyenne du prix indicatif composé enregistrée au cours de l'année caférière précédente pendant laquelle l'Accord était en vigueur

Par dérogation aux dispositions du présent paragraphe, les contingents ne sont pas établis au moment de l'entrée en vigueur de l'Accord à moins que la moyenne entre les prix indicatifs

des Autres Arabicas doux et des Robustas n'ait été, en moyenne, pendant les vingt jours de marché consécutifs qui précèdent immédiatement cette date, égale ou inférieure à la moyenne de ces prix pendant l'année civile 1975

2) Nonobstant les dispositions de l'alinéa b) ii) du paragraphe 1) du présent Article, les contingents ne sont pas établis, à moins que le Conseil n'en dispose autrement, si la moyenne entre les prix indicatifs des Autres Arabicas doux et des Robustas est en moyenne, pendant vingt jours de marché consécutifs, supérieure de 22,5 pour cent ou davantage à la moyenne de ces prix pendant l'année civile 1975

3) Les prix spécifiés à l'alinéa b) i) du paragraphe 1) et au paragraphe 2) du présent Article seront passés en revue et pourront être révisés par le Conseil avant le 30 septembre 1978 et avant le 30 septembre 1980

4) A moins que le Conseil n'en dispose autrement, le contingentement est suspendu

a) Si le prix indicatif composé est en moyenne, pendant vingt jours de marché consécutifs, supérieur de 15 pour cent au prix maximum de la marge fixée par le Conseil en vigueur à ce moment-là, ou

b) A défaut d'une marge de prix établie par le Conseil, si le prix indicatif composé est en moyenne, pendant vingt jours de marché consécutifs, supérieur de 15 pour cent ou davantage à la moyenne du prix indicatif composé enregistrée pendant l'année civile précédente

5) A moins que le Conseil n'en dispose autrement, le contingentement est rétabli, après une suspension effectuée en vertu du paragraphe 4) du présent Article, conformément aux dispositions des paragraphes 1), 2) et 6)

6) Lorsque sont remplies les conditions pertinentes concernant les prix énoncées au paragraphe 1) du présent Article, et sous réserve des dispositions du paragraphe 2), les contingents prennent effet aussi rapidement que possible et de toute manière au plus tard le trimestre qui suit le moment où lesdites conditions ont été remplies. Les contingents sont fixés pour une période de quatre trimestres, sauf disposition contraire du présent Accord. Si le Conseil n'a pas arrêté auparavant le contingent annuel global et les contingents trimestriels, le Directeur exécutif fixe un contingent sur la base de l'utilisation effective ("disappearance") du café dans les marchés sous contingent, évaluée conformément aux critères établis dans l'Article 34; ce contingent est attribué aux Membres exportateurs conformément aux dispositions des Articles 31 et 35.

7) Le Conseil se réunit au cours du premier trimestre après que les contingents ont pris effet afin d'établir des marges de prix et de passer en revue et, le cas échéant, de reviser les contingents pour la période qu'il considère souhaitable, à condition que cette période ne dépasse pas douze mois à compter de la date à laquelle les contingents ont été introduits.

Article 34

Contingent annuel global

Sous réserve des dispositions de l'Article 33, le Conseil arrête, à sa dernière session ordinaire de l'année caférière, un contingent annuel global en tenant compte notamment des éléments suivants

- a) Prévision de la consommation annuelle des Membres importateurs;
- b) Prévision des importations des pays Membres en provenance d'autres Membres importateurs et de pays non membres;
- c) Prévision des variations du niveau des stocks dans les pays Membres importateurs et dans les ports francs;
- d) Respect des dispositions de l'Article 40 concernant les déficits et leur redistribution;
- e) Exportations des Membres exportateurs à destination des Membres importateurs et des pays non membres pendant la période de douze mois qui précède l'introduction des contingents, lorsqu'il s'agit d'introduire ou de rétablir les contingents en vertu des paragraphes 1) et 5) de l'Article 33.

Article 35

Attribution des contingents annuels

- 1) Compte tenu de la décision prise en vertu de l'Article 34 et déduction faite du volume de café nécessaire pour observer les dispositions de l'Article 31, il est attribué aux Membres exportateurs ayant droit à un contingent de base des contingents annuels répartis selon une part fixe et une part variable. La part fixe correspond à 70 pour cent du contingent annuel global, dûment ajusté pour observer les dispositions de l'Article 31, et elle est répartie entre les Membres exportateurs conformément aux dispositions de l'Article 30. La part variable correspond à 30 pour cent du contingent annuel global, dûment ajusté pour observer les dispositions de l'Article 31. Ces proportions peuvent être modifiées par le Conseil mais la part fixe ne doit jamais être inférieure à 70 pour cent. Sous réserve des dispositions du paragraphe 2) du présent Article, la part variable est répartie entre les Membres exportateurs en fonction du rapport existant entre les stocks vérifiés de chaque Membre exportateur et le total des stocks vérifiés de tous les Membres exportateurs ayant des contingents de base, étant entendu qu'aucun Membre ne recevra une portion de la part variable du contingent supérieure à 40 pour cent du volume total de cette part variable, à moins que le Conseil ne fixe une limite différente.
- 2) Les stocks à prendre en considération aux fins du présent Article sont les stocks vérifiés, conformément au règlement pertinent sur la vérification des stocks, à la fin de la campagne de chaque Membre exportateur qui précède immédiatement la fixation des contingents.

Article 36**Contingents trimestriels**

1) Immédiatement après l'attribution des contingents annuels, en vertu du paragraphe 1) de l'Article 35, et sous réserve des dispositions de l'Article 31, le Conseil attribue des contingents trimestriels à chaque Membre exportateur en vue d'assurer un courant ordonné de café sur le marché mondial pendant toute la période pour laquelle sont fixés les contingents.

2) Ces contingents doivent être aussi voisins que possible de 25 pour cent du contingent annuel de chaque Membre. Aucun Membre n'est autorisé à exporter plus de 30 pour cent au cours du premier trimestre, plus de 60 pour cent au cours des deux premiers trimestres, et plus de 80 pour cent au cours des trois premiers trimestres. Si les exportations d'un Membre n'atteignent pas, pendant un trimestre, le contingent auquel il a droit pour ce trimestre, le solde inemployé est ajouté à son contingent du trimestre suivant.

3) Les dispositions du présent Article sont également applicables à la mise en œuvre du paragraphe 6) de l'Article 33.

4) Quand, en raison de circonstances exceptionnelles, un Membre exportateur estime que les limitations prévues au paragraphe 2) du présent Article sont de nature à porter à son économie un préjudice grave, le Conseil peut, à la demande de ce Membre, prendre les mesures appropriées aux termes de l'Article 56. Le Membre intéressé doit faire la preuve du préjudice et fournir des garanties adéquates quant au maintien de la stabilité des prix. Toutefois, en aucun cas, le Conseil n'autorise un Membre à exporter plus de

35 pour cent de son contingent annuel au cours du premier trimestre, plus de 65 pour cent au cours des deux premiers trimestres, et plus de 85 pour cent au cours des trois premiers trimestres.

Article 37

Ajustement des contingents annuels et trimestriels

1) Si la situation du marché l'exige, le Conseil peut modifier les contingents annuels et trimestriels attribués en vertu des Articles 33, 35 et 36. Sous réserve des dispositions du paragraphe 1) de l'Article 35 et sauf dans les cas prévus à l'Article 31 et au paragraphe 3) de l'Article 39, les contingents de chaque Membre exportateur sont modifiés selon le même pourcentage.

2) Nonobstant les dispositions du paragraphe 1) du présent Article le Conseil peut, s'il estime que la situation du marché l'exige, ajuster les contingents trimestriels des Membres exportateurs pour le trimestre en cours et les trimestres à courir, sans toutefois modifier les contingents annuels.

Article 38

Mesures concernant les prix

1) Le Conseil institue un système de prix indicatifs capable de fournir un prix indicatif quotidien composé.

2) A partir de ce système, le Conseil peut fixer des marges de prix et des différentiels pour les principaux types et/ou groupes de café ainsi qu'une marge de prix composés.

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3) Lorsqu'il établit ou ajuste une marge de prix aux fins du présent Article, le Conseil tient compte des niveaux et des tendances de prix alors prédominants, et notamment de l'influence exercée sur ces prix par

- Les niveaux et les tendances de la consommation et de la production aussi bien que des stocks, dans les pays exportateurs et les pays importateurs;
- Les modifications du système monétaire international,
- La tendance de l'inflation ou de la déflation mondiale;
- Tout autre facteur qui pourrait être préjudiciable à la réalisation des objectifs énoncés dans le présent Accord.

Le Directeur exécutif fournit les renseignements nécessaires pour permettre au Conseil de prendre dûment en considération les éléments susmentionnés.

4) Le Conseil adopte un règlement concernant l'incidence du contingentement ou de l'ajustement des contingents sur les contrats passés avant que les contingents n'aient été établis ou ajustés.

Article 39

Autres mesures d'ajustement des contingents

1) Si le contingentement est en vigueur, le Conseil se réunit en vue d'instituer un mécanisme d'ajustement au proptata des contingents en fonction des mouvements du prix indicatif composé, selon qu'il est prévu à l'Article 38.

2) Ce système contient des dispositions concernant les marges de prix, le nombre de jours de marché sur lequel porteront les calculs ainsi que le nombre et le volume des ajustements.

3) Le Conseil peut également instituer un mécanisme prévoyant des augmentations de contingents en fonction du mouvement des prix des principaux types et/ou groupes de café.

Article 40

Déficits

1) Chaque Membre exportateur déclare tout déficit anticipé des quantités qu'il a le droit d'exporter sous contingent afin de permettre de redistribuer pendant la même année caférière, les quantités correspondant aux déficits, entre les Membres exportateurs en mesure de les exporter et prêts à le faire. Soixante-dix pour cent de la quantité déclarée conformément aux dispositions du présent paragraphe seront offerts tout d'abord aux fins de redistribution entre d'autres Membres exportateurs du même type de café proportionnellement à leur contingent de base, et trente pour cent tout d'abord aux Membres exportateurs de l'autre type de café, en proportion de leur contingent de base également.

2) Si un pays Membre déclare un déficit pendant les six premiers mois d'une année caférière, le contingent annuel de ce Membre est augmenté, pendant l'année caférière suivante, de 30 pour cent du volume déclaré et non exporté. Ce montant est imputé sur les quantités annuelles à exporter sous contingent par les Membres exportateurs qui ont accepté la redistribution effectuée en vertu du paragraphe 1) du présent Article, au prorata de leur participation à cette redistribution.

Article 41**Quantités à exporter sous contingent par un groupe Membre**

Quand plusieurs pays forment un groupe Membre en vertu des Articles 6 et 7, les contingents de base de ces pays ou, le cas échéant, les quantités à exporter sous contingent par ces Membres, sont additionnés, et leur total est considéré, aux fins du présent chapitre, comme un contingent de base unique ou une quantité à exporter sous contingent unique.

Article 42**Respect du contingentement**

- 1) Les Membres exportateurs prennent les mesures voulues pour assurer le respect absolu de toutes les dispositions du présent Accord qui concernent le contingentement. Le Conseil peut exiger de ces Membres qu'ils prennent, outre les mesures qu'ils pourraient être amenés à prendre d'eux-mêmes, des mesures complémentaires pour appliquer de façon effective le contingentement prévu par le présent Accord.
- 2) Les Membres exportateurs ne dépassent pas les contingents annuels et trimestriels qui leur sont attribués.
- 3) Si un Membre exportateur dépasse son contingent pendant un trimestre donné, le Conseil réduit un ou plusieurs des contingents suivants de ce Membre d'une quantité égale à 110 pour cent du dépassement.
- 4) Si un Membre exportateur dépasse une deuxième fois son contingent trimestriel, le Conseil procède à la même réduction que celle qui est prévue au paragraphe 3) du présent Article.

5) Si un Membre exportateur dépasse une troisième fois ou plus souvent encore son contingent trimestriel, le Conseil applique la réduction prévue au paragraphe 3) du présent Article et suspend les droits de vote du Membre intéressé jusqu'à ce qu'il ait décidé s'il y a lieu d'exclure ce Membre de l'Organisation, conformément aux dispositions de l'Article 66.

6) Les réductions de contingent prévues aux paragraphes 3), 4) et 5) du présent Article sont considérées comme des déficits aux fins du paragraphe 1) de l'Article 40.

7) Le Conseil applique les dispositions des paragraphes 1) à 5) du présent Article aussitôt qu'il est en possession des renseignements nécessaires.

Article 43

Certificats d'origine et de réexportation

1) Tout le café exporté par un Membre est accompagné d'un certificat d'origine valide. Les certificats d'origine sont délivrés, conformément au règlement pertinent du Conseil, par l'organisme qualifié que ce Membre a choisi et que l'Organisation a approuvé.

2) Si les contingents ont pris effet, tout le café réexporté par un Membre est accompagné d'un certificat de réexportation valide. Les certificats de réexportation sont délivrés, conformément au règlement pertinent du Conseil, par un organisme qualifié choisi par ce Membre et approuvé par l'Organisation, et attestent que le café en question a été importé en application des dispositions du présent Accord.

(

3) Le règlement mentionné dans le présent Article contient des dispositions permettant de l'appliquer aux groupes de Membres importateurs formant une union douanière.

4) Le Conseil peut adopter un règlement concernant l'impression, la validation, la délivrance et l'utilisation des certificats, et prendre les mesures nécessaires pour délivrer des timbres pour l'exportation de café moyennant le versement d'un droit dont le montant est à fixer par le Conseil. L'apposition de ces timbres sur les certificats d'origine peut être l'un des moyens prescrits pour les valider. Le Conseil peut prendre des dispositions analogues pour valider d'autres formules de certificats et délivrer d'autres sortes de timbres d'exportation, à des conditions à déterminer.

5) Chaque Membre communique à l'Organisation le nom de l'organisme gouvernemental ou non gouvernemental qu'il a désigné pour remplir les fonctions prévues aux paragraphes 1) et 2) du présent Article. L'Organisation approuve nommément un organisme non gouvernemental après avoir eu la preuve, fournie par le Membre intéressé, que cet organisme est en mesure d'assumer, conformément aux règlements établis en vertu du présent Accord, les responsabilités qui incombent au Membre, et qu'il est disposé à le faire. Le Conseil peut à tout moment déclarer, par une décision motivée, qu'il ne peut plus accepter un organisme non gouvernemental particulier. Le Conseil prend, soit directement, soit par l'intermédiaire d'un organisme mondial de réputation internationale, les mesures nécessaires pour être à même de s'assurer à tout instant que les diverses formules de certificats sont délivrées et utilisées correctement, et de vérifier les quantités de café qui ont été exportées par chaque Membre.

6) Un organisme non gouvernemental approuvé comme un service de certification selon les dispositions du paragraphe 5) du présent Article conserve les registres des certificats délivrés, ainsi que les pièces sur lesquelles est fondée leur délivrance, pendant une période de quatre années au moins. Avant d'être approuvé comme service de certification selon les dispositions du paragraphe 5) du présent Article, un organisme non gouvernemental doit accepter de tenir lesdits registres à la disposition de l'Organisation aux fins d'inspection.

7) Si le contingentement est en vigueur, les Membres interdisent, sous réserve des dispositions de l'Article 44 et de celles des paragraphes 1) et 2) de l'Article 45, l'importation de toute expédition de café qui n'est pas accompagnée d'un certificat valide, établi selon la formule appropriée et délivré conformément au règlement adopté par le Conseil.

8) De petites quantités de café, sous la forme que le Conseil pourra déterminer, ou le café destiné à être consommé directement à bord des navires, des avions ou de tous autres moyens de transport internationaux, ne sont pas soumises aux dispositions indiquées aux paragraphes 1) et 2) du présent Article.

Article 44

Exportations hors contingent

1) Ainsi que le prévoient les dispositions de l'Article 29, les exportations de café à destination de pays qui ne participent pas au présent Accord ne sont pas imputées sur les contingents. Le Conseil peut établir un règlement concernant notamment la manière d'effectuer et de surveiller ces échanges,

de traiter le détournement et la réexportation vers des pays Membres du café destiné à des pays non membres, et les sanctions à appliquer éventuellement, ainsi que les documents nécessaires pour accompagner les exportations à destination des pays Membres aussi bien que des pays non membres.

2) Les exportations de café en grain comme matière première à transformer industriellement à des fins autres que la consommation humaine comme boisson ou comme aliment ne sont pas soumises au contingentement à condition que le Membre exportateur prouve à la satisfaction du Conseil que ce café en grain aura effectivement cet usage

3) Le Conseil peut, à la demande d'un Membre exportateur, décider que les exportations de café effectuées par ce Membre à des fins humanitaires ou non commerciales ne sont pas imputables sur son contingent

Article 45

Réglementation des importations

1) Pour empêcher des pays non membres d'augmenter leurs exportations au détriment des Membres exportateurs, chaque Membre limite, lorsque le contingentement est en vigueur ses importations annuelles de café en provenance de pays non membres qui n'étaient pas parties à l'Accord international de 1968 sur le Café, à une quantité égale à la moyenne annuelle de ses importations de café en provenance de pays non membres, soit de l'année civile 1971 à l'année civile 1974 inclusivement, soit de l'année civile 1972 à l'année civile 1974 inclusivement.

2) Lorsque le contingentement est en vigueur les Membres limitent également leurs importations annuelles de café en provenance de chaque pays non membre qui était Partie

à l'Accord international de 1966 sur le Café, ou à l'Accord international de 1968 sur le Café tel que prorogé, à une quantité qui ne dépasse pas un certain pourcentage de la moyenne des importations annuelles en provenance de ce pays non membre pendant les années caférières 1968/69 à 1971/72. Ce pourcentage correspond au rapport qui existe entre la part fixe et le contingent annuel global, en vertu du paragraphe 1) de l'Article 35, au moment où les contingents prennent effet.

3) Le Conseil peut suspendre ou modifier ces limitations quantitatives s'il estime que ces mesures sont nécessaires pour permettre d'atteindre les objectifs du présent Accord.

4) Les obligations définies aux paragraphes précédents du présent Article s'entendent sans préjudice des obligations contraires, bilatérales ou multilatérales, que les Membres importateurs ont contractées à l'égard de pays non membres avant l'entrée en vigueur du présent Accord, à condition que tout Membre importateur qui a contracté ces obligations contraires s'en acquitte de manière à atténuer le plus possible le conflit qui les oppose aux obligations définies aux paragraphes précédents. Ce Membre prend aussitôt que possible des mesures pour concilier ces obligations et les dispositions des paragraphes 1) et 2) du présent Article et expose en détail au Conseil la nature de ces obligations et les mesures qu'il a prises pour atténuer le conflit ou le faire disparaître.

5) Si un Membre importateur ne se conforme pas aux dispositions du présent Article, le Conseil peut suspendre et son droit de voter au Conseil et son droit de voter ou de faire voter pour lui au Comité exécutif.

CHAPITRE VIII -- AUTRES DISPOSITIONS ECONOMIQUES

Article 46

Mesures relatives au café transformé

1) Les Membres reconnaissent que les pays en voie de développement ont besoin d'élargir les bases de leur économie, notamment par l'industrialisation et l'exportation d'articles manufacturés, y compris la transformation du café et l'exportation du café transformé.

2) A ce propos, les Membres évitent de prendre des mesures gouvernementales qui pourraient désorganiser le secteur cafier d'autres Membres.

3) Si un Membre considère que les dispositions du paragraphe 2) du présent Article ne sont pas observées, il engage des consultations avec les autres Membres intéressés, en tenant dûment compte des dispositions de l'Article 57. Les Membres intéressés s'efforcent d'arriver à un règlement amiable sur une base bilatérale. Si ces consultations ne permettent pas d'arriver à une entente satisfaisante pour les parties en cause, l'une ou l'autre des parties peut saisir le Conseil de l'affaire, conformément aux dispositions de l'Article 58.

4) Aucune disposition du présent Accord ne portera atteinte au droit de tout Membre de prendre les mesures nécessaires pour empêcher que le secteur cafier de son économie ne soit désorganisé par des importations de café transformé, ou pour redresser la situation le cas échéant.

Article 47

Propagande

1) Les Membres s'engagent à encourager la consommation du café de toutes les manières possibles. A cette fin, il est institué un Fonds de propagande qui a pour objectifs de stimuler la consommation dans les pays importateurs par tous les moyens appropriés sans considération de l'origine, du type ou de l'appellation du café, et d'améliorer cette boisson ou de lui conserver la plus grande pureté et la plus haute qualité possibles.

2) Le Fonds de propagande est administré par un comité. La participation au Fonds est limitée aux Membres qui lui apportent une contribution financière.

3) Pendant les années caférières 1976/77 et 1977/78, le Fonds est financé au moyen d'un droit obligatoire sur les timbres d'exportation ou les autorisations d'exporter équivalentes, à acquitter par les Membres exportateurs à compter du 1 octobre 1976. Ce droit s'élève à 5 cents EU par sac, pour les Membres énumérés à l'Annexe 1 et dont le contingent annuel d'exportation initial est inférieur à 100 000 sacs; à 10 cents EU par sac, pour les Membres énumérés à l'Annexe 1 et dont le contingent annuel d'exportation initial est égal ou supérieur à 100 000 sacs mais inférieur à 400 000 sacs; et de 25 cents EU par sac, pour tous les autres Membres exportateurs. Le Fonds pourra également être financé par des contributions facultatives versées par d'autres Membres à des conditions à approuver par le comité.

4) Le comité peut décider à tout moment de continuer à percevoir un droit obligatoire pendant la troisième année caférière et les années caférières suivantes, s'il doit disposer

de ressources supplémentaires pour satisfaire aux obligations contractées en vertu du paragraphe 7) du présent Article. Il peut également décider de recevoir des contributions d'autres Membres à des conditions qu'il devra approuver

5) Les ressources du Fonds sont utilisées essentiellement pour financer les campagnes de propagande menées dans les pays Membres importateurs.

6) Le Fonds peut parrainer des recherches et des études ayant trait à la consommation du café.

7) Les Membres importateurs ou, dans les pays Membres importateurs, des associations commerciales acceptables par le comité, peuvent présenter des propositions sur les campagnes à mener en faveur de la consommation du café. Le Fonds peut financer jusqu'à concurrence de 50 pour cent du coût de ces campagnes. Lorsque les conditions relatives aux campagnes ont été acceptées d'un commun accord, le pourcentage de la contribution du comité reste inchangé. La durée des campagnes peut dépasser une année mais n'est pas supérieure à cinq ans.

8) Le paiement mentionné au paragraphe 3) est effectué contre la remise de timbres d'exportation ou d'autorisations d'exporter équivalentes. Le règlement concernant l'application d'un système de certificats d'origine établi en vertu de l'Article 43 contient des dispositions relatives au paiement du droit mentionné au paragraphe 3)

9) Le droit mentionné aux paragraphes 3) et 4) est payable en dollars EU au Directeur exécutif qui déposera les fonds qui en proviennent dans un compte spécial à dénommer Compte du Fonds de propagande.

10) Le comité contrôle tous les fonds déposés dans le Fonds de propagande. Aussitôt que possible après la clôture de chaque exercice financier, un état des recettes et dépenses du Fonds de propagande pendant l'exercice écoulé, vérifié par un expert agréé est présenté au comité aux fins d'approbation. Les comptes vérifiés doivent approuvés par le comité sont transmis au Conseil à titre d'information seulement.

11) Le Directeur exécutif est le Président du comité et fait rapport périodiquement au Conseil sur les activités du comité.

12) Les dépenses administratives entraînées par la mise en application des dispositions du présent Article ainsi que celles qui ont trait aux activités relevant de la propagande sont à la charge du Fonds de propagande.

13) Le comité établit ses propres statuts.

Article 48

Elimination des obstacles

1) Les Membres reconnaissent qu'il est de la plus haute importance de réaliser dans les meilleurs délais le plus grand développement possible de la consommation du café, notamment par l'élimination progressive de tout obstacle qui pourrait entraver ce développement.

2) Les Membres reconnaissent que certaines mesures actuellement en vigueur pourraient, dans des proportions plus ou moins grandes, entraver l'augmentation de la consommation du café, en particulier

- a) Certains régimes d'importation applicables au café, y compris les tarifs préférentiels ou autres, les contingents, les opérations des monopoles gouvernementaux ou des organismes officiels d'achat et autres règles administratives ou pratiques commerciales;
 - b) Certains régimes d'exportation en ce qui concerne les subventions directes ou indirectes et autres règles administratives ou pratiques commerciales;
 - c) Certaines conditions intérieures de commercialisation et dispositions internes de caractère législatif et administratif qui pourraient affecter la consommation.
- 3) Compte tenu des objectifs mentionnés ci-dessus et des dispositions du paragraphe 4) du présent Article, les Membres s'efforcent de poursuivre la réduction des tarifs sur le café ou de prendre d'autres mesures pour éliminer les obstacles à l'augmentation de la consommation.
- 4) En considération de leur intérêt commun, les Membres s'engagent à rechercher les moyens par lesquels les obstacles au développement du commerce et de la consommation mentionnés au paragraphe 2) pourraient être progressivement réduits et éventuellement, dans la mesure du possible, éliminés, ou par lesquels leurs effets pourraient être substantiellement diminués.
- 5) Eu égard aux engagements contractés aux termes du paragraphe 4), les Membres informent chaque année le Conseil de toutes les mesures qu'ils ont prises en vue de donner suite aux dispositions du présent Article;
- 6) Le Directeur exécutif prépare périodiquement une étude des obstacles à l'augmentation de la consommation, qui est passée en revue par le Conseil.

7) Pour atteindre les objectifs visés dans le présent Article, le Conseil peut faire des recommandations aux Membres qui lui font rapport aussitôt que possible sur les mesures qu'ils ont prises en vue de mettre en œuvre les recommandations en question.

Article 49

Mélanges et succédanés

1) Les Membres ne maintiennent en vigueur aucune réglementation qui exigerait que d'autres produits soient mélangés, traités ou utilisés avec du café, en vue de leur vente dans le commerce sous l'appellation de café. Les Membres s'efforcent d'interdire la publicité et la vente, sous le nom de café, de produits contenant moins de l'équivalent de quatre-vingt-dix pour cent de café vert comme matière première de base.

2) Le Conseil peut demander à un pays Membre de prendre les mesures nécessaires pour assurer le respect des dispositions du présent Article.

3) Le Directeur exécutif soumet périodiquement au Conseil un rapport sur la manière dont sont observées les dispositions du présent Article.

Article 50

Politique de production

1) Pour permettre d'atteindre plus aisément l'objectif exposé au paragraphe 1) de l'Article premier, les Membres exportateurs s'engagent à déployer tous les efforts possibles en vue d'adopter et de mettre en œuvre une politique de production.

2) Le Conseil peut établir des procédures afin de coordonner les politiques de production mentionnées au paragraphe 1) du présent Article. Ces procédures peuvent comprendre les mesures appropriées de diversification, ou d'encouragement à la diversification, ainsi que les moyens selon lesquels les Membres pourront obtenir une assistance technique aussi bien que financière.

3) Le Conseil peut fixer une contribution à payer par les Membres exportateurs et destinée à permettre à l'Organisation d'effectuer les études techniques appropriées en vue d'aider les Membres exportateurs à prendre les mesures nécessaires pour appliquer une politique de production adéquate. Cette contribution ne sera pas supérieure à 2 cents EU par sac exporté à destination des pays Membres importateurs et sera payable en monnaie convertible.

Article 51

Politique relative aux stocks

1) En vue de compléter les dispositions du Chapitre VII et de l'Article 50, le Conseil arrête, à la majorité répartie des deux tiers, la politique à suivre à l'égard des stocks de café dans les pays Membres producteurs,

2) Le Conseil prend les mesures nécessaires pour vérifier chaque année, conformément aux dispositions de l'Article 35, le volume des stocks de café que les Membres exportateurs détiennent individuellement. Les Membres intéressés facilitent cette enquête annuelle.

3) Les Membres producteurs s'assurent qu'il existe dans leurs pays respectifs des moyens d'entreposage suffisants pour emmagasiner convenablement les stocks de café.

4) Le Conseil entreprend une étude sur la possibilité d'aider à atteindre les objectifs du présent Accord par un arrangement concernant un stock international.

Article 52

Collaboration avec la profession

1) L'Organisation reste en liaison étroite avec les organisations non gouvernementales appropriées s'occupant du commerce international du café et avec les experts en matière de café.

2) Les Membres règlent l'action qu'ils assurent dans le cadre du présent Accord de manière à respecter les structures de la profession et à éviter les pratiques de vente discriminatoires. Dans l'exercice de cette action, ils s'efforcent de tenir dûment compte des intérêts légitimes de la profession.

Article 53

Information

1) L'Organisation sert de centre pour rassembler, échanger et publier

- a) Des renseignements statistiques sur la production, les prix, les exportations et les importations, la distribution et la consommation du café dans le monde;
- b) Dans la mesure où elle le juge approprié, des renseignements techniques sur la culture, le traitement et l'utilisation du café.

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2) Le Conseil peut demander aux Membres de lui donner, en matière de café, les renseignements qu'il juge nécessaires à son activité, notamment des rapports statistiques périodiques sur la production, les tendances de la production, les exportations et les importations, la distribution, la consommation, les stocks, les prix et l'imposition, mais il ne rend public aucun renseignement qui permettrait d'identifier les opérations d'individus ou de firmes qui produisent, traitent ou écoulent du café. Les Membres communiquent sous une forme aussi détaillée et précise que possible les renseignements demandés.

3) Si un Membre ne donne pas ou a peine à donner dans un délai normal les renseignements, statistiques ou autres, dont le Conseil a besoin pour la bonne marche de l'Organisation, le Conseil peut exiger du Membre en question qu'il explique les raisons de ce manquement. S'il constate qu'il faut fournir à cet égard une aide technique, le Conseil peut prendre les mesures nécessaires.

4) En complément des dispositions prévues au paragraphe 3) du présent Article, le Directeur exécutif peut, après avoir donné le préavis nécessaire et à moins que le Conseil n'en dispose autrement, suspendre la délivrance des timbres ou autres autorisations d'exporter équivalentes, conformément aux dispositions de l'Article 43.

Article 54

Etudes

1) Le Conseil peut favoriser des études sur les conditions économiques de la production et de la distribution du café; l'incidence des mesures prises par les gouvernements dans les pays producteurs et dans les pays-consommateurs sur la production et la consommation du café; la possibilité

d'accroître la consommation du café, dans ses usages traditionnels et éventuellement par de nouveaux usages; les effets de l'application du présent Accord sur les pays producteurs et consommateurs de café, en ce qui concerne notamment leurs termes de l'échange.

2) L'Organisation peut étudier la possibilité d'établir des normes minimales pour les exportations de café des Membres producteurs.

Article 55

Fonds spécial

1) Un Fonds spécial est établi pour permettre à l'Organisation de prendre et de financer les mesures supplémentaires nécessaires pour assurer la mise en œuvre des dispositions pertinentes du présent Accord, avec effet à compter de son entrée en vigueur ou à une date aussi proche que possible de celle-ci.

2) Les versements au Fonds consistent en un droit de 2 cents EU sur chaque sac de café exporté à destination des Membres importateurs, à acquitter par les Membres exportateurs à compter de l'entrée en vigueur du présent Accord, à moins que le Conseil ne décide de réduire ce droit ou d'en suspendre la perception.

3) Le droit mentionné au paragraphe 2) du présent Article est versé en dollars EU au Directeur exécutif contre la remise de timbres d'exportation ou d'autorisations d'exporter équivalentes. Le Règlement concernant l'application d'un système de certificats d'origine établi conformément aux dispositions de l'Article 43 contient des dispositions relatives au paiement de ce droit.

4) Sous réserve de l'approbation du Conseil, le Directeur exécutif est autorisé à prélever sur les ressources du Fonds les sommes nécessaires pour régler le coût de la mise en application du système des certificats d'origine mentionné à l'Article 43, les dépenses afférentes à la vérification des stocks effectuée conformément aux dispositions du paragraphe 2) de l'Article 51, et les frais entraînés par l'amélioration du système appliqué pour recueillir et transmettre les renseignements statistiques mentionnés à l'Article 53.

5) Dans toute la mesure du possible, et bien qu'il soit distinct du budget administratif, le Fonds est géré et administré de manière analogue au budget administratif et soumis à la vérification annuelle, par expert agréé, prévue pour les comptes de l'Organisation par les dispositions de l'Article 27

Article 56

Dispenses

1) Le Conseil peut, à la majorité répartie des deux tiers, dispenser un Membre d'une obligation en raison de circonstances exceptionnelles ou critiques, d'un cas de force majeure, de dispositions constitutionnelles, ou d'obligations internationales résultant de la Charte des Nations Unies touchant des territoires administrés sous le régime de tutelle.

2) Lorsqu'il accorde une dispense à un Membre, le Conseil indique explicitement sous quelles modalités, à quelles conditions et pour combien de temps le Membre intéressé est dispensé de cette obligation.

3) Le Conseil ne prend pas en considération une demande de dispense des obligations relatives aux contingents fondée sur l'existence dans un pays Membre, au cours d'une ou plusieurs années, d'une production exportable dépassant les exportations permises de ce Membre, ou provenant de ce que le Membre en question n'a pas observé les dispositions des Articles 50 et 51.

CHAPITRE IX - CONSULTATIONS,
DIFFERENDS ET RECLAMATIONS

Article 57

Consultations

Chaque Membre accueille favorablement les observations qui peuvent être présentées par un autre Membre sur toute question relative au présent Accord et accepte toute consultation y ayant trait. Au cours de consultations de ce genre, à la demande de l'une des parties et avec l'assentiment de l'autre, le Directeur exécutif institue une commission indépendante qui offre ses bons offices en vue de parvenir à une conciliation. Les dépenses de la commission ne sont pas à la charge de l'Organisation. Si l'une des parties n'accepte pas que le Directeur exécutif institue une commission ou si la consultation ne conduit pas à une solution, la question peut être soumise au Conseil en vertu de l'Article 58. Si la consultation aboutit à une solution, un rapport est présenté au Directeur exécutif qui le distribue à tous les Membres.

Article 58

Différends et réclamations

1) Tout différend relatif à l'interprétation ou à l'application du présent Accord qui n'est pas réglé par voie de négociation est, à la demande de tout Membre partie au différend, déferé au Conseil pour décision.

2) Quand un différend est déferé au Conseil en vertu du paragraphe 1) du présent Article, la majorité des Membres, ou plusieurs Membres qui détiennent ensemble au moins le tiers du total des voix, peuvent demander au Conseil de solliciter, après discussion de l'affaire et avant de faire connaître sa décision, l'opinion de la commission consultative mentionnée au paragraphe 3) du présent Article, sur les questions en litige.

3)

a) Sauf décision contraire prise à l'unanimité par le Conseil, cette commission est composée de

i) Deux personnes désignées par les Membres exportateurs, dont l'une a une grande expérience des questions du genre de celle qui est en litige et l'autre a de l'autorité et de l'expérience en matière juridique;

ii) Deux personnes désignées par les Membres importateurs selon les mêmes critères;

iii) Un président choisi à l'unanimité par les quatre personnes nommées en vertu des alinéas i) et ii) ou, en cas de désaccord, par le Président du Conseil.

- b) Les ressortissants des pays qui sont Parties au présent Accord peuvent siéger à la commission consultative.
- c) Les membres de la commission consultative agissent à titre personnel et sans recevoir d'instructions d'aucun gouvernement.
- d) Les dépenses de la commission consultative sont à la charge de l'Organisation.

4) L'opinion motivée de la commission consultative est soumise au Conseil, qui tranche le différend après avoir pris en considération toutes les données pertinentes.

5) Le Conseil statue sur tout différend dont il est saisi dans les six mois qui suivent la date à laquelle ce différend lui a été soumis.

6) Quand un Membre se plaint qu'un autre Membre n'a pas rempli les obligations que lui impose le présent Accord, cette plainte est, à la requête du plaignant, déférée au Conseil, qui décide.

7) Un Membre ne peut être reconnu coupable d'une infraction au présent Accord que par un vote à la majorité répartie simple. Toute constatation d'une infraction à l'Accord de la part d'un Membre doit spécifier la nature de l'infraction.

8) Si le Conseil constate qu'un Membre a commis une infraction au présent Accord, il peut, sans préjudice des autres mesures coercitives prévues à d'autres Articles de l'Accord et par un vote à la majorité répartie des deux tiers, suspendre le droit que ce Membre a de voter au Conseil et le droit qu'il a de voter ou de faire voter pour lui au Comité

exécutif, jusqu'au moment où il se sera acquitté de ses obligations, ou exiger son exclusion de l'Organisation, en vertu de l'Article 66.

9) Un Membre peut demander un avis préalable au Comité exécutif en cas de différend ou de réclamation avant que la question ne soit examinée par le Conseil.

CHAPITRE X - DISPOSITIONS FINALES

Article 59

Signature

Le présent Accord sera, du 31 janvier 1976 jusqu'au 31 juillet 1976 inclusivement, ouvert, au siège de l'Organisation des Nations Unies, à la signature des Parties Contractantes à l'Accord international de 1968 sur le Café tel que prorogé par protocole ainsi qu'à celle des Gouvernements invités aux sessions du Conseil international du Café tenues aux fins de négociation de l'Accord international de 1976 sur le Café.

Article 60

Ratification, acceptation, approbation

1) Le présent Accord est soumis à la ratification, l'acceptation ou l'approbation des gouvernements signataires, conformément à leur procédure constitutionnelle.

2) Sauf dans les cas prévus par l'Article 61, les instruments de ratification, d'acceptation ou d'approbation seront déposés auprès du Secrétaire général de l'Organisation des Nations Unies au plus tard le 30 septembre 1976. Cependant, le Conseil peut accorder des prorogations de délai aux gouvernements signataires qui ne sont pas en mesure de déposer leurs instruments avant cette date.

Article 61

Entrée en vigueur

1) Le présent Accord entrera en vigueur à titre définitif le 1 octobre 1976 si, à cette date, des gouvernements représentant au moins vingt Membres exportateurs ayant au minimum 80 pour cent des voix des Membres exportateurs, et au moins dix Membres importateurs ayant au minimum 80 pour cent des voix des Membres importateurs, selon la répartition indiquée à l'Annexe 2, ont déposé leurs instruments de ratification, d'acceptation ou d'approbation. D'autre part, l'Accord entrera définitivement en vigueur à n'importe quel moment après le 1 octobre 1976, s'il est provisoirement en vigueur, conformément aux dispositions du paragraphe 2) du présent Article, et si les conditions concernant le pourcentage sont satisfaites par le dépôt des instruments de ratification, d'acceptation ou d'approbation.

2) L'Accord peut entrer en vigueur provisoirement le 1 octobre 1976. A cette fin, si un gouvernement signataire ou toute autre Partie Contractante à l'Accord international de 1968 sur le Café tel que prorogé par protocole notifie au Secrétaire général de l'Organisation des Nations Unies qui recevra la notification au plus tard le 30 septembre 1976, qu'il s'engage à appliquer

les dispositions du présent Accord à titre provisoire et à chercher à obtenir, aussi vite que le permet sa procédure constitutionnelle, la ratification, l'acceptation ou l'approbation, cette notification est considérée comme de même effet qu'un instrument de ratification, d'acceptation ou d'approbation. Un gouvernement qui s'engage à appliquer provisoirement les dispositions de l'Accord en attendant le dépôt d'un instrument de ratification, d'acceptation ou d'approbation sera considéré comme provisoirement Partie à l'Accord jusqu'à celle des deux dates qui sera la plus proche celle du dépôt de son instrument de ratification, d'acceptation ou d'approbation, ou le 31 décembre 1976 inclusivement. Le Conseil peut accorder une prorogation du délai pendant lequel un gouvernement qui applique provisoirement l'Accord peut déposer un instrument de ratification, d'acceptation ou d'approbation.

3) Si l'Accord n'est pas entré en vigueur définitivement ou provisoirement le 1 octobre 1976, conformément aux dispositions du paragraphe 1) ou 2) du présent Article, les gouvernements qui ont déposé des instruments de ratification, d'acceptation, d'approbation ou d'adhésion, ou qui ont adressé les notifications aux termes desquelles ils s'engagent à appliquer provisoirement les dispositions de l'Accord et à chercher à obtenir la ratification, l'acceptation ou l'approbation, peuvent décider, d'un commun accord, qu'il entrera en vigueur entre eux. De même, si l'Accord est entré en vigueur provisoirement mais non définitivement, le 31 décembre 1976, les gouvernements qui ont déposé des instruments de ratification, d'acceptation, d'approbation ou d'adhésion, ou qui ont fait les notifications mentionnées au paragraphe 2), peuvent décider, d'un commun accord, qu'il continuera à rester provisoirement en vigueur ou qu'il entrera définitivement en vigueur entre eux.

Article 62**Adhésion**

1) Le gouvernement de tout Etat Membre de l'Organisation des Nations Unies ou membre d'une des institutions spécialisées peut, avant ou après l'entrée en vigueur du présent Accord, y adhérer aux conditions que fixe le Conseil.

2) Les instruments d'adhésion seront déposés auprès du Secrétaire général de l'Organisation des Nations Unies.
L'adhésion prend effet au moment du dépôt de l'instrument.

Article 63**Réerves**

Aucune des dispositions de l'Accord ne peut être l'objet de réserves.

Article 64**Application à des territoires désignés**

1) Tout gouvernement peut, au moment de la signature ou du dépôt de son instrument de ratification, d'acceptation, d'approbation ou d'adhésion, ou à tout moment par la suite, notifier au Secrétaire général de l'Organisation des Nations Unies que le présent Accord s'applique à tel ou tel des territoires dont il assure la représentation internationale; l'Accord s'applique aux territoires désignés dans la notification à compter de la date de la notification.

2) Toute Partie Contractante qui désire exercer à l'égard de tel ou tel des territoires dont elle assure la représentation internationale le droit que lui donne l'Article 5, ou qui désire autoriser l'un ou l'autre de ces territoires à faire partie d'un groupe Membre constitué en vertu de l'Article 6 ou de l'Article 7, peut le faire en adressant au Secrétaire général de l'Organisation des Nations Unies, soit au moment du dépôt de son instrument de ratification, d'acceptation, d'approbation ou d'adhésion, soit à tout moment par la suite, une notification en ce sens.

3) Toute Partie Contractante qui a fait la déclaration prévue au paragraphe 1) du présent Article peut, par la suite, notifier à tout moment au Secrétaire général de l'Organisation des Nations Unies que l'Accord cesse de s'appliquer à tel ou tel territoire qu'elle désigne; l'Accord cesse de s'appliquer à ce territoire à compter de la date de la notification.

4) Lorsqu'un territoire auquel s'appliquait le présent Accord en vertu du paragraphe 1) devient indépendant, le gouvernement du nouvel Etat peut, dans les quatre-vingt-dix jours de son accession à l'indépendance, notifier au Secrétaire général de l'Organisation des Nations Unies qu'il a assumé les droits et obligations d'une Partie Contractante à l'Accord. Il devient Partie Contractante au présent Accord à compter de la date de la notification. Le Conseil peut accorder une prorogation du délai imparti pour faire cette notification.

Article 65**Retrait volontaire**

Toute Partie Contractante peut à tout moment se retirer du présent Accord en notifiant par écrit son retrait au Secrétaire général de l'Organisation des Nations Unies. Le retrait prend effet quatre-vingt-dix jours après réception de la notification.

Article 66**Exclusion**

Si le Conseil considère qu'un Membre a commis une infraction aux obligations que lui impose le présent Accord, et s'il estime en outre que ce manquement entrave sérieusement le fonctionnement de l'Accord, il peut, à la majorité répartie des deux tiers, exclure ce Membre de l'Organisation. Le Conseil notifie immédiatement cette décision au Secrétaire général de l'Organisation des Nations Unies Quatre-vingt-dix jours après la décision du Conseil, ce Membre cesse d'appartenir à l'Organisation internationale du Café et, si ce Membre est Partie Contractante, d'être Partie à l'Accord.

Article 67**Liquidation des comptes en cas de retrait ou d'exclusion**

- 1) En cas de retrait ou d'exclusion d'un Membre, le Conseil liquide ses comptes s'il y a lieu. L'Organisation conserve les sommes déjà versées par ce Membre, qui est d'autre part tenu de régler toute somme qu'il lui doit à la date

effective du retrait ou de l'exclusion de l'Organisation; toutefois, s'il s'agit d'une Partie Contractante qui ne peut pas accepter un amendement et qui, de ce fait, cesse d'être Partie à l'Accord en vertu du paragraphe 2) de l'Article 69, le Conseil peut liquider les comptes de la manière qui lui semble équitable.

2) Un Membre qui a cessé de participer au présent Accord n'a droit à aucune part du produit de la liquidation ou des autres avoirs de l'Organisation; il ne peut non plus lui être imputé aucune partie du déficit éventuel de l'Organisation lorsque l'Accord prend fin.

Article 68

Durée et expiration ou résiliation

1) L'Accord reste en vigueur pendant une période de six années, jusqu'au 30 septembre 1982, à moins qu'il ne soit prorogé en vertu du paragraphe 3) du présent Article ou résilié en vertu du paragraphe 4)

2) Au cours de la troisième année pendant laquelle l'Accord est en vigueur, à savoir l'année caférière prenant fin le 30 septembre 1979, les Parties Contractantes notifient au Secrétaire général de l'Organisation des Nations Unies leur intention de continuer à participer à l'Accord pendant les trois autres années durant lesquelles il sera en vigueur. Si une Partie Contractante, ou un territoire qui est Membre ou fait partie d'un groupe Membre, n'a pas notifié ou fait notifier, au 30 septembre 1979, son intention de continuer à participer à l'Accord pendant les trois autres années durant lesquelles il sera en vigueur, cette Partie Contractante ou ce territoire cesse, à partir du 1 octobre 1979, d'être Partie à l'Accord.

3) A tout moment après le 30 septembre 1980, le Conseil peut, par décision prise à la majorité de 58 pour cent des Membres détenant au moins une majorité répartie de 70 pour cent des voix, décider que le présent Accord fera l'objet de nouvelles négociations ou sera prorogé, avec ou sans modification, pour le temps qu'il détermine. Si une Partie Contractante, ou un territoire qui est Membre ou fait partie d'un groupe Membre, n'a pas notifié ou fait notifier au Secrétaire général de l'Organisation des Nations Unies son acceptation du nouvel Accord ou de l'Accord prorogé à la date où ce nouvel Accord ou cet Accord prorogé entre en vigueur, cette Partie Contractante ou ce territoire cesse à cette date d'être Partie à l'Accord.

4) Le Conseil peut à tout moment, s'il en décide ainsi à la majorité des Membres, mais au moins à la majorité répartie des deux tiers des voix, décider de résilier le présent Accord. Cette résiliation prend effet à dater du moment que le Conseil décide.

5) Nonobstant la résiliation de l'Accord, le Conseil continue à exister aussi longtemps qu'il le faut pour liquider l'Organisation, apurer ses comptes et disposer de ses avoirs; il a, pendant cette période, les pouvoirs et fonctions qui peuvent lui être nécessaires à cet effet.

Article 69

Amendements

1) Le Conseil peut, par décision prise à la majorité répartie des deux tiers, recommander aux Parties Contractantes un amendement au présent Accord. Cet amendement prend effet

cent jours après que des Parties Contractantes qui représentent au moins 75 pour cent des Membres exportateurs détenant au minimum 85 pour cent des voix des Membres exportateurs, et des Parties Contractantes qui représentent au moins 75 pour cent des Membres importateurs détenant au minimum 80 pour cent des voix des Membres importateurs, ont notifié leur acceptation au Secrétaire général de l'Organisation des Nations Unies. Le Conseil fixe un délai avant l'expiration duquel les Parties Contractantes notifient au Secrétaire général de l'Organisation des Nations Unies qu'elles acceptent l'amendement. Si, à l'expiration de ce délai, les conditions relatives au pourcentage exigé pour l'entrée en vigueur de l'amendement ne sont pas remplies, il est considéré comme retiré.

2) Si une Partie Contractante, ou un territoire qui est Membre ou fait partie d'un groupe Membre, n'a pas notifié ou fait notifier son acceptation d'un amendement dans le délai imparti par le Conseil à cet effet, cette Partie Contractante ou ce territoire cesse d'être Partie à l'Accord à compter de la date à laquelle l'amendement entre en vigueur

Article 70

Dispositions supplémentaires et transitoires

1) Le présent Accord est considéré comme une continuation de l'Accord international de 1968 sur le Café tel que prorogé par protocole.

2) Afin de faciliter l'application ininterrompue de l'Accord international de 1968 sur le Café tel que prorogé par protocole

- a) Toutes les mesures prises en vertu de l'Accord de 1968 tel que prorogé par protocole, soit directement par l'Organisation ou l'un de ses organes, soit en leur nom, qui sont en vigueur au 30 septembre 1976 et dont il n'est pas spécifié que leur effet expire à cette date, restent en vigueur, à moins qu'elles ne soient modifiées par les dispositions du présent Accord;
- b) Toutes les décisions que le Conseil devra prendre au cours de l'année caférière 1975/76 en vue de leur application au cours de l'année caférière 1976/77 seront prises pendant la dernière session ordinaire du Conseil qui se tiendra au cours de l'année caférière 1975/76; elles seront appliquées à titre provisoire comme si l'Accord était déjà entré en vigueur

Article 71

Textes de l'Accord faisant foi

Les textes du présent Accord en anglais, espagnol, français et portugais, font tous également foi. Les originaux sont déposés auprès du Secrétaire général de l'Organisation des Nations Unies.

EN FOI DE QUOI les soussignés, dûment autorisés à cet effet par leur gouvernement, ont signé le présent Accord aux dates qui figurent en regard de leur signature.

TIAS 8683

ANNEXE 1

MEMBRES EXPORTATEURS EXPORTANT MOINS DE 400 000 SACS
A DESTINATION DES MEMBRES IMPORTATEURS

Membre exportateur	Contingent annuel d'exportation initial (en milliers de sacs)	Nombre de voix à ajouter aux voix correspondant au chiffre de base
	(1)	(2)
<u>Moins de 100 000 sacs</u>		
Gabon	25	0
Jamaïque	25	0
Congo	25	0
Panama	41	0
Dahomey	33	0
Bolivie	73	0
Ghana	66	0
Trinité et Tobago	69	0
Nigéria	70	0
Paraguay	70	0
Timor	82	0
Total	579	
<u>Plus de 100 000 sacs</u>		
Libéria	100	2
Guinée	127	2
Sierra Leone	180	3
République centrafricaine	205	3
Togo	225	4
Rwanda	300	5
Venezuela	325	5
Burundi	360	6
Haiti	360	6
Total	2 182	
TOTAL GENERAL	2 761	

ANNEXE 2

REPARTITION DES VOIX

	Exportateurs	Importateurs
<u>TOTAL</u>	<u>1 000</u>	<u>1 000</u>
Australie	-	12
Belgique *	-	29
Bolivie	4	-
Brésil	336	-
Burundi	8	-
Cameroon	20	-
Canada	-	32
Chypre	-	5
Colombie	114	-
Congo	4	-
Costa Rica	22	-
Côte d'Ivoire	49	-
Danemark	-	23
Dahomey	4	-
El Salvador	35	-
Equateur	16	-
Espagne	-	29
Etats-Unis d'Amérique	-	392
Ethiopie	26	-
Finlande	-	22
France	-	87
Gabon	4	-
Ghana	4	-
Guatemala	33	-
Guinée	6	-
Haiti	12	-
Honduras	11	-
Inde	11	-
Indonésie	26	-
Irlande	-	6
Jamaïque	4	-
Japon	-	37
Kenya	17	-
Libéria	4	-
Madagascar	18	-
Mexique	32	-
Nicaragua	13	-
Nigéria	4	-
Norvège	-	16
Nouvelle-Zélande	-	7
Ouganda	42	-
Panama	4	-
Papouasie-Nouvelle-Guinée	4	-
Paraguay	4	-
Pays-Bas	-	47
Pérou	16	-
Portugal	-	13
République centrafricaine	7	-
République Dominicaine	12	-
République fédérale d'Allemagne	-	104
Royaume-Uni	-	51
Rwanda	6	-
Sierra Leone	6	-
Suède	-	37
Suisse	-	24
Tanzanie	15	-
Tchécoslovaquie	-	10
Timor	4	-
Togo	7	-
Trinité et Tobago	4	-
Venezuela	9	-
Yougoslavie	-	18
Zaire	21	-

* Y compris le Luxembourg

CONVÉNIO INTERNACIONAL DO CAFÉ DE 1976

Preâmbulo

Os Governos signatários deste Convênio,

Reconhecendo a excepcional importância do café para as economias de muitos países que dependem consideravelmente deste produto para suas receitas de exportação e, por conseguinte, para a continuação de seus programas de desenvolvimento econômico e social;

Considerando que uma estreita cooperação internacional no comércio de café fomentará a diversificação econômica e o desenvolvimento dos países produtores de café, reforçará as relações políticas e econômicas entre produtores e consumidores e contribuirá para aumentar o consumo de café;

Reconhecendo a conveniência de evitar entre a produção e o consumo desequilíbrio capaz de provocar acentuadas flutuações de preço, prejudiciais a produtores e consumidores;

Convencidos de que a adoção de certas medidas no plano internacional pode concorrer para corrigir os efeitos de tal desequilíbrio e para garantir receita adequada aos produtores por meio de preços remunerativos;

Reconhecendo as vantagens decorrentes da cooperação internacional que resultou da aplicação dos convênios internacionais do café de 1962 e de 1968,

Acordam o seguinte:

CAPÍTULO I - OBJETIVOS

Artigo 19

Objetivos

Os objetivos deste Convênio são:

1º alcançar um equilíbrio razoável entre a oferta e a procura mundiais de café, em bases que assegurem, aos consumidores, o abastecimento adequado de café a preços equitativos e, aos produtores, mercados para o café a preços remunerativos, e que contribuam para um equilíbrio a longo prazo entre a produção e o consumo;

2º evitar flutuações excessivas dos níveis mundiais de abastecimento, estoques e preços, que são prejudiciais tanto a produtores como a consumidores;

3º contribuir para o desenvolvimento dos recursos produtivos e para elevar e manter os níveis de emprego e de renda nos países Membros, concorrendo, desse modo, para a obtenção de salários justos, padrões de vida mais elevados e melhores condições de trabalho;

4º elevar o poder aquisitivo dos países exportadores de café, pela manutenção dos preços, em conformidade com os termos do parágrafo 1º deste artigo, e pelo incremento do consumo;

5º fomentar e aumentar, por todos os meios possíveis, o consumo de café; e

6º em termos gerais, reconhecendo a relação entre o comércio de café e a estabilidade econômica dos mercados de produtos industriais, incentivar a cooperação internacional no domínio dos problemas mundiais do café.

Artigo 29

Compromissos gerais dos Membros

1º Os Membros se comprometem a conduzir sua política comercial de maneira a que possam ser alcançados os objetivos enunciados no artigo 1º. Os Membros se comprometem, ademais, a alcançar esses objetivos por meio da rigorosa observância das obrigações e disposições deste Convênio.

2º Os Membros reconhecem a necessidade de adotar políticas que mantenham os preços em níveis que assegurem remuneração adequada aos produtores, e procurem assegurar que os preços de café aos consumidores não prejudiquem o aumento desejável de consumo.

3º Os Membros exportadores comprometem-se a não adotar nem manter quaisquer disposições governamentais que possam permitir a venda de café a países não-membros em condições comerciais mais favoráveis do que aquelas que estão preparados a oferecer, ao mesmo tempo, aos Membros importadores, tomadas em consideração as práticas comerciais correntes.

4º O Conselho procederá à revisão periódica da observância das disposições do parágrafo 3º deste artigo, podendo requerer dos Membros o fornecimento das informações adequadas, nos termos do artigo 53.

5º Os Membros reconhecem que os certificados de origem são uma fonte vital de informações sobre o comércio de café. Nos períodos em que as quotas estiverem suspensas, recaí sobre os Membros exportadores a responsabilidade pela correta utilização dos certificados de origem. Contudo, embora estejam desobrigados de exigir que esses certificados acompanhem as partidas de café quando as quotas não estiverem em vigor, os Membros importadores cooperarão

plenamente com a Organização no recolhimento e na verificação dos certificados relativos a partidas recebidas de países exportadores Membros, a fim de assegurar a todos os países Membros acesso ao maior número de informações possível.

CAPÍTULO II - DEFINIÇÕES

Artigo 39

Definições

Para os fins deste Convênio:

1º "Café" significa o grão e a cereja do cafeeiro, seja em pergaminho, verde ou torrado, e inclui o café moido, o descafeinado, o líquido e o solúvel. Estes termos têm o seguinte significado:

- a) "café verde" significa todo café na forma de grão descascado antes de ser torrado;
- b) "café em cereja seca" significa o fruto seco do cafeeiro; obtém-se o equivalente do café em cereja seca em café verde, multiplicando o peso líquido da cereja seca do café por 0,50;
- c) "café em pergaminho" significa o grão de café verde envolvido pelo pergaminho; obtém-se o equivalente do café em pergaminho em café verde, multiplicando o peso líquido do café em pergaminho por 0,80;
- d) "café torrado" significa o café verde torrado em qualquer grau e inclui o café moido; obtém-se o equivalente do café torrado em café verde, multiplicando o peso líquido do café torrado por 1,19;

- e) "café descafeinado" significa o café verde, torrado ou solúvel do qual se tenha extraído a cafeína; obtém-se o equivalente do café descafeinado em café verde, multiplicando o peso líquido do café verde, torrado ou solúvel descafeinado, respectivamente por 1,00, 1,19 ou 3,00; 1/
- f) "café líquido" significa as partículas solúveis em água, obtidas do café torrado e apresentadas sob forma líquida; obtém-se o equivalente do café líquido em café verde, multiplicando o peso líquido das partículas desidratadas, contidas no café líquido, por 3,00; 1/
- g) "café solúvel" significa as partículas desidratadas, solúveis em água, obtidas do café torrado; obtém-se o equivalente do café solúvel em café verde, multiplicando o peso líquido do café solúvel por 3,00. 1/
- 2º "Saca" significa 60 quilos, ou 132,276 libras, de café verde; "tonelada" significa uma tonelada métrica de 1.000 quilogramas, ou 2.204,6 libras; e "libra" significa 453,597 gramas.
- 3º "Ano cafeeiro" significa o período de um ano, de 1º de outubro a 30 de setembro.
- 4º "Organização", "Conselho" e "Junta" significam, respectivamente, a Organização Internacional do Café, o Conselho International do Café e a Junta Executiva.

1/ O fator de 3 será objeto de reexame e poderá ser modificado pelo Conselho à luz de decisões que venham a ser tomadas pelos competentes organismos internacionais.

59 "Membro" significa uma Parte Contratante, inclusive uma organização intergovernamental, mencionada no parágrafo 39 do artigo 4º; um ou mais territórios designados com respeito aos quais tenha sido feita uma declaração de participação separada, nos termos do artigo 5º; ou duas ou mais Partes Contratantes ou territórios designados, ou ambos, que participem da Organização como Grupo-Membro, nos termos dos artigos 6º ou 7º

6º "Membro exportador" ou "país exportador" significa, respectivamente, um Membro ou país que seja exportador líquido de café, isto é, cujas exportações excedam as importações.

7º "Membro importador" ou "país importador" significa, respectivamente, um Membro ou país que seja importador líquido de café, isto é, cujas importações excedam as exportações.

8º "Membro produtor" ou "país produtor" significa, respectivamente, um Membro ou país que produza café em quantidades comercialmente significativas.

9º "Maioria distribuída simples" significa a maioria dos votos expressos pelos Membros exportadores presentes e votantes, e a maioria dos votos expressos pelos Membros importadores presentes e votantes, contados separadamente.

10. "Maioria distribuída de dois terços" significa a maioria de dois terços dos votos expressos pelos Membros exportadores presentes e votantes, e a maioria de dois terços dos votos expressos pelos Membros importadores presentes e votantes, contados separadamente.

11. "Entrada em vigor" significa, salvo disposição em contrário, a data em que este Convênio entrar em vigor, seja provisória ou definitivamente.

12. "Produção exportável" significa a produção total de café de um país exportador, em determinado ano cafeeiro ou ano-safra, menos o volume destinado ao consumo interno no mesmo ano.

13. "Disponibilidade para exportação" significa a produção exportável de um país exportador, em determinado ano cafeeiro, acrescida dos estoques acumulados em anos anteriores.

14. "Direito de exportação" significa o volume total de café que um Membro está autorizado a exportar, nos termos das várias disposições deste Convênio, excluídas as exportações que, nos termos do artigo 44, não são debitadas a quotas.

15. "Insuficiência" significa a diferença entre o direito de exportação anual de um Membro exportador, em determinado ano cafeeiro, e o volume de café exportado por esse Membro, com destino a mercados em regime de quota, durante esse ano cafeeiro.

CAPÍTULO III - MEMBROS

Artigo 4º

Participação na Organização

1º Cada Parte Contratante, juntamente com os territórios aos quais se aplica este Convênio, nos termos do parágrafo 1º do artigo 64, constituirá um único Membro da Organização, salvo disposição em contrário dos artigos 5º, 6º e 7º.

2º Um Membro pode passar de uma categoria para outra, segundo condições que o Conselho estipule.

3º Toda referência feita neste Convênio a um governo será interpretada como extensiva à Comunidade Econômica Européia ou a qualquer organização intergovernamental que tenha competência comparável para negociar, concluir e aplicar convênios internacionais, em particular convênios sobre produtos de base.

4º Tal organização intergovernamental não terá, ela própria, voto algum, mas, caso se vote sobre assuntos de sua competência, terá direito a votar coletivamente em nome de seus Estados Membros. Nesse caso, os Estados Membros da organização intergovernamental não poderão exercer individualmente seu direito de voto.

5º O disposto no parágrafo 1º do artigo 16 não se aplicará a uma tal organização intergovernamental, que poderá, contudo, participar nos debates da Junta Executiva sobre assuntos de sua competência. Caso se vote sobre assuntos de sua competência, e não obstante as disposições do parágrafo 1º do artigo 19, os votos que os Estados Membros têm direito a emitir na Junta Executiva podem ser emitidos coletivamente por qualquer desses Estados.

Artigo 5º

Participação separada com relação a territórios designados

Toda Parte Contratante que seja importadora líquida de café pode, em qualquer momento, mediante a notificação prevista no parágrafo 2º do artigo 64, declarar que participa na Organização separadamente de qualquer dos territórios por ela designados, que sejam exportadores líquidos de café e por cujas relações internacionais essa Parte Contratante seja responsável. Em tal caso, o território metropolitano e os territórios não-designados constituirão um único Membro, e os territórios designados terão participação separada como Membros, seja individual ou coletivamente, conforme se indique na notificação.

Artigo 69

Participação inicial em grupo

1º Duas ou mais Partes Contratantes que sejam exportadoras líquidas de café podem, mediante notificação apropriada ao Conselho e ao Secretário-Geral das Nações Unidas, ao depositar os respectivos instrumentos de aprovação, ratificação, aceitação ou adesão, declarar que entram para a Organização como Grupo-Membro. O território, ao qual se aplique este Convênio, nos termos do parágrafo 1º do artigo 64, pode fazer parte de tal grupo, se o governo do Estado responsável por suas relações internacionais houver feito notificação nesse sentido, nos termos do parágrafo 2º do artigo 64. Tais Partes Contratantes e territórios designados devem satisfazer as seguintes condições:

- a) declarar que estão dispostos a assumir, individual e coletivamente, a responsabilidade pelas obrigações do grupo;
- b) apresentar subsequente ao Conselho prova satisfatória do seguinte:
 - i) de que o grupo tem a organização necessária para aplicar uma política cafeeira comum, e de que dispõem, juntamente com os outros integrantes do grupo, dos meios para cumprir as obrigações decorrentes deste Convênio; e
 - ii) ou de que foram reconhecidos como grupo num acordo internacional de café precedente; ou

iii) de que têm uma política comercial e econômica comum ou coordenada com respeito ao café e uma política monetária e financeira coordenada, bem como os órgãos necessários à sua execução, de modo que o Conselho se certifique de que o grupo está em condições de cumprir as obrigações coletivas contraídas.

29 O Grupo-Membro constituirá um único Membro da Organização, devendo, porém, cada integrante do grupo ser tratado individualmente, como Membro, no que diz respeito aos assuntos decorrentes das seguintes disposições:

- a) artigos 11, 12 e 20 do capítulo IV;
- b) artigos 50 e 51 do capítulo VIII, e
- c) artigo 67 do capítulo X.

39 As Partes Contratantes e territórios designados que ingressem como Grupo-Membro especificarão o governo ou a organização que os representará no Conselho em assuntos decorrentes deste Convênio, exceto os especificados no parágrafo 29 deste artigo.

49 Os direitos de voto do Grupo-Membro serão os seguintes:

- a) o Grupo-Membro terá o mesmo número de votos básicos que um país Membro que ingressasse na Organização a título individual. Estes votos básicos serão atribuídos ao governo ou à organização representante do grupo, que deles disporá;
- b) no caso de uma votação sobre qualquer assunto decorrente das disposições do parágrafo 29 deste artigo, os integrantes do grupo podem dispor separadamente dos votos a eles atribuídos nos termos dos parágrafos 39 e 49 do artigo 13, como se cada um deles fosse individualmente

Membro da Organização, exceto no que se refere aos votos básicos, que continuam atribuídos unicamente ao governo ou à organização que represente o grupo.

59 Toda Parte Contratante ou território designado que faça parte de um Grupo-Membro pode, mediante notificação ao Conselho, retirar-se do grupo e tornar-se Membro a título individual. A retirada terá efeito a partir do momento em que o Conselho receber a notificação. Se um dos integrantes de um Grupo-Membro retirar-se desse Grupo, ou deixar de participar na Organização, os demais integrantes do grupo podem requerer ao Conselho que mantenha o grupo, o qual continuará a existir, a menos que o Conselho não aprove o requerimento. Se o Grupo-Membro fôr dissolvido, cada um dos seus integrantes tornar-se-á Membro a título individual. O Membro que tiver deixado de pertencer a um grupo não pode tornar a integrar-se em grupo algum durante a vigência deste Convênio.

Artigo 79

Participação subsequente em grupo

Dois ou mais Membros exportadores podem, a qualquer momento após este Convênio ter entrado em vigor, requerer ao Conselho autorização para se constituirem em Grupo-Membro. O Conselho aprovará o requerimento, se considerar que a declaração feita pelos Membros e as provas por eles apresentadas satisfazem os requisitos do parágrafo 1º do artigo 69. Imediatamente após a aprovação, ficará o Grupo-Membro sujeito às disposições dos parágrafos 2º, 3º, 4º e 5º daquele artigo.

CAPÍTULO IV - ORGANIZAÇÃO E ADMINISTRAÇÃO

Artigo 8º

Sede e estrutura da Organização Internacional do Café

19 A Organização Internacional do Café, estabelecida pelo Convênio de 1962, continua em existência a fim de executar as disposições deste Convênio e superintender o seu funcionamento.

29 A Organização tem sede em Londres, a menos que o Conselho, por maioria distribuída de dois terços, decida de outro modo.

39 A Organização exerce as suas funções por intermédio do Conselho Internacional do Café, da Junta Executiva, do Diretor-Executivo e de seus funcionários.

Artigo 9º

Composição do Conselho Internacional do Café

19 A autoridade suprema da Organização é o Conselho Internacinal do Café, que é composto por todos os Membros da Organização.

29 Cada Membro designará, para o Conselho, um representante e, se assim o desejar, um ou mais suplentes, podendo igualmente designar um ou mais assessores do representante ou de seus suplentes.

Artigo 10

Poderes e funções do Conselho

1º O Conselho fica investido de todos os poderes que lhe são especificamente conferidos por este Convênio, e tem os poderes e desempenha as funções necessárias à execução das disposições deste Convênio.

2º O Conselho, por maioria distribuída de dois terços, estabelecerá as normas e os regulamentos necessários à execução deste Convênio e com o mesmo compatíveis, inclusive o seu próprio regimento interno e os regulamentos financeiros e do pessoal da Organização. O Conselho pode estabelecer, em seu regimento, um processo que lhe permita, sem se reunir, decidir sobre questões específicas.

3º O Conselho manterá em arquivo a documentação necessária ao desempenho das funções que lhe atribui este Convênio e toda a demais documentação que considere conveniente.

Artigo 11

Eleição do Presidente e dos Vice-Presidentes do Conselho

1º O Conselho elegerá, para cada ano cafeeiro, um Presidente e um primeiro, um segundo e um terceiro Vice-Presidentes.

2º Como regra geral, tanto o Presidente como o primeiro Vice-Presidente serão eleitos seja dentre os representantes dos Membros exportadores, seja dentre os representantes dos Membros importadores, e o segundo e o terceiro Vice-Presidentes serão eleitos dentre os representantes da outra categoria de Membros. De ano para ano cafeeiro, esses cargos serão desempenhados alternadamente por Membros das duas categorias.

39 Nem o Presidente nem nenhum dos Vice-Presidentes, no exercício da presidência, terá direito a voto. Nesse caso, o respectivo suplente exerce os direitos de voto do Membro.

Artigo 12

Sessões do Conselho

Como regra geral, o Conselho reunir-se-á duas vezes por ano em sessão ordinária, podendo reunir-se em sessões extraordinárias, se assim o decidir. Podem igualmente celebrar-se sessões extraordinárias a pedido seja da Junta Executiva, seja de cinco Membros, seja de um ou vários Membros que disponham de, pelo menos, 200 votos. As sessões do Conselho serão convocadas com uma antecedência de, pelo menos, 30 dias, exceto em casos de emergência. Salvo decisão em contrário do Conselho, as sessões realizar-se-ão na sede da Organização.

Artigo 13

Votos

19 Os Membros exportadores disporão conjuntamente de 1.000 votos e os Membros importadores disporão conjuntamente de 1.000 votos, distribuídos entre os Membros de cada uma das categorias - isto é, Membros exportadores e importadores, respectivamente - como estipulam os parágrafos seguintes deste artigo.

29 Cada Membro disporá de 5 votos básicos, desde que o número total de votos básicos em cada uma das categorias não exceda 150. Caso haja mais de 30 Membros exportadores ou mais de 30 Membros importadores, o número de votos básicos de cada Membro dessa categoria será ajustado, de modo que o total de votos básicos em cada categoria não ultrapasse 150.

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3º Os Membros exportadores, que segundo o Anexo 1 têm uma quota inicial de exportação anual de 100.000 sacas ou mais, mas inferior a 400.000, terão, além dos votos básicos, os votos indicados na coluna 2 do Anexo 1. O Membro exportador que, nos termos do parágrafo 5º do artigo 31, optar por ter quota básica não será abrangido pelas disposições deste parágrafo.

4º Observadas as disposições do artigo 32, serão os restantes votos dos Membros exportadores divididos entre os Membros que têm quota básica de maneira proporcional ao volume médio de suas respectivas exportações de café com destino a Membros importadores nos anos cafeeiros de 1968/69 a 1971/72 inclusive. Isso constituirá a base de votação desses Membros exportadores até 31 de dezembro de 1977. A partir de 1º de janeiro de 1978, os restantes votos dos Membros exportadores que têm quota básica serão calculados proporcionalmente ao volume médio de suas respectivas exportações de café com destino a Membros importadores, do seguinte modo:

<u>A partir de 1º de janeiro de:</u>	<u>Anos cafeeiros</u>
1978	1969/70, 1970/71, 1971/72, 1976/77
• 1979	1970/71, 1971/72, 1976/77, 1977/78
1980	1971/72, 1976/77, 1977/78, 1978/79
1981	1976/77, 1977/78, 1978/79, 1979/80
1982	1977/78, 1978/79, 1979/80, 1980/81

5º Os votos restantes dos Membros importadores serão divididos entre estes Membros proporcionalmente ao volume médio de suas respectivas importações de café nos três anos civis precedentes.

6º A distribuição dos votos será determinada pelo Conselho, nos termos deste artigo, no início de cada ano cafeeiro, permanecendo em vigor durante esse ano, exceto nos casos previstos nos parágrafos 4º e 7º deste artigo.

7º Sempre que ocorrer qualquer modificação no número de Membros da Organização, ou os direitos de voto de um Membro forem suspensos ou restabelecidos, nos termos dos artigos 26, 42, 45 ou 58, o Conselho procederá à redistribuição dos votos, de acordo com o que dispõe este artigo.

8º Nenhum Membro pode dispor de mais de 400 votos.

9º Não se admite fração de voto.

Artigo 14

Procedimento de votação no Conselho

1º Cada Membro disporá de todos os votos a que tem direito, mas não os poderá dividir. Qualquer Membro pode, no entanto, dispor de forma diferente dos votos que lhe são atribuídos nos termos do parágrafo 2º deste artigo.

2º Todo Membro exportador pode autorizar outro Membro exportador, e todo Membro importador pode autorizar outro Membro importador a representar seus interesses e exercer seu direito de voto em qualquer reunião do Conselho. Não se aplicará, neste caso, a limitação prevista no parágrafo 8º do artigo 13.

Artigo 15

Decisões do Conselho

1º Salvo disposição em contrário, todas as decisões e todas as recomendações do Conselho são adotadas por maioria distribuída simples.

2º As decisões do Conselho que, segundo este Convênio, exijam a maioria distribuída de dois terços, obedecerão ao seguinte procedimento:

- a) se a moção não obtém a maioria distribuída de dois terços, em virtude de voto negativo de, no máximo, três Membros exportadores, ou de, no máximo, três Membros importadores, ela é novamente submetida a votação dentro de 48 horas, se o Conselho assim o decidir por maioria dos Membros presentes e por maioria distribuída simples;
- b) se, novamente, a moção não obtém a maioria distribuída de dois terços de votos, em virtude do voto negativo de um ou dois Membros exportadores, ou de um ou dois Membros importadores, ela é novamente submetida a votação, dentro de 24 horas, desde que o Conselho assim o decida por maioria dos Membros presentes e por maioria distribuída simples;
- c) se a moção não obtém ainda a maioria distribuída de dois terços na terceira votação, em virtude do voto negativo de apenas um Membro exportador, ou de apenas um Membro importador, ela é considerada adotada; e
- d) se o Conselho não submeter a moção a nova votação, ela é considerada rejeitada.

3º Os Membros comprometem-se a aceitar como obrigatórias todas as decisões que o Conselho adote em virtude das disposições deste Convênio.

Artigo 16

Composição da Junta

1º A Junta Executiva será constituída por oito Membros exportadores e por oito Membros importadores, eleitos por cada ano cafeeiro nos termos do artigo 17. Os Membros podem ser reeleitos.

2º Cada Membro da Junta designará um representante e, se assim o desejar, um ou mais suplentes, podendo igualmente designar um ou mais assessores do representante ou dos suplentes.

3º A Junta Executiva terá um Presidente e um Vice-Presidente que são eleitos pelo Conselho para cada ano cafeeiro e que podem ser reeleitos. Nem o Presidente nem o Vice-Presidente no exercício da presidência têm direito de voto. Se um representante é eleito Presidente, ou se o Vice-Presidente exerce a presidência, vota em seu lugar o respectivo suplente. Como regra geral, o Presidente e o Vice-Presidente para cada ano cafeeiro serão eleitos dentre os representantes da mesma categoria de Membros.

4º A Junta reunir-se-á normalmente na sede da Organização, embora possa reunir-se em outro local.

Artigo 17

Eleição da Junta

1º Os membros exportadores e importadores da Junta serão eleitos em sessão do Conselho pelos Membros exportadores e importadores da Organização, respectivamente. A eleição dentro de cada categoria obedecerá às disposições dos parágrafos seguintes deste artigo.

2º Cada Membro votará por um só candidato, conferindo-lhe todos os votos de que dispõe nos termos do artigo 13. Um Membro pode conferir a outro candidato os votos de que disponha nos termos do parágrafo 2º do artigo 14.

3º Os oito candidatos que receberem o maior número de votos são eleitos, mas nenhum candidato será eleito, no primeiro escrutínio, com menos de 75 votos.

4º Se, de acordo com o disposto no parágrafo 3º deste artigo, menos de oito candidatos fôrem eleitos no primeiro escrutínio, proceder-se-á a novos escrutínios, dos quais só participarão os Membros que não houverem votado por nenhum dos candidatos eleitos. Em cada escrutínio, o mínimo de votos necessários para ser eleito diminui sucessivamente de cinco unidades, até que os oito candidatos tenham sido eleitos.

5º O Membro que não houver votado por nenhum dos Membros eleitos atribuirá seus votos a um deles, respeitado o disposto nos parágrafos 6º e 7º deste artigo.

6º Considera-se que um Membro dispõe dos votos que recebeu ao ser eleito bem como dos votos que lhe sejam atribuídos, não podendo, contudo, nenhum Membro eleito dispor de mais de 499 votos.

7º Se os votos obtidos por um Membro eleito ultrapassarem 499, os Membros que nele votaram, ou que a ele atribuíram seus votos, providenciarão entre si para que um ou mais lhe retirem os votos e os confirmam ou transfiram a outro Membro eleito, de modo que nenhum dos eleitos receba mais de 499 votos.

Artigo 18

Competência da Junta

1º A Junta é responsável perante o Conselho e funciona sob sua direção geral.

2º O Conselho pode, por maioria distribuída de dois terços, delegar à Junta o exercício de qualquer ou de todos os seus poderes, com exceção dos seguintes:

- a) aprovação do orçamento administrativo e fixação das contribuições, nos termos do artigo 25;
- b) suspensão dos direitos de voto de um Membro, nos termos dos artigos 45 ou 58;
- c) dispensa das obrigações de um Membro, nos termos do artigo 56;
- d) decisões sobre litígios, nos termos do artigo 58;
- e) estabelecimento das condições para adesão, nos termos do artigo 62;
- f) decisão determinando a exclusão de um Membro, nos termos do artigo 66;
- g) decisão a respeito da renegociação, prorrogação ou terminação deste Convênio, nos termos do artigo 68; e
- h) recomendação aos Membros de emendas ao Convênio, nos termos do artigo 69.

3º O Conselho pode, a qualquer momento, por maioria distribuída simples, revogar quaisquer poderes que tenha delegado à Junta.

Artigo 19

Procedimento de votação na Junta

1º Cada Membro da Junta disporá dos votos por ele recebidos nos termos dos parágrafos 6º e 7º do artigo 17. Não será permitido o voto por procuração. Não será permitido aos membros da Junta dividir os seus votos.

2º Toda decisão da Junta exigirá maioria igual à que seria necessária para ser tomada pelo Conselho.

Artigo 20

Quorum para o Conselho e para a Junta

1º O quorum para qualquer reunião do Conselho consistirá na presença da maioria dos Membros que detenham a maioria distribuída de dois terços do total dos votos. Se não houver quorum na hora marcada para a abertura de uma reunião do Conselho, pode o Presidente adiar a abertura da reunião para, no mínimo, três horas mais tarde. Caso não haja quorum à nova hora fixada, pode o Presidente adiar uma vez mais a abertura da reunião do Conselho por, no mínimo, três horas. Estes adiamentos podem repetir-se até haver quorum à hora marcada. A representação, nos termos do parágrafo 2º do artigo 14, será considerada como presença.

2º O quorum para qualquer reunião da Junta consistirá na presença da maioria dos membros que detenham a maioria distribuída de dois terços do total de votos.

Artigo 21

Diretor-Executivo e pessoal

1º Com base em recomendação da Junta, o Conselho designará o Diretor-Executivo. As respectivas condições de emprego serão estabelecidas pelo Conselho e devem ser análogas às de funcionários de igual categoria em organizações intergovernamentais similares.

2º O Diretor-Executivo é o principal funcionário administrativo da Organização, sendo responsável pelo cumprimento das funções que lhe competem na administração deste Convênio.

3º O Diretor-Executivo nomeará os restantes funcionários de acordo com o regulamento estabelecido pelo Conselho.

4º Nem o Diretor-Executivo nem nenhum funcionário deve ter interesses financeiros na indústria, no comércio ou no transporte do café.

5º No exercício de suas funções, o Diretor-Executivo e os funcionários não solicitarão nem receberão instruções de nenhum Membro, nem de nenhuma autoridade estranha à Organização. Devem abster-se de atos incompatíveis com a sua condição de funcionários internacionais, responsáveis unicamente perante a Organização. Os Membros comprometem-se a respeitar o caráter exclusivamente internacional das responsabilidades do Diretor-Executivo e dos funcionários e a não tentar influenciá-los no desempenho de suas funções.

Artigo 22

Cooperação com outras organizações

O Conselho pode tomar as providências que julgue aconselháveis para consultar e cooperar com as Nações Unidas, suas agências especializadas, e outras organizações intergovernamentais competentes. O Conselho pode convidar essas organizações e quaisquer outras que se ocupem de café a enviar observadores às suas reuniões.

CAPÍTULO V - PRIVILEGIOS E IMUNIDADES

Artigo 23

Privilégios e imunidades

1º A Organização possui personalidade jurídica. Ela é dotada, em especial, da capacidade de firmar contratos, de adquirir e de dispor de bens móveis e imóveis e de demandar em juízo.

2º O status, os privilégios e as imunidades da Organização, do Diretor-Executivo, do pessoal e peritos, bem como dos representantes de Membros que se encontrem no território do Reino Unido da Grã-Bretanha e Irlanda do Norte com a finalidade de exercer suas funções, continuarão sendo governados pelo acordo de sede celebrado, em 28 de maio de 1969, entre o Governo do Reino Unido da Grã-Bretanha e Irlanda do Norte (a seguir chamado "governo do país-sede") e a Organização.

3º O acordo mencionado no parágrafo 2º deste artigo será independente deste Convênio, podendo no entanto terminar:

- a) por acordo entre o governo do país-sede e a Organização;

- b) na eventualidade da sede da Organização ser transferida do território do governo do país-sede; ou
- c) na eventualidade da Organização deixar de existir

4º A Organização pode celebrar com outro ou outros Membros acordos, a serem aprovados pelo Conselho, relativos aos privilégios e imunidades que sejam indispensáveis ao funcionamento conveniente deste Convênio.

5º Os governos dos países Membros, com exceção do país-sede, concederão à Organização as mesmas facilidades que são conferidas às agências especializadas das Nações Unidas em matéria de restrições monetárias e de câmbio, manutenção de contas bancárias e transferência de dinheiro.

CAPÍTULO VI - FINANÇAS

Artigo 24

Finanças:

1º As despesas das delegações ao Conselho e dos representantes na Junta ou em qualquer das comissões do Conselho ou da Junta serão financiadas pelos respectivos governos.

2º As demais despesas necessárias à administração do Convênio serão financiadas por contribuições anuais dos Membros, fixadas nos termos do artigo 25. O Conselho pode, todavia, exigir o pagamento de emolumentos por determinados serviços

3º O exercício financeiro da Organização coincidirá com o ano历年.

Artigo 25**Aprovação do orçamento e fixação de contribuições**

1º Durante o segundo semestre de cada exercício financeiro, o Conselho aprovará o orçamento administrativo da Organização para o exercício financeiro seguinte e fixará a contribuição de cada Membro para esse orçamento.

2º A contribuição de cada Membro para o orçamento de cada exercício financeiro é proporcional à relação que existe, na data em que fôr aprovado o orçamento para aquele exercício financeiro, entre o número de seus votos e o total dos votos de todos os Membros. Se, todavia, no início do exercício financeiro para o qual foram fixadas as contribuições, houver alguma modificação na distribuição de votos entre os Membros, em virtude do disposto no parágrafo 6º do artigo 13, as contribuições correspondentes a esse exercício serão devidamente ajustadas. Para fixar as contribuições, o número de votos de cada Membro será determinado sem tomar em consideração a eventual suspensão dos direitos de voto de um Membro ou qualquer redistribuição de votos que dela possa resultar.

3º A contribuição inicial de qualquer Membro, que entre para a Organização depois de o Convênio ter entrado em vigor, é fixada pelo Conselho com base no número de votos que lhe são atribuídos e em função do período restante do exercício financeiro em curso, permanecendo inalteradas as contribuições fixadas aos outros Membros, para esse exercício financeiro.

Artigo 26**Pagamento das contribuições**

1º As contribuições para o orçamento administrativo de cada exercício financeiro serão pagas em moeda livremente conversível e exigíveis no primeiro dia do respectivo exercício.

2º Se um Membro não tiver pago integralmente a contribuição para o orçamento administrativo, dentro de seis meses a contar da data em que tal contribuição é exigível, ficam suspensos, até que tal contribuição seja paga, tanto os seus direitos de voto no Conselho como o direito de dispor dos seus votos na Junta. Todavia, a menos que o Conselho assim o decida por maioria distribuída de dois terços, tal Membro não fica privado de nenhum outro direito nem eximido de nenhuma das obrigações que lhe impõe este Convênio.

3º Os Membros, cujos direitos de voto tenham sido suspensos nos termos do parágrafo 2º deste artigo ou nos termos dos artigos 42, 45 ou 58, permanecerão, entretanto, responsáveis pelo pagamento de suas respectivas contribuições.

Artigo 27**Verificação e publicação das contas**

O mais cedo possível após o encerramento de cada exercício financeiro, será apresentada ao Conselho, para aprovação e publicação, a prestação de contas das receitas e despesas da Organização referente a esse exercício, verificada por perito em contabilidade e independente da Organização.

CAPÍTULO VII - REGULAMENTAÇÃO DAS EXPORTAÇÕES E IMPORTAÇÕES

Artigo 28

Disposições gerais

1º Todas as decisões do Conselho relativas às disposições deste Capítulo serão adotadas por maioria distribuída de dois terços.

2º A palavra "anual" significa, neste capítulo, qualquer período de doze meses estabelecido pelo Conselho. Entretanto, o Conselho pode adotar providências para que as disposições deste capítulo sejam aplicadas por períodos de mais de dozes meses.

Artigo 29

Mercados em regime de quotas

Para os efeitos deste Convênio, o mercado mundial de café é dividido em mercados de países Membros, sujeitos ao regime de quotas, e mercados de países não-membros, isentos do regime de quotas.

Artigo 30

Quotas básicas

1º Observadas as disposições dos artigos 31 e 32, cada Membro exportador terá direito a uma quota básica calculada de acordo com o disposto neste artigo.

29 Se, nos termos do artigo 33, as quotas entrarem em vigor durante o ano cafeeiro de 1976/77, a quota básica, a ser utilizada para a distribuição da parcela fixa das quotas, será calculada com base no volume médio das exportações anuais de cada Membro exportador com destino a Membros importadores, nos anos cafeeiros de 1968/69 a 1971/72. Esta distribuição da parcela fixa permanecerá em vigor até que as quotas sejam suspensas pela primeira vez, nos termos do artigo 33.

30 Caso as quotas não sejam estabelecidas no ano cafeeiro de 1976/77, mas entrem em vigor durante o ano cafeeiro de 1977/78, a quota básica, a ser utilizada para a distribuição da parcela fixa das quotas, será calculada tomando para cada Membro exportador a mais alta das seguintes quantidades:

- a) o volume de suas exportações com destino a Membros importadores durante 1976/77, calculado com base em informações obtidas dos certificados de origem; ou
- b) o número resultante da aplicação do método previsto no anterior parágrafo 2º deste artigo.

Esta distribuição da parcela fixa permanecerá em vigor até que as quotas sejam suspensas pela primeira vez, nos termos do artigo 33.

4º Caso as quotas entrem em vigor pela primeira vez, ou sejam restabelecidas, durante o ano cafeeiro de 1978/79, ou em data posterior, a quota básica, a ser utilizada para a distribuição da parcela fixa das quotas, será calculada tomando para cada Membro exportador a mais alta das seguintes quantidades:

- a) a média do volume de suas exportações com destino a Membros importadores, nos anos cafeeiros de 1976/77 e de 1977/78, calculada com base em informações obtidas dos certificados de origem; ou

- b) o número resultante da aplicação do método previsto no parágrafo 2º deste artigo.

5º Caso as quotas sejam estabelecidas nos termos do parágrafo 2º deste artigo, e, posteriormente, suspensas, o seu restabelecimento durante o ano cafeeiro de 1977/78 obedecerá às disposições do parágrafo 3º deste artigo e do parágrafo 1º do artigo 35. O restabelecimento de quotas durante o ano cafeeiro de 1978/79, ou em qualquer ano posterior, obedecerá às disposições do parágrafo 4º deste artigo e do parágrafo 1º do artigo 35.

Artigo 31

Membros exportadores isentos de quota básica

1º Observadas as disposições dos parágrafos 4º e 5º deste artigo, não será atribuída quota básica aos Membros exportadores relacionados no Anexo 1. Observadas as disposições do artigo 33, caberá a esses Membros, no ano cafeeiro de 1976/77, a quota inicial de exportação anual indicada na coluna 1 daquele Anexo. Observadas as disposições do parágrafo 2º deste artigo e as do artigo 33, as quotas desses Membros em cada um dos anos cafeeiros subsequentes serão aumentadas:

- a) de 10 por cento da quota inicial de exportação anual, no caso dos Membros cuja quota inicial de exportação anual é inferior a 100.000 sacas; e
- b) de 5 por cento da quota inicial de exportação anual, no caso dos Membros cuja quota inicial de exportação anual é de 100.000 sacas ou mais, mas inferior a 400.000 sacas.

Para os fins de fixação das quotas anuais dos referidos Membros, considerar-se-á que estes aumentos anuais tiverão efeito a partir da entrada em vigor deste Convênio, sempre que sejam estabelecidas ou restabelecidas as quotas, nos termos do artigo 33.

2º Os Membros referidos no parágrafo 1º deste artigo notificarão ao Conselho, até 31 de julho de cada ano, o provável volume de café disponível para exportação no ano cafeeiro seguinte. O volume indicado pelo Membro exportador constituirá sua quota para o ano cafeeiro seguinte, desde que não ultrapasse o limite permitido pelo parágrafo 1º deste artigo.

3º Quando a quota anual de um Membro exportador, a que tiverem sido atribuídas menos de 100.000 sacas de quota inicial de exportação anual, atingir ou ultrapassar o limite de 100.000 sacas mencionado no parágrafo 1º deste artigo, ficará esse Membro sujeito às disposições aplicáveis aos Membros exportadores cuja quota inicial de exportação anual é de 100.000 sacas ou mais, mas inferior a 400.000 sacas.

4º Quando a quota anual de um Membro exportador, a que tiverem sido atribuídas menos de 400.000 sacas de quota inicial de exportação anual, atingir o limite de 400.000 sacas mencionado no parágrafo 1º deste artigo, ficará esse Membro sujeito às disposições do artigo 35, estabelecendo-lhe o Conselho a respectiva quota básica.

5º Todo Membro exportador relacionado no Anexo 1, que exportar 100.000 sacas ou mais, pode, a qualquer momento, solicitar ao Conselho que lhe estabeleça uma quota básica.

6º Os Membros cujas quotas anuais sejam inferiores a 100.000 sacas não ficarão sujeitos às disposições dos artigos 36 e 37

Artigo 32

Disposições para o ajustamento de quotas básicas

1º O Conselho ajustará as quotas básicas resultantes da aplicação do disposto no artigo 30, sempre que se tornar Membro deste Convênio um país importador que não era membro nem do Convênio Internacional do Café de 1968 nem do Convênio Internacional do Café de 1968 Prorrogado.

2º O ajustamento mencionado no parágrafo 1º deste artigo levará em conta ou a média das exportações de cada Membro exportador com destino ao país importador em apreço, no período de 1968 a 1972, ou a participação de cada Membro exportador na média das importações daquele país, durante o mesmo período.

3º O Conselho aprovará os dados que devem servir de base para os cálculos necessários ao ajustamento das quotas básicas bem como os critérios a seguir para aplicar as disposições deste artigo.

Artigo 33

Disposições para o estabelecimento, suspensão e restabelecimento de quotas

1º A menos que o Conselho decida de outro modo, as quotas entrarão em vigor a qualquer momento da vigência deste Convênio:

- a) se o preço indicativo composto permanecer, em média, por 20 dias consecutivos de mercado, igual ou inferior ao limite máximo da faixa de preços, estabelecida pelo Conselho nos termos do artigo 38 e então em vigor;

- b) na falta de uma decisão do Conselho estabelecendo uma faixa de preços:
- i) se a média dos preços indicativos dos cafés Outros Suaves e Robustas permanecer, em média, por 20 dias consecutivos de mercado, igual ou inferior à média desses preços no ano civil de 1975, segundo os registros conservados pela Organização durante a vigência do Convênio Internacional do Café de 1968 Prorrogado; ou
 - ii) observadas as disposições do parágrafo 2º deste artigo, se o preço indicativo composto, calculado nos termos do artigo 38, permanecer, em média, por 20 dias consecutivos de mercado, 15 por cento ou mais abaixo da média do preço indicativo composto do ano cafeeiro precedente, durante o qual este Convênio esteve em vigor

Não obstante as disposições precedentes deste parágrafo, as quotas não serão estabelecidas, ao entrar em vigor este Convênio, a não ser que a média dos preços indicativos dos cafés Outros Suaves e Robustas permaneça, em média, nos 20 dias consecutivos de mercado imediatamente anteriores àquela data, igual ou inferior à média desses preços no ano civil de 1975.

2º Não obstante o disposto no inciso ii da alínea b do parágrafo 1º deste artigo, as quotas não entrarão em vigor, a menos que o Conselho decida de outro modo, se a média dos preços indicativos dos cafés Outros Suaves e Robustas permanecer, em média, por 20 dias consecutivos de mercado, 22,5 por cento ou mais acima da média desses preços no ano civil de 1975.

3º Os preços indicados no inciso i da alínea b do parágrafo 1º e no parágrafo 2º deste artigo serão revistos e poderão ser modificados pelo Conselho, antes de 30 de setembro de 1978 e antes de 30 de setembro de 1980.

4º A menos que o Conselho decida de outro modo, as quotas serão suspensas:

- a) se o preço indicativo composto permanecer, em média, por 20 dias consecutivos de mercado, 15 por cento acima do limite máximo da faixa de preços, estabelecida pelo Conselho e então em vigor; ou
- b) na falta de uma decisão do Conselho estabelecendo uma faixa de preços, se o preço indicativo composto permanecer, em média, por 20 dias consecutivos de mercado, 15 por cento ou mais acima da média do preço indicativo composto do ano civil precedente.

5º A menos que o Conselho decida de outro modo, as quotas serão restabelecidas, após a suspensão prevista nos termos do parágrafo 4º deste artigo, de acordo com as disposições dos seus parágrafos 1º, 2º e 6º.

6º Sempre que satisfeitas as condições de preço pertinentes mencionadas no parágrafo 1º deste artigo, e observadas as disposições do parágrafo 2º deste artigo, as quotas entrarão em vigor o mais cedo possível e, o mais tardar, no trimestre que se seguir ao preenchimento das condições de preço pertinentes. As quotas serão fixadas para um período de quatro trimestres, ressalvados os casos em que este Convênio dispõe de outro modo. Se a quota anual global e as quotas trimestrais não tiverem sido previamente fixadas pelo Conselho, competirá ao Diretor-Executivo fixar uma quota, tomando como

base o desaparecimento de café nos mercados em regime de quota, calculado segundo os critérios enunciados no artigo 34. Essa quota será distribuída entre os Membros exportadores de acordo com as disposições dos artigos 31 e 35.

79 O Conselho será convocado durante o primeiro trimestre, depois de terem entrado em vigor as quotas, a fim de estabelecer faixas de preços, de rever as quotas e, se necessário, modificá-las, para o período que o Conselho julgar aconselhável, desde que este período não seja superior a doze meses a contar da data em que as quotas entraram em vigor.

Artigo 34

Fixação da quota anual global

Observadas as disposições do artigo 33, estabelecerá o Conselho, em sua última sessão ordinária do ano cafeeiro, uma quota anual global, levando em conta, inter alia, os seguintes elementos:

- a) a estimativa do consumo anual dos Membros importadores;
- b) a estimativa das importações efetuadas pelos Membros, procedentes de outros Membros importadores e de países não-membros;
- c) a estimativa da variação do volume dos estoques existentes em países Membros importadores e em portos livres;
- d) a observância das disposições do artigo 40 sobre insuficiências e sua distribuição; e

- e) para os efeitos de estabelecimento e restabelecimento de quotas, nos termos dos parágrafos 1º e 5º do artigo 33, as exportações efetuadas pelos Membros exportadores com destino a Membros importadores e a países não-membros, durante o período de doze meses que precede o estabelecimento de quotas.

Artigo 35

Atribuição das quotas anuais

1º A luz da decisão tomada nos termos do artigo 34, e depois de deduzido o volume de café necessário para dar cumprimento às disposições do artigo 31, as quotas anuais serão atribuídas, em uma parcela fixa e uma parcela variável, aos Membros exportadores com direito a quota básica. A parcela fixa corresponderá a 70 por cento da quota anual global, devidamente ajustada para cumprir as disposições do artigo 31, e será distribuída entre os Membros exportadores segundo os termos do artigo 30. A parcela variável corresponderá a 30 por cento da quota anual global, devidamente ajustada para cumprir as disposições do artigo 31. O Conselho pode modificar estas proporções, mas a parcela fixa jamais será inferior a 70 por cento. Observadas as disposições do parágrafo 2º deste artigo, a parcela variável será distribuída entre os Membros exportadores na proporção existente entre os estoques verificados de cada Membro exportador e o total dos estoques verificados de todos os Membros exportadores que têm quota básica, sob ressalva de que, a menos que o Conselho estabeleça um outro limite, nenhum Membro receberá um quinhão da parcela variável da quota superior a 40 por cento do volume total da parcela variável.

29 Os estoques a serem tomados em consideração para os fins deste artigo serão os verificados, de acordo com as normas baixadas para efetuar a verificação dos estoques, no fim do ano-safra de cada Membro exportador imediatamente anterior à fixação das quotas.

Artigo 36

Quotas trimestrais

1º Imediatamente após a atribuição das quotas anuais nos termos do parágrafo 1º do artigo 35, e observadas as disposições do artigo 31, o Conselho atribuirá quotas trimestrais aos Membros exportadores com o propósito de assegurar o abastecimento ordenado de café ao mercado mundial, durante o período para o qual são fixadas quotas.

2º Essas quotas deverão, na medida do possível, representar 25 por cento da quota anual de cada Membro. Não será permitido a nenhum Membro exportar mais de 30 por cento no primeiro trimestre, 60 por cento nos dois primeiros trimestres e 80 por cento nos três primeiros trimestres. Se, em dado trimestre, as exportações de qualquer Membro fôrem inferiores à sua quota para esse trimestre, o saldo será adicionado à sua quota para o trimestre seguinte.

3º As disposições deste artigo aplicam-se também à execução do disposto no parágrafo 6º do artigo 33.

4º Se, em virtude de circunstâncias excepcionais, um Membro exportador considerar que as limitações previstas no parágrafo 2º deste artigo poderão provavelmente causar sérios prejuízos à sua economia, o Conselho pode, a pedido desse Membro, tomar as medidas pertinentes, nos termos do artigo 56. O Membro interessado deve apresentar provas dos prejuízos e fornecer garantias adequadas

quanto à manutenção da estabilidade dos preços. O Conselho, no entanto, em caso algum autorizará um Membro a exportar mais de 35 por cento de sua quota anual no primeiro trimestre, mais de 65 por cento nos dois primeiros trimestres e mais de 85 por cento nos três primeiros trimestres.

Artigo 37

Ajustamento das quotas anuais e trimestrais

1º Se as condições do mercado o exigirem, pode o Conselho modificar as quotas anuais e trimestrais atribuídas nos termos dos artigos 33, 35 e 36. Observadas as disposições do parágrafo 1º do artigo 35, e excetuado o disposto no artigo 31 e no parágrafo 3º do artigo 39, as quotas dos Membros exportadores serão modificadas em igual percentagem.

2º Não obstante as disposições do parágrafo 1º deste artigo, pode o Conselho, se verificar que as condições do mercado assim o exigem, ajustar as quotas dos Membros exportadores para o trimestre em curso e para os restantes trimestres, sem, no entanto, modificar as quotas anuais.

Artigo 38

Medidas relativas a preços

1º O Conselho estabelecerá um sistema de preços indicativos que proporcione um preço indicativo composto diário.

2º Com base em tal sistema, pode o Conselho estabelecer faixas de preços e diferenciais de preços para os principais tipos e/ou grupos de café, assim como uma faixa de preço composto.

3º Ao estabelecer e ajustar quaisquer faixas de preços para os fins deste artigo, o Conselho tomará em consideração o nível e a tendência predominantes dos preços de café, inclusive as influências que sobre eles possam ser:

- os níveis e as tendências do consumo e da produção, assim como os estoques em países importadores e exportadores;
- mudanças no sistema monetário mundial,
- a tendência da inflação ou da deflação mundial, e
- quaisquer outros fatores que possam prejudicar a consecução dos objetivos deste Convênio.

O Diretor-Executivo fornecerá os dados necessários ao exame apropriado dos elementos citados.

4º O Conselho baixará normas acerca dos efeitos do estabelecimento de quotas ou do seu ajustamento sobre os contratos celebrados antes de tal estabelecimento ou ajustamento.

Artigo 39

Medidas adicionais para o ajustamento de quotas

1º Caso as quotas se encontrem em vigor, o Conselho será convocado a fim de instituir um sistema de ajustamento pro rata das quotas em função das flutuações do preço indicativo composto, como previsto no artigo 38.

2º O referido sistema compreenderá disposições acerca de faixas de preços, número de dias de mercado abrangidos pela contagem, e número e amplitude dos ajustamentos.

3º O Conselho pode igualmente estabelecer um sistema para aplicar aumentos de quota em função de flutuações dos preços dos principais tipos e/ou grupos de café.

Artigo 40

Insuficiências

1º Todo Membro exportador declarará qualquer insuficiência que preveja em relação a seu respectivo direito de exportação, de forma a permitir a sua redistribuição, no mesmo ano cafeeiro, entre os Membros exportadores que estejam em condições e dispostos a exportar o volume das insuficiências. Setenta por cento do volume declarado nos termos deste parágrafo será oferecido, em primeiro lugar, para redistribuição entre outros Membros exportadores do mesmo tipo de café, proporcionalmente a suas respectivas quotas básicas, e trinta por cento será oferecido, em primeiro lugar, a Membros exportadores do outro tipo de café, também proporcionalmente a suas respectivas quotas básicas.

2º Se um Membro declarar uma insuficiência nos primeiros seis meses de um ano cafeeiro, sua quota anual para o ano cafeeiro seguinte será aumentada de 30 por cento do volume declarado e não exportado. Este volume será deduzido do direito anual de exportação daqueles Membros exportadores que tiverem aceitado a redistribuição prevista no parágrafo 1º deste artigo, pro rata de sua respectiva participação naquela redistribuição.

Artigo 41

Direito de exportação de um Grupo-Membro

Se dois ou mais Membros formarem um Grupo-Membro, nos termos dos artigos 6º e 7º, as quotas básicas ou, se fôr o caso, os direitos de exportação desses Membros serão adicionados, e o total resultante será considerado como quota básica ou direito de exportação únicos para os fins deste capítulo.

Artigo 42

Observância das quotas

1º Os Membros exportadores adotarão as medidas necessárias a assegurar a inteira observância de todas as disposições deste Convênio relativas a quotas. Além de quaisquer medidas que os próprios Membros possam adotar, o Conselho pode exigir que esses Membros adotem medidas suplementares para o efetivo cumprimento do sistema de quotas previsto neste Convênio.

2º Os Membros exportadores não ultrapassarão as quotas anuais e trimestrais que lhes forem atribuídas.

3º Se um Membro exportador ultrapassar sua quota em qualquer trimestre, o Conselho deduzirá de uma ou várias de suas quotas seguintes uma quantidade igual a 110 por cento do excesso.

4º Se um Membro exportador ultrapassar sua quota trimestral pela segunda vez, o Conselho aplicará nova dedução igual à prevista no parágrafo 3º deste artigo.

5º Se um Membro exportador ultrapassar por três ou mais vezes sua quota trimestral, o Conselho aplicará a dedução prevista no parágrafo 3º deste artigo, e os direitos de voto do Membro ficarão suspensos até o momento em que o Conselho decidir se esse Membro deve ser excluído da Organização, nos termos do artigo 66.

6º As deduções previstas nos parágrafos 3º, 4º e 5º deste artigo serão consideradas como insuficiências para os efeitos do parágrafo 1º do artigo 40.

7º O Conselho aplicará o disposto nos parágrafos 1º a 5º deste artigo tão pronto disponha das informações necessárias

Artigo 43

Certificados de origem e de reexportação

1º Toda exportação de café feita por um Membro será amparada por um certificado de origem válido. Os certificados de origem serão emitidos, de acordo com o regulamento estabelecido pelo Conselho, por uma agência qualificada, escolhida pelo Membro e aprovada pela Organização.

2º Quando as quotas estiverem em vigor, toda reexportação de café feita por um Membro será amparada por um certificado de reexportação válido. Os certificados de reexportação serão emitidos, de acordo com o regulamento estabelecido pelo Conselho, por uma agência qualificada, escolhida pelo Membro e aprovada pela Organização, destinando-se a certificar que o café em apreço foi importado de acordo com as disposições deste Convênio.

3º O regulamento mencionado neste artigo compreenderá disposições que permitam sua aplicação a grupos de Membros importadores que constituam uma união aduaneira.

4º O Conselho pode baixar regulamentação que governe a impressão, validação, emissão e utilização de certificados, e adotar medidas para distribuir selos de exportação de café, que serão pagos à razão que o Conselho determine, e cuja afixação aos certificados de origem poderá constituir uma das formalidades a serem preenchidas para a validação destes. O Conselho pode tomar providências semelhantes para a validação de outros tipos de certificados e para a emissão, em condições a definir, de outros tipos de selos.

5º Todo Membro comunicará à Organização a agência governamental ou não-governamental incumbida de desempenhar as funções especificadas nos parágrafos 1º e 2º deste artigo. A Organização aprovará especificamente as agências não-governamentais, depois de ter recebido do Membro em apreço provas satisfatórias de que a

agência proposta está disposta e em condições de se desempenhar das obrigações que competem ao Membro, de acordo com as normas e regulamentos estabelecidos nos termos deste Convênio. Havendo motivo justificado, o Conselho pode, a qualquer momento, declarar que deixa de considerar aceitável determinada agência não-governamental. Quer diretamente, quer por intermédio de uma organização mundial internacionalmente reconhecida, o Conselho tomará as providências necessárias para, a qualquer momento, poder assegurar-se de que os certificados de todos os tipos estão sendo corretamente emitidos e utilizados, e para apurar as quantidades de café exportadas por cada Membro.

69 A agência não-governamental, aprovada como agência certificadora nos termos do parágrafo 5º deste artigo, conservará, por um período não inferior a quatro anos, registros dos certificados emitidos e da correspondente documentação justificativa. Para ser aprovada como agência certificadora, nos termos do parágrafo 5º deste artigo, deve a agência não-governamental concordar previamente em permitir à Organização examinar tais registros.

79 Se as quotas estiverem em vigor, os Membros, observadas as disposições do artigo 44 e as dos parágrafos 1º e 2º do artigo 45, proibirão a importação de toda partida de café que não esteja acompanhada de certificado válido, emitido de conformidade com o regulamento baixado pelo Conselho.

89 Pequenas quantidades de café, na forma que o Conselho determinar, e o café para consumo direto a bordo de navios, aviões e outros meios de transporte internacional, ficarão isentos das disposições dos parágrafos 1º e 2º deste artigo.

Artigo 44

Exportações não debitadas a quotas

1º De conformidade com o disposto no artigo 29, as exportações com destino a países não-membros deste Convênio não serão debitadas às quotas. O Conselho pode baixar normas para regular, inter alia, a condução e fiscalização deste comércio, a maneira de proceder e as penalidades a impor no caso de desvios e de reexportações de países não-membros para países Membros, e a documentação necessária para amparar as exportações destinadas a países Membros e não-membros.

2º As exportações de café em grão, como matéria prima para tratamento industrial com outros fins que não o consumo humano como bebida ou alimento, não serão debitadas às quotas, desde que o Conselho considere, à luz das informações prestadas pelo Membro exportador, que o café em grão será de fato usado para aqueles fins.

3º O Conselho pode, a pedido de um Membro exportador, decidir que não são debitáveis à quota desse Membro as exportações de café feitas para fins humanitários ou quaisquer outros propósitos não comerciais.

Artigo 45

Regulamentação das importações

1º A fim de evitar que países não-membros aumentem suas exportações a expensas de Membros exportadores, cada Membro limitará, sempre que as quotas estiverem em vigor, as suas importações anuais de café procedentes de países não-membros, que não eram Membros do Convênio Internacional do Café de 1968, a um volume igual à média anual das importações de café procedentes de países não-membros efetuadas ou nos anos civis de 1971 a 1974 inclusive, ou nos anos civis de 1972 a 1974 inclusive.

29 Sempre que as quotas estiverem em vigor, os Membros limitarão igualmente as suas importações anuais de café procedentes de todo país não-membro, que era Membro do Convênio Internacional do Café de 1968 ou do Convênio Internacional do Café de 1968 Prorrogado, a um volume que não exceda uma percentagem da média anual das importações procedentes desse país não-membro, nos anos cafeeiros de 1968/69 a 1971/72. Essa percentagem corresponderá à proporção existente entre a parcela fixa e a quota anual global, de conformidade com as disposições do parágrafo 1º do artigo 35, no momento em que as quotas entrarem em vigor.

3º O Conselho pode suspender ou modificar essas limitações quantitativas, caso o considere necessário para os objetivos deste Convênio.

4º As obrigações estabelecidas nos parágrafos anteriores deste artigo não derrogam quaisquer outras obrigações bilaterais ou multilaterais com elas em conflito, assumidas pelos Membros importadores com países não-membros antes da entrada em vigor deste Convênio, desde que os Membros importadores que tenham assumido tais obrigações conflitantes as cumpram de tal modo que se torne mínimo o conflito com as obrigações estabelecidas nos parágrafos anteriores. Logo que possível, esses Membros tomarão medidas para harmonizar suas obrigações com as disposições dos parágrafos 1º e 2º deste artigo, e informarão o Conselho dos pormenores dessas obrigações bem como das medidas tomadas para atenuar ou eliminar o conflito.

5º Se um Membro importador não cumprir as disposições deste artigo, o Conselho pode suspender os seus direitos de voto no Conselho e o direito de dispor de seus votos na Junta.

CAPÍTULO VIII - OUTRAS DISPOSIÇÕES DE ORDEM ECONÔMICA

Artigo 46

Medidas relativas ao café industrializado

1º Os Membros reconhecem a necessidade que têm os países em desenvolvimento de ampliar as bases de suas economias, por meio, inter alia da industrialização e da exportação de artigos manufaturados, inclusive a industrialização do café e a exportação de café industrializado.

2º A este respeito, os Membros evitarão a adoção de medidas governamentais que possam causar a desorganização do setor cafeeiro de outros Membros.

3º Caso um Membro considere que as disposições do parágrafo 2º deste artigo não estão sendo observadas, deve consultar os outros Membros interessados, tomado devidamente em conta o disposto no artigo 57. Os Membros em apreço tudo farão para chegar a um entendimento amigável de caráter bilateral. Se estas consultas não conduzirem a uma solução satisfatória para as Partes em questão, qualquer delas pode submeter a matéria à consideração do Conselho, nos termos do artigo 58.

4º Nenhuma disposição deste Convênio prejudica o direito de qualquer Membro de tomar medidas para prevenir ou remediar a desorganização de seu setor cafeeiro causada pela importação de café industrializado.

Artigo 47**Promoção**

1º Os Membros comprometem-se a fomentar o consumo de café por todos os meios possíveis. Estabelecer-se-á, para esse fim, um Fundo de Promoção destinado a incentivar o consumo nos países importadores, por todos os meios apropriados, e sem distinção de origem, tipo ou marca de café, e a alcançar e manter o mais alto grau de qualidade e pureza da bebida.

2º O Fundo de Promoção será administrado por um comitê. A participação no Fundo ficará circunscrita aos Membros que para ele contribuam financeiramente.

3º O Fundo será financiado, nos anos cafeeiros de 1976/77 e 1977/78, mediante uma contribuição obrigatória lançada sobre os selos de exportação de café ou equivalentes autorizações de exportação, e paga pelos Membros exportadores a partir de 1º de outubro de 1976. Essa contribuição será: de 5 centavos de dólar dos E.U.A., por saca, no caso dos Membros relacionados no Anexo 1, cuja quota inicial de exportação anual é inferior a 100.000 sacas; de 10 centavos de dólar dos E.U.A., por saca, no caso dos Membros relacionados no Anexo 1, cuja quota inicial de exportação anual é de 100.000 sacas ou mais, mas inferior a 400.000 sacas; e de 25 centavos de dólar dos E.U.A., por saca, no caso de todos os demais Membros exportadores. O Fundo pode igualmente ser financiado mediante contribuições voluntárias de outros Membros, em condições a serem aprovadas pelo comitê.

4º Se forem necessários recursos adicionais para cumprir os compromissos assumidos nos termos do parágrafo 3º deste artigo, pode o comitê decidir, a qualquer momento, continuar a cobrar a contribuição obrigatória no terceiro ano cafeeiro e seguintes. O comitê pode, ainda, decidir receber contribuições de outros Membros, nas condições por ele aprovadas.

5º Os recursos do Fundo serão empregados, principalmente, para financiar campanhas de promoção em países Membros importadores.

6º O Fundo pode patrocinar estudos e pesquisas relacionadas com o consumo de café.

7º Os Membros importadores e as associações comerciais de países Membros importadores reconhecidas pelo comitê podem apresentar propostas de campanhas para a promoção do consumo de café. O Fundo pode prover recursos para financiar até 50 por cento do custo das campanhas. Uma vez que se tenha chegado a acordo quanto a uma campanha, não será alterada a percentagem da contribuição dada pelo comitê para a campanha. As campanhas podem estender-se por mais de um ano dentro do prazo máximo de cinco anos.

8º A contribuição mencionada no parágrafo 3º deste artigo será paga contra os selos de exportação de café ou equivalentes autorizações de exportação. O regulamento para a aplicação do sistema de certificados de origem, previsto nos termos do artigo 43, disporá sobre o pagamento da contribuição mencionada no parágrafo 3º deste artigo.

9º A contribuição mencionada nos parágrafos 3º e 4º deste artigo será paga em dólares dos E.U.A. ao Diretor-Executivo, que depositará os respectivos recursos numa conta especial designada Conta do Fundo de Promoção.

10. Competirá ao comitê controlar todos os recursos existentes no Fundo de Promoção. O mais cedo possível após o encerramento do exercício financeiro, será submetida à aprovação do comitê a prestação de contas do Fundo de Promoção verificada por perito em contabilidade e independente da Organização. Depois de aprovada pelo comitê, a prestação de contas será encaminhada ao Conselho, apenas a título informativo.

11. O Diretor-Executivo será o presidente do comitê e informará, periodicamente, o Conselho das atividades do comitê.

12. As despesas administrativas necessárias para dar cumprimento às disposições deste artigo e as relacionadas com as atividades de promoção serão debitadas ao Fundo de Promoção.

13. O comitê estabelecerá os seus próprios estatutos.

Artigo 48

Remoção de obstáculos ao consumo

1º Os Membros reconhecem a importância vital de conseguir-se, o quanto antes, o maior aumento possível do consumo de café, principalmente por meio da eliminação gradual dos obstáculos que podem entravar esse aumento.

2º Os Membros reconhecem que certas medidas atualmente em vigor podem, em maior ou menor grau, entravar o aumento do consumo do café, em particular:

- a) certos regimes de importação aplicáveis ao café, inclusive tarifas preferenciais ou de outra natureza, quotas, operações de monopólios governamentais e de agências oficiais de compra, e outros regulamentos administrativos e práticas comerciais;
- b) certos regimes de exportação, no que diz respeito a subsídios diretos ou indiretos, e outros regulamentos administrativos e práticas comerciais; e
- c) certas condições de comercialização interna e certas disposições legais e administrativas internas que podem prejudicar o consumo.

3º Tendo presente os objetivos acima mencionados e as disposições do parágrafo 4º deste artigo, os Membros esforçar-se-ão por proceder à redução das tarifas aplicáveis ao café, ou por tomar outras medidas destinadas a eliminar os obstáculos ao aumento do consumo.

4º Levando em consideração seus interesses mútuos, os Membros se comprometem a buscar os meios necessários para que os obstáculos ao desenvolvimento do comércio e do consumo, mencionados no parágrafo 2º deste artigo, possam ser progressivamente reduzidos e, finalmente, sempre que possível, eliminados, ou para que os efeitos desses obstáculos sejam consideravelmente atenuados.

5º Levando em consideração os compromissos assumidos nos termos do parágrafo 4º deste artigo, os Membros comunicarão anualmente ao Conselho todas as medidas adotadas no sentido de dar cumprimento às disposições deste artigo.

6º O Diretor-Executivo preparará periodicamente um estudo sobre os obstáculos ao consumo para submeter à apreciação do Conselho.

7º Para atingir os objetivos deste artigo, o Conselho pode formular recomendações aos Membros, que informarão o Conselho, o mais cedo possível, das medidas que hajam adotado para implementar essas recomendações.

Artigo 4º

Misturas e substitutos

1º Os Membros não manterão em vigor quaisquer regulamentos que exijam a mistura, o tratamento ou a utilização de outros produtos com o café, para revenda comercial como café. Os Membros ..

esforçar-se-ão por proibir a venda e a propaganda, sob o nome de café, de produtos que contenham menos do equivalente a noventa por cento de café verde como matéria-prima básica.

29 O Conselho pode solicitar a qualquer Membro a adoção das medidas necessárias para assegurar a observância das disposições deste artigo.

39 O Diretor-Executivo submeterá ao Conselho um relatório periódico sobre a observância das disposições deste artigo.

Artigo 50

Política de produção

19 A fim de facilitar a consecução dos objetivos estabelecidos no parágrafo 1º do artigo 1º, os Membros exportadores comprometem-se a envidar os seus melhores esforços para adotar e implementar uma política de produção.

29 O Conselho pode estabelecer procedimentos para coordenar as políticas de produção mencionadas no parágrafo 1º deste artigo. Esses procedimentos podem abranger medidas apropriadas de diversificação ou tendentes a estimulá-la, assim como os meios pelos quais os Membros possam obter assistência técnica e financeira.

39 O Conselho pode fixar aos Membros exportadores uma contribuição que permita à Organização levar a efeito os estudos técnicos apropriados, com o fim de ajudar os Membros exportadores a adotar as medidas necessárias à aplicação de uma política adequada de produção. Essa contribuição, a ser paga em moeda conversível, não excederá 2 centavos de dólar dos E.U.A., por saca de café exportado com destino a Membros importadores.

Artigo 51**Política de estoques**

1º Para complementar as disposições do capítulo VII e do artigo 50, o Conselho estabelecerá, por maioria distribuída de dois terços, as diretrizes a seguir com relação aos estoques de café nos países Membros produtores

2º O Conselho adotará medidas para apurar anualmente o volume dos estoques de café em poder de cada Membro exportador, nos termos do artigo 35. Os Membros interessados facilitarão a realização dessa verificação anual.

3º Os Membros produtores assegurarão a existência, em seus respectivos países, de instalações apropriadas ao armazenamento adequado dos estoques de café.

4º O Conselho realizará um estudo sobre a viabilidade de contribuir para os objetivos deste Convênio por meio de um estoque internacional.

Artigo 52**Consultas e cooperação com o comércio**

1º A Organização manterá estreita ligação com as organizações, não-governamentais que se ocupam do comércio internacional do café e com peritos em assuntos cafeeiros.

2º Os Membros exercerão as suas atividades abrangidas pelas disposições deste Convênio em harmonia com as práticas comerciais correntes, e abster-se-ão de práticas de venda de caráter discriminatório. No exercício dessas atividades, esforçar-se-ão por levar em devida conta os interesses legítimos do comércio cafeeiro.

Artigo 53

Informações

1º A Organização servirá de centro para a compilação, o intercâmbio e a publicação de:

- a) informações estatísticas relativas à produção, aos preços, às exportações e importações, à distribuição e ao consumo de café no mundo; e
- b) na medida em que o julgar conveniente, informações técnicas sobre o cultivo, o tratamento e a utilização do café.

2º O Conselho pode solicitar aos Membros as informações sobre café que considere necessárias às suas atividades, inclusive relatórios estatísticos periódicos sobre produção e suas tendências, exportações e importações, distribuição, consumo, estoques, preços e impostos, mas não publicará nenhuma informação que permita identificar atividades de pessoas ou empresas que produzem, industrializem ou comercializem café. Os Membros prestarão as informações solicitadas da maneira mais minuciosa e precisa possível.

3º Se um Membro deixa de prestar, ou encontra dificuldades em prestar, dentro de um prazo razoável, informações estatísticas ou outras, solicitadas pelo Conselho e necessárias ao bom funcionamento da Organização, o Conselho pode solicitar ao Membro em apreço que explique as razões da não observância. Se considerar necessário prestar assistência técnica na matéria, o Conselho pode tomar as medidas pertinentes.

4º Além das medidas previstas no parágrafo 3º deste artigo, pode o Diretor-Executivo suspender a distribuição de selos ou de outras autorizações equivalentes de exportação, prevista no artigo 43, depois de prévia notificação, e a menos que o Conselho decida de outro modo.

Artigo 54**Estudos**

1º O Conselho pode promover estudos relativos à economia da produção e da distribuição do café, ao impacto de medidas governamentais nos países produtores e consumidores sobre a produção e o consumo de café, às oportunidades para o aumento do consumo de café, tanto para usos tradicionais como para novos usos, e aos efeitos do funcionamento deste Convênio sobre países produtores e consumidores de café, inclusive no que se refere a seus termos de troca.

2º A Organização pode estudar as possibilidades práticas de estabelecer padrões mínimos de qualidade para o café exportado por Membros produtores.

Artigo 55**Fundo Especial**

1º Será criado um Fundo Especial que permita à Organização adotar e financiar as medidas adicionais necessárias a garantir a efetiva aplicação das disposições pertinentes deste Convênio, a partir de sua entrada em vigor ou o mais próximo possível dessa data.

2º Os pagamentos ao Fundo consistirão numa contribuição de 2 centavos de dólar dos E.U.A., por cada saca de café exportado com destino a Membros importadores, a ser paga pelos Membros exportadores, a partir da entrada em vigor deste Convênio, a menos que o Conselho decida reduzir ou suspender a contribuição.

3º A contribuição mencionada no parágrafo 2º deste artigo será paga ao Diretor-Executivo, em dólares dos E.U.A., contra a entrega de selos de exportação de café ou equivalentes autorizações de exportação. O regulamento a que obedecerá a aplicação do sistema de certificados de origem, previsto nos termos do artigo 43, disporá sobre as modalidades de pagamento desta contribuição.

4º Mediante aprovação do Conselho, o Diretor-Executivo autorizará a utilização de recursos do Fundo para satisfazer os custos da introdução do sistema de certificados de origem, previsto no artigo 43, das despesas de verificação dos estoques, prevista no parágrafo 2º do artigo 51, e dos gastos com o aperfeiçoamento do sistema usado para coligir e transmitir os dados estatísticos mencionados no artigo 53.

5º Na medida do possível, e embora separadamente do orçamento administrativo, o Fundo será gerido e administrado de maneira semelhante à do orçamento administrativo, e ficará sujeito a auditoria anual independente, da mesma forma que o artigo 27 dispõe para as contas da Organização.

Artigo 56

Dispensa de obrigações

1º O Conselho pode, por maioria distribuída de dois terços, dispensar um Membro de uma obrigação, em virtude de circunstâncias excepcionais ou de emergência, razões de força maior, obrigações constitucionais ou obrigações internacionais decorrentes da Carta das Nações Unidas com respeito a territórios administrados sob o regime de tutela.

29 Ao conceder dispensa a um Membro, o Conselho indicará explicitamente os termos, as condições e o prazo de duração dessa dispensa.

39 O Conselho não considerará pedidos de dispensa de obrigações relativas a quotas, fundamentados na existência, num país Membro, em um ou mais anos, de produção exportável superior às exportações permitidas, ou que sejam consequência do não cumprimento por parte do Membro das disposições dos artigos 50 e 51.

CAPÍTULO IX - CONSULTAS, LITIGIOS E RECLAMAÇÕES

Artigo 57

Consultas

Todo Membro acolherá favoravelmente as diligências que possam ser feitas por outro Membro sobre toda matéria relacionada com este Convênio, e proporcionará oportunidades adequadas para a realização de consultas a elas relativas. No decurso de tais consultas, a pedido de qualquer das partes, e com o assentimento da outra, o Diretor-Executivo constituirá uma comissão independente, que utilizará seus bons ofícios para conciliar as partes. As despesas com a comissão não serão imputadas à Organização. Se uma das partes não concordar que o Diretor-Executivo constitua a comissão, ou se as consultas não conduzirem a uma solução, a matéria pode ser encaminhada ao Conselho, nos termos do artigo 58. Se as consultas conduzirem a uma solução, será apresentado relatório ao Diretor-Executivo, que o distribuirá a todos os Membros.

Artigo 58

Litígios e reclamações

1º Todo litígio relativo à interpretação ou aplicação deste Convênio, que não seja resolvido por meio de negociações, será, a pedido de qualquer um dos Membros litigantes, submetido a decisão do Conselho.

2º Sempre que um litígio for encaminhado ao Conselho, nos termos do parágrafo 1º deste artigo, a maioria dos Membros, ou os Membros que disponham de, pelo menos, um terço do número total dos votos, podem solicitar que o Conselho, depois de debater o caso e antes de tomar uma decisão, obtenha o parecer da comissão consultiva, mencionada no parágrafo 3º deste artigo, sobre as questões em litígio.

3º

- a) A menos que o Conselho decida unanimemente ~~da~~ ~~outro~~ modo, integram a comissão consultiva:
 - i) duas pessoas designadas pelos Membros exportadores, uma delas com grande experiência em assuntos do tipo a que se refere o litígio, e a outra com autoridade e experiência jurídica;
 - ii) duas pessoas com idênticas qualificações, designadas pelos Membros importadores; e
 - iii) um presidente escolhido, por unanimidade, pelas quatro pessoas designadas segundo os incisos i e ii ou, em caso de desacordo, pelo Presidente do Conselho.
- b) Cidadãos de países cujos governos são Parte Contratante do Convênio podem integrar a comissão consultiva.

- c) As pessoas designadas para a comissão consultiva atuam a título pessoal e não recebem instruções de nenhum governo.
- d) As despesas da comissão consultiva são pagas pela Organização.

4º O parecer fundamentado da comissão consultiva é submetido ao Conselho, que decide o litígio depois de ponderadas todas as informações pertinentes.

5º Dentro do prazo de seis meses a contar da data em que o litígio é submetido à sua apreciação, deve o Conselho emitir seu parecer sobre o litígio.

6º Toda reclamação quanto a falta de cumprimento, por parte de um Membro, das obrigações decorrentes deste Convênio, é, a pedido do Membro que apresentar a reclamação, submetida a decisão do Conselho.

7º Só por maioria distribuída simples pode ser atribuída a um Membro a falta de cumprimento das obrigações decorrentes deste Convênio. Qualquer conclusão que demonstre ter o Membro faltado ao cumprimento das obrigações decorrentes deste Convênio especificará igualmente a natureza da infração.

8º Se considerar que um Membro faltou ao cumprimento das obrigações decorrentes deste Convênio, pode o Conselho, sem prejuízo das demais medidas coercitivas previstas em outros artigos deste Convênio, suspender, por maioria distribuída de dois terços, os direitos de voto desse Membro no Conselho, bem como o direito de dispor de seus votos na Junta, até que o Membro cumpra suas obrigações; podendo ainda o Conselho decidir, nos termos do artigo 66, excluir esse Membro da Organização.

9º Todo Membro pode solicitar a opinião prévia da Junta Executiva em qualquer questão que seja objeto de litígio ou reclamação, antes de ser a matéria debatida pelo Conselho.

CAPITULO X - DISPOSIÇÕES FINAIS

Artigo 59

Assinatura

De 31 de janeiro de 1976 a 31 de julho de 1976, ficará este Convênio aberto, na sede das Nações Unidas, à assinatura das Partes Contratantes do Convênio Internacional do Café de 1968 Prorrogado por Protocolo, e dos governos que tenham sido convidados a participar das sessões do Conselho Internacional do Café convocadas com o objeto de negociar o Convênio Internacional do Café de 1976.

Artigo 60

Ratificação, aceitação, aprovação

1º Este Convênio fica sujeito à ratificação, aceitação ou aprovação dos governos signatários, de acordo com os seus respectivos processos constitucionais.

2º Excetuado o disposto no artigo 61, os instrumentos de ratificação, aceitação ou aprovação serão depositados com o Secretário-Geral das Nações Unidas até 30 de setembro de 1976. O Conselho pode, contudo, conceder prorrogações de prazo a governos signatários que se vejam impossibilitados de efetuar o referido depósito até aquela data.

Artigo 61

Entrada em vigor

1º Este Convênio entra definitivamente em vigor no dia 1º de outubro de 1976, se, nessa data, os governos de, pelo menos, vinte Membros exportadores com, no mínimo, 80 por cento dos votos dos Membros exportadores e, pelo menos, dez Membros importadores com, no mínimo, 80 por cento dos votos dos Membros importadores, segundo o fixado no Anexo 2, tiveram depositado os seus instrumentos de ratificação, aceitação ou aprovação. Alternativamente, o Convênio entra definitivamente em vigor a qualquer momento depois do dia 1º de outubro de 1976, desde que se encontre provisoriamente em vigor, nos termos do parágrafo 2º deste artigo, e sejam observadas essas percentagens pelo depósito de instrumentos de ratificação, aceitação ou aprovação.

2º Este Convênio pode entrar provisoriamente em vigor no dia 1º de outubro de 1976. Para esse fim, considera-se ter o mesmo efeito de um instrumento de ratificação, aceitação ou aprovação, a notificação feita por um governo signatário ou por qualquer das Partes Contratantes do Convênio Internacional do Café de 1968 Prorrogado por Protocolo, recebida pelo Secretário-Geral das Nações Unidas até 30 de setembro de 1976, de que se compromete a aplicar provisoriamente este Convênio e a procurar obter a sua ratificação, aceitação ou aprovação o mais rapidamente possível, de acordo com os seus respectivos processos constitucionais. O governo que se comprometer a aplicar provisoriamente este Convênio até efetuar o depósito do instrumento de ratificação, aceitação ou aprovação passa a ser

provisoriamente considerado Parte do Convênio até 31 de dezembro de 1976 inclusive, a menos que, antes dessa data, deposite o competente instrumento de ratificação, aceitação ou aprovação. O Conselho pode conceder uma prorrogação do prazo dentro do qual um governo que esteja aplicando o Convênio provisoriamente pode efetuar o depósito de seu instrumento de ratificação, aceitação ou aprovação.

3º Se, no dia 1º de outubro de 1976, este Convênio não tiver entrado em vigor, definitiva ou provisoriamente, nos termos dos parágrafos 1º ou 2º deste artigo, os governos que tiveram depositado os instrumentos de ratificação, aceitação, aprovação ou adesão, ou que tiverem efetuado notificações comprometendo-se a aplicar provisoriamente este Convênio e a obter a sua ratificação, aceitação ou aprovação, podem, por acordo mútuo, decidir que este Convênio passa a vigorar entre eles. De igual modo, caso este Convênio tenha entrado em vigor provisoriamente, mas não definitivamente, em 31 de dezembro de 1976, os governos que tiverem depositado os seus instrumentos de ratificação, aceitação, aprovação ou adesão, ou efetuado as notificações mencionadas no parágrafo 2º deste artigo, podem, por acordo mutuo, decidir que, entre eles, este Convênio continua a vigorar provisoriamente ou passa a vigorar definitivamente.

Artigo 62

Adesão

1º O governo de qualquer Estado Membro das Nações Unidas ou de qualquer de suas agências especializadas pode, antes ou depois da entrada em vigor deste Convênio, a ele aderir, nas condições que o Conselho venha a estabelecer

2º Os instrumentos de adesão serão depositados com o Secretário-Geral das Nações Unidas. A adesão vigorará a partir do depósito do respectivo instrumento.

Artigo 63

Reservas

Nenhuma das disposições deste Convênio está sujeita a reservas.

Artigo 64

Aplicação deste Convênio a territórios designados

1º Todo governo pode, por ocasião da assinatura ou do depósito do instrumento de ratificação, aceitação, aprovação ou adesão, ou em qualquer data posterior, notificar ao Secretário-Geral das Nações Unidas que este Convênio se aplica a quaisquer territórios por cujas relações internacionais é responsável. Este Convênio aplicar-se-á aos referidos territórios a partir da data dessa notificação.

2º Toda Parte Contratante que deseje exercer os direitos que lhe cabem, nos termos do artigo 5º, com respeito a qualquer dos territórios por cujas relações internacionais é responsável, ou que autorizar um desses territórios a participar de um Grupo-Membro constituído nos termos dos artigos 6º ou 7º, pode fazê-lo mediante notificação nesse sentido ao Secretário-Geral das Nações Unidas, por ocasião do depósito de seu instrumento de ratificação, aceitação, aprovação ou adesão, ou em qualquer data posterior

3º Toda Parte Contratante que tenha feito declaração nos termos do parágrafo 1º deste artigo pode, a qualquer momento posterior, mediante notificação ao Secretário-Geral das Nações Unidas, declarar que este Convênio deixa de se aplicar ao território indicado na notificação. A partir da data dessa notificação, este Convênio deixa de se aplicar a tal território.

4º Quando um território ao qual seja aplicado este Convênio, nos termos do parágrafo 1º deste artigo, tornar-se independente, o governo do novo Estado pode, dentro de noventa dias após a independência, declarar, mediante notificação ao Secretário-Geral das Nações Unidas, que assume os direitos e obrigações de uma Parte Contratante deste Convênio. A partir da data da notificação, esse governo se torna Parte Contratante deste Convênio. O Conselho pode conceder uma prorrogação do prazo dentro do qual essa notificação pode ser feita.

Artigo 65

Retirada voluntária

Toda Parte Contratante pode retirar-se deste Convênio a qualquer momento, mediante notificação, por escrito, ao Secretário-Geral das Nações Unidas. A retirada se torna efetiva noventa dias após o recebimento da notificação.

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Artigo 66

Exclusão

O Conselho pode, por maioria distribuída de dois terços, excluir um Membro da Organização, caso decida que esse Membro infringiu as obrigações decorrentes deste Convênio e que tal infração prejudica seriamente o funcionamento do Convênio.

O Conselho notificará imediatamente essa decisão ao Secretário-Geral das Nações Unidas. Noventa dias após a decisão do Conselho, o Membro deixa de pertencer à Organização e, se fôr Parte Contratante, deixa de participar deste Convênio.

Artigo 67

Liquidação de contas com Membros que se retirem ou sejam excluídos

1º O Conselho estabelecerá a liquidação de contas com todo Membro que se retire ou seja excluído. A Organização retém quaisquer importâncias já pagas pelo Membro em apreço, que fica obrigado a pagar quaisquer importâncias que deva à Organização na data em que tal retirada ou exclusão se tornar efetiva; todavia, no caso de uma Parte Contratante que não possa aceitar uma emenda e, consequentemente, deixe de participar deste Convênio, nos termos do parágrafo 2º do artigo 69, o Conselho pode estabelecer a liquidação de contas que considere equitativa.

2º O Membro que deixou de participar deste Convênio não terá direito a qualquer parcela resultante da liquidação da Organização ou de outros haveres desta, nem será responsável pelo pagamento de qualquer parte do déficit que possa existir quando da expiração deste Convênio.

Artigo 68

Vigência e termo

1º Este Convênio permanecerá em vigor por um período de seis anos, até 30 de setembro de 1982, a menos que seja prorrogado, nos termos do parágrafo 3º deste artigo, ou terminado, nos termos do parágrafo 4º deste artigo.

2º Durante o terceiro ano de vigência deste Convênio, vale dizer, no ano cafeeiro terminado em 30 de setembro de 1979, devem as Partes Contratantes notificar ao Secretário-Geral das Nações Unidas sua intenção de continuar participando deste Convênio durante os restantes três anos de sua duração. Toda Parte Contratante que, até 30 de setembro de 1979, não tiver notificado sua intenção de continuar participando deste Convênio durante os restantes três anos de sua duração, e todo território que seja Membro ou integrante de um Grupo-Membro, e em cujo nome não tenha sido feita tal notificação até aquela data, deixa, a partir de 1º de outubro de 1979, de participar deste Convênio.

3º A qualquer momento depois de 30 de setembro de 1980, por maioria de 58 por cento dos Membros que representem, pelo menos, a maioria distribuída de 70 por cento da totalidade dos votos, pode o Conselho decidir que este Convênio seja renegociado ou que seja prorrogado, com ou sem modificações, pelo prazo que determine. Toda Parte Contratante que, até a data de entrada em vigor desse Convênio renegociado ou prorrogado, não tiver notificado ao Secretário-Geral das Nações Unidas sua aceitação do Convênio renegociado ou prorrogado, e todo território que seja Membro ou integrante de um Grupo-Membro, e em cujo nome não tiver sido feita tal notificação até aquela data, deixará, a partir de então, de participar desse Convênio.

4º O Conselho pode, a qualquer momento, e pela maioria dos Membros que representem, pelo menos, a maioria distribuída de dois terços, terminar este Convênio e, se assim o decidir, fixará a data de entrada em vigor desta decisão.

5º Não obstante haver terminado este Convênio, o Conselho continuará em existência, pelo tempo que fôr necessário para liquidar a Organização, fechar as suas contas e dispor de seus haveres. Durante esse período, o Conselho terá os poderes e as funções que para esse fim sejam necessários.

Artigo 69

Emenda

1º O Conselho pode, por maioria distribuída de dois terços, recomendar às Partes Contratantes uma emenda deste Convênio. A emenda entra em vigor cem dias após haver o Secretário-Geral das Nações Unidas recebido notificações de aceitação de Partes Contratantes que representem, pelo menos, 75 por cento dos países exportadores com, no mínimo, 85 por cento dos votos dos Membros exportadores, e de Partes Contratantes que representem, pelo menos, 75 por cento dos países importadores com, no mínimo, 80 por cento dos votos dos Membros importadores. O Conselho fixará às Partes Contratantes o prazo para que notifiquem ao Secretário-Geral das Nações Unidas a sua aceitação da emenda. Se, ao expirar o prazo, não tiverem sido registradas as percentagens necessárias para a entrada em vigor da emenda, esta é considerada como retirada.

29 Toda Parte Contratante que não tenha feito, dentro do prazo fixado pelo Conselho, a notificação de aceitação da emenda, e todo território que seja Membro ou integrante de um Grupo-Membro, e em cujo nome tal notificação não tenha sido feita até aquela data, deixa, a partir da data em que a referida emenda entrar em vigor, de participar deste Convênio.

Artigo 70

Disposições suplementares e transitórias

19 O presente Convênio é continuação do Convênio Internacional do Café de 1968 Prorrogado por Protocolo.

29 A fim de facilitar a continuação ininterrupta do Convênio Internacional do Café de 1968 Prorrogado por Protocolo:

- a) permanecem em vigor, a menos que modificados por disposições deste Convênio, todos os atos praticados pela Organização ou em seu nome, ou por qualquer de seus órgãos, com base no Convênio Internacional do Café de 1968 Prorrogado por Protocolo, que estejam em vigor em 30 de setembro de 1976, e cujos termos não prevejam a expiração nesta data;
- b) todas as decisões que o Conselho deva tomar, durante o ano cafeeiro de 1975/76, para aplicação no ano cafeeiro de 1976/77, serão tomadas na última sessão ordinária que o Conselho realizar no ano cafeeiro de 1975/76 e aplicadas, em base provisória, como se este Convênio já estivesse em vigor

Artigo 71

Textos autênticos do Convênio

Os textos deste Convênio em espanhol, francês, inglês e português são igualmente autênticos. O Secretário-Geral das Nações Unidas será depositário dos respectivos originais.

EM PÉ DO QUE, os abaixo-assinados, devidamente autorizados por seus respectivos governos, firmaram este Convênio nas datas que aparecem ao lado de suas assinaturas.

ANEXO 1

MEMBROS EXPORTADORES CUJAS EXPORTAÇÕES COM DESTINO A MEMBROS
IMPORTADORES SÃO INFERIORES A 400.000 SACAS

Membro exportador	Quota inicial de exportação anual (milhares de sacas)	Número de votos adicionais aos votos básicos
	(1)	(2)
<u>Menos de 100.000 sacas</u>		
Gabão	25	0
Jamaica	25	0
Congo	25	0
Panamá	41	0
Daomé	33	0
Bolívia	73	0
Gana	66	0
Trindade e Tobago	69	0
Nigéria	70	0
Paraguai	70	0
Timor	82	0
Sub-total	579	
<u>Mais de 100.000 sacas</u>		
Libéria	100	2
Guiné	127	2
Serra Leoa	180	3
República Centro-Africana	205	3
Togo	225	4
Ruanda	300	5
Venezuela	225	5
Burundi	360	6
Haiti	360	6
Sub-total	2.182	
TOTAL	2.761	

ANEXO 2
DISTRIBUIÇÃO DE VOTOS

	Exportadores	Importadores
<u>TOTAL</u>	<u>1.000</u>	<u>1.000</u>
Austrália	-	12
Bélgica *	-	29
Bolívia	4	-
Brasil	336	-
Burundi	8	-
Camarões	20	-
Canadá	-	32
Chipre	-	5
Colômbia	114	-
Congo	4	-
Costa do Marfim	49	-
Costa Rica	22	-
Dacmê	4	-
Dinamarca	-	23
El Salvador	35	-
Ecuador	16	-
Espanha	-	29
Estados Unidos da América	-	392
Etiópia	28	-
Finlândia	-	22
França	-	87
Gabão	4	-
Gana	4	-
Guatemala	33	-
Guiné	6	-
Haiti	12	-
Honduras	11	-
Índia	11	+
Indonésia	26	-
Irlanda	-	8
Iugoslávia	-	18
Jamaica	4	-
Japão	-	37
Líberia	4	-
Madagascar	18	-
México	32	-
Nicarágua	13	-
Nigéria	4	-
Noruega	-	16
Nova Zelândia	-	7
Países Baixos	-	47
Panamá	4	-
Papua-Nova Guiné	4	-
Paraguai	4	-
Peru	16	-
Portugal	-	12
Quênia	17	-
Reino Unido	-	51
República Centro-Africana	7	-
-República Dominicana	12	-
República Federal da Alemanha	-	104
Ruanda	6	-
Serra Leoa	6	-
Suécia	-	37
Suíça	-	24
Tanzânia	15	-
Tcheco-Eslováquia	-	10
Timor	4	-
Togo	7	-
Trindade-e-Tobago	4	-
Uganda	42	-
Venezuela	9	-
Zaire	21	-

* Inclui o Luxemburgo

CONVENIO INTERNACIONAL DEL CAFE DE 1976

Preámbulo

Los Gobiernos signatarios de este Convenio,

Reconociendo la importancia excepcional del café para la economía de muchos países que dependen en gran medida de este producto para obtener divisas y continuar así sus programas de desarrollo económico y social;

Considerando que una estrecha cooperación internacional en materia de comercio de café fomentará la diversificación económica y el desarrollo de los países productores, mejorará las relaciones políticas y económicas entre países productores y consumidores y contribuirá a aumentar el consumo de café;

Reconociendo la conveniencia de evitar el desequilibrio entre la producción y el consumo, que puede ocasionar marcadas fluctuaciones de precios, perjudiciales tanto para los productores como para los consumidores;

Creyendo que con medidas de carácter internacional se puede ayudar a corregir tal desequilibrio, así como también a asegurar a los productores, mediante precios remunerativos, un adecuado nivel de ingresos;

Teniendo en cuenta las ventajas que se derivaron de la cooperación internacional por virtud de los Convenios Internacionales del Café de 1962 y 1968;

Convienen lo que sigue:

CAPITULO I - OBJETIVOS**Artículo 1****Objetivos**

Los objetivos de este Convenio son:

- 1) Establecer un razonable equilibrio entre la oferta y la demanda mundiales de café, sobre bases que aseguren a los consumidores un adecuado abastecimiento de café a precios equitativos, y a los productores mercados para su café a precios remuneradores, y que propicien un equilibrio a largo plazo entre la producción y el consumo.
- 2) Evitar fluctuaciones excesivas de los niveles mundiales de suministros, existencias y precios, que son perjudiciales tanto para los productores como para los consumidores.
- 3) Contribuir al desarrollo de los recursos productivos y al aumento y mantenimiento de los niveles de empleo e ingreso en los países Miembros, para ayudar así a lograr salarios justos, un nivel de vida más elevado y mejores condiciones de trabajo.
- 4) Ampliar el poder de compra de los países exportadores de café, manteniendo los precios en consonancia con lo dispuesto en el ordinal 1) de este Artículo y aumentando el consumo.
- 5) Promover y acrecer, por todos los medios posibles, el consumo de café.
- 6) En general, estimular la colaboración internacional respecto de los problemas mundiales del café, habida cuenta de la relación que existe entre el comercio cafetero y la estabilidad económica de los mercados para los productos industriales.

Artículo 2**Obligaciones generales de los Miembros**

1) Los Miembros se comprometen a desarrollar su política comercial de forma tal que los objetivos enunciados en el Artículo 1 puedan ser logrados. Se comprometen, además, a lograr esos objetivos mediante la rigurosa observancia de las obligaciones y las disposiciones de este Convenio.

2) Los Miembros reconocen la necesidad de adoptar políticas que mantengan los precios a niveles tales que aseguren una remuneración adecuada a los productores, procurando al mismo tiempo asegurar que los precios del café para los consumidores no perjudiquen el deseable aumento del consumo.

3) Los Miembros exportadores se comprometen a no adoptar ni mantener ninguna medida gubernamental que permita vender café a países no miembros en condiciones comercialmente más favorables que las que estarían dispuestos a ofrecer al mismo tiempo a Miembros importadores, habida cuenta de las prácticas comerciales normales.

4) El Consejo examinará periódicamente la observancia de las disposiciones del ordinal 3) del presente Artículo y podrá requerir a los Miembros para que proporcionen la información adecuada, de conformidad con el Artículo 53.

5) Los Miembros reconocen que los certificados de origen son una fuente indispensable de información sobre el comercio del café. En aquellos períodos en que estén suspendidas las cuotas, los Miembros exportadores asumirán la responsabilidad de la debida utilización de los certificados de origen. Sin embargo, con el fin de asegurar que todos los Miembros puedan disponer de la máxima información, los Miembros importadores, sobre quienes no pesa obligación

alguna de exigir que las partidas de café vayan acompañadas de certificados cuando las cuotas no se encuentren en vigor, colaborarán sin reservas con la Organización Internacional del Café en lo que respecta a la recogida y comprobación de certificados referentes a embarques de café procedentes de países Miembros exportadores.

CAPITULO II - DEFINICIONES

Artículo 3

Definiciones

Para los fines del Convenio:

- 1) "Café" significa el grano y la cereza del cafeto, ya sea en pergamino, verde o tostado, e incluye el café molido, descafeinado, líquido y soluble. Estos términos significan:
 - a) "café verde": todo café en forma de grano pelado, antes de tostarse;
 - b) "café en cereza seca": el fruto seco del cafeto. Para encontrar el equivalente de la cereza seca en café verde, multiplíquese el peso neto de la cereza seca por 0,50;
 - c) "café pergamino": el grano de café verde contenido dentro de la cáscara. Para encontrar el equivalente del café pergamino en café verde, multiplíquese el peso neto del café pergamino por 0,80;
 - d) "café tostado": café verde tostado en cualquier grado, e incluye el café molido. Para encontrar el equivalente del café tostado en café verde, multiplíquese el peso neto del café tostado por 1,19;

- e) "café descafeinado": café verde, tostado o soluble del cual se ha extraído la cafeína. Para encontrar el equivalente del café descafeinado en café verde, multiplíquese el peso neto del café descafeinado verde, tostado o soluble por 1,00, 1,19 o 3,00^{1/}, respectivamente;
- f) "café líquido". las partículas sólidas, solubles en agua, obtenidas del café tostado y puestas en forma líquida. Para encontrar el equivalente del café líquido en café verde, multiplíquese por 3,00 el peso neto de las partículas sólidas, secas, contenidas en el café líquido^{1/};
- g) "café soluble". las partículas sólidas, secas, solubles en agua, obtenidas del café tostado. Para encontrar el equivalente de café soluble en café verde, multiplíquese el peso neto del café soluble por 3,00^{1/}
- 2) "Saco". 60 kilogramos o 132,276 libras de café verde; "tonelada" significa una tonelada métrica de 1.000 kilogramos o 2.204,6 libras, y "libra" significa 453,597 gramos.
- 3) "Año cafetero": el período de un año desde el 1 de octubre hasta el 30 de septiembre.
- 4) "Organización", "Consejo" y "Junta" significan, respectivamente, la Organización Internacional del Café, el Consejo Internacional del Café y la Junta Ejecutiva.
- 5) "Miembro". una Parte Contratante, incluso una organización intergubernamental según lo mencionado en el ordinal 3) del Artículo 4; un territorio o territorios designados que hayan sido

1/ El coeficiente 3,00 será nuevamente examinado, y tal vez modificado, por el Consejo, a la vista de lo que decidan las autoridades internacionales competentes.

declarados Miembros separados en virtud del Artículo 5; o dos o más Partes Contratantes o territorios designados, o unos y otros, que participen en la Organización como grupo Miembro en virtud de los Artículos 6 y 7.

6) "Miembro exportador" o "país exportador" Miembro o país, respectivamente, que sea exportador neto de café, es decir, cuyas exportaciones excedan de sus importaciones.

7) "Miembro importador" o "país importador" Miembro o país, respectivamente, que sea importador neto de café, es decir, cuyas importaciones excedan de sus exportaciones.

8) "Miembro productor" o "país productor" Miembro o país, respectivamente, que produzca café en cantidades comercialmente significativas.

9) "Mayoria simple distribuida" una mayoría de los votos depositados por los Miembros exportadores presentes y votantes y una mayoría de los votos depositados por los Miembros importadores presentes y votantes, contados por separado.

10) "Mayoria distribuida de dos tercios" una mayoría de dos tercios de los votos depositados por los Miembros exportadores presentes y votantes y una mayoría de dos tercios de los votos depositados por los Miembros importadores presentes y votantes, contados por separado.

11) "Entrada en vigor" salvo disposición contraria, la fecha en que el presente Convenio entre en vigor, bien sea provisional o definitivamente.

12) "Producción exportable" la producción total de café de un país exportador en un determinado año cafetero o de cosecha, menos el volumen destinado al consumo interno en ese mismo año.

13) "Disponibilidad para la exportación". la producción exportable de un país exportador en un año cafetero determinado, más las existencias acumuladas en años anteriores.

14) "Cupo de exportación". la cantidad total de café que un Miembro está autorizado a exportar en virtud de las diversas disposiciones de este Convenio, con excepción de las exportaciones que, de conformidad con las disposiciones del Artículo 44, no son imputadas a las cuotas.

15) "Déficit". la diferencia entre el cupo de exportación anual de un Miembro exportador en un determinado año cafetero y la cantidad de café que el mismo Miembro haya exportado a mercados en régimen de cuota en ese año cafetero.

CAPITULO III - MIEMBROS

Artículo 4

Miembros de la Organización

1) Toda Parte Contratante, junto con los territorios a los que se extienda este Convenio en virtud de las disposiciones del ordinal 1) del Artículo 64, constituirá un solo Miembro de la Organización, a excepción de lo dispuesto en los Artículos 5, 6 y 7.

2) Un Miembro podrá modificar la categoría de su afiliación ateniéndose a las condiciones que el Consejo estipule.

3) Toda referencia que se haga en el presente Convenio a la palabra Gobierno será interpretada en el sentido de que incluye una referencia a la Comunidad Económica Europea o a una organización intergubernamental con competencia comparable en lo que respecta a la negociación, celebración y aplicación de convenios internacionales, en particular de convenios sobre productos básicos.

4) Una organización intergubernamental de tal naturaleza no tendrá voto alguno, pero, en caso de que se vote sobre cuestiones de su competencia, estará facultada para depositar colectivamente los votos de sus Estados miembros. En ese caso, los Estados miembros de esa organización intergubernamental no estarán facultados para ejercer individualmente su derecho de voto.

5) Lo dispuesto en el ordinal 1) del Artículo 16 no se aplicará a una organización intergubernamental de tal naturaleza, pero ésta podrá participar en los debates de la Junta Ejecutiva sobre cuestiones de su competencia. En caso de que se vote sobre cuestiones de su competencia, y sin perjuicio de las disposiciones del ordinal 1) del Artículo 19, los votos que sus Estados miembros estén facultados para depositar en la Junta Ejecutiva podrán ser depositados colectivamente por cualquiera de esos Estados miembros.

Artículo 5

Afiliación separada para los territorios designados

Toda Parte Contratante que sea importadora neta de café podrá declarar, en cualquier momento, mediante apropiada notificación de conformidad con las disposiciones del ordinal 2) del Artículo 64, que participa en la Organización separadamente de aquellos territorios cuyas relaciones internacionales tenga a su cargo que sean exportadores netos de café y que ella designe. En tal caso, el territorio metropolitano y los territorios no designados constituirán un solo Miembro, y los territorios designados serán considerados Miembros distintos, individual o colectivamente, según se indique en la notificación.

Artículo 6

Afiliación inicial por grupos

1) Dos o más Partes Contratantes que sean exportadoras netas de café pueden, mediante apropiada notificación al Consejo y al Secretario General de las Naciones Unidas, en el momento en que depositen sus respectivos instrumentos de aprobación, ratificación, aceptación o adhesión, declarar que ingresan en la Organización como grupo Miembro. Todo territorio al que se extienda este Convenio en virtud de las disposiciones del ordinal 1) del Artículo 64 podrá formar parte de dicho grupo Miembro si el Gobierno del Estado encargado de sus relaciones internacionales ha hecho la apropiada notificación al efecto, de conformidad con las disposiciones del ordinal 2) del Artículo 64. Tales Partes Contratantes y los territorios designados deben llenar las condiciones siguientes:..

- a) declarar su deseo de asumir individual y colectivamente la responsabilidad en cuanto a las obligaciones del grupo;
- b) acreditarse luego satisfactoriamente ante el Consejo:
 - i) que el grupo cuenta con la organización necesaria para aplicar una política cafetera común, y que tienen los medios para cumplir, junto con los otros países integrantes del grupo, las obligaciones que les impone este Convenio; y o bien que
 - ii) han sido reconocidos como grupo en un convenio internacional anterior sobre el café; o bien que
 - iii) tienen una política comercial y económica común o coordinada relativa al café, y una política monetaria y financiera coordinada, así como los órganos necesarios para su aplicación, de forma que el Consejo adquiera la seguridad de que el grupo Miembro puede cumplir las previstas obligaciones de grupo.

2) El grupo Miembro constituirá un solo Miembro de la Organización, con la salvedad de que cada país integrante será considerado como un Miembro individual para las cuestiones que se planteen en relación a las siguientes disposiciones:

- a) Artículos 11, 12 y 20 del Capítulo IV,
- b) Artículos 50 y 51 del Capítulo VIII, y
- c) Artículo 67 del Capítulo X.

3) Las Partes Contratantes y los territorios designados que ingresen como un solo grupo Miembro indicarán el gobierno u organización que los representará en el Consejo para los efectos de este Convenio, a excepción de los enumerados en el ordinal 2) del presente Artículo.

4) Los derechos de voto del grupo Miembro serán los siguientes:

- a) el grupo Miembro tendrá el mismo número de votos básicos que un país Miembro individual que ingrese en la Organización en tal calidad. Estos votos básicos se asignarán al gobierno u organización que represente al grupo, y serán depositados por ese gobierno u organización; y
- b) en el caso de una votación sobre cualquier asunto que se plantee en lo relativo a las disposiciones enumeradas en el ordinal 2) del presente Artículo, los componentes del grupo Miembro podrán depositar separadamente los votos asignados a ellos en virtud de las disposiciones de los ordinarios 3) y 4) del Artículo 13, como si cada uno de ellos fuese un Miembro individual de la Organización, salvo los votos básicos que seguirán correspondiendo únicamente al gobierno u organización que represente al grupo..

5) Cualquier Parte Contratante o territorio designado que participe en un grupo Miembro podrá, mediante notificación al Consejo, retirarse de ese grupo y convertirse en Miembro separado. Tal retiro tendrá efecto cuando el Consejo reciba la notificación. En caso de que un integrante de un grupo Miembro se retire del grupo o deje de participar en la Organización, los demás integrantes del grupo podrán solicitar del Consejo que se mantenga el grupo y éste continuará existiendo, a menos que el Consejo deniegue la solicitud. Si el grupo Miembro se disolviere, cada una de las Partes que integraban el grupo se convertirá en Miembro separado. Un Miembro que haya dejado de pertenecer a un grupo Miembro no podrá formar parte de nuevo de un grupo mientras esté en vigor este Convenio.

Artículo 7

Formación posterior de grupos

Dos o más Miembros exportadores podrán solicitar al Consejo, en cualquier momento después de la entrada en vigor de este Convenio, la formación de un grupo Miembro. El Consejo aprobará tal solicitud si comprueba que los Miembros han hecho la correspondiente declaración y han suministrado prueba satisfactoria, de conformidad con los requisitos del ordinal 1) del Artículo 6. Una vez aprobado, el grupo Miembro estará sujeto a las disposiciones de los párrafos 2), 3), 4) y 5) de dicho Artículo.

CAPITULO IV - ORGANIZACION Y ADMINISTRACION**Artículo 8****Sede y estructura de la Organización Internacional del Café**

- 1) La Organización Internacional del Café, establecida en virtud del Convenio de 1962, continuará existiendo a fin de administrar las disposiciones de este Convenio y fiscalizar su aplicación.
- 2) La Organización tendrá su sede en Londres, a menos que el Consejo, por mayoría distribuida de dos tercios decida otra cosa.
- 3) La Organización ejercerá sus funciones por intermedio del Consejo Internacional del Café, la Junta Ejecutiva, el Director Ejecutivo y el personal.

Artículo 9**Composición del Consejo Internacional del Café**

- 1) La autoridad suprema de la Organización es el Consejo Internacional del Café, que está integrado por todos los Miembros de la Organización.
- 2) Cada Miembro nombrará un representante en el Consejo y, si así lo deseare, uno o más suplentes. Cada Miembro podrá además designar uno o más asesores de su representante o suplentes

Artículo 10**Poderes y funciones del Consejo**

- 1) El Consejo está dotado de todos los poderes que emanan específicamente de este Convenio, y tiene las facultades y desempeña las funciones necesarias para cumplir las disposiciones del mismo.

2) El Consejo podrá, por mayoría distribuida de dos tercios, establecer las normas y reglamentos requeridos para aplicar las disposiciones de este Convenio, incluido su propio reglamento y los reglamentos financiero y del personal de la Organización. Tales normas y reglamentos deben ser compatibles con las disposiciones de este Convenio. El Consejo podrá incluir en su reglamento una disposición que le permita decidir sobre cuestiones determinadas sin necesidad de reunirse en sesión.

3) Además, el Consejo mantendrá la documentación necesaria para desempeñar sus funciones conforme a este Convenio, así como cualquier otra documentación que considere conveniente.

Artículo 11

Elección del Presidente y de los Vicepresidentes del Consejo

1) El Consejo elegirá un Presidente y Vicepresidentes primero, segundo y tercero, para cada año cafetero.

2) Por regla general, el Presidente y el primer Vicepresidente serán elegidos entre los representantes de los Miembros exportadores o entre los representantes de los Miembros importadores, y los Vicepresidentes segundo y tercero serán elegidos entre los representantes de la otra categoría de Miembros. Estos cargos se alternarán cada año cafetero entre las dos categorías de Miembros.

3) Ni el Presidente, ni los Vicepresidentes que actúen como Presidente, tendrán derecho de voto. En tal caso, quien los supla ejercerá el derecho de voto del correspondiente Miembro.

Artículo 12

Períodos de sesiones del Consejo

Por regla general, el Consejo tendrá dos períodos ordinarios de sesiones cada año. También podrá tener períodos extraordinarios

de sesiones, si así lo decidiere. Asimismo, se reunirá en sesiones extraordinarias a solicitud de la Junta Ejecutiva, o de cinco Miembros cualesquiera, o de un Miembro o Miembros que representen por lo menos 200 votos. La convocatoría de los períodos de sesiones tendrá que notificarse con 30 días de anticipación como mínimo, salvo en casos de emergencia. A menos que el Consejo decida otra cosa, los períodos de sesiones se celebrarán en la sede de la Organización.

Artículo 13

Votos

1) Los Miembros exportadores tendrán un total de 1.000 votos y los Miembros importadores tendrán también un total de 1.000 votos, distribuidos entre cada categoría de Miembros --es decir, Miembros exportadores y Miembros importadores respectivamente-- según se estipula en los ordinales siguientes del presente Artículo.

2) Cada Miembro tendrá cinco votos básicos, siempre que el total de tales votos no exceda de 150 para cada categoría de Miembros. Si hubiere más de treinta Miembros exportadores o más de treinta Miembros importadores, el número de votos básicos de cada Miembro dentro de una y otra categoría se ajustará, con el objeto de que el total de votos básicos para cada categoría de Miembros no supere el máximo de 150.

3) Los Miembros exportadores enumerados en el Anexo 1 como titulares de una cuota inicial de exportación anual igual o superior a 100.000 sacos de café, pero inferior a 400.000 sacos, tendrán, además de los votos básicos, el número de votos que se les atribuye en la columna 2 del Anexo 1. Si alguno de los Miembros exportadores a que se refiere el presente ordinal opta por una cuota básica con

arreglo a lo dispuesto en el ordinal 5) del Artículo 31, dejarán de aplicarse a tal Miembro las disposiciones del presente ordinal.

4) Con sujeción a las disposiciones del Artículo 32 los votos restantes de los Miembros exportadores se distribuirán entre los Miembros que tengan una cuota básica, en proporción al volumen promedio de sus respectivas exportaciones de café a los Miembros importadores en los años cafeteros de 1968/69 a 1971/72 inclusive. Para esta clase de Miembros exportadores, ésa será la base de votación hasta el 31 de diciembre de 1977. Con efecto a partir del 1 de enero de 1978, los votos restantes de los Miembros exportadores que tengan cuotas básicas se calcularán en proporción al volumen promedio de sus respectivas exportaciones de café a los Miembros importadores según a continuación se indica.

Con efecto a partir del
1 de enero de

Años cafeteros

1978	1969/70	1970/71	1971/72	1976/77
1979	1970/71	1971/72	1976/77	1977/78
1980	1971/72	1976/77	1977/78	1978/79
1981	1976/77	1977/78	1978/79	1979/80
1982	1977/78	1978/79	1979/80	1980/81

5) Los votos restantes de los Miembros importadores se distribuirán entre ellos en proporción al volumen promedio de sus respectivas importaciones de café durante los tres años civiles anteriores.

6) El Consejo efectuará la distribución de los votos, de conformidad con las disposiciones del presente Artículo, al comienzo de cada año cafetero y esa distribución permanecerá en vigor durante ese año, a reserva de lo dispuesto en los ordinarios 4) y 7) del presente Artículo.

- 7) El Consejo dispondrá lo necesario para la redistribución de los votos de conformidad con lo dispuesto en el presente Artículo, cada vez que varíe la afiliación a la Organización, o se suspenda el derecho de voto de algún Miembro o se restablezca tal derecho, en virtud de las disposiciones de los Artículos 26, 42, 45 & 58.
- 8) Ningún Miembro podrá tener más de 400 votos.
- 9) Los votos no son fraccionables.

Artículo 14

Procedimiento de votación del Consejo

- 1) Cada Miembro tendrá derecho a utilizar el número de votos que posea, pero no podrá dividirlos. El Miembro podrá, sin embargo, utilizar en forma diferente los votos que posea en virtud de lo dispuesto en el ordinal 2) del presente Artículo.
- 2) Todo Miembro exportador podrá autorizar a otro Miembro exportador, y todo Miembro importador podrá autorizar a otro Miembro importador, para que represente sus intereses y ejerza su derecho de voto en cualquier reunión del Consejo. No se aplicará en este caso la limitación prevista en el ordinal 8) del Artículo 13.

Artículo 15

Decisiones del Consejo

- 1) Salvo disposición en contrario de este Convenio, el Consejo adoptará todas sus decisiones y formulará todas sus recomendaciones por mayoría simple distribuida.

2) Con respecto a cualquier decisión del Consejo que, en virtud de las disposiciones de este Convenio, requiera una mayoría distribuida de dos tercios, se aplicará el siguiente procedimiento:

- a) si no se logra una mayoría distribuida de dos tercios debido al voto negativo de tres o menos Miembros exportadores o de tres o menos Miembros importadores, la propuesta volverá a ponerse a votación en un plazo de 48 horas, si el Consejo así lo decide por mayoría de los Miembros presentes y por mayoría simple distribuida;
- b) si en la segunda votación no se logra tampoco una mayoría distribuida de dos tercios debido al voto negativo de dos o menos Miembros exportadores o de dos o menos Miembros importadores la propuesta volverá a ponerse a votación en un plazo de 24 horas, si el Consejo así lo decide por mayoría de los Miembros presentes y por mayoría simple distribuida;
- c) si no se logra una mayoría distribuida de dos tercios en la tercera votación debido al voto negativo de un Miembro exportador o importador, se considerará aprobada la propuesta;
- d) si el Consejo no somete la propuesta a una nueva votación, ésta se considerará rechazada.

3) Los Miembros se comprometen a aceptar como obligatoria toda decisión que el Consejo adopte en virtud de las disposiciones de este Convenio.

Artículo 16

Composición de la Junta Ejecutiva

1) La Junta Ejecutiva se compondrá de ocho Miembros exportadores y ocho Miembros importadores, elegidos para cada año

cafetero de conformidad con las disposiciones del Artículo 17
Los Miembros podrán ser reelegidos:

2) Cada Miembro de la Junta designará un representante y, si así lo deseare, uno o más suplentes. Cada Miembro podrá, además, designar uno o más asesores de su representante o suplentes.

3) La Junta Ejecutiva tendrá un Presidente y un Vicepresidente, elegidos por el Consejo para cada año cafetero y que podrán ser reelegidos. El Presidente no tendrá derecho a voto, como tampoco lo tendrá el Vicepresidente cuando desempeñe las funciones de Presidente. Si un representante es nombrado Presidente, o si el Vicepresidente desempeña las funciones de Presidente, votará en su lugar el correspondiente suplente. Por regla general, el Presidente y el Vicepresidente elegidos para cada año cafetero serán escogidos entre los representantes de la misma categoría de Miembros.

4) La Junta Ejecutiva se reunirá usualmente en la sede de la Organización, pero podrá reunirse en cualquier otro lugar

Artículo 17

Elección de la Junta Ejecutiva

1) Los Miembros exportadores e importadores que integren la Junta serán elegidos en el Consejo por los Miembros exportadores e importadores de la Organización, respectivamente. La elección dentro de cada categoría se efectuará con arreglo a lo dispuesto en los siguientes ordinarios del presente Artículo.

2) Cada Miembro depositará a favor de un solo candidato todos los votos a que tenga derecho según las disposiciones del Artículo 13. Un Miembro podrá depositar por otro candidato los votos que posea en virtud de las disposiciones del ordinal 2) del Artículo 14.

3) Los ocho candidatos que reciban el mayor número de votos resultarán elegidos, sin embargo, ningún candidato que reciba menos de 75 votos será elegido en la primera votación.

4) En el caso de que, con arreglo a las disposiciones del ordinal 3) del presente Artículo, resulten elegidos menos de ocho candidatos en la primera votación, se efectuarán nuevas votaciones en las que sólo tendrán derecho a votar los Miembros que no hubieren votado por ninguno de los candidatos elegidos. En cada nueva votación el número mínimo de votos requerido disminuirá sucesivamente en cinco unidades, hasta que resulten elegidos los ocho candidatos.

5) Todo Miembro que no hubiere votado por uno de los Miembros elegidos, traspasará sus votos a uno de ellos, con sujeción a las disposiciones de los ordinarios 6) y 7) del presente Artículo.

6) Se considerará que un Miembro ha recibido el número de votos depositados a su favor en el momento de su elección y, además, el número de votos que se le traspasen, pero ningún Miembro elegido podrá obtener más de 499 votos en total.

7) Si se registra que uno de los Miembros electos obtuvo más de 499 votos, los Miembros que hubieren votado o traspasado sus votos a favor de dicho Miembro electo se pondrán de acuerdo para que uno o varios le retiren sus votos y los traspasen o redistribuyan a favor de otro Miembro electo, de manera que ninguno de ellos reciba más de 499 votos fijados como máximo.

Artículo 18

Competencia de la Junta Ejecutiva

1) La Junta será responsable ante el Consejo y actuará bajo la dirección general de éste.

- 2) El Consejo podrá delegar en la Junta, por mayoría distribuida de dos tercios, el ejercicio de la totalidad o parte de sus poderes, salvo los que se enumeran a continuación:
- a) la aprobación del presupuesto administrativo y la determinación de las contribuciones con arreglo a lo dispuesto en el Artículo 25;
 - b) la suspensión de los derechos de voto de un Miembro, prevista en los Artículos 45 ó 58,
 - c) la exoneración de las obligaciones de un Miembro, de acuerdo con las disposiciones del Artículo 56;
 - d) la decisión de controversias, según lo previsto en el Artículo 58;
 - e) el establecimiento de las condiciones de adhesión, con arreglo a lo dispuesto en el Artículo 62;
 - f) la decisión de exigir la exclusión de un Miembro, en base a las disposiciones del Artículo 66;
 - g) la decisión acerca de la renegociación, prórroga o terminación del Convenio, según lo previsto en el Artículo 68, y
 - h) la recomendación de enmiendas a los Miembros, según lo previsto en el Artículo 69
- 3) El Consejo podrá revocar en todo momento, por mayoría simple distribuida, cualesquiera de los poderes que hubiere delegado en la Junta.

Artículo 19

Procedimiento de votación de la Junta Ejecutiva

- 1) Cada miembro de la Junta Ejecutiva tendrá derecho a depositar el número de votos que haya recibido en virtud de lo dispuesto en

los ordinales 6) y 7) del Artículo 17.. No se permitirá votar por delegación. Ningún miembro de la Junta tendrá derecho a dividir sus votos.

2) Las decisiones de la Junta serán adoptadas por la misma mayoría que se requiera en caso de adoptarlas el Consejo.

Artículo 20

Quórum para las reuniones del Consejo y de la Junta

1) El quórum para cualquier reunión del Consejo lo constituirá la presencia de una mayoría de los Miembros que representen una mayoría distribuida de dos tercios del total de los votos. Si en la hora fijada para iniciar una reunión del Consejo no hubiere quórum, el Presidente del Consejo podrá aplazar el comienzo de la reunión por tres horas como mínimo. Si tampoco hubiere quórum, el Presidente podrá aplazar otra vez el comienzo de la reunión por tres horas como mínimo. Este procedimiento podrá repetirse hasta que exista quórum en la hora fijada. La representación conforme a lo dispuesto en el ordinal 2) del Artículo 14 se considerará como presencia.

2) Para las reuniones de la Junta, el quórum estará constituido por la presencia de una mayoría de los Miembros que representen una mayoría distribuida de dos tercios del total de los votos.

Artículo 21

El Director Ejecutivo y el personal

1) El Consejo nombrará al Director Ejecutivo por recomendación de la Junta. El Consejo establecerá las condiciones de empleo del Director Ejecutivo, que serán análogas a las que rigen para funcionarios de igual categoría en organizaciones intergubernamentales similares.

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2) El Director Ejecutivo será el jefe de los servicios administrativos de la Organización y asumirá la responsabilidad por el desempeño de cualesquiera funciones que le incumban en la administración de este Convenio.

3) El Director Ejecutivo nombrará a los funcionarios de conformidad con el reglamento establecido por el Consejo.

4) Ni el Director Ejecutivo ni los funcionarios podrán tener intereses financieros en la industria, el comercio o el transporte del café.

5) En el ejercicio de sus funciones, el Director Ejecutivo y el personal no solicitarán ni recibirán instrucciones de ningún Miembro ni de ninguna autoridad ajena a la Organización. Se abstendrán de actuar en forma que sea incompatible con su condición de funcionarios internacionales responsables únicamente ante la Organización. Cada uno de los Miembros se compromete a respetar el carácter exclusivamente internacional de las funciones del Director Ejecutivo y del personal, y a no tratar de influir sobre ellos en el desempeño de tales funciones.

Artículo 22

Colaboración con otras organizaciones

El Consejo podrá adoptar todas las disposiciones convenientes para la consulta y colaboración con las Naciones Unidas y sus organismos especializados, así como con otras organizaciones intergubernamentales competentes. El Consejo podrá invitar a estas organizaciones, así como a cualquiera de las que se ocupan del café, a que envíen observadores a sus reuniones.

CAPITULO V - PRIVILEGIOS E INMUNIDADES

Artículo 23

Privilegios e inmunidades

- 1) La Organización tendrá personalidad jurídica. Gozará, en especial, de la capacidad para contratar, adquirir y enajenar bienes muebles e inmuebles y para incoar procedimientos judiciales.
- 2) La situación jurídica, privilegios e inmunidades de la Organización, de su Director Ejecutivo, de su personal y de sus expertos, así como de los representantes de los Miembros en tanto que se encuentren en el territorio del Reino Unido de la Gran Bretaña e Irlanda del Norte con el fin de desempeñar sus funciones, seguirán viniendo regidos por el Acuerdo sobre la Sede concertado con fecha 28 de mayo de 1969 entre el Gobierno del Reino Unido de la Gran Bretaña e Irlanda del Norte (llamado en lo sucesivo "el Gobierno huésped") y la Organización.
- 3) El Acuerdo sobre la Sede mencionado en el ordinal 2) del presente Artículo será independiente de este Convenio. Terminará, no obstante:
 - a) por acuerdo entre el Gobierno huésped y la Organización;
 - b) en el caso de que la sede de la Organización deje de estar en el territorio del Gobierno huésped; o
 - c) en el caso de que la Organización deje de existir.
- 4) La Organización podrá concertar con uno o más Miembros otros convenios, que requerirán la aprobación del Consejo, referentes a los privilegios e inmunidades que puedan ser necesarios para el buen funcionamiento de este Convenio.

5) Los Gobiernos de los países Miembros, con excepción del Gobierno huésped, concederán a la Organización las mismas facilidades que se otorguen a los organismos especializados de las Naciones Unidas, en lo relativo a restricciones monetarias o de cambios, mantenimiento de cuentas bancarias y transferencias de sumas de dinero.

CAPITULO VI - DISPOSICIONES FINANCIERAS

Artículo 24

Finanzas

1) Los gastos de las delegaciones ante el Consejo, y de los representantes ante la Junta, o ante cualquiera de las comisiones del Consejo y de la Junta, serán atendidos por sus respectivos gobiernos.

2) Los demás gastos necesarios para la administración de este Convenio se atenderán mediante contribuciones anuales de los Miembros, determinadas de conformidad con las disposiciones del Artículo 25. Sin embargo, el Consejo podrá exigir el pago de ciertos servicios.

3) El ejercicio económico de la Organización coincidirá con el año cafetero.

Artículo 25

Determinación del presupuesto y de las contribuciones

1) Durante el segundo semestre de cada ejercicio económico, el Consejo aprobará el presupuesto administrativo de la Organización para el ejercicio siguiente y fijará la contribución de cada Miembro a dicho presupuesto.

2) La contribución de cada Miembro al presupuesto para cada ejercicio económico será proporcional a la relación que exista, en el momento de aprobarse el presupuesto correspondiente a ese ejercicio, entre el número de sus votos y la totalidad de los votos de todos los Miembros. Sin embargo, si se modifica la distribución de votos entre los Miembros, de conformidad con las disposiciones del ordinal 6) del Artículo 13, al comienzo del ejercicio para el que se fijen las contribuciones, se ajustarán las contribuciones para ese ejercicio en la forma que corresponda. Al determinar las contribuciones, los votos de cada uno de los Miembros se calcularán sin tener en cuenta la suspensión de los derechos de voto de cualquiera de los Miembros ni la posible redistribución de votos que resulte de ello.

3) La contribución inicial de todo Miembro que ingrese en la Organización después de la entrada en vigor de este Convenio será determinada por el Consejo en función del número de votos que le corresponda y del período no transcurrido del ejercicio económico en curso, pero en ningún caso se modificarán las contribuciones fijadas a los demás Miembros para el ejercicio económico de que se trate.

Artículo 26

Pago de las contribuciones

1) Las contribuciones al presupuesto administrativo de cada ejercicio económico se abonarán en moneda libremente convertible, y serán exigibles el primer día de ese ejercicio.

2) Si algún Miembro no paga su contribución completa al presupuesto administrativo en el término de seis meses a partir de la fecha en que ésta sea exigible, se suspenderán su derecho de voto en el Consejo y el derecho a que sean depositados sus votos

en la Junta, hasta que haya abonado dicha contribución. Sin embargo, a menos que el Consejo lo decida por mayoría distribuida de dos tercios, no se privará a dicho Miembro de ninguno de sus demás derechos ni se le eximirá de ninguna de las obligaciones que le impone este Convenio.

3) Ningún Miembro cuyos derechos de voto hayan sido suspendidos, sea en virtud de las disposiciones del ordinal 2) del presente Artículo o en virtud de las disposiciones de los Artículos 42, 45, 6 58, quedará relevado por ello del pago de su contribución.

Artículo 27

Certificación y publicación de cuentas

Tan pronto como sea posible después del cierre de cada ejercicio económico se presentará al Consejo, para su aprobación y publicación, un estado de cuentas, certificado por auditores externos, de los ingresos y gastos de la Organización durante ese ejercicio económico.

CAPITULO VII - REGULACION DE LAS EXPORTACIONES Y DE LAS IMPORTACIONES

Artículo 28

Disposiciones generales

1) Toda decisión del Consejo en virtud de las disposiciones del presente Capítulo será adoptada por mayoría distribuida de dos tercios.

2) Se entenderá que la palabra "anual" se refiere, en el presente Capítulo, a cualquier período de doce meses que el Consejo establezca. Empero, el Consejo podrá adoptar procedimientos con arreglo a los cuales las disposiciones del presente Capítulo se apliquen a un período de más de doce meses.

Artículo 29

Mercados en régimen de cuota

Para los efectos de este Convenio, el mercado cafetero mundial quedará dividido en mercados de países Miembros, que estarán sujetos al régimen de cuotas, y mercados de países no miembros, que no estarán sujetos a tal régimen.

Artículo 30

Cuotas básicas

1) Cada Miembro exportador tendrá derecho, con sujeción a las disposiciones de los Artículos 31 y 32, a una cuota básica calculada de conformidad con lo dispuesto en el presente Artículo.

2) Si, en virtud de lo dispuesto en el Artículo 33, las cuotas entraren en vigor durante el año cafetero 1976/77, la cuota básica que haya de utilizarse para la distribución de la parte fija de las cuotas se calculará sobre la base del volumen promedio de las exportaciones anuales efectuadas por cada Miembro exportador con destino a Miembros importadores en los años cafeteros de 1968/69 a 1971/72. Esa distribución de la parte fija permanecerá en vigor hasta que las cuotas sean suspendidas por primera vez en virtud de las disposiciones del Artículo 33.

3) Si no se establecieren cuotas en el año cafetero 1976/77, pero entraren en vigor durante el año cafetero 1977/78, la cuota básica que haya de utilizarse para la distribución de la parte fija de las cuotas será calculada tomando para cada Miembro exportador la mayor de las dos cantidades siguientes:

- a) el volumen de sus exportaciones a países Miembros importadores durante el año cafetero 1976/77, calculado a base de la información obtenida de los certificados de origen; o
- b) la cifra resultante de aplicar el procedimiento indicado en el ordinal 2) del presente Artículo.

Esa distribución de la parte fija permanecerá en vigor hasta que las cuotas sean suspendidas por primera vez en virtud de las disposiciones del Artículo 33.

4) Si las cuotas entraren en vigor por primera vez, o fueren reestablecidas, durante el año cafetero 1978/79 o en cualquier fecha posterior, la cuota básica que haya de utilizarse para distribuir la parte fija de las cuotas será calculada tomando para cada Miembro exportador la mayor de las dos cantidades siguientes:

- a) el volumen promedio de sus exportaciones a países Miembros importadores en los años cafeteros 1976/77 y 1977/78, calculado a base de la información obtenida de los certificados de origen; o
- b) la cifra resultante de aplicar el procedimiento indicado en el ordinal 2) del presente Artículo.

5) Si se establecieren las cuotas con arreglo a lo dispuesto en el ordinal 2) del presente Artículo y fueren luego suspendidas, su restablecimiento durante el año cafetero 1977/78 se regirá por lo dispuesto en el ordinal 3) del presente Artículo y en el ordinal 1) del Artículo 35. El restablecimiento de las cuotas durante el año

cafetero 1978/79, o en cualquier fecha posterior, se regirá por lo dispuesto en el ordinal 4) del presente Artículo y en el ordinal 1) del Artículo 35.

Artículo 31

Miembros exportadores exentos de cuotas básicas

1) Con sujeción a lo dispuesto en los ordinarios 4) y 5) del presente Artículo, no se asignará cuota básica a los Miembros exportadores enumerados en el Anexo I. Dichos Miembros tendrán en el año cafetero 1976/77, con sujeción a las disposiciones del Artículo 33, las cuotas iniciales de exportación anual que se indican en la columna 1 de dicho Anexo. Con sujeción a lo dispuesto en el ordinal 2) del presente Artículo y en el Artículo 33, la cuota de los referidos Miembros para cada uno de los años cafeteros siguientes experimentará un incremento de:

- a) un 10 por ciento de la cuota inicial de exportación anual, en el caso de los Miembros cuya cuota inicial de exportación anual sea inferior a 100.000 sacos; y
- b) un 5 por ciento de la cuota inicial de exportación anual, en el caso de los Miembros cuya cuota inicial de exportación anual sea igual o superior a 100.000 sacos pero inferior a 400.000 sacos.

Para los efectos de fijar las cuotas anuales de los Miembros de que se trate cuando se establezcan o restablezcan las cuotas en virtud de lo dispuesto en el Artículo 33, esos incrementos anuales se considerarán como efectivos desde la entrada en vigor de este Convenio.

2) A más tardar el 31 de julio de cada año, cada uno de los Miembros exportadores a que se refiere el ordinal 1) del presente

Artículo notificará al Consejo la cantidad de café que es probable vaya a tener disponible para su exportación durante el año cafetero siguiente. La cuota para el año cafetero siguiente será la cantidad así indicada por el Miembro exportador, siempre que tal cantidad no exceda del límite permisible definido en el ordinal 1) del presente Artículo.

3) Cuando la cuota anual de un Miembro exportador cuya cuota inicial de exportación anual sea inferior a 100.000 sacos alcance o rebase el máximo de 100.000 sacos señalado en el ordinal 1) del presente Artículo, el Miembro de que se trate quedará sujeto en lo sucesivo a las disposiciones aplicables a los Miembros exportadores cuya cuota inicial de exportación anual sea igual o superior a 100.000 sacos pero inferior a 400.000 sacos.

4) Cuando la cuota anual de un Miembro exportador cuya cuota inicial de exportación anual sea inferior a 400.000 sacos alcance el máximo de 400.000 sacos señalado en el ordinal 1) del presente Artículo, el Miembro de que se trate quedará sujeto en lo sucesivo a las disposiciones del Artículo 35, y el Consejo le asignará una cuota básica.

5) Todo Miembro exportador incluido en el Anexo I que exporte 100.000 sacos o más podrá, en cualquier momento, pedir al Consejo que le sea asignada una cuota básica.

6) Los Miembros cuya cuota anual sea inferior a 100.000 sacos no estarán sujetos a las disposiciones de los Artículos 36 y 37

Artículo 32

Disposiciones para el ajuste de las cuotas básicas

1) Cuando se adhiera a este Convenio un país importador que no haya sido miembro del Convenio Internacional del Café de 1968 ni

del Convenio Internacional del Café de 1968 prorrogado, el Consejo procederá a ajustar las cuotas básicas resultantes de la aplicación de las disposiciones del Artículo 30.

2) El ajuste mencionado en el ordinal 1) del presente Artículo se efectuará teniendo en cuenta el promedio de las exportaciones de los diferentes Miembros exportadores al país importador de que se trate durante el período de 1968 a 1972, o la parte proporcional de los diferentes Miembros exportadores en el promedio de las importaciones de dicho país durante el mismo período.

3) El Consejo aprobará los datos que hayan de utilizarse como base para los cálculos necesarios a los efectos de ajuste de las cuotas básicas; así como también los criterios que hayan de seguirse a efectos de aplicar las disposiciones del presente Artículo.

Artículo 33

Disposiciones para el establecimiento, suspensión y restablecimiento de cuotas

1) A menos que el Consejo decida otra cosa, las cuotas entrarán en vigor en cualquier momento de la duración de este Convenio si:

- a) el precio indicativo compuesto durante 20 días de mercado consecutivos es, por término medio, igual o inferior al límite máximo del margen de precios entonces en vigor establecido por el Consejo con arreglo a lo dispuesto en el Artículo 38;
- b) a falta de una decisión del Consejo estableciendo un margen de precios,

- i) el promedio de los precios indicativos de los cafés Otros Suaves y Robustas durante 20 días de mercado consecutivos es, por término medio, igual o inferior al promedio de dichos precios durante el año civil 1975 según los registros mantenidos por la Organización durante la vigencia del Convenio Internacional del Café de 1968 prorrogado; o
- ii) con sujeción a las disposiciones del ordinal 2) del presente Artículo, el precio indicativo compuesto calculado con arreglo a las disposiciones del Artículo 38 es por término medio, durante 20 días de mercado consecutivos, inferior en un 15 por ciento o más al promedio del precio indicativo compuesto correspondiente al precedente año cafetero durante el cual haya estado en vigor este Convenio.

Pese a las precedentes disposiciones de este ordinal, las cuotas no operarán al entrar en vigor este Convenio a menos que el promedio de los precios indicativos de los cafés Otros Suaves y Robustas durante los 20 días de mercado consecutivos inmediatamente anteriores a dicha fecha sea, por término medio, igual o inferior al promedio de dichos precios en el año civil 1975.

2) No obstante las disposiciones del subnumeral ii) del numeral b) del ordinal 1) del presente Artículo, las cuotas no tendrán efecto, a menos que el Consejo decida otra cosa, si, durante 20 días de mercado consecutivos, el promedio de los precios indicativos de los cafés Otros Suaves y Robustas es, por término medio, superior en un 22,5 por ciento o más al promedio de dichos precios en el año civil de 1975.

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3) Los precios especificados en el subnumeral i) del numeral b) del ordinal 1) y en el ordinal 2) del presente Artículo serán examinados, y podrán ser revisados por el Consejo antes del 30 de septiembre de 1978 y antes del 30 de septiembre de 1980.

4) A menos que el Consejo decida otra cosa, las cuotas serán suspendidas:

- a) si el precio indicativo compuesto durante 20 días de mercado consecutivos es, por término medio, superior en un 15 por ciento al límite máximo del margen de precios establecido por el Consejo y entonces en vigor; o
- b) si, no habiendo decidido el Consejo establecer un margen de precios, el precio indicativo compuesto durante 20 días de mercado consecutivos es, por término medio, superior en un 15 por ciento o más al precio indicativo compuesto promedio registrado durante el precedente año civil.

5) A menos que el Consejo decida otra cosa, las cuotas serán restablecidas, después de haber sido suspendidas en virtud de lo dispuesto en el ordinal 4) del presente Artículo, con arreglo a las disposiciones de los ordinarios 1), 2) y 6)

6) Siempre que se cumplan las pertinentes condiciones de precios especificadas en el ordinal 1) del presente Artículo, y con sujeción a lo dispuesto en el ordinal 2) del mismo, las cuotas entrarán en vigor a la mayor brevedad posible, y a más tardar en el trimestre siguiente al cumplimiento de las citadas condiciones de precios. Salvo estipulación de este Convenio en otro sentido, las cuotas se fijarán para un período de cuatro trimestres. Si el Consejo no hubiere establecido previamente la cuota global anual y las cuotas trimestrales, el Director Ejecutivo fijará una cuota, basándose para ello en la cuantía de la desaparición de café en mercados en régimen de cuota, según estimación efectuada con arreglo a los criterios establecidos en el Artículo 34, y la

asignación de tal cuota a los Miembros exportadores se efectuará de conformidad con las disposiciones de los Artículos 31 y 35.

7) El Consejo será convocado en el primer trimestre siguiente a la entrada en vigor de las cuotas, con el fin de fijar márgenes de precios y examinar y, si fuere preciso, revisar las cuotas para el período que el Consejo estime conveniente, siempre que dicho período no exceda de doce meses a contar desde la fecha en que comience la vigencia de las cuotas.

Artículo 34

Fijación de la cuota anual global

Con sujeción a lo dispuesto en el Artículo 33, el Consejo fijará, en su último período ordinario de sesiones de cada año cafetero, una cuota anual global, tomando en consideración, inter alia, los factores siguientes:

- a) la estimación del consumo anual de los Miembros importadores;
- b) la estimación de las importaciones efectuadas por los Miembros y procedentes de otros Miembros importadores y de países no miembros;
- c) la estimación de las variaciones del nivel de los inventarios en los países Miembros importadores y en los puertos frances;
- d) la observancia de las disposiciones del Artículo 40 respecto de los déficits y su redistribución; y
- e) para la implantación y restablecimiento de cuotas con arreglo a lo dispuesto en los ordinales 1) y 5) del Artículo 33, las exportaciones de los Miembros exportadores

a Miembros importadores y a países no miembros durante el periodo de doce meses precedente al establecimiento de las cuotas.

Articulo 35

Asignación de cuotas anuales

1) Habida cuenta de la decisión que se adopte en virtud de lo dispuesto en el Articulo 34 y una vez deducida la cantidad de café necesaria para cumplir lo dispuesto en el Articulo 31, se asignarán cuotas anuales, con una parte fija y otra variable, a los Miembros exportadores que tengan derecho a una cuota básica. La parte fija corresponderá al 70 por ciento de la cuota global anual ajustada en observancia de lo dispuesto en el Articulo 31 y se distribuirá entre los Miembros exportadores con arreglo a las disposiciones del Articulo 30. La parte variable corresponderá al 30 por ciento de la cuota global anual ajustada en observancia de lo dispuesto en el Articulo 31. Las citadas proporciones podrán ser modificadas por el Consejo, pero la parte fija no será nunca inferior al 70 por ciento. Con sujeción a las disposiciones del ordinal 2) del presente Articulo, la parte variable se distribuirá entre los Miembros exportadores en la misma proporción que exista entre las existencias verificadas de cada Miembro exportador y la totalidad de las existencias verificadas de todos los Miembros exportadores que tengan cuota básica, a condición de que, a no ser que el Consejo establezca otro límite, ningún Miembro recibirá un porcentaje de la parte variable de la cuota que exceda del 40 por ciento del total de dicha parte variable.

2) Las existencias de cada Miembro exportador que se tendrán en cuenta para los efectos del presente Articulo serán las verificadas, con arreglo al pertinente reglamento de verificación de existencias, al final del año de cosecha inmediatamente anterior a la fijación de cuotas.

Artículo 36

Cuotas trimestrales

1) Inmediatamente después de la asignación de cuotas anuales en virtud de las disposiciones del ordinal 1) del Artículo 35, y con sujeción a lo dispuesto en el Artículo 31, el Consejo asignará cuotas trimestrales a cada Miembro exportador, con el fin de asegurar la salida ordenada del café al mercado mundial durante el período para el cual se fijen cuotas.

2) Esas cuotas deberán ser, en lo posible, el 25 por ciento de la cuota anual de cada Miembro. No se permitirá a ningún Miembro exportar más del 30 por ciento en el primer trimestre, más del 60 por ciento en los dos primeros trimestres ni más del 80 por ciento en los tres primeros trimestres. Si las exportaciones efectuadas por cualquier Miembro en un determinado trimestre son inferiores a su cuota para ese trimestre, el saldo se añadirá a su cuota del trimestre siguiente.

3) Las disposiciones del presente Artículo se aplicarán también para la puesta en práctica del ordinal 6) del Artículo 33.

4) Cuando por circunstancias excepcionales, un Miembro exportador considere probable que las limitaciones establecidas en el ordinal 2) del presente Artículo causen serios perjuicios a su economía, el Consejo podrá, a solicitud de ese Miembro, adoptar las medidas pertinentes de conformidad con las disposiciones del Artículo 56. El Miembro interesado deberá demostrar los perjuicios sufridos y proporcionar garantías adecuadas en lo relativo al mantenimiento de la estabilidad de los precios. Sin embargo, el Consejo no podrá en ningún caso autorizar a un Miembro a exportar más del 35 por ciento de su cuota anual en el primer trimestre, más del 65 por ciento en los dos primeros trimestres ni más del 85 por ciento en los tres primeros trimestres.

Articulo 37**Ajuste de las cuotas anuales y trimestrales**

1) Si las condiciones del mercado así lo requieren, el Consejo podrá modificar las cuotas anuales y trimestrales asignadas en virtud de las disposiciones de los Articulos 33, 35 y 36. Con sujeción a las disposiciones del ordinal 1) del Articulo 35 y exceptuando lo estipulado en el Articulo 31 y en el ordinal 3) del Articulo 39, las cuotas de cada Miembro exportador serán modificadas en un porcentaje que será igual para todos.

2) No obstante lo dispuesto en el ordinal 1) del presente Articulo, el Consejo podrá, si juzga que la situación del mercado así lo exige, hacer ajustes entre las cuotas de los Miembros exportadores para los trimestres corriente y restantes, sin alterar por ello las cuotas anuales.

Articulo 38**Medidas relativas a precios**

1) El Consejo establecerá un sistema de precios indicativos, en el que figurará un precio indicativo compuesto diario.

2) En base al referido sistema, el Consejo podrá establecer márgenes y diferenciales de precios para los principales tipos y/o grupos de café, así como también un margen del precio compuesto.

3) Al establecer y ajustar cualquier margen de precios para los efectos del presente Articulo, el Consejo tomará en consideración el nivel y tendencia vigentes de los precios del café, incluida la influencia que en dichos nivel y tendencia ejerzan los factores siguientes

- los niveles y tendencias del consumo y de la producción, así como también de las existencias en países importadores y exportadores;
- las modificaciones del sistema monetario mundial,
 - la tendencia de la inflación o deflación mundiales; y
 - cualesquiera otros factores que pudieran afectar al logro de los objetivos especificados en este Convenio.

El Director Ejecutivo facilitará los datos necesarios para hacer posible que el Consejo dé la debida consideración a los referidos elementos.

4) El Consejo dictará normas acerca de los efectos del establecimiento o ajuste de cuotas en los contratos concertados con anterioridad a tal establecimiento o ajuste.

Artículo 39

Medidas adicionales para el ajuste de las cuotas

1) Si las cuotas están en vigor, será convocado el Consejo con el fin de establecer un sistema de ajuste a prorrata de las cuotas en función de la evolución del precio indicativo compuesto, conforme a lo estipulado en el Artículo 38.

2) Figurarán en el referido sistema disposiciones relativas a márgenes de precios, número de días de mercado que durarán los cómputos y numero y magnitud de los ajustes.

3) El Consejo podrá establecer también un sistema de incremento de las cuotas en función de la evolución de los precios de los principales tipos y/o grupos de café.

Artículo 40

Déficits

1) Todo Miembro exportador declarará todo déficit que prevea con relación a su cupo de exportación, a fin de permitir su redistribución durante el mismo año cafetero entre aquellos Miembros exportadores que tengan capacidad y disposición de exportar la cuantía de los déficits. El setenta por ciento de la cantidad declarada con arreglo a las disposiciones del presente ordinal será ofrecido, en primer lugar, para su redistribución entre otros Miembros exportadores del mismo tipo de café, en proporción a sus cuotas básicas, y el treinta por ciento será ofrecido, en primer lugar, a los Miembros exportadores del otro tipo de café, también en proporción a sus cuotas básicas.

2) Si un Miembro declarase un déficit dentro de los seis primeros meses de un año cafetero, la cuota anual de dicho Miembro para el año cafetero siguiente será incrementada en un treinta por ciento del volumen declarado y no exportado. Esta cuantía será deducida de los cupos de exportación anual de los Miembros exportadores que hubieren aceptado la redistribución con arreglo a lo previsto en el ordinal 1) del presente Artículo, a prorrata de su participación en la citada redistribución.

Artículo 41

Cupo de exportación de un grupo Miembro

En el caso de que dos o más Miembros formen un grupo Miembro de acuerdo con las disposiciones de los Artículos 6 y 7, se sumarán las cuotas básicas o, en su caso, los cupos de exportación de esos Miembros y el total resultante será considerado, para los

efectos de las disposiciones del presente Capítulo, como una sola cuota básica o un solo cupo de exportación.

Artículo 42

Observancia de las cuotas

- 1) Los Miembros exportadores adoptarán las medidas necesarias para asegurar el pleno cumplimiento de todas las disposiciones de este Convenio relativas a cuotas. Aparte de cualesquiera medidas que los propios Miembros puedan adoptar, el Consejo podrá exigir a dichos Miembros que tomen medidas complementarias para la eficaz puesta en práctica del sistema de cuotas previsto en este Convenio.
- 2) Ningún Miembro exportador podrá sobrepasar las cuotas anuales o trimestrales que se le hubieren asignado.
- 3) Si un Miembro exportador se excede de su cuota en un determinado trimestre, el Consejo deducirá de una o varias de sus cuotas siguientes una cantidad igual al 110 por ciento de dicho exceso.
- 4) Si un Miembro exportador se excede por segunda vez de su cuota trimestral, el Consejo aplicará la misma deducción prevista en el ordinal 3) del presente Artículo.
- 5) Si un Miembro exportador se excede por tercera vez o más veces, de su cuota trimestral, el Consejo aplicará la misma deducción prevista en el ordinal 3) del presente Artículo y se suspenderán los derechos de voto del Miembro hasta el momento en que el Consejo decida si se le excluye de la Organización, de conformidad con las disposiciones del Artículo 66.
- 6) Las deducciones previstas en los ordinarios 3), 4) y 5) del presente Artículo se considerarán como déficits a los efectos del ordinal 1) del Artículo 40.

... ...

7) El Consejo aplicará las disposiciones de los ordinarios 1) al 5) del presente Artículo tan pronto como se disponga de la información necesaria.

Artículo 43

Certificados de origen y de reexportación

1) Toda exportación de café efectuada por un Miembro deberá estar amparada por un certificado de origen válido. Los certificados de origen serán expedidos, de conformidad con las normas que el Consejo establezca, por un organismo competente que será escogido por el Miembro de que se trate y aprobado por la Organización.

2) Si las cuotas se encuentran en vigor, toda reexportación de café efectuada por un Miembro deberá estar amparada por un certificado de reexportación válido. Los certificados de reexportación serán expedidos, de conformidad con las normas que el Consejo establezca, por un organismo competente que será escogido por el Miembro de que se trate y aprobado por la Organización, y se hará constar en ellos que el café en cuestión fue importado de conformidad con las disposiciones de este Convenio.

3) Entre las normas a que se hace referencia en el presente Artículo figurarán disposiciones que permitan su aplicación a grupos de Miembros importadores que constituyan una unión aduanera.

4) El Consejo podrá dictar normas referentes a la impresión, validación, expedición y utilización de los certificados, y podrá adoptar medidas para emitir estampillas de exportación de café contra el pago de unos derechos que serán determinados por el Consejo. La adhesión de dichas estampillas a los certificados de origen podrá constituir uno de los medios de validación de los mismos. El Consejo

podrá tomar medidas análogas por lo que se refiere a la validación de otros tipos de certificado y a la expedición, en las condiciones que se determinen, de otros tipos de estampillas.

5) Todo Miembro comunicará a la Organización el nombre del organismo, gubernamental o no gubernamental, que desempeñará las funciones descritas en los ordinados 1) y 2) del presente Artículo. La Organización aprobará específicamente los organismos no gubernamentales, una vez que el Miembro interesado le haya suministrado pruebas suficientes de la capacidad y voluntad de tales organismos para desempeñar el cometido que le corresponde al Miembro de conformidad con las normas y reglamentos establecidos en virtud de las disposiciones de este Convenio. El Consejo podrá declarar en cualquier momento, por motivo justificado, que deja de considerar aceptable a determinado organismo no gubernamental. De manera directa o por conducto de una organización de ámbito mundial internacionalmente reconocida, el Consejo tomará las medidas necesarias para que tenga certeza, en todo momento, de que los certificados en todas sus formas se expiden y utilizan correctamente, y pueda comprobar las cantidades de café que ha exportado cada Miembro.

6) Todo organismo no gubernamental aprobado como organismo certificador de conformidad con las disposiciones del ordinal 5) del presente Artículo, mantendrá registro de los certificados expedidos y de los documentos que justifiquen su expedición, durante un período no inferior a cuatro años. Para obtener su aprobación como organismo certificador en virtud de las disposiciones del ordinal 5) del presente Artículo, el organismo no gubernamental habrá de comprometerse previamente a poner tal registro a disposición de la Organización para su examen.

7) Si las cuotas se encuentran en vigor, los Miembros, con sujeción a lo dispuesto en el Artículo 44 y en los ordinados 1) y 2) del Artículo 45, prohibirán la importación de toda partida de

café que no vaya acompañada de un certificado válido, del tipo pertinente, expedido de conformidad con las normas establecidas por el Consejo.

8) Las pequeñas cantidades de café en las formas que el Consejo pudiere determinar, o el café para consumo directo en barcos, aviones y otros medios de transporte internacional, quedarán exentos de las disposiciones de los ordinarios 1) y 2) del presente Artículo.

Artículo 44

Exportaciones no imputadas a las cuotas

1) Conforme a lo dispuesto en el Artículo 29, no serán imputadas a las cuotas las exportaciones a países no miembros de este Convenio. El Consejo podrá dictar normas referentes, inter alia, al comportamiento y supervisión de las transacciones de este comercio, al tratamiento y sanciones que merezcan las desviaciones y reexportaciones a países Miembros de café destinado a países no miembros, y a la documentación exigida para amparar las exportaciones a países Miembros y a países no miembros.

2) Las exportaciones de café en grano como materia prima para procesos industriales con fines diferentes del consumo humano como bebida o alimento no serán imputadas a las cuotas, siempre que el Miembro exportador pruebe a satisfacción del Consejo que el café en grano se utilizará realmente para tales fines.

3) El Consejo podrá decidir, a petición de un Miembro exportador, que no se imputen a su cuota las exportaciones de café efectuadas por ese Miembro para fines humanitarios u otros fines no comerciales.

Artículo 45**Regulación de las importaciones**

1) Para evitar que los países no miembros aumenten sus exportaciones a expensas de los Miembros exportadores, cada Miembro limitará, cuando estén en vigor las cuotas, sus importaciones anuales de café procedente de países no miembros que no hubieren sido tampoco Miembros del Convenio Internacional del Café de 1968 a una cantidad igual al promedio anual de sus importaciones de café procedente de países no miembros desde el año civil de 1971 al año civil de 1974 inclusive, o desde el año civil de 1972 hasta el año civil de 1974, también inclusive.

2) Siempre que estén en vigor las cuotas, los Miembros limitarán también sus importaciones anuales de café procedente de cada uno de los países no miembros que haya sido Miembro del Convenio Internacional del Café de 1968 o del Convenio Internacional del Café de 1968 prorrogado a una cantidad que no exceda de un porcentaje de las importaciones anuales promedio procedentes del respectivo país no miembro durante los años cafeteros de 1968/69 a 1971/72 que corresponda a la proporción existente, cuando las cuotas entren en vigor, entre la parte fija y la cuota global anual, con arreglo a lo dispuesto en el ordinal 1) del Artículo 35.

3) El Consejo podrá suspender o alterar esas limitaciones cuantitativas si así lo cree necesario para los objetivos de este Convenio.

4) Las obligaciones establecidas en los ordinarios anteriores del presente Artículo se entenderán sin perjuicio de las obligaciones en conflicto, bilaterales o multilaterales, que los Miembros importadores hayan contraído con países no miembros antes de la entrada en vigor de este Convenio, siempre que todo Miembro importador que haya

asumido esas obligaciones en conflicto las cumpla de forma tal que disminuya en la medida de lo posible cualquier conflicto con las obligaciones establecidas en los ordinarios anteriores. Dicho Miembro adoptará cuanto antes medidas para conciliar sus obligaciones con las disposiciones de los ordinarios 1) y 2) del presente Artículo y deberá informar detalladamente al Consejo sobre las obligaciones en conflicto, así como sobre las medidas que haya tomado para atenuar o eliminar el conflicto existente.

5) Si un Miembro importador no cumple las disposiciones del presente Artículo, el Consejo podrá suspender su derecho de voto en el Consejo y su derecho a que se depositen sus votos en la Junta.

CAPITULO VIII - OTRAS DISPOSICIONES ECONOMICAS

Artículo 46

Medidas relativas al café elaborado

1) Los Miembros reconocen la necesidad de que los países en desarrollo amplíen la base de sus economías mediante, inter alia, la industrialización y exportación de productos manufacturados, incluida la elaboración del café y la exportación del café elaborado.

2) A ese respecto, los Miembros evitarán la adopción de medidas gubernamentales que puedan trastornar el sector cafetero de otros Miembros.

3) Si un Miembro considera que no están siendo observadas las disposiciones del ordinal 2) del presente Artículo, debe celebrar consultas con los otros Miembros interesados, teniendo debidamente en cuenta las disposiciones del Artículo 57. Los Miembros interesados harán todo lo posible por llegar a una solución amistosa

de carácter bilateral. Si tales consultas no conducen a una solución satisfactoria para las partes, cualquiera de ellas podrá someter el asunto al Consejo para su consideración con arreglo a las disposiciones del Artículo 58.

4) Nada de lo estipulado en este Convenio podrá invocarse en perjuicio del derecho, que asiste a todo Miembro, de adoptar medidas para evitar que su sector cafetero se vea trastornado por importaciones de café elaborado, o para poner remedio a tal trastorno.

Artículo 47

Promoción

1) Los Miembros se comprometen a fomentar por todos los medios posibles el consumo de café. Para la consecución de ese propósito se creará un Fondo de Promoción que tendrá como objetivo el promover, por todos los medios adecuados, el consumo en países importadores, sin distinción de origen, tipo o marca de café, y el conseguir y mantener la más alta calidad y pureza de la bebida.

2) El Fondo de Promoción estará administrado por un comité. La afiliación al Fondo quedará limitada a los Miembros que contribuyan financieramente al mismo.

3) El Fondo será financiado durante los años cafeteros 1976/77 y 1977/78 mediante un gravamen obligatorio sobre las estampillas de exportación de café o las autorizaciones de exportación equivalentes, el cual será abonado por los Miembros exportadores con efecto a partir del 1 de octubre de 1976. Dicho gravamen será de 5 centavos de dólar de los EE.UU. por saco para los Miembros enumerados en el Anexo 1 que tengan cuotas iniciales de exportación anual inferiores a 100.000 sacos; de 10 centavos de dólar de los EE.UU. por saco para los Miembros enumerados en el Anexo 1 que

tengan cuotas iniciales de exportación anual iguales o superiores... a 100.000 sacos e inferiores a 400.000 sacos, y de 25 centavos de dólar de los EE.UU. por saco para los restantes Miembros exportadores. El Fondo podrá también ser financiado mediante contribuciones voluntarias de los otros Miembros, en las condiciones que apruebe el comité.

4) El comité podrá decidir en cualquier momento seguir recaudando un gravamen obligatorio en el tercer año cafetero y los años cafeteros siguientes, si fueren necesarios recursos adicionales para cumplir compromisos contraídos en virtud de lo establecido en el ordinal 7) del presente Artículo. El comité podrá asimismo tomar la decisión de percibir contribuciones de otros Miembros en las condiciones que apruebe.

5) Los recursos del Fondo se utilizarán primordialmente para financiar campañas de promoción en los países Miembros importadores.

6) El Fondo podrá patrocinar investigaciones y estudios relacionados con el consumo de café.

7) Los Miembros importadores o las asociaciones del comercio del ramo de países Miembros importadores a las que el comité dé su aceptación podrán presentar propuestas de campañas de promoción del café. El Fondo podrá facilitar recursos para financiar como máximo el 50 por ciento del costo de tales campañas. Una vez aprobada una campaña, no sufrirá modificación el porcentaje de contribución del comité a la misma. La duración de las campañas podrá exceder de un año, pero no pasar de cinco.

8) El gravamen mencionado en el ordinal 3) del presente Artículo se pagará contra entrega de estampillas de exportación de café o autorizaciones de exportación equivalentes. El reglamento para la aplicación de un sistema de certificados de origen en virtud de lo dispuesto en el Artículo 43 contendrá disposiciones

relativas al pago del gravamen señalado en el ordinal 3) del presente Artículo.

9) El gravamen señalado en los ordinados 3) y 4) del presente Artículo se abonará, en dólares de los EE.UU., al Director Ejecutivo, quién depositará los recursos obtenidos del mismo en una cuenta especial, que se denominará Cuenta del Fondo de Promoción.

10) El comité fiscalizará todos los recursos del Fondo de Promoción. Una vez finalizado cada ejercicio económico se presentará a la aprobación del comité, a la mayor brevedad posible, un estado de cuentas certificado por auditores independientes, relativo a los ingresos y gastos del Fondo de Promoción durante el ejercicio económico correspondiente. Las cuentas certificadas por auditores serán remitidas al Consejo, para su información exclusivamente, una vez aprobadas por el comité.

11) El Director Ejecutivo será presidente del comité e informará periódicamente al Consejo acerca de las actividades de éste.

12) Los gastos administrativos necesarios para llevar a efecto las disposiciones del presente Artículo y los referentes a actividades de promoción serán sufragados con cargo al Fondo de Promoción.

13) El comité dictará sus propios estatutos.

Artículo 48

Eliminación de obstáculos al consumo

1) Los Miembros reconocen la importancia vital de lograr cuanto antes el mayor aumento posible del consumo de café, en especial reduciendo progresivamente cualesquiera obstáculos que puedan oponerse a ese aumento.

- 2) Los Miembros reconocen que hay disposiciones actualmente en vigor que pueden, en mayor o menor medida, oponerse al aumento del consumo del café y en particular:
- a) los regímenes de importación aplicables al café, entre los que cabe incluir los aranceles preferenciales o de otra índole, las cuotas, las operaciones de los monopolios estatales y de las entidades oficiales de compra, y otras normas administrativas y prácticas comerciales;
 - b) los regímenes de exportación, en lo relativo a los subsidios directos o indirectos, y otras normas administrativas y prácticas comerciales; y
 - c) las condiciones internas de comercialización y las disposiciones legales y administrativas internas que puedan afectar al consumo.
- 3) Habida cuenta de los objetivos mencionados y de las disposiciones del ordinal 4) del presente Artículo, los Miembros se esforzarán por reducir los aranceles aplicables al café, o bien por adoptar otras medidas encaminadas a eliminar los obstáculos al aumento del consumo.
- 4) Tomando en consideración sus intereses comunes, los Miembros se comprometen a buscar medios de reducir progresivamente y, siempre que sea posible, llegar a eliminar los obstáculos mencionados en el ordinal 2) del presente Artículo que se oponen al aumento del comercio y del consumo o de atenuar considerablemente los efectos de los referidos obstáculos.
- 5) Habida cuenta de los compromisos contraídos en virtud de lo estipulado en el ordinal 4) del presente Artículo, los Miembros informarán anualmente al Consejo acerca de las medidas adoptadas con el objeto de poner en práctica las disposiciones del presente Artículo.

6) El Director Ejecutivo elaborará periódicamente una reseña de los obstáculos al consumo y la someterá a la consideración del Consejo.

7) Con el fin de coadyuvar a los objetivos del presente Artículo, el Consejo podrá formular recomendaciones a los Miembros y éstos rendirán informe al Consejo, a la mayor brevedad posible, acerca de las medidas adoptadas con miras a poner en práctica dichas recomendaciones.

Artículo 49

Mezclas y sucedáneos

1) Los Miembros no mantendrán en vigor ninguna disposición que exija la mezcla, elaboración o utilización de otros productos con café para su venta en el comercio con el nombre de café. Los Miembros se esforzarán por prohibir la publicidad y la venta con el nombre de café, de productos que contengan como materia prima básica menos del equivalente de 90 por ciento de café verde.

2) El Consejo podrá requerir a cualquiera de los Miembros para que tome las medidas necesarias con el fin de asegurar la observancia de las disposiciones del presente Artículo.

3) El Director Ejecutivo presentará periódicamente al Consejo un informe sobre la observancia de las disposiciones del presente Artículo.

Artículo 50

Política de producción

1) A fin de facilitar el logro del objetivo indicado en el ordinal 1) del Artículo 1, los Miembros exportadores se comprometen

a hacer cuanto esté a su alcance para adoptar y poner en práctica una política de producción.

2) El Consejo podrá establecer procedimientos de coordinación de las políticas de producción a que se hace referencia en el ordinal 1) del presente Artículo. Dichos procedimientos podrán abarcar medidas adecuadas de diversificación, o tendentes al fomento de ésta, así como medios para que los Miembros puedan obtener asistencia técnica y financiera.

3) El Consejo podrá establecer una contribución, pagadera por los Miembros exportadores, que se utilizará para hacer posible que la Organización lleve a cabo los adecuados estudios técnicos con el fin de prestar asistencia a los Miembros exportadores para que adopten las medidas necesarias para seguir una política de producción adecuada. La referida contribución no podrá ser superior a 2 centavos de dólar de los EE.UU. por saco exportado a países Miembros importadores y será pagadera en moneda convertible.

Artículo 51

Política relativa a las existencias

1) Con el objeto de complementar las disposiciones del Capítulo VII y del Artículo 50 el Consejo establecerá, por mayoría distribuida de dos tercios, una política relativa a las existencias de café en los países Miembros productores.

2) El Consejo adoptará medidas para comprobar anualmente el volumen de las existencias de café en poder de cada Miembro exportador, de conformidad con las disposiciones del Artículo 35. Los Miembros interesados darán facilidades para esa verificación anual.

3) Los Miembros productores se asegurarán de que en sus respectivos países existan instalaciones adecuadas para el debido almacenamiento de las existencias de café.

4) El Consejo emprenderá un estudio de la viabilidad de coadyuvar a los objetivos de este Convenio mediante un arreglo de las existencias internacionales.

Artículo 52

Consultas y colaboración con el comercio

1) La Organización mantendrá estrecha relación con las organizaciones no gubernamentales apropiadas que se ocupan del comercio internacional del café y con los expertos en cuestiones de café.

2) Los Miembros desarrollarán sus actividades en el ámbito de este Convenio de forma que ésté en consonancia con los conductos comerciales establecidos, y se abstendrán de toda práctica de ventas discriminatoria. En el desarrollo de esas actividades, procurarán tener debidamente en cuenta los legítimos intereses del comercio cafetero.

Artículo 53

Información

1) La Organización actuará como centro para la recopilación, intercambio y publicación de:

a) información estadística sobre la producción, los precios, las exportaciones e importaciones, la distribución y el consumo de café en el mundo; y

- b) en la medida que lo considere adecuado, información técnica sobre el cultivo, la elaboración y la utilización del café.
- 2) El Consejo podrá pedir a los Miembros que le proporcionen la información que considere necesaria para sus operaciones, incluidos informes estadísticos regulares sobre producción, tendencias de la producción, exportaciones e importaciones, distribución, consumo, existencias y precios del café, así como también sobre el régimen fiscal aplicable al café, pero no se publicará ninguna información que pudiera servir para identificar las operaciones de personas o compañías que produzcan, elaboren o comercialicen el café. Los Miembros proporcionarán la información solicitada en la forma más detallada y precisa que sea posible.
- 3) Si un Miembro dejare de suministrar, o tuviere dificultades para suministrar, dentro de un plazo razonable, datos estadísticos u otra información que necesite el Consejo para el buen funcionamiento de la Organización, el Consejo podrá exigirle que exponga las razones de la falta de cumplimiento. Si se comprobare que necesita asistencia técnica en la cuestión el Consejo podrá adoptar cualquier medida que se requiera al respecto.
- 4) Además de las medidas previstas en el ordinal 3) del presente Artículo, el Director Ejecutivo podrá, previa la debida notificación y a menos que el Consejo decida otra cosa, retener estampillas u otras autorizaciones de exportación equivalentes, conforme a lo estipulado en el Artículo 43.

Artículo 54

Estudios

- 1) El Consejo podrá estimular la preparación de estudios acerca de la economía de la producción y distribución del café,

del efecto de las medidas gubernamentales de los países productores y consumidores sobre la producción y consumo del café, de las oportunidades para la ampliación del consumo de café en su uso tradicional y en nuevos usos posibles, así como acerca de las consecuencias del funcionamiento de este Convenio para los países productores y consumidores de café y en particular para su relación de intercambio.

2) La Organización podrá estudiar la posibilidad de establecer normas mínimas para las exportaciones de café de los Miembros productores.

Artículo 55

Fondo especial

1) Se constituirá un Fondo especial destinado a permitir que la Organización adopte y financie las medidas adicionales necesarias para hacer que las pertinentes disposiciones de este Convenio puedan ponerse en práctica con efecto a partir de la entrada en vigor del mismo o lo más cerca posible de esa fecha.

2) Los ingresos del Fondo consistirán en un gravamen de 2 centavos de dólar de los EE.UU por saco de café exportado a países Miembros importadores, gravamen que será pagadero por los Miembros exportadores con efecto a partir de la entrada en vigor de este Convenio, a menos que el Consejo decida disminuir o suspender tal gravamen.

3) El gravamen mencionado en el ordinal 2) del presente Artículo, que habrá de pagarse en dólares de los EE.UU, será abonado al Director Ejecutivo, contra entrega de estampillas de exportación de café o autorizaciones de exportación equivalentes. En el reglamento para la aplicación de un sistema de certificados de origen en virtud de las disposiciones del Artículo 43 figurarán disposiciones acerca del pago de ese gravamen.

4) Sujeto a la aprobación del Consejo, el Director Ejecutivo estará autorizado a utilizar los recursos del Fondo para sufragar los costos de establecimiento del sistema de certificados de origen mencionado en el Artículo 43, los gastos a que dé lugar la verificación de existencias exigida por las disposiciones del ordinal 2) del Artículo 51, y los gastos de perfeccionamiento del sistema de recopilación y transmisión de datos estadísticos a que se hace referencia en el Artículo 53.

5) En la medida de lo posible, la administración y gestión del Fondo se llevarán a cabo de manera análoga a las del Presupuesto Administrativo, aunque aparte de las de éste, y el Fondo se someterá a auditoría independiente anual conforme a lo requerido para las cuentas de la Organización por las disposiciones del Artículo 27

Artículo 56

Exoneración de obligaciones

1) El Consejo, por mayoría distribuida de dos tercios, podrá exonerar a un Miembro de una obligación, por circunstancias excepcionales o de emergencia, por fuerza mayor, o por deberes constitucionales u obligaciones internacionales contraídas en virtud de la Carta de las Naciones Unidas con respecto a territorios que administre en virtud del Régimen de Administración Fiduciaria.

2) El Consejo, al conceder una exoneración a un Miembro, manifestará explícitamente los términos y condiciones bajo los cuales dicho Miembro quedará relevado de tal obligación, así como el período correspondiente.

3) El Consejo no considerará solicitud alguna de exoneración de obligaciones relativas a cuota que se formule en base al hecho de que, durante uno o más años, el país Miembro haya tenido una producción exportable superior a sus exportaciones permitidas, o

que sea consecuencia del incumplimiento por parte de dicho Miembro de las disposiciones de los Artículos 50 y 51.

CAPITULO IX - CONSULTAS, CONTROVERSIAS Y RECLAMACIONES

Artículo 57

Consultas

Todo Miembro acogerá favorablemente la celebración de consultas, y proporcionará oportunidad adecuada para ellas, en lo relativo a las gestiones que pudiere hacer otro Miembro acerca de cualquier asunto atinente a este Convenio. En el curso de tales consultas, a petición de cualquiera de las partes y previo consentimiento de la otra, el Director Ejecutivo constituirá una comisión independiente que interpondrá sus buenos oficios con el objeto de conciliar las partes. Los costos de la comisión no serán imputados a la Organización. Si una de las partes no acepta que el Director Ejecutivo constituya una comisión o si la consulta no conduce a una solución, el asunto podrá ser remitido al Consejo de conformidad con lo dispuesto en el Artículo 58. Si la consulta conduce a una solución, se informará de ella al Director Ejecutivo, quien hará llegar el informe a todos los Miembros.

Artículo 58

Controversias y reclamaciones

1) Toda controversia relativa a la interpretación o aplicación de este Convenio que no se resuelva mediante negociaciones será sometida al Consejo para su decisión, a petición de cualquier Miembro que sea parte de la controversia.

2) En cualquier caso en que una controversia haya sido remitida al Consejo en virtud de lo dispuesto en el ordinal 1) del presente Artículo, una mayoría de los Miembros, o Miembros que tengan por lo menos un tercio del total de votos, podrán pedir al Consejo, después de debatido el asunto, que, antes de adoptar su decisión, solicite la opinión del grupo consultivo mencionado en el ordinal 3) del presente Artículo acerca de las cuestiones controvertidas.

3)

- a) A menos que el Consejo decida otra cosa por unanimidad, el grupo estará formado por:
 - i) dos personas designadas por los Miembros exportadores, una de ellas con amplia experiencia en asuntos análogos al controvertido, y la otra con prestigio y experiencia en cuestiones jurídicas;
 - ii) dos personas de condiciones similares a las señaladas anteriormente, designadas por los Miembros importadores; y
 - iii) un presidente elegido por unanimidad por las cuatro personas designadas en virtud de los subnumerales i) y ii), o, en caso de desacuerdo, por el Presidente del Consejo.
- b) Para integrar el grupo consultivo podrán ser designados ciudadanos de los países cuyos gobiernos sean Partes Contratantes de este Convenio.
- c) Las personas designadas para formar el grupo consultivo actuarán a título personal y sin sujeción a instrucciones de ningún gobierno.
- d) Los gastos del grupo consultivo serán costeados por la Organización.

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4) La opinión del grupo consultivo y las razones en que ésta se fundamente serán sometidas al Consejo, el cual decidirá sobre la controversia después de examinar toda la información pertinente.

5) El Consejo dictará su decisión dentro de los seis meses siguientes a la fecha en que haya sido sometida la controversia a su consideración.

6) Toda reclamación contra un Miembro por falta de cumplimiento de las obligaciones que le impone este Convenio será remitida al Consejo, a petición del Miembro reclamante, para que aquél decida la cuestión.

7) Para declarar que un Miembro ha incumplido las obligaciones que impone este Convenio se requerirá una mayoría simple distribuida. En cualquier declaración que se haga de que un Miembro ha incumplido las obligaciones que le impone este Convenio, deberá especificarse la índole de la infracción.

8) Si el Consejo llegare a la conclusión de que un Miembro ha incumplido las obligaciones que le impone este Convenio, podrá, sin perjuicio de las medidas coercitivas previstas en otros artículos de este Convenio, privar a dicho Miembro, por mayoría distribuida de dos tercios, de su derecho de voto en el Consejo y de su derecho a que se depositen sus votos en la Junta hasta que cumpla sus obligaciones, o decidir excluir de la Organización a dicho Miembro en virtud de lo dispuesto en el Artículo 66.

9) Todo Miembro podrá solicitar la opinión previa de la Junta Ejecutiva acerca de cualquier asunto objeto de controversia o reclamación, antes de que dicho asunto se trate en el Consejo.

CAPITULO X - DISPOSICIONES FINALES

Artículo 59

Firma

Este Convenio estará abierto en la Sede de las Naciones Unidas a partir del 31 de enero de 1976 y hasta el 31 de julio de 1976 inclusive, a la firma de las Partes Contratantes del Convenio Internacional del Café de 1968 prorrogado mediante Protocolo, y de los gobiernos invitados a los períodos de sesiones del Consejo Internacional del Café convocados para negociar el Convenio Internacional del Café de 1976.

Artículo 60..

Ratificación, aceptación y aprobación

- 1) Este Convenio queda sujeto a la ratificación, aceptación o aprobación de los gobiernos signatarios, de conformidad con los respectivos procedimientos constitucionales.
- 2) Salvo lo dispuesto en el Artículo 61, los instrumentos de ratificación, aceptación o aprobación serán depositados en poder del Secretario General de las Naciones Unidas a más tardar el 30 de septiembre de 1976. El Consejo podrá, no obstante, otorgar ampliaciones de plazo a los gobiernos signatarios que no hayan podido depositar sus instrumentos a la citada fecha.

Artículo 61**Entrada en vigor**

1) Este Convenio entrará en vigor definitivamente el 1 de octubre de 1976, a condición que, en esa fecha, los gobiernos de por lo menos veinte Miembros exportadores que tengan por lo menos el 80 por ciento de los votos de los Miembros exportadores, y los gobiernos de por lo menos diez Miembros importadores que tengan por lo menos el 80 por ciento de los votos de los Miembros importadores, según lo indicado en el Anexo 2, hayan depositado sus respectivos instrumentos de ratificación, aceptación o aprobación. Podrá también entrar en vigor definitivamente en cualquier fecha posterior al 1 de octubre de 1976 si, encontrándose en vigor provisionalmente con arreglo a lo dispuesto en el ordinal 2) del presente Artículo, se depositan instrumentos de ratificación, aceptación o aprobación con los que se cumplan los referidos requisitos en cuanto a porcentajes.

2) Este Convenio puede entrar en vigor provisionalmente el 1 de octubre de 1976. A este propósito, la notificación de un gobierno signatario o de cualquier otra Parte Contratante del Convenio Internacional del Café de 1968 prorrogado mediante Protocolo, que haya sido recibida por el Secretario General de las Naciones Unidas el 30 de septiembre de 1976 a más tardar y en la que se contraiga el compromiso de aplicar provisionalmente este Convenio y gestionar la ratificación, aceptación o aprobación con arreglo a sus procedimientos constitucionales lo más pronto posible, surtirá el mismo efecto que un instrumento de ratificación, aceptación o aprobación. Todo gobierno que se haya comprometido a aplicar este Convenio provisionalmente mientras no deposite un instrumento de ratificación, aceptación o aprobación, será considerado como Parte provisional del mismo hasta que deposite ese instrumento de ratificación, aceptación o aprobación, o hasta el 31 de diciembre

de 1976 inclusive, si a esa fecha no hubiere efectuado tal depósito. El Consejo podrá prorrogar el plazo en que puede depositar su instrumento de ratificación, aceptación o aprobación un gobierno que esté aplicando provisionalmente este Convenio,

3) Si este Convenio no hubiere entrado en vigor definitiva o provisionalmente el 1 de octubre de 1976 con arreglo a las disposiciones de los ordinarios 1) o 2) del presente Artículo, los gobiernos que hubieren depositado instrumentos de ratificación, aceptación, aprobación o adhesión, o hubieren notificado que se comprometen a aplicar provisionalmente este Convenio y a gestionar su ratificación, aceptación o aprobación, podrán, de mutuo acuerdo, decidir que entrará en vigor entre ellos. Del mismo modo, si este Convenio hubiere entrado en vigor provisionalmente, pero no definitivamente, el 31 de diciembre de 1976, los gobiernos que hubieren depositado instrumentos de ratificación, aceptación, aprobación o adhesión, o hubieren hecho las notificaciones mencionadas en el ordinal 2) del presente Artículo, podrán, de mutuo acuerdo, decidir que continuará en vigor provisionalmente, o que entrará en vigor definitivamente, entre ellos.

Artículo 62

Adhesión

1) Podrá adherirse a este Convenio, antes o después de la entrada en vigor del mismo y en las condiciones que el Consejo establezca, el gobierno de cualquier Estado Miembro de las Naciones Unidas o de cualquiera de sus organismos especializados.

2) Los instrumentos de adhesión deberán ser depositados en poder del Secretario General de las Naciones Unidas. La adhesión será efectiva desde el momento en que se deposite el respectivo instrumento.

Artículo 63**Reservas**

No podrán formularse reservas respecto de ninguna de las disposiciones de este Convenio.

Artículo 64**Extensión a los territorios designados**

- 1) Cualquier gobierno podrá declarar, al firmar o depositar un instrumento de ratificación, aceptación, aprobación o adhesión, o en cualquier fecha posterior mediante notificación al Secretario General de las Naciones Unidas, que este Convenio se extiende a cualquiera de los territorios cuyas relaciones internacionales tenga a su cargo, en cuyo caso este Convenio se hará extensivo a dichos territorios a partir de la fecha de tal notificación.
- 2) Toda Parte Contratante que desee ejercer los derechos que le confieren las disposiciones del Artículo 5 respecto de cualquiera de los territorios cuyas relaciones internacionales tenga a su cargo, o que desee autorizar a cualquiera de dichos territorios para que se integre en un grupo Miembro formado en virtud de las disposiciones de los Artículos 6 6 7, podrá hacerlo mediante la correspondiente notificación al Secretario General de las Naciones Unidas, al efectuar el depósito de su instrumento de ratificación, aceptación, aprobación o adhesión, o en cualquier otra fecha posterior
- 3) Toda Parte Contratante que haya hecho una declaración de conformidad con lo dispuesto en el ordinal 1) del presente Artículo podrá en cualquier fecha posterior, mediante notificación al Secretario General de las Naciones Unidas, declarar que este Convenio

dejará de extenderse al territorio mencionado en la notificación, y en tal caso este Convenio dejará de hacerse extensivo a tal territorio a partir de la fecha de tal notificación.

4) Cuando un territorio al cual se hubiere extendido este Convenio en virtud de las disposiciones del ordinal 1) del presente Artículo se torne independiente, el gobierno del nuevo estado podrá, en un plazo de 90 días a partir de la obtención de la independencia, declarar por notificación al Secretario General de las Naciones Unidas que ha asumido los derechos y obligaciones como Parte Contratante de este Convenio. Desde la fecha de tal notificación, pasará a ser Parte Contratante de este Convenio. El Consejo puede otorgar una prórroga del plazo en que se ha de hacer tal notificación.

Artículo 65

Retiro voluntario

Toda Parte Contratante podrá retirarse de este Convenio en cualquier tiempo, mediante notificación por escrito de su retiro al Secretario General de las Naciones Unidas. El retiro surtirá efecto 90 días después de ser recibida la notificación.

Artículo 66

Exclusión

Si el Consejo decidiere que un Miembro ha dejado de cumplir las obligaciones que le impone este Convenio y que tal incumplimiento entorpece seriamente el funcionamiento de este Convenio, podrá, por una mayoría distribuida de dos tercios, excluir a tal Miembro de la Organización. El Consejo comunicará inmediatamente

tal decisión al Secretario General de las Naciones Unidas. A los noventa días de haber sido adoptada la decisión por el Consejo, tal Miembro dejará de ser Miembro de la Organización y, si fuere Parte Contratante, dejará de ser Parte de este Convenio.

Artículo 67

Ajuste de cuentas con los Miembros que se retiren o hayan sido excluidos

- 1) En el caso de que un Miembro se retire o sea excluido de la Organización, el Consejo determinará el ajuste de cuentas a que haya lugar. La Organización retendrá las cantidades abonadas por cualquier Miembro que se retire o sea excluido de la Organización, quedando obligado a pagar cualquier cantidad que le deba a la Organización en el momento en que surta efecto tal retiro o exclusión; sin embargo, si se trata de una Parte Contratante que no pueda aceptar una enmienda y, por consiguiente, cese de participar en este Convenio en virtud de las disposiciones del ordinal 2) del Artículo 69, el Consejo podrá determinar cualquier liquidación de cuentas que considere equitativa.
- 2) Ningún Miembro que haya cesado de participar en este Convenio tendrá derecho a recibir parte alguna del producto de la liquidación o de otros haberes de la Organización, ni le cabrá responsabilidad en cuanto a enjugar parte alguna de un eventual déficit de la Organización al terminar este Convenio.

Artículo 68

Duración y terminación

- 1) Este Convenio permanecerá vigente durante un período de seis años, es decir hasta el 30 de septiembre de 1982, a menos que

sea prorrogado en virtud de las disposiciones del ordinal 3) del presente Artículo o se le declare terminado en virtud de las disposiciones del ordinal 4) del mismo.

2) En el curso del tercer año de la vigencia de este Convenio, o sea durante el año cafetero que finaliza el 30 de septiembre de 1979, las Partes Contratantes notificarán al Secretario General de las Naciones Unidas su intención de continuar participando en este Convenio durante los tres años restantes de la vigencia del mismo. Toda Parte Contratante que, llegado el 30 de septiembre de 1979, no haya notificado su intención de continuar participando en este Convenio durante los tres años restantes de la vigencia del mismo, y todo territorio que sea Miembro o integrante de un grupo Miembro en nombre del cual no se haya hecho tal notificación a la citada fecha, dejará de participar en este Convenio a partir del 1 de octubre de 1979.

3) En cualquier fecha posterior al 30 de septiembre de 1980 el Consejo podrá, mediante el voto del 58 por ciento de los Miembros, que representen por lo menos una mayoría distribuida del 70 por ciento del total de los votos, decidir que este Convenio sea renegociado o que sea prorrogado, con o sin modificaciones, por el periodo que determine el Consejo. Toda Parte Contratante que a la fecha en que tal Convenio renegociado o prorrogado entre en vigor no haya notificado al Secretario General de las Naciones Unidas su aceptación de dicho Convenio renegociado o prorrogado, y todo territorio que sea Miembro o integrante de un grupo Miembro en nombre del cual no se haya hecho tal notificación a la citada fecha dejará de participar en dicho Convenio a partir de esa misma fecha.

4) El Consejo podrá en cualquier momento, mediante el voto afirmativo de una mayoría de los Miembros que represente por lo menos una mayoría distribuida de dos tercios del total de los votos, declarar terminado este Convenio en la fecha que determine el Consejo.

5) Pese a la terminación de este Convenio, el Consejo seguirá existiendo todo el tiempo que se requiera para liquidar la Organización, cerrar sus cuentas y disponer de sus haberes, y tendrá durante dicho período todas las facultades y funciones que sean necesarias para tales propósitos.

Artículo 69

Enmiendas

1) El Consejo podrá, por una mayoría distribuida de dos tercios, recomendar a las Partes Contratantes enmiendas a este Convenio. Las enmiendas entrarán en vigor a los cien días de haber sido recibidas por el Secretario General de las Naciones Unidas notificaciones de aceptación de Partes Contratantes que representen por lo menos el 75 por ciento de los países exportadores que tengan por lo menos el 85 por ciento de los votos de los Miembros exportadores, y de Partes Contratantes que representen por lo menos el 75 por ciento de los países importadores que tengan por lo menos el 80 por ciento de los votos de los Miembros importadores. El Consejo fijará el plazo dentro del cual las Partes Contratantes deberán notificar al Secretario General de las Naciones Unidas que han aceptado la enmienda y, si a la expiración de ese plazo no se hubieren cumplido los requisitos exigidos en cuanto a porcentajes para la entrada en vigor de la enmienda, se considerará retirada ésta.

2) Cualquier Parte Contratante que no haya notificado su aceptación de una enmienda en el plazo fijado por el Consejo, o cualquier territorio que sea Miembro o integrante de un grupo Miembro en nombre del cual no se haya hecho la citada notificación dentro de ese plazo, cesará de participar en este Convenio desde la fecha en que entre en vigencia la enmienda.

Artículo 70.**Disposiciones suplementarias y transitorias**

- 1) Considerase este Convenio como la continuación del Convenio Internacional del Café de 1968 prorrogado mediante Protocolo.
- 2) Con el objeto de facilitar la prolongación, sin solución de continuidad, del Convenio Internacional del Café de 1968 prorrogado mediante Protocolo, se establece:
 - a) Todas las medidas adoptadas por la Organización, o en nombre de la misma, o por cualquiera de sus órganos en virtud del Convenio Internacional del Café de 1968 prorrogado mediante Protocolo, que estén en vigor el 30 de septiembre de 1976 y en cuyos términos no se haya estipulado su expiración en esa fecha, permanecerán en vigencia a menos que se modifiquen en virtud de las disposiciones de este Convenio.
 - b) Todas las decisiones que deba adoptar el Consejo durante el año cafetero 1975/76 para su aplicación en el año cafetero 1976/77 se adoptarán durante el último periodo ordinario de sesiones que celebre el Consejo en el año cafetero 1975/76 y se aplicarán a título provisional como si este Convenio hubiere entrado ya en vigor

Artículo 71**Textos auténticos del Convenio**

Los textos en español, francés, inglés y portugués de este Convenio son igualmente auténticos. Los originales quedarán depositados en poder del Secretario General de las Naciones Unidas.

EN FE DE LO CUAL, los infrascritos, debidamente autorizados a este efecto por sus respectivos gobiernos, han firmado este Convenio en las fechas que figuran junto a sus firmas.

ANEXO 1

MIEMBROS EXPORTADORES CUYAS EXPORTACIONES A MIEMBROS
IMPORTADORES SON INFERIORES A 400.000 SACOS

Miembro exportador	Cuota inicial de exportación anual (en miles de sacos)	Número de votos en adición a los votos básicos
	(1)	(2)
<u>Menos de 100.000 sacos</u>		
Gabón	25	0
Jamaica	25	0
Congo	25	0
Panamá	41	0
Dahomey	33	0
Bolivia	73	0
Ghana	66	0
Trinidad y Tabago	66	0
Nigeria	70	0
Paraguay	70	0
Tímar	62	0
Sub-total	579	
<u>Más de 100.000 sacos</u>		
Liberia	100	2
Guinea	127	2
Sierra Leona	180	3
República Centroafricana	205	3
Togo	225	4
Rwanda	300	5
Venezuela	325	5
Burundi	360	6
Haití	360	6
Sub-total	2.182	
TOTAL	2.761	

ANEXO 2
DISTRIBUCION DE VOTOS

	<u>Exportadores</u>	<u>Importadores</u>
<u>TOTAL</u>	<u>1,000</u>	<u>1,000</u>
Australia	-	12
Bélgica *	-	29
Bolivia	4	-
Bresil	336	-
Burundi	8	-
Camerún	20	-
Canadá	-	32
Colombia	114	-
Congo	4	-
Costa de Marfil	49	-
Costa Rica	22	-
Checoslovaquia	-	10
Chipre	-	5
Dahomey	4	-
Dinamarca	-	23
Ecuador	16	-
El Salvador	35	-
España	-	29
Estados Unidos de América	-	392
Etiopía	28	-
Finlandia	-	22
Francia	-	87
Gabón	4	-
Ghana	4	-
Guatemala	33	-
Guinea	6	-
Haití	12	-
Honduras	11	-
India	11	-
Indonesia	26	-
Irlanda	-	6
Jamaica	4	-
Japón	-	37
Kenia	17	-
Liberia	4	-
Madagascar	18	-
México	32	-
Nicaragua	13	-
Nigeria	4	-
Noruega	-	16
Nueva Zelanda	-	7
Países Bajos	-	47
Panamá	4	-
Papúa-Nueva Guinea	4	-
Paraguay	4	-
Perú	16	-
Portugal	-	12
Reino Unido	-	51
República Centroafricana	7	-
República Dominicana	12	-
República Federal de Alemania	-	104
Rwanda	6	-
Sierra Leona	6	-
Suecia	-	37
Suiza	-	24
Tanzania	15	-
Timor	4	-
Togo	7	-
Trinidad y Tabago	4	-
Uganda	42	-
Venezuela	9	-
Yugoslavia	-	18
Zaire	21	-

* Incluye Luxemburgo

Argentina:

Argentine:

Argentina:

Argentina:

Australia:

Australie:

Austrália:

Australia:

Austria:

Autriche:

Austria:

Austria:

Belgium:

Belgique:

Bélgica.

Bélgica:

Benin:

Bénin:

Bénin:

Benin:

Bolivia:

Bolivie:

Bolívia:

Bolivia.

Brazil.

Brésil.

Brasil.

Brasil.

Burundi.

Burundi.

Burúndi.

Burundi.

Canada:

Canada:

Canadá:

Canadá:

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Central African Republic:

République centrafricaine:

República Centro-Africana:

República Centroafricana:

Colombia:

Colombie:

Colômbia:

Colombia:

Congo:

Congo:

Congo:

Congo:

Costa Rica:

Costa Rica:

Costa Rica:

Costa Rica:

Cuba:

Cuba:

Cuba:

Cuba:

Cyprus:

Chypre:

Chipre:

Chipre:

Czechoslovakia:

Tchécoslovaquie:

Tcheco-Eslováquia:

Checoslovaquia:

Denmark:

Danemark:

Dinamarca:

Dinamarca.

Dominican Republic:

République Dominicaine:

República Dominicana:

Republique Dominicaine:

Ecuador:

Equateur:

Ecuador:

Ecuador:

El Salvador:

El Salvador:

El-Salvador:

El Salvador.

Ethiopia.

Ethiopie:

Etiópia.

Etiopía:

Finland:

Finlande:

Finlândia.

Finlandia.

France:

France:

França.

Francia:

Gabon.

Gabon:

Gabão:

Gabón:

German Democratic Republic.

République démocratique allemande:

República Democrática Alemana.

República Democrática Alemana.

Germany, Federal Republic of.

Allemagne, République fédérale d'

Alemanha, República Federal da:

Alemania, Repùblica Federal de:

Ghana:

Ghana:

Gana:

Ghana:

Guatemala:

Guatemala:

Guatemala:

Guatemala:

Guinea:

Guinée:

Guiné:

Guinea:

Haiti.

Haiti.

Haiti:

Haiti.

Honduras:

Honduras:

Honduras:

Honduras:

Hungary:

Hongrie:

Hungria:

Hungría:

India:

Inde:

India:

India.

Indonesia.

Indonésie:

Indonésia:

Indonesia:

Ireland:

Irlande:

Irlanda:

Irlanda:

Israel.
Israël.
Israel.
Israel.

Italy.
Italie:
Itália:
Italia:

Ivory Coast:
Côte d'Ivoire:
Costa do Marfim:
Costa de Marfil.

Jamaica:

Jamaïque:

Jamaicā:

Jamaica:

Japan:

Japon:

Japão:

Japón:

Kenya:

Kenya:

Quênia:

Kenia:

Liberia:

Libéria:

Libéria:

Liberia:

Luxembourg:

Luxembourg:

Luxemburgo:

Luxemburgo:

Madagascar:

Madagascar:

Madagáscar:

Madagascar:

Mexico:

Mexique:

Méjico:

Méjico:

Netherlands:

Pays-Bas:

Países Baixos:

Países Bajos:

New Zealand:

Nouvelle-Zélande:

Nova Zelândia:

Nueva Zelandia.

Nicaragua:

Nicaragua:

Nicarágua:

Nicaragua:

Nigeria:

Nigéria:

Nigéria:

Nigeria:

Norway:

Norvège:

Noruega:

Noruega:

Panama.

Panama:

Panamá:

Panamá:

Papua New Guinea:

Papouasie-Nouvelle-Guinée:

Papua-Nova Guiné:

Papúa-Nueva Guinea:

Paraguay:

Paraguay.

Paraguai.

Paraguay.

Peru:

Pérou:

Peru:

Perú:

Poland:

Pologne:

Polània:

Polonia:

Portugal:

Portugal:

Portugal:

Portugal:

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Romania:

Roumanie:

România:

Rumania:

Rwanda:

Rwanda:

Ruanda:

Rwanda:

Sierra Leone:

Sierra Leone:

Serra Leoa:

Sierra Leona:

Singapore:

Singapour.

Cingapura:

Singapur.

South Africa:

Afrique du Sud:

Africa do Sud:

Sudafrica:

Spain:

Espagne:

Espanha.

España:

Sweden:

Suède:

Suécia:

Suecia:

Switzerland:

Suisse:

Suíça.

Suiza.

Togo:

Togo:

Togo:

Togo:

Trinidad and Tobago:

Trinité-et-Tobago:

Trindade-e-Tobago:

Trinidad y Tabago:

Uganda:

Ouganda:

Uganda:

Uganda:

Union of Soviet Socialist Republics:

Union des Républiques socialistes soviétiques:

União das Repúlicas Socialistas Soviéticas:

Unión de Repúblicas Socialistas Soviéticas:

United Kingdom of Great Britain and Northern Ireland:

Royaume-Uni de Grande-Bretagne et d'Irlande du Nord:

Reino Unido da Grã-Bretanha e Irlanda do Norte:

Reino Unido de Gran Bretaña e Irlanda del Norte:

United Republic of Cameroon:

République-Unie du Cameroun:

República Unida dos Camarões:

República Unida del Camerún:

United Republic of Tanzania:

République-Unie de Tanzanie:

República Unida da Tanzânia:

República Unida de Tanzania:

United States of America:

Etats-Unis d'Amérique:

Estados Unidos da América:

Estados Unidos de América:

Venezuela:

Venezuela:

Venezuela:

Venezuela:

Yugoslavia:

Yougoslavie:

Iugoslávia:

Yugoslavia:

Zaire:

Zaire:

Zaire:

Zaire:

I hereby certify that the foregoing text is a true copy of the International Coffee Agreement, 1976 as approved by resolution No. 287 of the International Coffee Council on 3 December 1975, the original of which is deposited with the Secretary-General of the United Nations.

For the Secretary-General:
The Director of the General Legal Division,
in charge of the Office of Legal Affairs,

Je certifie que le texte qui précède est une copie conforme de l'Accord international de 1976 sur le café, approuvé par la résolution no 287 du Conseil international du café le 3 décembre 1975, dont l'original se trouve déposé auprès du Secrétaire général de l'Organisation des Nations Unies.

Pour le Secrétaire général
Le Directeur de La Division
des questions juridiques générales,
chargé du Service juridique



United Nations, New York,
31 January 1976

Organisation des Nations Unies, New York
31 janvier 1976

PHILIPPINES
Agricultural Commodities

*Agreement signed at Manila May 12, 1977;
Entered into force May 12, 1977.
With agreed negotiation minutes.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE
PHILIPPINES FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of the Philippines.

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Republic of the Philippines (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understandings that will govern the sales of agricultural commodities to the importing country pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended [¹] (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

Part I - GENERAL PROVISIONS

ARTICLE I

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this agreement.

B. The financing of the agricultural commodities listed in Part II of this agreement will be subject to:

1. the issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and
2. the availability of the specified commodities at the time of exportation.

¹68 Stat. 454; 7 U.S.C. § 1701 et seq.

C. Application for purchase authorizations will be made within 90 days after the effective date of this agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days after the effective date of such supplementary agreement. Purchase authorizations shall include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this agreement shall be made within the supply periods specified in the commodity table in Part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this agreement shall not exceed the maximum export market value specified for that commodity and type of financing in Part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in Part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

ARTICLE II

A. Initial Payment

The Government of the importing country shall pay, or cause to be paid, such initial payment as may be specified in Part II of this agreement. The amount of this payment shall be that portion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in Part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. Currency Use Payment

The Government of the importing country shall pay, or cause to be paid, upon demand by the Government of the exporting country in amounts as it may determine, but in any event no later than one year after the final disbursement by the Commodity Credit Corporation under this agreement, or the end of the supply period, whichever is later, such payment as may be specified in Part II of this agreement pursuant to Section 103(b) of the Act (hereinafter referred to as the Currency Use Payment). The currency use payment shall be that portion of the amount financed by the exporting country equal to the percentage specified for currency use payment in Part II. Payment shall be made in accordance with paragraph H and for purposes specified in Subsection 104(a), (b), (e), and (h) of the act, as set forth in Part II of this agreement. Such payment shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until the value of the currency use payment has been offset. Unless otherwise specified in Part II, no requests for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit corporation of the exporting country under this agreement.

C. Type of Financing

Sales of the commodities specified in Part II shall be financed in accordance with the type of financing indicated therein. Special provisions relating to the sale are also set forth in Part II.

D. Credit Provisions

1. With respect to commodities delivered in each calendar year under this agreement, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country.

The principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

2. Interest on the unpaid balance of the principal due the Government of the exporting country for the commodities delivered in each calendar year shall be paid as follows:

- a. In the case of Dollar Credit, interest shall begin to accrue on the date of last delivery of these commodities in each calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of

last delivery and thereafter payment of interest shall be made annually and not later than the due date of each installment payment of principal.

b. In the case of Convertible Local Currency Credit, interest shall begin to accrue on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in each calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments.

3. For the period of time from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

E. Deposit of Payments

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates provided for in this agreement as follows:

1. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C. 20250, unless another method of payment is agreed upon by the two governments.

2. Payments in the local currency of the importing country (hereinafter referred to as local currency), shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

F. Sales Proceeds

The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement, to be applied to the economic development purposes set forth in Part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the currency use payment, if any, made by the Government of the importing country. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the

commercial import of the same commodities. Any such accrued proceeds that are loaned by the government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The government of the importing country shall furnish in accordance with its fiscal year budget reporting procedure, at such times as may be requested by the government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the government of the importing country, and in case of expenditures the budget sector in which they were used.

G. Computations

The computation of the initial payment, currency use payment and all payments of principal and interest under this agreement shall be made in United States dollars.

H. Payments

All payments shall be in United States dollars or, if the Government of the exporting country so elects;

1. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the government of the exporting country for payment of its obligations or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement; or

2. The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G. of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement in the importing country.

ARTICLE III

A. World Trade

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. ensure that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantities of agricultural commodities as may be specified in the usual marketing table set forth in Part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each

import period shall be in addition to purchases financed under this agreement;

2. take steps to assure that the exporting country obtains a fair share of any increase in commercial purchases of agricultural commodities by the importing country;

3. take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America);

4. take all possible measures to prevent the export of any commodity of either domestic or foreign origin, which is defined in Part II of this agreement, during the export limitation period specified in the export limitation table in Part II (except as may be specified in Part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. Private Trade

In carrying out the provisions of this agreement, the two governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. Self-Help

Part II describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

D. Reporting

In addition to any other reports agreed upon by the two governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in Part II, Item I of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized;

1. the following information in connection with each shipment of commodities under the agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; and the condition in which received;

2. a statement by it showing the progress made toward fulfilling the usual marketing requirements;

3. a statement of the measures it has taken to implement the provisions of Sections A 2 and 3 of this Article; and

4. statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. Procedures for Reconciliation and Adjustment of Accounts

The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records on the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

F. Definitions

For the purposes of this agreement:

1. delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or ~~initialled~~ on behalf of the carrier;
2. import shall be deemed to have occurred when the commodity has entered the country, and passed through customs, if any, of the importing country; and
3. utilization shall be deemed to have occurred when the commodity is sold to the trade within the importing country without restriction on its use within the country or otherwise distributed to the consumer within the country.

G. Applicable Exchange Rate

For the purposes of this agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate in effect on the date of payment by the importing country which is not less favorable to the Government of the exporting country than the highest exchange rate legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest exchange rate obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency.
2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this Section G.

H. Consultation

The two Governments shall, upon request of either of them, consult regarding any matter arising under this agreement, including the operation of arrangements carried out pursuant to this agreement.

I. Identification and Publicity

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity in the same manner as provided for in subsection 103 (1) of the Act.

PART II - PARTICULAR PROVISIONS:Item I. Commodity Table:

Commodity	Supply Period (U. S. Calendar Year)	Approximate Maximum Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Tobacco	1977	3,000	DLS. 13.2

Item II. Payment Terms: Dollar Credit (DC)

- A. Initial Payment - Ten (10) percent.
- B. Currency Use Payment - Twenty (20) percent for 104(A) purposes.
- C. Number of Installment Payments - Nineteen (19).
- D. Amount of Each Installment Payment - Approximately equal annual amounts.
- E. Due Date of First Installment Payment - Two (2) years after date of last delivery of commodities in each calendar year.
- F. Interest Rate Throughout Period of Agreement - Three (3) percent.

Item III. Usual Marketing Table:

Commodity	Import Period (U. S. Calendar Year)	Usual Marketing Requirement
Tobacco	1977	6,000 metric tons of which at least 4,500 metric tons shall be imported from the United States of America.

Item IV. Export LimitationsA. Export Limitation Period:

The export limitation period shall be the United States Calendar Year 1977 or any subsequent U. S. Calendar Year in which commodities financed under this agreement are being imported or utilized.

B. Commodities to which export limitations apply:

For the purposes of Part I, Article III A(4), of this agreement, there are no commodity export limitations.

Item V. Self-Help Measures:

The Government of the Philippines will continue to place specific 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. The GOP intends to:

- A. Continue efforts to achieve progress in agricultural production through:
 - (1) An integrated agricultural production and marketing program including research, training, and improvement of extension programs.
 - (2) Improvement and expansion of small-scale irrigation projects.
 - (3) Establishment of rural service centers including equipment pools.
 - (4) Production and distribution of improved seeds.
 - (5) Analysis of agricultural policies from the standpoint of their effect on production incentives and rural income.
- B. Identify needs for increased or improved storage facilities for food grains and develop plans to meet such needs, giving separate consideration to port areas, other terminal locations, and market towns.
- C. Improve the marketing system for farm products and production inputs to ensure market outlets, reduce costs, reduce product waste, and ensure that inputs are available on a timely basis. Marketing activities will include efforts to establish sound farmer cooperatives through provision of credit and through training.
- D. Continue efforts to expand fish production in inland and coastal areas.
- E. Continue programs to broaden the ownership of land by actual tillers, with coordinated actions to ensure that production is maintained or increased following transfer to tillers.

Item VI. Economic development purposes for which proceeds accruing to the 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 sectors: Health and Nutrition, Population and Community Development, in the four year development plan of the Republic of the Philippines.
- 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.

PART III - FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government for any reason, and by the Government of the exporting country if it should determine that the self-help program described in the agreement is not being adequately developed. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

This agreement shall enter into force upon signature.

B. IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE AT Manila, Philippines, in duplicate, this 12th day of
May, 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



LEE T. STULL
Chargeé d'Affaires ad interim

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES:



MANUEL COLLANTES
Acting Secretary of Foreign Affairs

AGREED NEGOTIATION MINUTES TO MAY 12, 1977
PL 480 TITLE I AGREEMENT
MARCH 1-APRIL 22, 1977

Panel Members:

GOP:

Bienvenido Villavicencio,
Chairman
Mrs. Jane Tambanillo, Dept. of
Finance
Mrs. Alice L. Reyes, DBP
Mrs. Angelina Tiangco, Central
Bank
Atty. Roque A. Sorioso, NEDA
Mrs. Dolores Salle, DFA

US:

John Mellor, Chairman
William Mulcahy, USAID
Glenn Samson, AgAttache, U.S.
Embassy
William Doody, USAID
Stuart Proctor, US Embassy

March 1, 1977

This initial negotiating session was conducted at the Central Bank Headquarters, Manila, R.P. In the opening statement made by the Philippine delegation the following was stressed:

- a. The Philippine Government's appreciation for the opportunity to again participate as a PL 480 Title I recipient.
- b. That terms in the new agreement be reduced to provide a 5-year grace period with interest of 2%, then 3% for the remaining 15 years of the loan plus elimination of both the Initial Payment and Currency Use Payment requirements.
- c. The GOP desired that the agreement specifically include the application of the new Loan Forgiveness Provision.

The U.S. delegation stressed that:

- a. The dollar amount in the agreement governed the volume of purchases.
- b. While the agreement was for CY 1977, purchases must be completed and shipment made by September 30, 1977.
- c. The currencies generated by this agreement could no longer be used for defense purposes.
- d. Tobacco is the only commodity available to the GOP at this time.
- e. Timely opening of letters of credit for the commodity and freight is an important responsibility of the GOP.
- f. CCC credit sales of tobacco can be credited against the UMR.
- g. The importance of timely response to the agreement reporting requirements.
- h. Discussed and gave the rational why loan forgiveness could not be a part of this agreement.
- i. Section 103d of the Act was also discussed.
- j. Self-help measures were to be reserved for discussion at a later session.

March 17, 1977

A revised series of self-help measures was presented to the GOP at the National Economic and Development Authority (NEDA) Headquarters. These measures were substitutes for those the US team had received in the original negotiating instructions cabled from Washington. The substitute measures defined the specific projects and amounts where proceeds were to be programmed. Although agreeing to the specificity in programming the GOP delegation recommended against earmarking amounts of proceeds for each sector.

The U.S. delegation again reiterated the importance of meeting the reporting requirements as specified in the agreement.

March 29, 1977

At an informal meeting at NEDA the representatives further discussed self-help measures and the GOP delegation again requested that changes be made in the financial terms.

April 18, 1977

New self-help provisions were presented by the US delegation and discussed with the GOP delegation at an informal session at NEDA.

April 22, 1977

The second formal negotiating session was convened at Central Bank, Manila. The GOP delegation was advised that after considerable research and evaluation, Washington would not approve softening the financial terms of the agreement. The GOP delegation requested and both delegations agreed to include in the proposed agreement the following: The proceeds generated from the sale of the commodities in this agreement shall be deposited in an interest bearing account for use in supporting the aforementioned development sectors and self-help measures. However, the above was deleted from text of final agreement on advice from Washington. The GOP then agreed to accept the agreement terms including the new self-help measures. Further, the GOP delegation advised they would within the next few days provide a date the agreement could be signed.

May 6, 1977

The delegations of both sides agreed to sign the new Title I agreement on May 12, 1977 at 1000 hours. A cable was sent to Washington seeking authorization to sign as agreed by both delegations.

BIENVENIDO VILLAVICENCIO
Bienvenido Villavicencio
Chairman, Philippine Panel

JOHN E. MELLOR
John E. Mellor
Chairman, United States Panel

AUSTRIA

Atomic Energy: Power Burst Facility (PBF) Research Program

*Agreement signed February 25 and March 3, 1977,
Entered into force March 3, 1977.
With administrative understandings.*

**AGREEMENT
ON RESEARCH PARTICIPATION AND TECHNICAL
EXCHANGE
BETWEEN
THE UNITED STATES NUCLEAR REGULATORY
COMMISSION (USNRC)
AND
THE OESTERREICHISCHE STUDIENGESELLSCHAFT FUER
ATOMENERGIE (SGAE)
IN
THE USNRC PBF RESEARCH PROGRAM
COVERING A FOUR-YEAR PERIOD**

The Contracting Parties

Considering that the United States Nuclear Regulatory Commission (USNRC) and the Oesterreichische Studiengesellschaft fuer Atomenergie (SGAE)

- (a) have a mutual interest in cooperation in the field of reactor safety research, and
- (b) have as a mutual objective improving and thus ensuring the safety of reactors on an international basis, and
- (c) have as a mutual objective the achievement of full reciprocity in the exchange of technical information in the field of reactor safety research, and
- (d) recognize that their respective Countries are member nations of the International Energy Agency which encourages cooperative programs on reactor safety research, and
- (e) have expressed their intention to participate cooperatively in 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),

Have AGREED as follows:

ARTICLE I - PROGRAM COOPERATION

The USNRC and the SGAE, 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 as described in Appendix A

ARTICLE II - SCOPE OF AGREEMENT

A. Scope of Responsibility - USNRC

1. The USNRC agrees to provide the necessary personnel, materials, equipment, and services for the performance of the PBF research program described in Appendix A, or as amended, subject to the availability of funds.
2. The USNRC agrees to permit the SGAE to assign one mutually agreed upon technical expert to the PBF program for participation in the conduct and analysis of program experiments.
3. In addition, the USNRC agrees to permit the SGAE to assign one technical expert as a consultant to the PBF Program Review Group, which will periodically review the status of the present program and of future program plans.
4. The USNRC agrees to grant the SGAE and its assignees access to all experimental data and results of analyses generated by the PBF program during the period of this Agreement.
5. The USNRC agrees to provide the SGAE access to operational computer codes and data developed to analyze experimental data generated by the PBF program. Access to proprietary codes and data will not be provided except by written authorization of the owner.

B. Scope of Responsibility - SGAE

1. The SGAE, as a contribution for the technical benefits received by participation in the USNRC PBF research program and receipt of information under this Agreement, agrees to pay into a specified U.S. Government account the amount of sixty-one thousand dollars annually for the period of this Agreement, the initial payment to be made within a month

- after execution of the Agreement, with subsequent payments on each of the remaining anniversary dates of the execution of the Agreement.
2. It is further understood that in the event appropriate SGAE-sponsored reactor safety research programs become available for exchange with the USNRC program included in this Agreement, the Parties may, upon mutual agreement, arrange for substitution of technical benefits in kind for all or part of the financial contribution by SGAE.
 3. The SGAE agrees to grant the USNRC and its assignees access to all results obtained from SGAE's analyses of PBF experimental data during the period of this Agreement.
 4. The SGAE agrees to provide the USNRC access to operational codes and data developed to analyze experimental data generated under the PBF program. Access to proprietary codes and data will not be provided except by written authorization of the owner.
 5. The SGAE agrees to bear the total costs of transportation, living expenses and any other costs arising from its participation under this Agreement, and the transport and related costs for apparatus and other equipment furnished by the SGAE.

ARTICLE III - PATENTS

- A. With respect to any invention or discovery made or conceived during the period of, or in the course of or under, this Agreement for SGAE participation in the USNRC PBF research program, the USNRC on behalf of the United States Government, as recipient party, and the SGAE, 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 (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 invention, 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 will assume the responsibility to pay awards or compensation required to be paid to its nationals according to the laws of its Country

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 subparagraphs (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 - DISPUTES

Any dispute between the USNRC and the SGAE concerning the application or interpretation of this Agreement that is not settled through consultation shall be submitted to the jurisdiction of the United States Federal courts. This Agreement shall be construed in accordance with the internal Federal law applicable in the appropriate United States Courts, to agreements to which the Government of the United States is a party.

ARTICLE VI - FINAL PROVISIONS

- A. This Agreement shall enter into force upon signature of the parties and shall remain in force for a period of 4 years.
- B. Either party may withdraw from the present Agreement after providing the other party written notice 6 months prior to its intended date of withdrawal.
- C. The SGAE may at its option participate in a continuation of the USNRC PBF program beyond the 4-year period of this Agreement under mutually acceptable terms and conditions.
- D. If the USNRC PBF technical program is substantially increased by mutual agreement, the USNRC and SGAE agree to consider equitable adjustments in the SGAE contribution.
- E. If the PBF research program is substantially reduced or eliminated, equitable work determined by the USNRC and SGAE to be of equivalent programmatic interest will be substituted as may be mutually agreed.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION

By: LEE V GOSSICK
Title: *Executive Director for
Operations*

Date: February 25, 1977

FOR THE
OESTERREICHISCHE
STUDIENGESELLSCHAFT
FUER ATOMERGIE

By: H GRÜMM
Title: *Scientific Managing
Director*

Date: March 3, 1977

By: W BADERLE
Title: *Administrative Managing
Director*

By: March 3, 1977

APPENDIX A**The Power Burst Facility (PBF)
Idaho Falls, USA****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	21.6 cm target 15.5 cm minimum 91 cm (nominal) 0 - 3000 1/min
Active length	91 cm 0 - 3000 1/min	0 - 3 - 15.6 MPa (154 atm, std) Ambient - 343°C (650°F)
Test Coolant Flow Rate:	0.3 - 15.6 MPa (154 atm, std)	a) 21 kw/ft in a 16 rod array irradiated (to 40,000 MWD/M) maximum initial enrichment
Coolant Pressure:	Ambient - 343°C (650°F)	17 x 17 type PWR fuel rods 3.1 w/o ²³⁵ U
Coolant Temperature:	a) 18 kw/ft in a 16 rod array of highly enriched 17 x 17 type PWR 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 ²³⁵ U
Test Power Density (max):	b) 18 kw/ft in a 25 rod array of highly enriched BWR-6 type fuel rods	100%/min power increase 15%/sec power decrease Periods as short as 1.3 msec - natural burst (to 1500 mw sec sloped burst)
<u>Test Power Rate of Change:</u>		
Steady State		100%/min power increase
Pulse Mode		15%/sec power decrease

Administrative Understandings Between the USNRC and the SGAE

An Agreement between the SGAE and the USNRC on SGAE participation in the USNRC-funded PBF reactor safety research program has been negotiated. This bilateral agreement will be within the framework of an IEA multilateral cooperative agreement for the PBF program upon negotiation of the IEA multilateral agreement.

The coordinators of each party of the bilateral Agreement have arrived at the following administrative understandings of the details of the SGAE participation in the PBF program.

1. Under special circumstances the SGAE may wish to send one or more technical experts for a short period of time to review or investigate particular technical problems related to the experiments or analysis of results of the PBF program. Short term visits by SGAE-sponsored experts may be arranged by mutual agreement with the USNRC on a case-by-case basis. The USNRC will, to the best of its ability and within the constraints of available manpower and minimum interference with the program, make available to the visiting experts various data and documents (excluding proprietary information) relevant to the technical problems in question.
2. The Agreement indicates the type of program information, documents, data, computer codes, etc. that are to be made available by each party to the other. Information which may be withheld includes that dealing with organizational, budgetary, personnel or management-related matters.
3. The SGAE will endeavor to select as technical expert for assignment to the PBF program an individual who can contribute positively to the program. Such an expert, assigned for an extended period, will be considered a visiting scientist (nonsalaried) within the program and be expected to participate in the conduct of the program experimentation and analysis as directed. The SGAE expert will be assigned to a mutually agreed upon position within the organizational structure of the PBF project.
4. Both parties will have access to all reports written by the assigned SGAE expert deriving from his participation in the PBF project.
5. Administrative details concerning such questions as security, indemnity and liability related to the assignment of an SGAE expert to the PBF project will be covered in a Personnel Assignment Agreement signed between the USNRC PBF Program Contractor and the SGAE or SGAE contractor organization of the assigned individual.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION

By SAUL LEVINE
Title: *Director of Nuclear
Regulatory Research*

Date: February 11, 1977

OESTERREICHISCHE
STUDIENGESELLSCHAFT
FUER ATOMENERGIE

By WALTER BINNER
Title: *Deputy Managing Director*

Date: March 3, 1977

AUSTRIA

Atomic Energy: Loss of Fluid Test (LOFT) Research Program

*Agreement signed February 25 and March 3, 1977;
Entered into force March 3, 1977.
With administrative understandings.*

AGREEMENT ON RESEARCH PARTICIPATION AND TECHNICAL EXCHANGE BETWEEN THE UNITED STATES NUCLEAR REGULATORY COMMISSION (USNRC) AND THE OESTERREICHISCHE STUDIENGESELLSCHAFT FUER ATOMENERGIE (SGAE) IN THE USNRC LOFT RESEARCH PROGRAM COVERING A FOUR-YEAR PERIOD

The Contracting Parties

Considering that the United States Nuclear Regulatory Commission (USNRC) and the Oesterreichische Studiengesellschaft fuer Atomenergie (SGAE)

- (a) have a mutual interest in cooperation in the field of reactor safety research, and
- (b) have as a mutual objective improving and thus ensuring the safety of reactors on an international basis, and
- (c) have as a mutual objective the achievement of full reciprocity in the exchange of technical information in the field of reactor safety research, and
- (d) recognize that their respective Countries are member nations of the International Energy Agency which encourages cooperative programs on reactor safety research, and
- (e) have expressed their intention to participate cooperatively in the USNRC-funded Loss of Fluid Test (LOFT) 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),

Have AGREED as follows:

ARTICLE I – PROGRAM COOPERATION

The USNRC and the SGAE, 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 LOFT program as described in the LOFT PROGRAM DESCRIPTION (LPD - 1 January 1975) attached as Appendix A.¹

ARTICLE II - SCOPE OF AGREEMENT

A. SCOPE OF RESPONSIBILITY - USNRC

1. The USNRC agrees to provide the necessary personnel, materials, equipment, and services for the performance of the LOFT research program described in the LOFT PROGRAM DESCRIPTION (LPD - 1 January 1975), or as amended, subject to the availability of funds.
2. The USNRC agrees to permit the SGAE to assign up to two mutually agreed upon technical experts to the LOFT program for participation in the conduct and analysis of program experiments.
3. In addition, the USNRC agrees to permit the SGAE to assign one technical expert as a consultant to the LOFT Program Review Group, which will periodically review the status of the present program and of future program plans.
4. The USNRC agrees to grant the SGAE and its assignees access to all experimental data and results of analyses generated by the LOFT program during the period of this Agreement.
5. The USNRC agrees to provide the SGAE access to operational computer codes and data developed to analyze experimental data generated by the LOFT program. Access to proprietary codes and data will not be provided except by written authorization of the owner.

B. SCOPE OF RESPONSIBILITY - SGAE

1. The SGAE, as a contribution for the technical benefits received by participation in the USNRC LOFT research program and receipt of information under this Agreement, agrees to pay into a specified U.S. Government account the amount of seventy-five thousand dollars annually for the period of this Agreement, the initial payment to be made within a month after execution of the Agreement, with subsequent payments on each of the remaining anniversary dates of the execution of this Agreement.
2. It is further understood that in the event appropriate SGAE-sponsored reactor safety research programs became available, which by mutual agreement would be of direct benefit to the LOFT research program, the Parties may arrange for substitution of technical benefits in kind for all or part of the financial contribution by SGAE.

¹ Not printed herein.

3. The SGAE agrees to provide the USNRC and its assignees access to all results obtained from SGAE's analyses of LOFT experimental data during the period of this Agreement.
4. The SGAE agrees to provide the USNRC access to operational computer codes and data developed to analyze experimental data generated under the LOFT program. Access to proprietary codes will not be provided except by written authorization of the owner.
5. The SGAE agrees to bear the total costs of transportation, living expenses and any other costs arising from its participation under this Agreement, and the transport and related costs for apparatus and other equipment furnished by the SGAE.

ARTICLE III - PATENTS

- A. With respect to any invention or discovery made or conceived during the period of, or in the course of or under, this Agreement for SGAE participation in the USNRC LOFT research program, the USNRC on behalf of the United States Government, as recipient party, and the SGAE, 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 (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 sub-licenses, 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.
- 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 will assume the responsibility to pay awards or compensation required to be paid to its nationals according to the laws of its Country.

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 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 employee 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 or 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 subparagraphs (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 – DISPUTES

Any dispute between the USNRC and the SGAE concerning the application or interpretation of this Agreement that is not settled through consultation shall be submitted to the jurisdiction of the United States Federal courts. This Agreement shall be construed in accordance with the internal Federal law applicable in the appropriate United States Courts, to agreements to which the Government of the United States is a party.

ARTICLE VI – FINAL PROVISIONS

- A. This Agreement shall enter into force upon signature of the parties and shall remain in force for a period of 4 years.
- B. Either party may withdraw from the present Agreement after providing the other party written notice 6 months prior to its intended date of withdrawal.
- C. The SGAE may at its option participate in a continuation of the USNRC LOFT program beyond the 4-year period of this Agreement under mutually acceptable terms and conditions.
- D. If the USNRC LOFT technical program is substantially increased by mutual agreement, the USNRC and SGAE agree to consider equitable adjustments in the SGAE contribution.
- E. If the LOFT research program is substantially reduced or eliminated, equitable work determined by the USNRC and SGAE to

be of equivalent programmatic interest will be substituted as may be mutually agreed.

FOR THE UNITED STATES
NUCLEAR REGULATORY COM-
MISSION

By: LEE V GOSSICK

Title: *Executive Director for Operations*

Date: FEBRUARY 25, 1977

FOR THE OESTERREICHISCHE
STUDIENGESELLSCHAFT FUER
ATOMENERGIE

By: H GRÜMM

Title: *Scientific Managing Director*

Date: MARCH 3, 1977

By: W BADERLE

Title: *Administrative Managing Director*

Date: MARCH 3, 1977

Administrative Understandings Between the USNRC and the SGAE

An Agreement between the SGAE and the USNRC on SGAE participation in the USNRC-funded LOFT reactor safety research program has been negotiated. This bilateral agreement will be within the framework of an IEA multilateral cooperative agreement for the LOFT program upon negotiation of the IEA multilateral agreement.

The coordinators of each party of the bilateral Agreement have arrived at the following administrative understandings of the details of the SGAE participation in the LOFT program:

1. Under special circumstances the SGAE may wish to send one or more technical experts for a short period of time to review or investigate particular technical problems related to the experiments or analysis of results of the LOFT program. Short term visits by SGAE-sponsored experts may be arranged by mutual agreement with the USNRC on a case-by-case basis. The USNRC will, to the best of its ability and within the constraints of available manpower and minimum interference with the program, make available to the visiting experts various data and documents (excluding proprietary information) relevant to the technical problems in question.
2. The Agreement indicates the type of program information, documents, data, computer codes, etc. that are to be made available by each party to the other. Information which may be withheld includes that dealing with organizational, budgetary, personnel or management-related matters.
3. The SGAE will endeavor to select as technical expert for assignment to the LOFT program an individual who can contribute positively to the program. Such an expert, assigned for an extended period,

will be considered a visiting scientist (nonsalaried) within the program and be expected to participate in the conduct of the program experimentation and analysis as directed. The SGAE expert will be assigned to a mutually agreed upon position within the organizational structure of the LOFT project.

4. Both parties will have access to all reports written by the assigned SGAE expert deriving from his participation in the LOFT project.
5. Administrative details concerning such questions as security, indemnity and liability related to the assignment of an SGAE expert to the LOFT project will be covered in a Personnel Assignment Agreement signed between the USNRC LOFT Program Contractor and the SGAE or SGAE contractor organization of the assigned individual.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION

By: SAUL LEVINE
Title: *Director of Nuclear Regulatory Research*
Date: FEBRUARY 11, 1977

OESTERREICHISCHE
STUDIENGESELLSCHAFT FUER
ATOMENERGIE

By: WALTER BINNER
Title: *Deputy Managing Director*
Date: MARCH 3, 1977

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

Atomic Energy: Reactor Safety Experiments

*Agreement signed November 10 and December 14, 1976;
Entered into force December 14, 1976.*

**IMPLEMENTING AGREEMENT FOR THE COLLABORATION
OF THE USNRC AND THE UKAEA IN EXPERIMENTAL PRO-
GRAMS CONCERNED WITH THE SAFETY OF NUCLEAR
REACTORS**

This Agreement effective as of the 14 day of December, 1976 between the UNITED STATES NUCLEAR REGULATORY COMMISSION (hereinafter referred to as "USNRC") and THE UNITED KINGDOM ATOMIC ENERGY AUTHORITY (hereinafter referred to as the "Authority")

WHEREAS, the Governments of the United Kingdom and United States have an Agreement for Cooperation on the Civil Uses of Atomic Energy signed on 15 June 1955; [¹] and

WHEREAS, the USNRC and the Authority are considering the continuation of the cooperation in fast reactor safety technology and extension to cooperation in the safety aspects of thermal reactors by signing an Agreement in the Field of Nuclear Safety Research and Development; and

WHEREAS, the INTERNATIONAL ENERGY AGENCY (hereinafter referred to as the IEA) encourages participating countries to undertake, as a matter of priority, cooperative programs on nuclear safety; and

WHEREAS, there is an increasing number of nuclear power reactors worldwide of proven types and of advanced designs; and

WHEREAS, international collaboration in research on the safety of nuclear power reactors is recognized to be of benefit to the health and welfare of people of all countries; and

WHEREAS, the achievement of full reciprocity in the exchange of technical information in the field of reactor safety research is a common objective; and

¹ TIAS 3321, 3359, 3608, 4078, 5397, 5693, 5829, 6050, 6966; 6 UST 2709, 3079; 7 UST 2057; 9 UST 1028; 14 UST 1024; 15 UST 2128; 16 UST 888; 17 UST 894; 21 UST 2183.

Considering that a program of research on Aerosol Release and Transport in LMFBR plants (ART) and the Heavy Section Steel Technology (HSST) is to be conducted by the USNRC; and

Considering that the Authority is to carry out a program of research on Core Debris Control, Fracture Mechanics, and Dryout and Post-Dryout Performance on SGHWR fuel elements; and

Considering that the USNRC and the Authority each wish to have access to the aforesaid programs of research of the other on a collaborative basis:

Now, THEREFORE, the USNRC and the Authority agree as follows:

ARTICLE I - DESIGNATION OF THE COLLABORATIVE PROJECT

1. The USNRC and the Authority shall collaborate, in accordance with the provisions of this Agreement, in a program, Technical Program A, which is summarized in Appendix A to this Agreement, and which is to be managed by the USNRC, and also in a program, Technical Program B, which is summarized in Appendix B to this Agreement, and which is to be managed by the Authority.

ARTICLE II - SCOPE OF AGREEMENT

A. SCOPE OF RESPONSIBILITIES

1. Subject to the availability of funds, the USNRC agrees to provide the necessary personnel, materials, equipment and services for the performance of Technical Program A and, subject to the availability of funds, the Authority agrees to provide the necessary personnel, materials, equipment and services for the performance of Technical Program B.

2. Responsibility for decisions concerning changes or modifications in Technical Program A shall lie with the USNRC and responsibility for decisions concerning changes or modifications in Technical Program B shall lie with the Authority.

B. PARTICIPATION AND ATTACHMENTS

1. The USNRC shall have the right to nominate at its own expense a technical expert to be a Consultant Member of the Authority Program Review Group which shall meet periodically to review the status and progress of Technical Program B.

The Authority shall have the right to nominate at its own expense a technical expert to be a Consultant Member of the USNRC Program Review Group which shall meet periodically to review the status and progress of Technical Program A.

3. The USNRC at its own expense may attach one technical expert to participate in the conduct and analysis of the experiments of Technical Program B.

4. The Authority, at its own expense, may attach one technical expert to participate in the conduct and analysis of the experiments of Technical Program A.

5. The attachment of staff by one party to the other under Clauses B3 and B4 above shall be the subject of a separate agreement in respect of each person attached. A party proposing an attachment shall notify the other party of the name of the person proposed and shall provide such other information as may be required by the other party.

Each party may approve or reject any persons so proposed and may at any time, without giving any reason, revoke any approval previously given.

C. PROVISION OF INFORMATION

1. The USNRC shall make available to the Authority all experimental data developed under Technical Program A during the period of this Agreement.

2. The Authority shall make available to the USNRC all experimental data developed under Technical Program B during the period of this Agreement.

3. The USNRC shall provide to the Authority access to operational computer codes, other than codes which form part of proprietary information, existing at the date of the parties entering into this Agreement or developed during the course of this Agreement and which are used by the USNRC to analyze experimental data arising from Technical Program A.

4. The Authority shall provide the USNRC access to operational computer codes, other than codes which form part of proprietary information, existing at the date of the parties entering into this Agreement or developed during the course of this Agreement and which are used by the Authority to analyze experimental data arising from Technical Program B.

5. The USNRC shall make available to the Authority the results of any analysis of information arising from Technical Program A.

6. The Authority shall make available to the USNRC the results of any analysis of information arising from Technical Program B.

ARTICLE III – EXCHANGE OF SCIENTIFIC INFORMATION AND USE OF THE RESULTS OF PROGRAMS [1]

1. As set forth in this Agreement:

i. "Participating Countries" means all states which participate in the International Energy Program as Participating Countries of the IEA.

ii. "Participants" shall mean the Governments of Participating Countries,

3. The USNRC and the Authority agree that the application or use of any information exchanged or transferred between them shall be

¹ This article is printed as it appears in the signed original agreement.

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.

4. The USNRC and the Authority agree that information arising from the Technical Programs may be made available by the recipient to Government authorities, licensees and utilities in the country of the recipient for their own use but shall not be available for publication otherwise without the agreement of the transmitting party.

ARTICLE IV – PATENTS

A. With respect to any invention or discovery made or conceived during the period of, or in the course of or under, this Agreement for the Authority's participation in Technical Program A, the USNRC on behalf of the United States Government, as recipient party, and the Authority as assigning party, and for USNRC participation in Technical Program B, the Authority on behalf of the United Kingdom Government, as 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 (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 by personnel other than the personnel of Paragraph 1 above, as a result of attendance at meetings or as a result of employing information which had been communicated under this exchange arrangement by one party or its contractors to the other party or its contractors, the party of such personnel 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 invention, 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 inventions 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 appropriate U.K. laws and the Authority assumes the obligation under the U.K. Law insofar as the USNRC and its contractors are concerned.

ARTICLE V – PROGRAM CHANGE, TERMINATION AND ACCESSION

It is agreed that:

1. If either Technical Program A or B is substantially increased in scope the parties shall consider ways in which the equitable balance of the exchange may be maintained.

2. If either Technical Program A or B is substantially reduced or eliminated, work mutually agreed to be of equivalent interest may be substituted by mutual agreement.

3. Either party may withdraw from this Agreement on giving 6 month's notice to the other.

4. Other Participating Countries at all times may take part in either of the Technical Programs under this Agreement subject to the agreement of the party managing the Program.

ARTICLE VI – DISPUTES

Any dispute between the parties concerning the interpretation or application of this Agreement shall be settled by consultation and discussion.

ARTICLE VII – DURATION

1. This Agreement shall remain in force for 4 years after its effective date, which shall be the latter date of signature, and may be extended by mutual agreement.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION

By: LEE V. GOSSICK
Title: *Executive Director for
Operations*
Date: 14 DECEMBER 1976

FOR THE UNITED KINGDOM
ATOMIC ENERGY AUTHORITY

By: G. H. KINCHIN
Title: *Director, SRD*
Date: 10 NOVEMBER 1976

¹ 68 Stat. 919; 42 U.S.C. § 2011 *et seq.*

APPENDIX A

I. AEROSOL RELEASE AND TRANSPORT (ART) PROGRAM

The objective of the Aerosol Release and Transport Program is to produce the experimental data and analytical techniques necessary to translate the calculated energy deposition sequences of the hypothetical core disruptive accidents (HCDA) into the "source" available for release from primary and secondary containment vessels. The characteristics of the vapors produced will be determined in terms of the radionuclides of interest, their chemical and physical states, their distributions in aerosols, and their transient behavior in confined environments at high concentrations (in excess of 30 g/M³). Mechanisms that alter the character of, or reduce the concentration of, the fuel-clad-sodium-fission product mixture during transit through the overlying sodium will also be studied.

A capacitor discharge vaporization (CDV) technique is being perfected to produce energy depositions in LMFBR fuel at rates greater than 10⁶ joules/gram-sec over periods of 2 to 3 milliseconds. In this CDV system, the fuel serves as an electrical conductor. Electrical energy which is stored in capacitor banks is discharged in a controlled manner into the fuel. The objective is to provide a non-nuclear means of experimentally studying the fuel (core) response to HCDA-like energy depositions.

The experiments involving release of plutonium will be conducted in a small vessel (CRI-III) of about 0.5 M³ volume which is doubly contained in a hot-cell facility. The program also includes the identification and qualification of appropriate simulant aerosols (e.g., UO₂) and generation techniques that will be used for additional aerosol and bubble transport studies. These low hazard ex-hot-cell tests will be made in several vessels of different sizes which include the CRI-III vessel, an existing 5 M³ vessel (CRI-II), a large 38 M³ "containment size" vessel (NSPP), and an auxiliary bubble-transport vessel (~1 M³). Other appropriate existing vessels will be used for development of the capacitor discharge vaporizer (CDV) system, for development of aerosol sampling equipment and instrumentation, and for underwater tests to study the bubble behavior.

The ART Program is directing early intensive effort toward completing the CDV development. Simultaneously, simulant aerosols generated by more continuous alternate techniques are being studied in the various vessels. The program itself is divided into seven related task areas (Tasks 2 to 7 and Task 9).

Task 2, "Cold Proof Tests," will provide a comparison of the behavior of a standard aerosol in two vessels (CRI-II and CRI-III). The aerosol will be produced by rapid oxidation of inductively heated uranium metal. In addition, UO₂ aerosols will be generated by any of the several alternative methods under consideration which include using UO₂ as a DC arc consummable electrode, direct vaporization of

UO_2 from a tantalum carbide filament heat source, and vaporization of UO_2 through inductive heating in a water-cooled, copper crucible.

Task 3, "Trace Level Experiments," will better simulate fuel aerosols by adding, to UO_2 , trace amounts of radioactive elements representing plutonium and certain fission products. Baseline reference data will be obtained for later comparison with real fuel aerosols.

Task 4, "Fuel Vaporization Test Without Sodium," will use the CDV system and fuel simulant to provide the first estimate of the upper limit fuel aerosol source term as a function of the HCDA energy deposition. These tests, however, will not include sodium in the vaporization process.

Task 6, "Fuel Vaporization Tests With Sodium," will extend Task 4 by adding selected amounts of sodium to be vaporized simultaneously with the fuel.

Task 7, "Effects of Radiation," would add significant amounts of previously activated sodium to the fuel aerosol and apply an external gamma source to investigate possible effects of the reactor radiation environment on the aerosol behavior.

Task 5, "Fuel Aerosol Simulant Tests," is a parallel multipurpose effort in which the CDV technique will be optimized, fuel aerosol simulants identified and their behavior characterized, underwater and undersodium bubble dynamics and transport behavior studied, and a determination made of the attenuation of the source term due to the bubble rise and contact with the sodium and upper plenum structures.

Task 9, "Aerosol Studies in the Aerosol Test Facility (ATF)," involves the coexistent behavior of UO_2 and sodium aerosols and will be carried out in the modified Nuclear Safety Pilot Plant. The experiments will serve to determine scaling effects by comparison with results obtained in smaller equipment and also to determine the extent of interaction between uranium dioxide and sodium aerosols. The conditions will cover those resulting from a range of accident severity up to and including loss of flow (LOF) and unprotected transient overpower (TOP).

SUMMARY OF AEROSOL RELEASE AND TRANSPORT PROGRAM

Task (No.)	Vessels	Concentra-tion range (g/m ³)	Type of aerosol	Generation technique	Remarks
Cold Proof Tests (2)	CRI-II	1 to 30	U ₃ O ₈	oxidation of uranium metal	calibration of system, demonstration of scale-up
	CRI-III	1 to 10	UO ₂ -SS	probably by consumable electrode	
Cold Proof Tests (2)	CRI-III				alternative generation techniques are being considered
Trace Level Experiments (3)	CRI-II	1 to 30	UO ₂ -SS (tracers)	probably by arc vaporization hearth furnace	generation techniques depend on availability of apparatus
Fuel Vaporization Tests Without Sodium (4)	CRI-III	1 to 30	UO ₂ -SS UO ₂ -PuO ₂ -SS	CDV	upper limit source term as function of energy deposition
Fuel Vaporization Tests With Sodium (6)	CRI-III	1 to 30	UO ₂ -PuO ₂ -SS + Na ₂ O	CDV	
Radiation Effects (7)	CRI-III	1 to 30	UO ₂ -PuO ₂ -SS + sodium	CDV	possible physical-chemical effects of addition of sodium aerosol
CDV Development (5)	CRI-I Fast Vessel	>30	UO ₂ -SS	CDV	addition of 10 to 1000 curies of Na 24 + external gamma source
Fuel Aerosol Simulant Tests (5)	Fast Vessel	1 to 30	UO ₂ -SS simulants	CDV	optimum CDV design
Aerosol Test Facility (9)	NSPP	1 to 5	U ₃ O ₈	consumable arc	bubble behavior and source attenuation mechanisms
		1 to 50	U ₃ O ₈ -sodium oxide	sodium fire	
					effects of coagglomerates in secondary containments

APPENDIX A**II. 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 ΔK . From these data, the investigators 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

Test Phase	Capabilities
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 1T CT specimens.

APPENDIX B**I. CORE DEBRIS CONTROL STUDIES****Long-Term Objectives**

It is essential after a hypothetical meltdown of part or all of the core, and the resulting reactor shutdown, that the decay heat of the core debris be removed in a manner which will ensure that the location of the core debris remains under control. The overall objective of this program is to provide the basic theoretical analysis and experimental data on heat transfer necessary for the effective design of reactor infra-structure or sub-structure to achieve debris control. A variety of reactor types is being considered.

Background

The core debris produced by melt-out may be contained within the reactor vessel itself through the use of internal catchers in some configuration, or a sacrificial secondary containment bed within a prepared receptacle below the reactor may provide the final lodging place for the core melt. The validity of either of these containment concepts depends on the power rating, the bed rock, the method cooling and type of coolant. It also depends on the form of the core debris, whether primarily in large lumps or in fragmented fines.

At present in the UK the information relating to both of these concepts is rather fragmentary. Two ongoing projects are proposed within the UK program which will also be of value to others who may wish to collaborate.

Project 1. Sacrificial Secondary Containment beneath the Reactor.
Object:

To develop a detailed framework within which different methods of secondary containment can be evaluated, and the consequences of variations in the choice of particular materials and geometries examined speedily. For this a computer program is an essential tool. General features rather than specific physics is emphasized in this project.

Project 2. The Development of Core Catchers within a Reactor.

Object: To develop a detailed framework within which the deployment of different types of internal core catchers can be examined and the overall characteristics evaluated. For this a computer program is an essential tool also. The physics of specific core catcher configurations will be fed into this and gross consequences assessed.

It is intended that these two projects will go ahead with a small team of people and it is suggested that it would be beneficial to other countries to attach members to these projects for a period.

These projects will highlight in a systematic way where data is inadequate for making soundly-based designs for core debris control structures.

Work on some specific areas of physics is in progress both in the UK and in other countries where core debris control research is being carried out. Two areas where we are contributing are:

- (a) in the theoretical analysis and computer modelling of
 - (i) convection and heat transfer of specific geometries for internal catchers, and
 - (ii) the growth of the region molten core debris/rock mixture in sacrificial beds as the fission products decay.
- (b) Analogue experiments studying convection, involving heat generation.

Facilities Available at Culham

- (i) For Computer Modelling, the OLYMPUS system has been developed to a state in which intelligible computer codes can be programmed quickly.
- (ii) A small-scale heat transfer laboratory in which lasers and laser holography enable diagnostic measurements of heat flux to be made. The presence of fusion work at Culham provides additional laser expertise on site.

APPENDIX B

II. DRYOUT AND POST-DRYOUT PERFORMANCE TEST ON 60-PIN FUEL ELEMENTS FOR SGHW REACTORS

Objective

1. The establishment of the dryout and post-dryout performance of 60-pin fuel elements (with a pin diameter of 12.2 mm) forms an important part of the work associated with the development of an advanced fuel element for SGHW reactors. The performance endorsement program involves out-reactor dryout tests to be carried out in the electrically heated 9 MW rig heat transfer facility at AEE Winfrith in 1975, followed by in-reactor dryout and post-dryout tests to be carried out in the Winfrith SGHWR power station in 1977.

9 MW Rig Dryout Tests

2. The 9 MW rig at AEE Winfrith is a major heat transfer facility which enables dryout tests to be carried out on multi-rod electrically heated test sections which simulate full-scale SGHWR fuel elements. The 60-pin test section will be contained within a vertical channel of SGHW reactor pressure tube dimensions and will be subjected to widely ranging conditions of power, flow, pressure and inlet sub-cooling in order to determine the map of onset-of-dryout

over a wide range of variables. The 9 MW rig tests will provide detailed information over a wide range of parameters and will also provide advance information on the evaluation and location of the onset of dryout and hence give some guidance on the location of the dryout detectors in the in-reactor test fuel element.

Tests

3. Dryout powers will be measured over the following ranges of variables:

Flow	2	→	16 kg/s
Pressure	30	→	70 bar
Sub-cooling at inlet	20	→	80 kJ/kg

Tests will be carried out with and without the outer six sparge tubes. Some tests will be carried out by reducing flow, keeping power, etc. constant.

Heat Flux Profile

4. The specification of the heat flux profile is as follows:

$$\begin{array}{lll} \text{Axial form} & : & \text{Heated length } 3.66 \text{ mm} \\ \text{Radial} & : & 100 : 70 : 55 : 55 \end{array}$$

The radial distribution represents start-of-life conditions for a uniformly enriched fuel element. DC electrical heating will be used. Test pins diameter - 12.2 mm.

Instrumentation

5. Dryout detection will be by 3 radiation-sensitive foil thermocouples located at the top-end of each heated rod.

Timescale

6. The test section has been built and is awaiting installation in the 9 MW rig. Tests are expected to commence in Autumn 1975, depending on the duration of other programs on the 9 MW rig.

In-Reactor Dryout and Post-Dryout Tests

7. The Winfrith SGHWR in-reactor dryout and post-dryout test program will be carried out on a full size 60-pin element located in one of the reactor's central zone pressure tubes which is connected to a separate circuit known as the cluster loop. The cluster loop provides independent control of channel flow rate, channel inlet sub-cooling and circuit pressure. The power developed by the test fuel element is a function of its enrichment and the power level and power distribution of the reactor as a whole.

8. The in-reactor experimental objectives are:

- (a) to investigate the onset of dryout for various combinations of channel power, inlet sub-cooling and inlet pressure;

- (b) to investigate fuel pin cladding surface temperatures and distributions under stable post-dryout conditions and subsequent rewetting;
 - (c) to investigate fuel pin cladding surface temperature response to rapid flow reductions into stable post-dryout conditions, followed by rewetting.
9. It is anticipated that the test program will follow substantially the methods used in the first series of Winfrith SGHWR in-reactor dryout tests which are reported in the January 1974 issue of the Journal of the British Nuclear Energy Society.

Tests

10. Tests will normally be carried out by reducing flow and keeping power, pressure, and inlet sub-cooling constant. It is expected that tests will be performed within the following ranges of conditions:

Power	3	→	6 MW
Peak pellet linear rating	250	→	500 W/cm
Peak pellet average heat flux	65	→	130 W/cm ²
Sub-cooling	20	→	80 kJ/kg
Pressure	20	→	70 bar

Cladding temperatures up to 800°C

It is expected that channel flows down to 2.0 kg/s will be involved. The tests would also involve some continuous-ECW flow conditions. Investigations of rewetting behavior during a return to normal conditions, following an excursion into stable post-dryout conditions, will also be made.

Instrumentation

11. Dryout detection and post-dryout temperatures will be measured by means of about 50 thermocouples attached to the fuel cladding outer surfaces at selected locations.

Timescale

12. Tests are currently planned to commence in mid 1977.

Means of Co-operation

13. The test programs will be completely at the discretion of the UKAEA. Staff may be attached during 9 MW rig and SGHWR cluster loop experiments.

APPENDIX B**III. FRACTURE MECHANICS****A. REML**

The development of fracture mechanics techniques, particularly for elasto-plastic situations in ferritic and austenitic steels. This embraces the testing of defected model vessels up to 3 in. thickness and correlation of failure conditions with those derived analytically from data from small scale toughness tests. Both COD and J integral techniques are used with the development of techniques for establishing the onset of slow crack growth. The interrelationship of data derived from quality control tests (Charpy V, tensile) with fracture toughness is being studied on a series of simulated welded structures.

Limited acoustic emission trials and laser holography tests are being applied to the tests on defected cylinders and flat welded plates containing both natural and artificial defects.

B. RFL**Program 1. Thermal Shock**

The dominant cyclic stressing agents in reactor circuit components, including pressure vessels, are thermal transients. These result in component surface thermal shock where fatigue cracks can be initiated or pre-existing defects grow by fatigue. As such cracks grow into the material, the stress-strain field controlling growth is still that induced by the thermal transients. The work program examines experimentally and theoretically the growth of cracks in a thermally induced stress-strain field. Tests are carried out on type 304 stainless steel to examine the behavior of water reactor pressure vessel cladding and type 316 stainless steel with reference to fast reactor circuit components.

Program 2. Corrosion Fatigue

Since the discovery recently of the acceleration of fatigue crack growth at low frequencies in pressure vessel steels in a reactor water environment, a safety concern has been to know the conditions under which maximum acceleration occurs. The program examines some of the bounds of behavior by tests in simulated reactor water at ambient temperature and pressure. It includes an examination of the role of stress ratio and attempts particularly to correlate behavior with changes in crack growth mechanism.

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

Atomic Energy: Safety Research and Development

*Arrangement signed at Washington and London
July 20 and August 3, 1977;
Entered into force August 3, 1977.*

ARRANGEMENT
BETWEEN
THE UNITED STATES NUCLEAR REGULATORY COMMISSION
AND
THE UNITED KINGDOM ATOMIC ENERGY AUTHORITY
IN THE
FIELD OF NUCLEAR SAFETY RESEARCH AND DEVELOPMENT

The Contracting Parties

Considering that the United States Nuclear Regulatory Commission (USNRC) and the United Kingdom Atomic Energy Authority (UKAEA)

- (a) have a mutual interest in cooperation in the field of nuclear safety information;
- (b) have previously exchanged research and development information in the field of fast reactors under the terms of an "Arrangement" that was originally signed on February 11, 1965 between the United States Atomic Energy Commission (USAEC) and the UKAEA, and continued as between the USNRC and the UKAEA after certain responsibilities of the USAEC were transferred to the USNRC on January 19, 1975, until terminated on July 20, 1976; and
- (c) wish to continue cooperation in the technology of fast reactor safety and to extend this to include safety aspects of thermal reactors;

Have AGREED as follows:

ARTICLE 1 - OBJECTIVE

The USNRC and the UKAEA, in accordance with the provisions of this Arrangement and subject to applicable laws and regulations in force in their respective countries, shall establish cooperation between them in the field of nuclear safety research and development on the basis of mutual benefit and reasonable equality and reciprocity.

ARTICLE II - FORM OF COOPERATION

Cooperation in accordance with this Arrangement may take the following forms:

1. The exchange of technical information in the form of reports, experimental data, computer codes, correspondence, news letters and oral discussions.
2. The organization of meetings on specific agreed topics; such meetings normally to be held alternately in the US and UK for each topic.
3. Short visits by specialist teams or individuals to the facilities of the other Party.
4. Possible temporary assignment of personnel of one Party to the laboratory or facilities of the other Party, each such assignment to be considered on a case-by-case basis and be the subject of a separate attachment of staff agreement between the Parties.
5. The execution of joint programs and cooperative research 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 or sponsored by either Party. Such joint programs and projects shall be agreed on a case-by-case basis and shall be the subject of separate agreements between the Parties.
6. The use by one Party of facilities owned or operated by the other Party. Such use of facilities shall be the subject of separate agreements between the Parties and may be subject to commercial terms and conditions.
7. If either Party wishes to visit, assign personnel or use the facilities owned or operated by government entities other than the Parties to this Arrangement, such governmental entities must give their prior written approval to the terms upon which such visit, assignment or use shall be made.
8. Any other form agreed between the Parties.

ARTICLE III - SCOPE OF INFORMATION EXCHANGE

1. The USNRC will make available to the UKAEA information in the field of nuclear safety research and development which it has the right to disclose, either in its possession or available to it, in the technical areas (listed in Addendum A) in which the USNRC is performing nuclear safety research.

2. The UKAEA will make available to the USNRC information in the field of nuclear safety research and development which it has the right to disclose, either in its possession or available to it, in the technical areas (listed in Addendum B) in which the UKAEA is performing nuclear safety research.

3. Each Party will promptly transmit and call to the other Party's attention any information on its research results appearing to have significant safety implications.

4. The Parties may also exchange information on any other topic by agreement.

5. Either Party may refuse to provide any particular information or information in general if that Party, in its absolute discretion, considers that the disclosure of such information might prejudice the national security, or otherwise be inimical to its national interest, or could be commercially damaging.

ARTICLE IV - ADMINISTRATION OF THE ARRANGEMENT

Each Party will designate as Administrator a senior representative to coordinate its participation in the overall exchange. A Review Meeting of the Administrators or their representatives will be held at agreed-upon intervals to review the status of exchange and cooperation established under this Arrangement, to recommend revisions for improving and developing the cooperation, and to discuss topics within the scope of the cooperation. The time, place and agenda for such meetings shall be agreed upon in advance.

ARTICLE V - EXCHANGE AND USE OF INFORMATION

1. The Parties support the widest possible dissemination of information provided or exchanged under this Arrangement, subject to the need to protect proprietary information as may be exchanged hereunder, and to the provisions of ARTICLE VII, PATENTS.

2. As used in this Arrangement, the following definitions apply:

(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 Arrangement.

(ii) The term "proprietary information" means information which contains trade secrets or other information which is privileged or confidential, and may only include information which:

- (a) has been held in confidence by its owner; and
- (b) is of a type which is customarily held in confidence by its owner; and
- (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.

3. The Party receiving proprietary information pursuant to this Arrangement shall respect the privileged nature thereof, provided such proprietary information is clearly marked with the appropriate legend of the transmitting party and with the following (or substantially similar) restrictive legend:

"This document contains proprietary information furnished in confidence under an Arrangement dated _____ between the United States Nuclear Regulatory Commission and the United Kingdom Atomic Energy Authority and shall not be disseminated outside these organizations, their consultants, contractors, and licensees, and concerned departments and agencies of the Governments of the United States and the United Kingdom without the prior approval of _____. This notice shall be marked on any reproduction hereof, in whole or in part. These limitations shall automatically terminate when this information is disclosed by the owner without restriction."

4. In regard to the dissemination and use of proprietary information received in confidence under this Arrangement, the Parties agree that:

(i) Such information may be disseminated by the receiving Party to persons within or employed by the receiving Party, and to:

- (a) concerned Government departments and Government agencies in the country of the receiving Party;

- (b) prime or sub-contractors or consultants 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 the subject matter of the proprietary information;
- (c) organizations permitted or licensed by the receiving Party in the field of development, design, construction and operation of nuclear production or utilization facilities for use only within the terms of such permit or license;
- (d) contractors of organizations identified in Item 4(i)(c) above for use only within the scope of the permit or license granted to such organizations;

provided that any proprietary information so disseminated under (a), (b), (c), and (d), above shall be on an as-needed, case-by-case basis, shall be pursuant to an agreement of confidentiality and shall be marked with a restrictive legend substantially identical to that appearing in paragraph 3 above.

(ii) With the prior written consent of the Party providing proprietary information under this Arrangement, the receiving Party may disseminate such proprietary information more widely than otherwise permitted in the foregoing subsection (i). The Parties shall cooperate with each other in developing procedures for requesting and obtaining approval for such wider dissemination and each Party will grant such approval to the extent permitted by its national policies, regulations, and laws.

(iii) Each Party shall exercise its best efforts to ensure that proprietary information received by it under this Arrangement 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 non-dissemination provisions of this Article, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

(iv) Non-documentary proprietary information provided in seminars and other meetings organized under this Arrangement, or information arising from the attachments of staff, use of facilities or joint projects shall be treated by the Parties in accordance with the principles specified in this Article, provided, however, that the Party communicating such proprietary information places the recipient on notice as to the character of the information communicated.

(v) Nothing contained in this Arrangement shall preclude the use or dissemination of information received by a Party from sources outside of this Arrangement.

ARTICLE VI - COSTS

Except when otherwise specifically agreed upon by the Parties, all costs arising in the implementation of this Arrangement 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.

ARTICLE VII - PATENTS

1. With respect to any invention or discovery made or conceived in the course of or under this Arrangement:

(i) 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 or discovery in its own Country and in third countries, subject to a non-exclusive, irrevocable, royalty-free license in all such countries to the Assigning Party, with the right to grant sub-licenses, under any such invention or discovery and any patent application, patent or other protection relating thereto, 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 or discovery in its own Country, subject to an non-exclusive, irrevocable, royalty-free license to the recipient party, with the right to grant sublicenses under any such invention or discovery and any patent application, patent or other protection relating thereto for use in the production or utilization of special nuclear material or atomic energy.

(ii) If made or conceived by personnel other than the personnel referred to in paragraph (i) above, as a result of attendance at meetings or as a result of employing information which had been communicated under this Arrangement by one Party or its contractors to the other Party or its contractors, the Party of such personnel making the

invention shall acquire all right, title, and interest in and to any such invention or discovery 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 invention or discovery and any patent application, patent or other protection relating thereto in all countries, for use in the production or utilization of special nuclear material or atomic energy.

(iii) With regard to other specific forms of cooperation, including loans or exchanges of materials, instruments and equipment for special joint research projects, the Parties shall provide for appropriate distribution of rights to inventions or discoveries resulting from such cooperation. In general, however, each Party should normally own the rights to such inventions or discoveries in its own Country with a royalty-free, non-exclusive, irrevocable licence to the other Party, and the rights to such inventions or discoveries in other countries should be agreed by the Parties on an equitable basis.

2. Neither Party shall discriminate against citizens of the Country of the other Party with respect to granting any license or sublicense under any invention or discovery pursuant to paragraph 1 above. It is understood that the licensing policies and practices of each Party may be affected because of the rights of both Parties to grant licenses within a single jurisdiction. Accordingly, either Party may request, in regard to a single invention or discovery or class of inventions or discoveries, 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.

3. Each Party will assume the responsibility to pay awards or compensation required to be paid to its nationals according to the laws of its Country.

ARTICLE VIII - DISCLAIMER

Information given by one Party to the other under this Arrangement shall be accurate to the best knowledge and belief of the Party giving it, but neither Party gives any warranty as to the accuracy of such information or shall have any responsibility for the consequences of any use to which such information may be put by the other Party or by any third party.

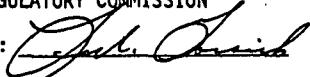
ARTICLE IX - FINAL PROVISIONS

1. This Arrangement shall enter into force upon the later of the two dates on which it is signed and, subject to paragraph 2 of this Article, shall remain in force for a period of 5 years, unless previously extended by agreement between the Parties.

2. Either Party may withdraw from the present Arrangement after providing the other Party written notice 6 months prior to its intended date of withdrawal.

3. The Parties agree that all discussions, meetings, exchange of documents or other acts of cooperation between them since the termination of the "Arrangement" of February 11, 1965, and prior to the entry into force of this Arrangement which, if they had occurred subsequent to the entry into force of this Arrangement, would have been subject to this Arrangement, shall be subject to the terms hereof.

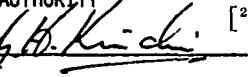
FOR THE UNITED STATES NUCLEAR
REGULATORY COMMISSION

BY:  [¹]

TITLE: Executive Director for Operations

DATE: July 20, 1977

FOR THE UNITED KINGDOM ATOMIC
ENERGY AUTHORITY

BY:  [²]

TITLE: Director, Safety & Reliability

DATE: August 3rd 1977

¹ Lee V. Gossick

² G. H. Kinchin

[Footnotes added by the Department of State.]

Addendum AUSNRC-UKAEA Reactor Safety Research ExchangeAreas in which the USNRC is Performing Safety Research1. Fast Reactors

- 1.1 Molten Fuel-Coolant Interactions
- 1.2 Post-Accident Heat Removal
- 1.3 Accident Analysis, Delineation and Model Development
- 1.4 Aerosol Generation Release and Transport
- 1.5 Safety Test Facility Studies and Concept Development
- 1.6 In-Pile Data Acquisition Methods Related to Experiment Diagnostics
- 1.7 Analysis of Extended Core Motion in Core Disruptive Accidents
- 1.8 Systems Integrity Studies
- 1.9 All computer codes applicable to all the above at whatever state of development they may be*
- 1.10 Data from all experiments applicable to the above*

2. Water Reactors

- 2.1 Primary Coolant System Rupture Studies
- 2.2 Heavy Section Steel Technology Program
- 2.3 LOFT program
- 2.4 Power Burst Facility - Subassembly Testing Program
- 2.5 Separate Effects Testing - Loss of Coolant Accident Studies

*It is understood that if data or computer codes are requested by the UKAEA in an incomplete form, USNRC effort might not be available to assist with interpretation, completion or operating difficulties.

- 2.6 Loss of Coolant Accident Analyses - Analytical Model Development
 - 2.7 Design Criteria for Piping, Pumps, and Valves
 - 2.8 Alternate ECCS Studies
 - 2.9 Core Meltdown Studies
 - 2.10 Fission Product Release and Transport Studies
 - 2.11 Probabilistic Studies
 - 2.12 Zirconium Damage
 - 2.13 All computer codes applicable to all the above at whatever stage of development they may be*
 - 2.14 Data from all experiments applicable to the above*
3. Gas-Cooled Reactors
 4. Nuclear Material Transport, Disposal and Environmental Effects

*It is understood that if data or computer codes are requested by the UKAEA in an incomplete form, USNRC effort might not be available to assist with interpretation, completion or operating difficulties.

Addendum BUKAEA-USNRC Reactor Safety Research ExchangeAreas in which the UKAEA is Performing Safety Research**I. Fast Reactor Safety Research****1. Escalation of sub-assembly faults to whole-core accidents****1.1 Fuel failure studies**

- A. Models of fuel failure under accident conditions
- B. Analysis of fuel failure experiments
- C. System transient analysis

1.2 Sodium boiling

- A. Basic studies (bubble growth and collapse, etc.)
- B. Multi-pin testings in water and sodium
- C. Analysis of multi-pin tests

1.3 Reliability and accuracy of sub-assembly fault detection

- A. Boiling Noise
- B. Burst pin (delayed neutron, fission product gas)
- C. Coolant Temperature noise
- D. Reactivity variation
- E. Monitoring systems development

(pulse coded guard lines, computer assisted safety systems)

2. Containment of hypothetical whole core accidents**2.1 Calculation of reactivity ramp rates**

- A. Fuel coolant interaction in sub-assemblies

- B. Core integrity following a sub-assembly explosion
 - C. Nuclear excursion calculations (FRAX code)
 - D. Equation of state of core materials
 - E. Effect of fuel coolant interaction immediately after whole core accident ("Q*")
- 2.2 Demonstration of ability of primary containment to resist loadings imposed by a whole core accident
- A. Supporting tests and structure analysis (high strain rates, etc.)
 - B. Explosion tests on model and containment code validation experiments
 - C. Core support, roof and vessel loading calculations
 - D. Post expansion core behavior analysis (catch pots, decay heat removal, etc.)
3. Miscellaneous
- 3.1 Fire characteristics, detection and suppression
 - 3.2 Reliability and fault analysis including reliability and accuracy of leak detectors, rupture discs, etc.
 - 3.3 Fuel handling fault analysis
4. All computer codes applicable to all the above at whatever stage of development they may be*
5. Data from all experiments applicable to the above*

*It is understood that if data or computer codes are requested by the USNRC in an incomplete form, UKAEA effort might not be available to assist with interpretation, completion or operating difficulties.

II. Water Reactor Safety Research

1. Reactor Physics calculation methods and codes
 - e.g., Nuclear/thermal/hydraulic transient analysis
 - Shutdown reactivity predictions
 - Shielding and gamma heating codes
2. Loss-of-Coolant Accident Analysis)
3. ECCS studies) Analytical methods
) Experimental studies
4. Fuel behavior in fault transients, fuel safety criteria
5. Pressure tube integrity
6. Steam drum integrity
7. Radioactive corrosion products - production and deposition in coolant circuit
8. Decontamination processes for coolant circuit
9. Active effluent treatment
10. All computer codes applicable to all the above at whatever stage of development they may be*
11. Data from all experiments applicable to the above*

III. Gas Cooled Reactors**IV. Nuclear Material Transport, Disposal and Environmental Effects**

*It is understood that if data or computer codes are requested by the USNRC in an incomplete form, UKAEA effort might not be available to assist with interpretation, completion or operating difficulties.

CUBA

Fisheries Off the United States Coasts

*Agreement signed at Havana April 27, 1977;
Entered into force September 26, 1977.
With agreed minutes.*

AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF CUBA
CONCERNING FISHERIES OFF THE COASTS OF
THE UNITED STATES

The Government of the United States of America and
the Government of the Republic of Cuba

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 Conserva-
tion and Management Act,^[1] and as expressed in this
Agreement;

Having regard for the discussions of the Third
United Nations Conference on the Law of the Sea
regarding coastal state rights and obligations 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 manage-
ment authority;

Have agreed as follows:

^[1]90 Stat. 331; 16 U.S.C. § 1801 note.

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 vessels of the Republic of Cuba for the living resources over which the United States exercises fishery management authority as provided by United States law.

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 subparagraphs 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; and

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 Republic of Cuba to harvest in accordance with terms and conditions to be established in permits issued under Article VI,^[1] an allocation of that portion of the allowable catch for a specific fishery that will not be harvested by United States fishing vessels.

¹ Should read "Article VII".

2. The Government of the United States shall determine each year, subject to such adjustments as may be necessitated by unforeseen circumstances affecting the stocks:

- a. the total allowable catch for each fishery on the basis of the best available scientific evidence, including information from the 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 Republic of Cuba.

3. In implementation of paragraph 2. d. of this Article, the Government of 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. Such measures may include, inter alia:

- a. designated areas where, and periods when, fishing shall be permitted, limited, or conducted only by specified types of fishing vessels or with specified types and quantities of fishing gear;
- b. limitations on the catch of fish based on area, species, size, number, weight, sex, incidental catch, total biomass or other factors;
- c. limitations on the number and types of fishing vessels that may engage in fishing and/or on the number of days each vessel or the total fleet may engage in fishing in a designated area within the fishery conservation zone or for a specified fishery;
- d. requirements as to the types of gear that may, or may not, be employed; and
- e. requirements designed to facilitate enforcement of such conditions and restrictions, including the maintenance of appropriate position-fixing and identification equipment.

4. The Government of the United States shall notify the Government of the Republic of Cuba of the determinations and measures 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 Republic of Cuba 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 and with respect to conservation and management of fishery resources of mutual concern, and the need to minimize economic dislocation in cases where vessels of the Republic of Cuba have habitually fished for living resources over which the United States now exercises fishery management authority.

Article V

The Government of the United States shall take all necessary measures to implement this Agreement, including the issuance of permits in accordance with Articles III and VII and Annex I of this Agreement.

Article VI

The Government of the Republic of Cuba shall take all necessary measures to ensure:

1. that vessels of the Republic of Cuba refrain from fishing for living resources over which the United States exercises fishery 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 VII

The Government of the Republic of Cuba may submit an application to the Government of the United States for a permit for each vessel of the Republic of Cuba 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 hereof. The Government of the United States may require the payment of reasonable fees for such permits.

Article VIII

The Government of the Republic of Cuba shall ensure that vessels of Cuba refrain from harassing, hunting, capturing, or killing, or attempting to harass, hunt, capture or kill, any marine mammal 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 IX

The Government of the Republic of Cuba shall ensure that in the conduct of the fisheries under this Agreement:

1. the authorizing permit for each vessel of Cuba 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 according to a program for implementation which takes into account factors commonly recognized by both Parties;
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 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 caused by any fishing vessel of the Republic of Cuba, as determined by applicable United States procedures.

Article X

1. The Government of the Republic of Cuba shall take such measures as may be necessary to ensure that each vessel of Cuba authorized to fish pursuant to this Agreement, and any other vessel of Cuba 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 seizure and arrest of a vessel of the Republic of Cuba by the authorities of the Government of the United States, notification shall be given promptly through diplomatic channels informing the Government of the Republic of Cuba of the facts and the action taken.

Article XI

1. The Government of the United States will impose appropriate penalties, in accordance with the laws of the United States, on vessels of Cuba or their owners or operators, that violate the requirements of this Agreement or of any permit issued hereunder.

2. In cases of an enforcement action undertaken by authorities of the Government of the United States, vessels of Cuba and their crews shall be promptly released upon the posting of reasonable bond or any other security as may be determined by the court.

3. The representatives of the Government 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 XII

1. The Governments of the United States and Cuba undertake to cooperate, according to their capabilities, in the conduct of scientific research related to living resources of mutual interest. 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, and regularly scheduled meetings between scientists to prepare research plans and review progress.

2. The Government of Cuba shall cooperate with the Government of the United States in the implementation of procedures for collecting, recording, and reporting fisheries data in accordance with the procedures in Annex II, which constitutes an integral part of this Agreement.

Article XIII

The Government of the United States and the Government of the Republic of Cuba shall carry out periodic bilateral consultations regarding the implementation of this Agreement, the development of further cooperation in the field of fisheries of mutual concern, including the establishment of appropriate organizations for the collection and analysis

of scientific data respecting such fisheries, and the coordination of national management programs with regard to stocks of species which migrate through the waters of the zones off the coasts of the two countries.

Article XIV

The Government of the United States undertakes to authorize vessels of the Republic of Cuba 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 XV

Should the Government of the United States indicate to the Government of the Republic of Cuba that nationals and vessels of the United States wish to engage in fishing in the zone established by Decree Law 2 of February 24, 1977, of Cuba, the Government of the Republic of Cuba will allow such fishing on the basis of reciprocity and on terms not more restrictive than those established in accordance with this Agreement.

Article XVI

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 as set forth in this Agreement.

Article XVII

1. This Agreement shall enter into force on a date to be mutually agreed by an exchange of notes, following the completion of the internal procedures of both Parties [¹] and shall remain in force for a five-year period, unless terminated sooner by either Party 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.

¹ Sept. 26, 1977.

In witness whereof, the undersigned, being duly authorized for this purpose, have signed this Agreement.

Done in the City of Havana, this 27th day of April, 1977, in duplicate in the English and Spanish languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

Terence A. Todman [1]

FOR THE GOVERNMENT OF THE
REPUBLIC OF CUBA:

Pelegrín Torras [2]

¹ Terence A. Todman
² Pelegrín Torras

ANNEX IApplication and Permit Procedures

The following procedures shall govern the application for and issuance of annual permits authorizing vessels of Cuba to engage in fishing for living resources over which the United States exercises fishery management authority:

1. The Government of the Republic of Cuba may submit an application to the Government of the United States for each vessel of Cuba 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.

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 Republic of Cuba of such determinations.

4. The Government of the Republic of Cuba 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. In the event the Government of the Republic of Cuba notifies the Government of the United States of its objections to specific conditions and restrictions, the two Governments may consult with respect thereto and the Government of the Republic of Cuba may thereupon submit a revised application.

6. Upon acceptance of the conditions and restrictions by the Government of the Republic of Cuba and the payment of any fees, the Government of the United States shall approve the application and issue a permit for each vessel of Cuba 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.

7. The procedures in this Annex may be amended by agreement through an exchange of notes between the two Governments.

ANNEX IIData Requirements for Vessels
of the Republic of Cuba

The reporting procedures are designed to contribute to continuing needs for assessment of the status of stocks and their conservation and management. However, specific needs may develop from time to time which require a change in procedures, or additional data for special studies. Also, the pattern of fisheries will change. These aspects require that the procedures must be flexible enough to accommodate necessary changes. Therefore, the United States shall develop procedures for reporting and recording statistical information, including catch and effort information, and shall make available to authorities of the Government of Cuba the procedures and the forms for reporting such statistical information. The procedures will be announced and forms for reporting will be made available in sufficient time to allow compliance.

All data referred to in this Annex shall be reported to the designated representative of the National Marine Fisheries Service.

1. Procedures for Scientific Samples From Atlantic Fisheries:

- a. Length-age composition samples
 - (i) 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.

- (ii) 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

- (iii) Sample 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., 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 of fish of the same length class shall be weighed in aggregate. Sex shall be recorded for mature individuals.
- c. The collection of samples, specified above, shall be annotated in fishing logbooks.

2. Applicable procedures for scientific samples from fisheries in areas other than the Atlantic will be provided as necessary by the United States.

3. The procedures in this Annex may be amended by agreement through an exchange of notes between the two Parties.

ANNEX III**Procedures Relating to United States Port Calls**

Article XIV of the Agreement provides for the entry of fishing vessels of the Republic of Cuba allowed to fish pursuant to the Agreement into designated ports of the United States in accordance with United States law for certain purposes. This Annex designates the ports and purposes authorized and describes the procedures which shall govern port entries.

1. The vessels of the Republic of Cuba which have been issued permits or have been authorized to receive permits pursuant to the Agreement are authorized to enter the ports of New York, Boston, and Philadelphia, beginning on the date of entry into force of the Agreement, authorized ports in other coastal areas of the United States to be designated at such time as Cuba receives allocations for fisheries in those areas. Entry into designated ports shall be pursuant to the following procedures.

2. Vessels of the Republic of Cuba may enter the ports specified above to replenish ships' stores or fresh water, obtain bunkers, provide rest for or make changes in their crews, to obtain repairs and other services normally provided in those ports, and, as necessary, to receive permits. Authorized vessels enroute to one of the designated ports to receive a permit shall be treated as non-fishing vessels, so long as such vessels observe the provisions of this Agreement.

3. 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, or (2) Teletype Communication "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, including the Federal Water Pollution Control Act.

4. The Government of the United States of America at its Embassies in Mexico City and Kingston and its Consulate General in Montreal, 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 fourteen 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 port of the Republic of Cuba 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.

5. In cases where a seaman of the Republic of Cuba is evacuated from his vessel to the United States for the purpose of emergency

medical treatment, authorities of the Republic of Cuba will ensure that the seaman departs from the United States within fourteen days after his release from the hospital. During the period that the seaman is in the United States, representatives of the Cuban side will be responsible for him.

6. The exchange of crews of vessels of the Republic of Cuba in the specified ports shall be permitted subject to submission to the United States Embassies in Mexico City and Kingston and its Consulate General in Montreal of applications for individual transit visas and crewman visas for replacement crewmen. Applications shall be submitted fourteen 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 seamen's documents shall accompany each application. Subject to United States laws and regulations, the United States Embassies and Consulate General will affix transit and crewman visas to each passport or seaman's document before it is returned. In addition to the requirements above, the name of the vessel and date of its expected arrival, a list of names, dates and places of birth for those crewmen who shall be admitted to the United States under the responsibility of Cuban representatives for repatriation to the Republic of Cuba and the dates and manner of their departure from the United States shall be submitted to the Department of State fourteen days in advance of arrival.

7. Special provisions shall be made as necessary regarding the entry of research vessels of the Republic of Cuba which are engaged in a mutually agreed research program in accordance with the terms of Article XII of the Agreement. Requests for entries of fishery research vessels shall be forwarded to the United States Department of State, Washington, D.C., through diplomatic channels.

8. The provisions of this Annex may be amended by agreement through an exchange of notes between the two Governments.

Agreed Minutes

The Representative of the Republic of Cuba wished to indicate the interest of Cuba in continuing its fishery of grouper, red snapper, shrimp, shark, and other species in the waters of the Gulf of Mexico belonging to the United States of America, at a level at least corresponding to its historical share in these fisheries, being also of the opinion that the state of the stocks of these species so allows, even in the case that US vessels increase their levels of catch.

Likewise, the Representative of the Republic of Cuba wished to express Cuba's interest in initiating, as soon as possible, fisheries of hake, herring, Alaska pollock and others in the Central and North-eastern Pacific areas off the coasts of the United States of America, because of Cuba's need to develop its fisheries with the fundamental purpose of obtaining foodstuffs for its people.

The Representative of the United States took note of the expression of views and aspirations of the Cuban side and indicated they would be made known to the appropriate fishery management authorities of the United States. The applications received would be forwarded to the Regional Fishery Management Councils for their review and comment in the context of the relevant management plans, existing or in preparation.

The Representative of the Republic of Cuba wished to manifest Cuba's interest in achieving a rapid implementation of the provisions of Articles XII and XIII of the Agreement concerning the establishment of mechanisms for cooperation between the two countries for the purpose of promoting scientific research on the fishery resources of the region, analyzing the scientific evidence contributed by both parties and coordinating national management programs for species which migrate between the respective zones of both countries.

The Representative of the United States of America, taking account of the provisions of Articles XII and XIII, was of the view that the Agreement does establish a framework for scientific cooperation, the elaboration of which the United States hopes will proceed at a positive pace.

The Representative of the Republic of Cuba called upon the competent authorities of the United States to see to it that Cuba's tuna fisheries are not affected by regulatory measures applicable to other highly migratory species constituting associated catches in such fisheries.

The Representative of the United States took note of the statement and, stating that the jurisdiction of the United States within the fishery conservation zone does not include jurisdiction over tuna, undertook to bring the Cuban concern to the attention of the national fishery management authorities of the United States. The hope was also expressed that the cooperation undertaken pursuant to Articles XII and XIII would include an address to the problems of associated catches.

ACUERDO

ENTRE EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA
Y EL GOBIERNO DE LA REPUBLICA DE CUBA REFERENTE A
LAS PESQUERIAS FRENTA A LAS COSTAS DE LOS ESTADOS
UNIDOS

El Gobierno de los Estados Unidos de América y el Gobierno
de la República de Cuba,

Considerando su interés común por la administración racio-
nal, conservación y utilización óptima de las poblaciones de pces
frente a las costas de los Estados Unidos,

Reconociendo la autoridad administrativa que ejercen los -
Estados Unidos en materia de pesquerías planteada en el Acta de --
Conservación y Administración de pesquerías y como se expresa en -
este Acuerdo;

Teniendo en cuenta las discusiones de la Tercera Conferen-
cia de las Naciones Unidas sobre el Derecho del Mar relativas a --
los derechos y obligaciones de los Estados ribereños sobre las pesquerías frente a sus costas;

Deseosos de establecer términos y condiciones razonables -
con respecto a las pesquerías de interés mutuo en las cuales Esta-
dos Unidos ejerce la autoridad administrativa sobre pesquerías;

ACUERDAN lo siguiente:

ARTICULO I

El objeto del presente Acuerdo es asegurar la conservación efectiva, la utilización óptima y la administración racional de las pesquerías de interés mutuo existentes frente a las costas de los Estados Unidos, y llegar a un entendimiento común respecto de los principios y procedimientos según los cuales los barcos de la República de Cuba podrán llevar a cabo la pesca de los recursos vivos sobre los cuales Estados Unidos ejercen la autoridad administrativa en materia de pesquerías, de acuerdo con la legislación de los Estados Unidos.

ARTICULO II

En el presente Acuerdo, el término:

1) "los recursos vivos sobre los cuales los Estados Unidos ejercen la autoridad administrativa en materia de pesquerías" significa todos los peces, dentro de la zona de conservación de pesquerías de los Estados Unidos, excepto las especies altamente migratorias; todas las especies de peces anádromos que desovan en las aguas dulces o estuarinas de los Estados Unidos y que emigran a las aguas del océano a lo largo de su recorrido migratorio, y todos los recursos vivos de la plataforma continental perteneciente a los Estados Unidos.

2) "peces" significa todos los peces, moluscos, crustáceos y otras formas de vida animal y vegetal marina que no sean mamíferos marinos, aves y especies altamente migratorias.

3) "pesquerías" significa:

a) una o más poblaciones de peces que pueden tratarse como una unidad a efectos de la conservación y administración y que estén identificados sobre la base de características geográficas, científicas, técnicas, re-creativas y económicas; y

b) cualquier pesca de dichas poblaciones.

4) "zona de conservación de pesquería" significa la zona contiguous al mar territorial de los Estados Unidos, cuyo límite marino

está determinado por una línea trazada de tal modo que cada punto de la misma se encuentre a 200 millas marinas de la línea de base desde la cual se mide la anchura del mar territorial de los Estados Unidos.

5) "pesca" significa:

- a) la captura, toma o recogida de peces;
- b) la tentativa de captura, toma o recogida de peces;
- c) cualquier otra actividad de la que razonablemente pueda esperarse que dé como resultado la captura, toma o recogida de peces; o
- d) cualesquiera operaciones en la mar directamente encaminada a apoyar o preparar cualquiera de las actividades descritas en los subpárrafos precedentes a) al c), siempre que dicho término no incluya otros usos legítimos de la alta mar, incluyendo cualquier actividad de investigación científica realizada por un barco de investigación científica.

6) "barco de pesca" significa cualquier barco, buque, embarcación u otra nave que se utilice, se pertreche para ser utilizada o sea de un tipo normalmente utilizado para

- a) pescar; o
- b) ayudar o asistir a uno o más barcos en la realización de cualquier actividad referente a la pesca; incluyendo las operaciones de preparación, suministro, almacenamiento, refrigeración, transporte o procesamiento.

7) "especies altamente migratorias" significa las especies de túnidos que en el transcurso de su ciclo de vida desovan y migran sobre grandes distancias en las guas del océano.

8) "mamíferos marinos" significa cualquier mamífero que se halle morfológicamente adaptado al medio ambiente marino, incluyendo las nutrias marinas, y miembros de los órdenes de los sirénidos pinnípedos y cetáceos, o que habitan primordialmente en el medio ambiente marino, tales como los osos polares.

ARTICULO III

1) El Gobierno de los Estados Unidos está dispuesto a permitir el acceso a los barcos de pesca de la República de Cuba para que capturen, de acuerdo con los términos y condiciones que se establezcan en las licencias expedidas conforme al Artículo VI,^[1] un cupo de aquella parte de la captura permisible para una pesquería específica, que no sea pescada por los barcos de pesca de los Estados Unidos.

2) El Gobierno de los Estados Unidos determinará cada año, — con sujeción a los ajustes que puedan ser necesarios, debido a circunstancias imprevistas que afecten las poblaciones:

- a) la captura total permisible para cada pesquería basándose en los mejores datos científicos disponibles, incluyendo la información proveniente de las organizaciones internacionales pertinentes, teniendo en cuenta la interdependencia de las poblaciones, los criterios aceptados internacionalmente y todos los demás factores pertinentes;
- b) la capacidad de captura de los barcos de pesca de los Estados Unidos con respecto a cada pesquería;
- c) la parte de la captura total permisible para una pesquería específica que, sobre una base anual, no será capturada por los barcos de pesca de los Estados Unidos; y
- d) el cupo asignado de dicha parte que pueda ponerse a disposición de los barcos de pesca idóneos de la República de Cuba.

3) En cumplimiento del párrafo 2d. de este Artículo, el Gobierno de los Estados Unidos determinará cada año las medidas necesarias para prevenir la sobrepesca, logrando al mismo tiempo, sobre una base de continuidad, el rendimiento óptimo de cada pesquería. Tales medidas pueden incluir, entre otras:

- a) la designación de zonas o períodos de tiempo en que la pesca se permitirá o se limitará o en que se efectuará

¹ Should read "Article VII".

únicamente con tipos especificados de barcos de pesca o con las cantidades y tipos de artes que asimismo se especifiquen;

- b) limitaciones en la captura de peces basadas en zonas, especies, tamaños, número, peso, sexo, captura incidental, biomasa total u otros factores;
- c) limitaciones en cuanto al número y los tipos de barcos pesqueros que puedan dedicarse a la pesca y/o en cuanto al número de días en que cada barco o el total de la flota pueda dedicarse a la pesca en un área designada dentro de la zona de conservación de pesquerías o para una determinada pesquería;
- d) requisitos en cuanto a los tipos de artes que puedan o no emplearse;
- e) requisitos elaborados para facilitar el cumplimiento de tales condiciones y restricciones, incluido el mantenimiento de los equipos apropiados para la fijación de posición y de identificación.

4) El Gobierno de los Estados Unidos notificará oportunamente al Gobierno de la República de Cuba las determinaciones y medidas que se dispongan en virtud del presente Artículo.

ARTICULO IV

Al determinar la parte del excedente que pueda ponerse a disposición de los barcos de la República de Cuba y otros países, el Gobierno de los Estados Unidos fomentará el objetivo de la utilización óptima, teniendo en cuenta, entre otras, la pesca tradicional, de haberla, las contribuciones a la investigación pesquera y la identificación de poblaciones, la cooperación previa tanto en cuanto al cumplimiento de lo dispuesto como con respecto a la conservación y administración de los recursos de pesquería de interés mutuo, y la necesidad de reducir al mínimo los perjuicios económicos en los casos en que los barcos de la República de Cuba hayan pescado habitualmente los recursos vivos sobre los cuales Estados Unidos ejercen actualmente la autoridad administrativa en materia de pesquerías.

ARTICULO V

El Gobierno de los Estados Unidos adoptará todas las medidas necesarias para poner en ejecución este Acuerdo, incluyendo la expedición de licencias conforme a los Artículos III y VII y el Anexo I de este Acuerdo.

ARTICULO VI

El Gobierno de la República de Cuba adoptará todas las medidas necesarias para garantizar:

1. que los barcos de la República de Cuba se abstengan de pescar los recursos vivos sobre los cuales Estados Unidos ejercen la autoridad administrativa en materia de pesquerías, salvo lo autorizado en virtud del presente Acuerdo;
2. que todos los barcos así autorizados cumplan las cláusulas de las licencias expedidas conforme a este Acuerdo y leyes aplicables de los Estados Unidos; y
3. que el cupo total asignado a que se hace mención en el Artículo III, párrafo 2 d. de este Acuerdo, no se sobrepase en ninguna pesquería.

ARTICULO VII

El Gobierno de la República de Cuba puede presentar una solicitud al Gobierno de los Estados Unidos para una licencia por cada barco de la República de Cuba que desee dedicarse a la pesca en la zona de conservación de pesquerías, conforme a este Acuerdo. Dicha solicitud se preparará y tramitará con arreglo al Anexo I de este Acuerdo que constituirá parte integrante del mismo. El Gobierno de los Estados Unidos podrá requerir el pago de cánones razonables por tales licencias.

ARTICULO VIII

El Gobierno de la República de Cuba garantizará que los barcos de Cuba se abstendrán de acosar, cazar, capturar o matar, o de intentar acosar, cazar, capturar o matar, ningún mamífero marino —

dentro de la zona de conservación de pesquerías de los Estados Unidos, salvo lo dispuesto en contrario en virtud de un acuerdo internacional respecto a los mamíferos marinos del cual sean parte los Estados Unidos, o con arreglo a una autorización específica concedida y a controles establecidos por el Gobierno de los Estados Unidos en materia de captura incidental de mamíferos marinos.

ARTICULO IX

El Gobierno de la República de Cuba garantizará que al llevar a cabo las pesquerías con arreglo a este Acuerdo:

- 1) se exhibirá en un lugar bien visible de la caseta del timón la licencia que autoriza a ese barco de Cuba a realizarla;
- 2) se instalará y conservará en buen estado de funcionamiento en cada uno de dichos barcos el apropiado equipo de fijación de posición y de identificación que determine el Gobierno de los Estados Unidos según un programa de implementación que tome en cuenta factores comúnmente reconocidos por ambas partes;
- 3) se permitirá, previa petición al efecto, el acceso a bordo en cualquiera de dichos barcos de pesca, de observadores designados por los Estados Unidos, quienes tendrán la categoría equivalente a la de Oficial mientras se encuentren a bordo de dichos barcos y, además, se reembolsará al Gobierno de los Estados Unidos - por los gastos incurridos en la utilización de observadores;
- 4) se nombrarán y mantendrán dentro de los Estados Unidos representantes con facultad para recibir y responder ante cualquier procedimiento legal entablado en los Estados Unidos por cualquier causa derivada de la realización de las actividades de pesca con arreglo a este Acuerdo; y
- 5) se tomarán todas las medidas necesarias para asegurar la puntual y adecuada compensación a los ciudadanos de los Estados Unidos por cualquier pérdida o daño de sus barcos de pesca, artes de pesca o captura, causado por cualquier barco de pesca de la República de Cuba, según lo determinado por la reglamentación aplicable de los Estados Unidos.

ARTICULO X

1) El Gobierno de la República de Cuba tomará las medidas que sean necesarias para garantizar que cada barco de Cuba autorizado para pescar conforme a este Acuerdo, y cualquier otro barco de Cuba que realice labores de pesca de los recursos vivos sobre los cuales los Estados Unidos ejercen la autoridad administrativa en materia de pesquerías, permita, prestando su concurso, el acceso a bordo y la inspección de dicho barco por parte de cualquier funcionario debidamente autorizado de los Estados Unidos, y cooperar en cualquier acción de cumplimiento que se pueda llevar a cabo con arreglo a las leyes de los Estados Unidos.

2) En los casos de apresamiento y detención de un barco de la República de Cuba por las autoridades del Gobierno de los Estados Unidos, se notificará prontamente por vía diplomática informando al Gobierno de la República de Cuba sobre los hechos y las medidas tomadas.

ARTICULO XI

1) El Gobierno de los Estados Unidos impondrá las sanciones apropiadas de acuerdo con sus leyes, a los barcos de Cuba o a sus armadores u operadores, que violen las disposiciones de este Acuerdo o de cualquier licencia expedida en virtud del mismo.

2) En los casos en que se apliquen medidas por parte de las autoridades del Gobierno de los Estados Unidos, los barcos de Cuba y sus tripulaciones serán puestos en libertad prontamente al depositarse una fianza razonable u otra garantía que pueda determinar el tribunal.

3) Los representantes del Gobierno de los Estados Unidos recomendarán al tribunal, en cualquier causa derivada de la realización de las actividades de pesca con arreglo a este Acuerdo, que las sanciones por la violación de la reglamentación de pesquería no incluyan ni encarcelamiento ni cualquier otro tipo de castigo corporal.

ARTICULO XII

1. Los Gobiernos de Cuba y los Estados Unidos se comprometen a

cooperar, de acuerdo con sus capacidades respectivas, en la realización de las investigaciones científicas relativas a los recursos vivos de interés mutuo. Los organismos competentes de ambos Gobiernos concertarán los arreglos necesarios para facilitar dicha cooperación, incluyendo el intercambio de información y científicos, y reuniones programadas con regularidad entre los científicos para preparar planes de investigación y analizar los progresos logrados.

2. El Gobierno de Cuba cooperará con el Gobierno de los Estados Unidos en la puesta en práctica de procedimientos para la recogida, registro y comunicación de datos sobre pesquerías, de conformidad con los procedimientos en el Anexo II el cual constituye parte integrante de este Acuerdo.

ARTICULO XIII

El Gobierno de los Estados Unidos y el Gobierno de la República de Cuba llevarán a cabo consultas bilaterales periódicas respecto a la ejecución de este Acuerdo, el desarrollo de una mayor cooperación en el campo de las pesquerías de mutuo interés, incluyendo el establecimiento de organizaciones apropiadas para la reco^{ga}da y análisis de datos científicos referentes a dichas pesquerías y la coordinación de programas nacionales de administración relativos a las poblaciones de especies que emigran a través de las aguas de las zonas frente a las costas de ambos países.

ARTICULO XIV

El Gobierno de los Estados Unidos se compromete a autorizar a los barcos de pesca de la República de Cuba a los que se les permita pescar de conformidad con este Acuerdo, a entrar en puertos designados según las leyes de los Estados Unidos, a fin de adquirir carnada, suministros o equipos, o efectuar reparaciones, o para cualesquiera otros fines que se pueda autorizar.

ARTICULO XV

En el caso de que el Gobierno de los Estados Unidos indique al Gobierno de la República de Cuba que súbditos y barcos de los Estados Unidos descarían dedicarse a la pesca en la zona estableci-

da por el Decreto-Ley No. 2 de Cuba, del 24 de febrero de 1977, el Gobierno de la República de Cuba permitirá dicha pesca sobre la base de reciprocidad y en condiciones que no sean más restrictivas que las establecidas con arreglo a este Acuerdo.

ARTICULO XVI

Nada de lo contenido en el presente Acuerdo afectará o perjudicará en modo alguno las posiciones de cualquiera de los dos Gobiernos con respecto a la extensión de las aguas interiores del mar territorial, de la alta mar, o de la jurisdicción y autoridad del estado ribereño para cualquier fin que no sea la conservación y la administración de las pesquerías de conformidad con lo planteado en este Acuerdo.

ARTICULO XVII

1) Este Acuerdo entrará en vigor en la fecha que se convenga mutuamente mediante canje de notas, una vez finalizados los trámites de procedimiento interno de ambas Partes y permanecerá en vigor durante un período de cinco años, a no ser que sea denunciado antes por una de las partes, después de haber notificado dicha denuncia con un año de preaviso.

2) Este Acuerdo se someterá a examen por los dos Gobiernos dos años después de su entrada en vigor o tras la conclusión de un tratado multilateral que resulte de la Tercera Conferencia de las Naciones Unidas sobre el Derecho del Mar.

EN FE DE LO CUAL, los abajo firmantes, debidamente autorizados para tal propósito, firman este Acuerdo.

Dicho en la Ciudad de La Habana, a los 27 días del mes de abril

de 1977, en dos originales en idiomas inglés y español, siendo ambos igualmente auténticos.

Por el Gobierno de los
Estados Unidos de América:

Henry A. Kissinger

Por el Gobierno de la
República de Cuba:

Fidel Castro

ANEXO I

Las siguientes normas de procedimiento regirán la solicitud y expedición de las licencias anuales que autoricen a los barcos de Cuba a dedicarse a la pesca de los recursos vivos sobre los cuales los Estados Unidos ejercen la autoridad administrativa en materia de pesquerías:

- 1) El Gobierno de la República de Cuba podrá presentar una solicitud al Gobierno de los Estados Unidos para cada barco de Cuba que dese dedicarse a la pesca conforme a este Acuerdo. Dicha solicitud se hará en los modelos preparados por el Gobierno de los Estados Unidos a tal fin.
- 2) Cualquiera de dichas solicitudes especificará:
 - a. el nombre y número de registro u otra identificación de cada barco de pesca para el cual se solicita la licencia, y el nombre y dirección del armador y operador del mismo;
 - b. el tonelaje, capacidad, velocidad, equipo de procesamiento, tipo y cantidad de artes de pesca y cualquier otra información que se solicite relativa a las características pesqueras del barco;
 - c. una especificación de cada una de las pesquerías en que cada barco desea pescar;
 - d. la cantidad de pescado o tonelaje de captura por especie calculada para cada barco durante el tiempo en que esté en vigor la licencia;
 - e. la zona del océano y la temporada o período en que se llevaría a cabo dicha pesca;
 - f. cualquier otra información pertinente que se solicite.
- 3) El Gobierno de los Estados Unidos examinará cada solicitud, determinará las condiciones y restricciones relativas a la administración y conservación de las pesquerías que puedan ser necesarias, y el canon que se exigirá. El Gobierno de los Estados Unidos informará al Gobierno de la República de Cuba de dichas determinaciones.
- 4) El Gobierno de la República de Cuba notificará inmediatamente al Gobierno de los Estados Unidos su aceptación o negativa de dichas condiciones y restricciones, y, en caso de una negativa, sus obje

ciones al respecto.

- 5) En el caso de que el Gobierno de la República de Cuba notifique al Gobierno de los Estados Unidos sus objeciones a determinadas condiciones y restricciones, ambos Gobiernos podrán consultarse al respecto y el Gobierno de la República de Cuba podrá seguidamente presentar una solicitud revisada.
- 6) Aceptadas las condiciones y restricciones por el Gobierno de la República de Cuba y efectuado el pago de los cánones, el Gobierno de los Estados Unidos aprobará la solicitud y expedirá una licencia para cada barco de pesca de Cuba, el cual quedará autorizado a partir de ese momento a pescar de conformidad con este Acuerdo y en los términos y condiciones expresados en la licencia. Dichas licencias se expedirán para un barco determinado y no podrán ser transferidas.
- 7) Las normas de procedimientos de este Anexo podrán modificarse mediante acuerdo por un canje de notas entre los dos Gobiernos.

ANEXO II

Datos requeridos para los barcos de Cuba

Los procedimientos de información están destinados a contribuir a cubrir la necesidad constante de evaluar el estado de las poblaciones y su conservación y administración. No obstante, de tiempo en tiempo, pueden surgir necesidades específicas que requieran un cambio en los procedimientos, o datos adicionales para estudios - especiales. También pueden producirse cambios en la estructura de las pesquerías. Estos aspectos exigen que los procedimientos sean lo suficientemente flexibles como para acomodarse a los cambios - necesarios. Por tanto, los Estados Unidos elaborarán procedimientos para registrar y comunicar los datos estadísticos que incluyan información sobre la captura y el esfuerzo realizado, y pondrán a la disposición de las autoridades del Gobierno de Cuba los procedimientos y modelos para reportar dicha información estadística. Se anunciarán los procedimientos y se pondrán a disposición los - modelos con suficiente antelación para permitir que se cumplan sus estipulaciones.

Todos los datos a que se refiere este Anexo serán reportados al - representante designado del National Marine Fisheries Service -- (Servicio Nacional de Pesquerías Marinas).

1. Procedimientos para las Muestras Científicas de las Pesquerías del Atlántico:

a. Muestras de composición de tallas y edades.

(i) Las muestras se tomarán separadamente para cada combinación de tipo de arte (p.e. arrastre de fondo, arrastre - pelágico, artes de cerco) y de capas de agua (p.e. del - fondo, aguas intermedias) para cada mes dedicado a la -- pesca en toda la región objeto del Acuerdo, por cuadrículas de 30 minutos. Se tomará una muestra por cada 1.000 toneladas o fracción, dentro de las categorías anteriores.

(ii) Datos que se registrarán por cada muestra:

- Clasificación del barco.
- Método de pesca: p.e. pelágica.
- Tipo concreto de arrastre, incluida la referencia a su construcción o dibujo a escala real.

- Dimensiones de las mallas.
- Tonelaje de las especies muestradas en la recogida del lance de arrastre.
- Peso total del pez muestrado.
- Hora del día del lance.
- Fecha.
- Latitud y longitud del lance.

(iii) Procedimientos de muestreo:

(a) Especies cuya captura se tría

- i. De una sola copada tomar al azar 4 partes alícuotas de unos 50 peces cada una, aproximadamente. - (Para las especies de menos de 200 peces en un solo lance de arrastre hay que acumular muestras de varios lances hasta reunir aproximadamente 200 peces).
- ii. Mídase la longitud de cada pez al cm. más próximo desde el extremo del morro al vértice de la horquilla de la aleta caudal (longitud de horquilla), excepto para el arenque cuya medida será la longitud total al cm. más próximo inferior. Cuando se empleen otros sistemas de medición, se facilitará la información de la conversión correspondiente.
- iii. Tómese una submuestra de un pez a intervalos de un cm., eliminando las escamas y otolitos según corresponda. Anótese el sexo de los individuos -- adultos.

(b) Especies cuya captura no se tría

- i. De un sólo lance se tomarán al azar 2 partes alícuotas de 30 kilos cada una, aproximadamente.
- ii. Se seleccionarán especies individuales (para el "arenque de río", esto significa la selección del Finchagua Alosa pseudoharengus y de la Alosa de verano Alosa aestivalis)
- iii. Mídase la longitud de cada pez al cm. más próximo desde el extremo del morro al vértice de la hor-

quilla de la aleta caudal, excepto para el arenque cuya medida será la longitud total al cm. más próximo inferior. Cuando se empleen otros sistemas de medición, se facilitará la información de la conversión correspondiente.

iv. Tómese una submuestra de un pez a intervalos de un cm., eliminando las escamas y atólitos según corresponda. Anótese el sexo de los individuos adultos.

b. Muestras de longitud-peso.

Una vez al mes, se pesarán en gramos y se medirán en milímetros individuos de una muestra de cada especie principal de peces (p.e. 500 toneladas o más de captura anual probable en la zona objeto del Acuerdo) por cada división del área — (ICNAF) (Comisión Internacional para las Pesquerías del -- Atlántico Noroccidental).

Cada muestra contendrá 10 peces por cada intervalo de un centímetro para la gama de longitudes de peces, y puede, en caso necesario, completarse con las muestras pequeñas — tomadas en varias capturas y fechas. Tratándose de peces pequeños, en cuyo caso la pesada en la mar de cada uno de ellos carecería de precisión, se pesarán en conjunto el número apropiado de peces de la misma clase de talla. Se -- anotará el sexo de los individuos adultos.

c. La recogida de las muestras antes especificadas, se anotará en el diario de pesca.

2. Los Estados Unidos suministrarán en caso necesario, los procedimientos de muestreo científico aplicables a las zonas que no sean las del Atlántico.

3. Las normas que figuran en el presente Anexo podrán modificarse mediante acuerdo por canje de notas entre las dos partes.

ANEXO III

**Procedimientos relacionados con las Escalas en
Puertos de los Estados Unidos.**

El Artículo XIV del Acuerdo dispone la entrada de barcos de pesca de la República de Cuba autorizados a pescar -- conforme a este Acuerdo a puertos designados de los Estados Unidos para propósitos determinados. Este Anexo designa los puertos y los propósitos autorizados y describe los procedimientos que regulan las entradas a los puertos.

1. Los barcos de la República de Cuba a los cuales se les ha expedido licencias o que han sido autorizados a recibir licencias conforme al Acuerdo, serán autorizados a entrar en los puertos de Nueva York, Boston y Filadelfia, a partir de la fecha de entrada en vigor del Acuerdo, quedando la designación de otros puertos autorizados en otras áreas costeras de los Estados Unidos para cuando Cuba reciba asignaciones para realizar pesquerías en esas áreas. La entrada a los puertos designados está sujeta a los procedimientos siguientes.

2. Los barcos de la República de Cuba pueden entrar a los puertos arriba especificados para reaprovisionarse, reabastecerse de agua potable, obtener combustible, proporcionar descanso o hacer relevos en sus tripulaciones, obtener reparaciones, y otros servicios que normalmente se suministran en tales puertos y, según fuere necesario, recibir licencias. Los barcos autorizados que se dirigen a uno de los puertos designados, para recibir una licencia serán tratados como si no fueren barcos de pesca, siempre y cuando tales barcos acaten las disposiciones de este Acuerdo.

3. Se permitirá la entrada sujeta a aviso previo al servicio de Guardacosta de los Estados Unidos, enviado de tal forma que se reciba con 4 días de antelación a la entrada en puerto, mediante (1) Telex utilizando Telex número --- 89-2427 6 (2), comunicación por Teletipo "TWX", utilizando -

el número TWX 710-822-1959; 6 (3) Western Unión, con dirección "U.S. Coast Guard Headquarters, 6th and D Streets S.W., Washington, D.C." . Todas estas entradas en puerto están sujetas a las leyes y reglamentos aplicables de los Estados Unidos, incluida la Ley de Control de la Contaminación del Agua.

4. El Gobierno de los Estados Unidos de América, en sus Embajadas de la ciudad de México y Kingston y en su Consulado General en Montreal, aceptará listas de tripulantes en las solicitudes de visas válidas por un período de seis meses para entradas múltiples a los puertos especificados de los Estados Unidos. Tales listas de tripulantes deberán presentarse con no menos de 14 días de antelación a la primera entrada de un barco a un puerto de los Estados Unidos. La presentación de una lista de tripulantes enmendada (o suplementaria) posterior a la salida de un barco de la República de Cuba, se ajustará también a las disposiciones de este párrafo, en el entendimiento que las visas expedidas con base en tal presentación serán válidas solamente por seis meses a partir de la fecha de expedición de la visa para la lista original de tripulantes. La notificación de entrada al puerto, especificará si se solicita permiso para ir a tierra bajo tal visa de entrada múltiple.

5. En los casos en que un tripulante de la República de Cuba es evacuado de su barco y llevado a los Estados Unidos para el propósito de recibir tratamiento médico de urgencia, las autoridades de la República de Cuba garantizarán que el tripulante saldrá de los Estados Unidos dentro de los 14 días después de recibir el alta del hospital. Durante la estadía del tripulante en los Estados Unidos, representantes de la parte cubana asumirán las responsabilidades sobre dicho tripulante.

6. El relevo de tripulaciones de barcos de la República de Cuba en los puertos especificados, será permitido previa presentación a las Embajadas de los Estados Unidos en la Ciudad de México y Kingston y en su Consulado General en Montreal, de solicitudes de visas de tránsito individuales y vi-

sas de marinos, para los tripulantes reemplazantes. Las solicitudes deberán ser presentadas con catorce días de antelación a la fecha de arribo de los tripulantes a los Estados Unidos, y deberán indicar los nombres, fechas y lugares de nacimiento, el propósito de su visita, el barco al cual están asignados y las vías y fechas de arribo de toda la tripulación reemplazante. Cada solicitud deberá ir acompañada de los pasaportes individuales o carné de marino. Sujeto a los reglamentos y leyes de los Estados Unidos, las Embajadas y el Consulado General de los Estados Unidos estampará visas de tránsito y de marino en cada pasaporte o carné de marino antes de que sea devuelto. Además de los requisitos arriba mencionados, deberán presentarse al Departamento de Estado con 14 días de antelación a la fecha prevista para su entrada, el nombre del barco y la fecha de arribo prevista, y una lista de nombres, fechas y lugares de nacimiento de aquellos tripulantes que serán admitidos a los Estados Unidos, bajo la responsabilidad de las autoridades cubanas, para ser repatriados a la República de Cuba, así como la fecha y vía de su salida de los Estados Unidos.

7. Según las necesidades, se adoptarán disposiciones especiales relacionadas con la entrada en puerto de barcos de investigación científica de la República de Cuba que se dedican a programas de investigación mutuamente acordados conforme a las disposiciones del Artículo XII del Acuerdo. Las solicitudes correspondientes a las entradas en puerto de barcos de investigaciones pesqueras se enviarán al Department of State, Washington, D.C., por la vía diplomática.

8. Las disposiciones de este anexo pueden enmendarse por acuerdo mutuo mediante un canje de notas entre los dos Gobiernos.

ACTA ACORDADA

- El Representante de la República de Cuba desea hacer patente el interés de Cuba en continuar realizando pesquerías de cherna, pargo, camarón, tiburón y otras especies en aguas del Golfo de México, perteneciente a los Estados Unidos de América, a un nivel correspondiente, al menos, con su participación histórica en estas pesquerías, siendo además su opinión que el estado de las poblaciones de estas especies así lo permiten, aún en el caso de una expansión de los niveles de captura por parte de embarcaciones norteamericanas.

Asimismo, el Representante de la República de Cuba desea indicar su interés en iniciar, tan pronto como sea posible, pesquerías de merluza, arenque, colin de Alaska y otras, en el área del Pacífico centro y nororiental, frente a las costas de los Estados Unidos de América, en razón a la necesidad de desarrollo de sus pesquerías, con fines fundamentales de obtención de alimentos para su pueblo.

El Representante de los Estados Unidos tomó nota de la expresión de los puntos de vista y aspiraciones de la parte cubana e indicó que las transmitirían a las autoridades competentes de los Estados Unidos de América en materia de administración de pesquería. Las solicitudes que se recibieran se enviarán a los Consejos Regionales de Administración de Pesquerías para su revisión y comentarios en el contexto de los planes pertinentes de administración existentes o en preparación.

- El Representante de la República de Cuba desea hacer constar el interés de Cuba en lograr una rápida implementación de las disposiciones de los Artículos XII y XIII del Acuerdo concerniente a la creación de mecanismos que permitan establecer la cooperación entre ambos países con el propósito de: fomentar la investigación científica de los recursos pesqueros de la región, analizar las evidencias científicas aportadas por

ambas partes y la coordinación de programas nacionales de administración de los recursos pesqueros que realizan migraciones entre las zonas respectivas de ambos países.

El Representante de los Estados Unidos de América, tomando en cuenta las disposiciones de los Artículos XII y XIII, consideró que el Acuerdo establece un marco para la cooperación científica, y espera que se procederá a su elaboración a un ritmo positivo.

- El Representante de la República de Cuba hace un llamado a las autoridades competentes de los Estados Unidos de América, para que se evite resulten afectadas las pesquerías cubanas de atún por medidas regulatorias aplicables a otras especies altamente migratorias, que constituyen capturas accidentales en dichas pesquerías.

El Representante de los Estados Unidos de América tomó nota de la declaración y, manifestando que la jurisdicción de los Estados Unidos dentro de la zona de conservación de pesquerías no incluye el atún, se comprometió a trasladar la preocupación cubana a las autoridades de los Estados Unidos en materia de administración de pesquerías. También expresó la esperanza de que la cooperación emprendida de acuerdo con los Artículos XII y XIII incluiría un enfoque de los problemas de capturas accidentales.

ABU DHABI

Technical Assistance in Customs Improvement

*Agreement signed at Abu Dhabi and Washington January 18 and April 26, 1976;
Entered into force April 26, 1976.*

TECHNICAL ASSISTANCE AGREEMENT BETWEEN THE GOVERNMENT OF U.A.E. "CUSTOMS DEPARTMENT MINISTRY OF FINANCE" AND THE U.S. CUSTOMS SERVICE

I. PURPOSE OF THE AGREEMENT

Under this agreement between the Ministry of Finance of the Government of the UAE, hereinafter referred to as the "Abu Dhabi Customs" and the U.S. Customs Service, hereinafter referred to as "U.S. Customs," U.S. Customs will provide, consistent with Section II of this Agreement, such advisory services as the Abu Dhabi Customs Department may request. The Senior Advisor from U.S. Customs will maintain liaison and contact with the U.S. Customs Service Headquarters in order to keep abreast of new techniques or methods, and will endeavor to assist in any other manner in advancing the program of Customs Improvement in Abu Dhabi.

II. SERVICES TO BE PERFORMED

The scope of services to be provided under this Agreement are detailed in the U.S. Customs survey report of the Abu Dhabi Customs Department, Section V, Part b. (Customs Improvement Program), which is attached hereto and is hereby made a part of this Agreement. In general U.S. Customs will:

A. Assist in the overall modernization, simplification and improvement of the Customs Administration with emphasis on organization and simplified work procedures with particular attention to be placed on modernization of Customs procedures.

B. Assist in the organization of training programs and preparation of training manuals.

III. PERSONNEL/LOGISTIC SUPPORT

A. U.S. Customs Service

To perform the foregoing services, U.S. Customs will assign a Senior Advisor from the U.S. Customs Service and such other tem-

porary duty (TDY) personnel as may be mutually agreed upon from time to time, funding permitting.

Personnel will be assigned by U.S. Customs under this Agreement for a period of two years. Personnel assigned under this Agreement may be assigned to additional two-year tours upon extension of the Agreement. Assignment of an employee to a new two-year tour will be done if it is in the interest of both contracting parties.

The Senior Customs Advisor will be in charge of all U.S. Customs personnel assigned to Abu Dhabi under this Agreement and will provide direct liaison with the Director, Abu Dhabi Customs or his delegated representative.

B. Abu Dhabi Customs Department

The Abu Dhabi Customs Department will:

- (1) Assign an experienced Abu Dhabi Customs Officer to work as a counterpart officer with the Senior Advisor. Other experienced Abu Dhabi Customs Officers may be assigned as counterpart officers on a temporary or regular basis, depending upon the pace of the improvement program and in line with the general objective of the project which is to establish a completely self-sufficient Customs Service in Abu Dhabi.
- (2) Provide necessary logistical and administrative support such as office space, equipment and supplies, stenographic and clerical help and project vehicle.

IV. COMPENSATION OF PERSONNEL ASSIGNED TO THE UAE

The compensation of all personnel of U.S. Customs assigned to the UAE from the date of assignment to the date of separation from the program will be paid by the U.S. Customs from a U.S. dollar advance fund, advanced by the Government of the UAE (Abu Dhabi) as provided in paragraph VI.

The compensation of each employee will include his salary, post differential, post allowance, cost of quarters, education allowance, transfer allowance, and separation allowance, all as prescribed for a civilian employee of the U.S. Government of his grade and term of service by applicable United States Government statutes and regulations. Salaries and wages will be paid on the basis of a 40-hour week in accordance with existing United States Government regulations.

The following costs will also be paid in the amount prescribed by the applicable United States Government statutes and regulations;

- A. The cost of transportation and traveling expenses of each employee and his eligible dependents from point of hire in the U.S. to Abu Dhabi and return to the United States, upon completion of his assignment or termination of this Agreement.
- B. The cost of transportation of household and personal effects, including an automobile, of the employee and his eligible dependents from point of hire to Abu Dhabi and return to the

United States, upon completion of his assignment or termination of this Agreement.

- C. The cost of transportation and travel expenses of each employee and his eligible dependents for rest and recuperation travel, home leave and temporary duty assignments.

V. EXPENSES IN THE UNITED STATES

Any expenses incurred in the performance of services in connection with this Agreement which are to be performed by U.S. Customs in the United States will be for the account of the Government of the UAE (Abu Dhabi) and will be reimbursed from dollars advanced to U.S. Customs by the Government of the UAE (Abu Dhabi). All such expenses incurred and reimbursement claimed will be in accordance with applicable United States Government statutes and regulations.

VI. DOLLAR ADVANCES

The Government of the UAE (Abu Dhabi) shall establish a U.S. dollar advance fund or "working fund" to cover the expenses of the services to be provided under this Agreement. The initial deposit to this fund in the amount of \$100,000 shall be made by the Government of the UAE (Abu Dhabi) as soon as practicable after this Agreement is approved. The initial deposit and all subsequent deposits to this fund shall be made to the U.S. Customs Service, Attention: Director, Accounting Division, 1301 Constitution Avenue, N.W., Washington, D.C. 20229, who will administer the fund. These payments will be for deposit to the U.S. Customs "Consolidated Working Fund."

This working fund will provide the funds to meet the estimated expenditures of the proposed budget of this project as set forth in Attachment A to this Agreement. Should this proposed budget prove inadequate to meet actual expenditures of the project or if at any time the Government of the UAE (Abu Dhabi) requests additional advisory services which cannot be provided by this funding level, the additional services and funds shall be provided after due negotiations by the parties to this Agreement.

At the end of the initial 12 months of the operation of this Agreement and at the end of each subsequent 12-month cycle, during the existence of this Agreement, the Government of the UAE (Abu Dhabi) shall replenish the working fund to meet the budgeted expenses for the subsequent 12-month cycle. Should at any time during a 12-month cycle the actual operating expenses exceed the budgeted expenses for that 12-month cycle, or should the balance of the operating fund fall below \$25,000, the U.S. Customs Service may request the Government of the UAE (Abu Dhabi) to replenish the fund to meet the additional expenditures and maintain a \$25,000 minimum balance in the fund. Requests for additional funds by the U.S. Customs Service shall be accompanied by appropriate supporting documents. At the end of each 12-month cycle the U.S. Customs Service shall submit to the Government of the UAE (Abu Dhabi) an itemized

statement setting forth all expenditures made during that 12-month cycle which have not been reported in any previous itemized statement.

Upon termination of this Agreement and following the last expenditure from the dollar working fund, U.S. Customs will submit a final itemized statement setting out all expenditures made therefrom which have not been reported in any previous itemized statements. Should a surplus remain after all expenditures have been made, it shall be returned to the Government of the UAE (Abu Dhabi).

VII. LOCAL SUPPORT, BENEFITS AND PRIVILEGES

- A. It is agreed that the Government of the UAE (Abu Dhabi) assumes liability for U.S. Customs employees assigned to Abu Dhabi under this Agreement for any damage to a third party caused by them within the course of employment unless this damage was caused willfully.
- B. It is agreed that U.S. Customs employees shall be exempt from all customs duties on personal effects brought into the UAE. Such employees will likewise be exempt from local taxes, if any.
- C. The Government of the UAE (Abu Dhabi) shall give every possible assistance to U.S. Customs employees assigned under this Agreement, especially as regards the granting of visas and entry facilities.

VIII. EFFECTIVE DATE

This Agreement shall be effective upon the date signed by both parties and will remain in force for a period of two years thereafter, however, it may be renewed or extended by mutual consent of the parties, hereto, This Agreement may be terminated on sixty (60) days written notice given by either party; however, such termination shall not impair any obligations or commitments incurred by either party as of the date of such notices.

Done in four original copies in Arabic and English. Both versions are authentic and in case of difference as to interpretation, the English text should be overriding.

For GOVERNMENT OF THE
UAE

HAMAD IBRAHIM EL SABAH

By Hamad Ibrahim El Sabah Date 18-1-1976
Director
Abu Dhabi Customs Dept.
(UAE)

For UNITED STATES DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE

By VERNON D. ACREE Date April 26, 1976
Commissioner of Customs

BUDGET PLAN FOR CUSTOMS IMPROVEMENT PROJECT WITH ABU DHABI CUSTOMS DEPARTMENT

Period Covered 24 Months

<i>Description</i>	<i>Amount</i>	<i>Remarks</i>
Salary	\$85, 300	Salary costs for 24 man months services of Senior Advisor and 18 man months services of TDY specialists (includes TDY by Curt Hoffman)
Personnel Benefits (10%)	\$8, 530	U.S. Government contribution to items such as retirement, health insurance, life insurance, etc.
Post Differential Travel	\$10, 500 \$15, 400	Travel costs include costs for Senior Advisor and dependents, TDY Advisors and headquarters inspection travel.
Per Diem	\$3, 500	Per diem costs for 90 day TDY assignments or longer. This is minimum figure provided by U.S. Government regulations and assuming provision by the Abu Dhabi Customs Department of full room and board at the Al Ain Palace Hotel.
Shipment/Storage Effects	\$11, 300	Based on provision of fully furnished house
Post Allowances	\$37, 640	Includes education and cost of living allowances
Overhead (9%)	\$15, 495	
TOTAL	\$187, 665	

عند انتهاء أجل هذه الاغاثية وبما لا ينفعها تم دفعها من الصندوق بالسداد ولار
ستقدم ادارة الجمارك الاميركية البيان التفصيلي النهائي يتضمن ذكر كافة المصروفات التي لم تذكر
في أي بيان سابق ابان المباشرة بتقديم هذا البيان وفي حال وجود وفر بعد جرد كافة النفقات
يجب اعادة هذا المبلغ الى الحكومة .

٢ - الدعم المحلي ، الارباح والامثليات :

١ - تم الاعناق على أن تكون الحكومة مسؤولة عن التصرفات والمخالفات التي تقع من
موظفي الجمارك الاميركيين الذين ينتدبون للعمل في أبوظبي أثناء تأديتهم لعملهم
الرسمي .

ب - اشتق الطرفان على اعقاب موظفي الجمارك الاميركية من الرسوم الجمركية على المستلمات
الشخصية التي يحضرونها بدولة الامارات العربية المتحدة مع مراعاة اتفاقياتهما من
الضرائب المحلية اذا وجدت .

ج - تتعهد الحكومة كل التسهيلات الممكنة لموظفي الجمارك الاميركية الذين يهارون وفقا
لهذا الاعناق وخاصة فيما يتعلق بفتح تأشيرة الدخول والإقامة .

٣ - تاريخ العمل في هذه الاغاثية :

تعتبر هذه الاغاثية نافذة الفعول من تاريخ التوقيع عليها .

يجوز لكل من الطرفين انفا " هذه الاغاثية " بمحض اندار خطى خلال ستين (٦٠)
يوم ولا يدخل النها " هذه الاغاثية " بالتزامات او تعهدات اى من الطرفين فيما يتعلق بتاريخ
هذا الاخطار .

حررت باللغتين العربية والإنجليزية وكلاهما ملزم وفي حالة تعارض النصوص يعتبر
النص الإنجليزي هو النص المعتمد .

وقت في مدينة أبوظبي بتاريخ ١٨ يناير ١٩٧٦

عن حكومة الامارات العربية المتحدة

حمد ابراهيم الصباح
مدير الجمارك

عن وزارة الخزانة - ادارة الجمارك الاميركية

٥ - النفقات في الولايات المتحدة :

كافة النفقات التي يتطلبها تطبيق هذه الاعاقية والتي تقدمها ادارة الجمارك الاميركية داخل الاراضي الاميركية تقع على عاتق الحكومة وسيتم دفعها مقدما بالدولار من قبل الحكومة ايها (أبوظبي) ان مثل هذه النفقات الواجبة الآراء وذلك كافة البالغ الواجبة الدفع يتم تطبيقها وفقا للقوانين والأنظمة المعمول بها في الولايات المتحدة .

٦ - التسليف بالدولار:

يتوجب على الحكومة انشاء صندوق تسليف بالدولار ، أو صندوق عمل لتنظيم كافة النفقات الناتجة من الخدمات التي تتطلبها هذه الاعاقية .

ان الرسائل البدئي للصندوق يكون في حدود ال ١٠٠٠٠ (مائة الف دولار) ويجب ان يدفع بالكامل من قبل الحكومة غير المقدي على هذه الاعاقية . ويجب ايضا ان يكون هذا المبلغ البدئي وكافة الودائع الأخرى الناتجة عنه باسم : ادارة الجمارك الاميركية ، بصورة أدق السيد / المدير - قسم المخاسة ، ١٢٠١ شارع الدستور، ن.و، واشنطن ٤٠٢٢٩ . ويبتبر هذه الدفعات كردائى لصالح الجمارك الاميركية وتسمى (صندوق العمل الدعم) . سيفعل هذا الصندوق كافة النفقات المحتملة التي تتطلبها الميزانية المقترنة لهذا المشروع وفقا للنادرة (١) من هذه الاعاقية . واذا تبين ان هذه الميزانية غير كافية لتنظيم النفقات الراهنة ، او اذا تبين فيما بعد ان الحكومة تتطلب خدمات استشارية اضافية لا يمكن القيام بها في اطراف الاعتبارات التي رصدت لها قأن الخدمات الاضافية وما تستلزم من ارصدة ستؤمن تبعا لظروفها مناسبة تجرى بين طرفى هذه الاعاقية .

هذا وفي نهاية الاثنى عشر شهرا الاولى ، من سريان مفعول هذه الاعاقية ، وفي نهاية كل اثنى عشر شهر اخرى ، بصورة دورية ، وطبلة سريان مفعول هذه الاعاقية ، يتوجب على الحكومة اعادة تنفيذ رصيد الصندوق من اجل تنظيم النفقات المحوطة لدورة اخرى مدتها اثنى عشر شهرا . وفي اي وقت من الاوقات وفي خلال دورة الاثنى عشر شهرا ، اذا تبين ان النفقات الراهنة تزيد على النفقات التي تم رصدها لدورة الاثنى عشر شهرا ذاتها ، او اذا تبين ان الرصيد المطلوب لاستمرار العمل هبط الى ماحتسب ال ٢٥٠٠٠ دولار ، يحق لادارة الجمارك الاميركية أن تطلب من الحكومة أن تندى الصندوق لمواجهة تنظيمية النفقات الاضافية ، بما لا يقل عن ٢٥٠٠٠ دولار كرصيد اضافي في الصندوق . وفي حال طلب ادارة الجمارك الاميركية لمبالغ اضافية ، فيجب ان يكون طلبها مفرونا بالأسباب العوجبة التي تبرر ذلك . وعند انتهاء دورة الاثنى عشر شهرا ، يجب أن تقدم ادارة الجمارك الاميركية الى الحكومة بما نقصلا ذكر فيه كافة النفقات التي تم صرفها خلال مدة الاثنى عشر شهرا والتي لم يسبق لها أن ذكرت أو قدست في أي بيان آخر يوجه التفصيل .

وسكون هذا الاستشاري سهلاً عن كافة الموظفين الاميركيين المعينين في أبوظبي بموجب هذه الاعاقة ، وعليه أن يؤمن الاتصال المباشر مع وزير مالية الحكومة أو مع من يمثله .
ب - ادارة جمارك أبوظبي :

تنطلي ادارة جمارك أبوظبي الامر التالى :

- ١ - ان تعيين احد كبار موظفيها ليحل محل كباراً للاستشاريين بالمقابل للمستشارين الجمركيين الاميركي ، ويمكن تعيين عدد مماثل من موظفي جمارك أبوظبي مقابل عدد الموظفين الاميركيين ظاهرين كانوا أو موقتين على ضوء ما يطلبهم حسن سير العمل والبرنامج ، ومن اطراف الهدف العام من المشروع الذى يرى الس تأسيس نواة جمركية ذات اكتفاء ذاتى في أبوظبي .
- ٢ - ان تقدم مأوى الكتبة من ناحية الابواه والنقل والادارة والمكان النسائي بالمكاتب مع امداداته وتجهزاته ، وكذلك موظفي الاختزال والموظفين الآخرين ، ووسائل النقل .

تصويبات الموظفين الموارين لأبوظبي :

ان نفقات وتصويبات كافة موظفي الجمارك الاميركيين الموارين لجمارك أبوظبي تقع على عاتق ادارة الجمارك الاميركية ، محسوبة بالدولار وذلك منذ صولهم حتى تسارع انفصالهم عن العمل ، ومن صندوق التسليف الذى ستقدمه الحكومة بموجب الفترة (٦) يشمل تصويب الموظف راتبه ، وفرق بدل الاقتراب وعلاوة الوظيفة ، ونفقات السكن وعمالة التعليم ، وبدل وتصويب الانتقال ، وتصويب انتهاء الخدمة ، تماماً حسب ما تقتضيه القوانين بالنسبة لنظيره من موظفي حكومة الولايات المتحدة من حيث الدرجة وشرط الخدمة بموجب القوانين والأنظمة المعمول بها في الولايات المتحدة الاميركية وتدفع الأجر والرواتب على أساس اربعين ساعة عمل في الأسبوع عملاً بالأنظمة المعتمدة بها في حكومة الولايات المتحدة الاميركية كالتالي :

- ١ - نفقات السفر والانتقال لكل موظف ومن ي陪يلهم ابتداءً من موطنهم في الولايات المتحدة حتى أبوظبي ذهاباً وإياباً عند انتهاء "مهنته أو انتهائـه" مدة هذه الاعاقة .
- ٢ - نفقات نقل استئن الشخصية والازدوات المنزلية ، بما في ذلك سيارة واحدة للموظف ولمن ي陪يلهم من موطنهم حتى أبوظبي ذهاباً وإياباً ، وذلك عند انتهاء "المهمة أو انتهائـه" الاعاقة .
- ٣ - نفقات الانتقال والسفر لكل موظف ومن ي陪يلهم لغرض الاستئنـة والراحة ، وكذلك السفر بالجارة الى موطنـه ، ونفقات المهمة الموقته .

اتفاقية المساعدة الفنية

۲۷

حكومة الامارات العربية المتحدة - وزارة المالية - إدارة الجمارك

9

ادارة الجمارك في الولايات المتحدة الأمريكية

- الأسباب الموجبة :

١ - الخدمات الواجبة التطبيق :

لقد تم ذكر غضيل حجم الخدمات التي يجب تقديمها بموجب هذه الاتفاقية في متن التقرير الذي أعدته الجمارك الإميركية عن وضع الجمارك في أبوظبي (القسم (٥) الجزء (ب) خطبة التحسين الجمركي) العرق يربطه والذي يتمثّل جزءاً لا يتجزأ من هذه الاتفاقية ، بصورة عامة فإن الجمارك الإميركية مستطولة تقديم ما يلي :

- ١ - ان تساعد على تحديد وتنشيط الادارة الجنرية بهدف تنشيط العمل الجنركي واساليبه وصورة خاصة "تحديث" الاجراءات الجنرية والاساليب المتقللة بها .

٢ - المساعدة على تنظيم مناهج التدريب ، والاعداد للتدريب المهني .

٣ - شروءون الموظفين :

٩—ادارة الجمارك الاميركية :

ويوجب هذه الاتفاقية ، ستندب الجمارك الاميركية موظفين مؤقتين ولهم مهام معينة وبشكل من المطلوبين المعينين بهذه الطريقة ان يحدد تعينهم لمدة سنتين اضافيتين في حال تجدد هذه الاتفاقية ولن يجدد تعين أي موظف لستين اضافيتين الا اذا كانت حلقة الطرفين المتخاصمين تقتضي ذلك .

البيانية الخامسة

من أجل مشروع تحسين ادارة جمارك أبوظبي

٢٤ شهر

المدة التي تشملها الاتفاقية

<u>المحفظات</u>	<u>المبلغ (دولار)</u>	<u>النرواتب</u>
رواتب كبير المستشارين لمدة (٢٤) شهرا بالاضافة الى (١٨) شهرا مقابل خدمات الخبراء بما ذلك "كريت هوندان".	٨٥٣٠٠	
اسهام حكومة الولايات المتحدة للبنود كمثل النتائج التأمين الصحي ، التأمين على الحياة وخلافه.	٨٣٥٠٠	مما ينافس الموظفين
فرروق الوظيفة	١٠٥٠٠	
السفر	١٤٥٠٠	
تشمل نفقات سفر كبير المستشارين وأفراد أسرته المعالين والمستشارين والسفريات لتفتيش المكاتب الرئيسية.		
التكلفه اليومية تغطى انتداب المستشارين لمدة (١٠) يوما او اكثر . ويعتبر هذا احد ادنس من المبالغ المدفوعة طبقا لانظمة حكومة الولايات المتحدة وعلى افتراض قيام دائرة جمارك أبوظبي بتؤمن الامانة والاعاده الكامله في فندق قصر العجمي.	٣٥٠٠	علاوة يومية
متقابل تأمين سكن موئل تأمينا كاما .	١١٣٠٠	الشحن والتغذى
تشمل التعليم وعلاوة غلاء المعيشة .	٣٢٦٤٠	علاوة الوظيفة
	١٥٤٩٥	المبالغ الاضافية بواقع (٩٪)
	<u>١٨٧٦٦٥</u>	<u>المجموع</u>

CUSTOMS IMPROVEMENT PROGRAM

attachment to

TECHNICAL ASSISTANCE AGREEMENT

between the

ABU DHABI CUSTOMS DEPT. (UAE)

and the

U.S. CUSTOMS SERVICE

Preface

The U.S. Customs Service wishes to acknowledge the considerable assistance which was given to Mr. Curt Hoffman, Director, Classification & Value, San Francisco, California, throughout the course of the survey.

To all members of the Abu Dhabi Customs Service goes thanks for the considerable professional assistance given during the survey. At every organizational level and at the various work sites the most cooperative support was extended. Without the fullest support and recommendations from the service, this report would not have been possible. Also, to the many private and employees of other government agencies, goes appreciation and thanks for their assistance.

Finally, to the U.S. Embassy Staff, appreciation and thanks is extended for capably handling the many administrative and support problems that arose in arranging and completing this study.

I. Introduction

(a) Background

Following termination of special treaties with Great Britain, seven sovereign Trucial states were federated in 1971 to form the U.A.E. with Abu Dhabi as one of the federated states. Government services and controls are exercised by agencies operating either on a state or federal basis. Customs operations are based on state operations with revenue policy and tariffs established at the federal level. For example, tariff changes are promulgated throughout the federation, however, duty is assessed and collected according to state (Abu Dhabi) operating policy and procedures.

The Customs Service has the mission of (1) assessment and collection of duty (2) control of articles entering/departing the U.A.E. Customs also has responsibility for cooperating with other agencies in controlling persons and carriers arriving in or departing from the U.A.E. It also has a major interest in the enforcement of regulatory provisions of law of other agencies. The mission of these agencies may depend on assistance from the Customs Service.

The broad responsibilities of the Customs Service also include:

- (1) Detection and prevention of smuggling.
- (2) Enforcement of internal security regulations of the country by administering import/export restrictions and prohibitions. Protection of industry by enforcement of tariff and regulations designed to protect industrial development.
- (3) Collection and verification of Customs and trade statistics.

(b) Importance and Use

Customs revenues are in a declining position of importance in their relationship to national revenues. The position of Customs revenues is insignificant to the total government revenues derived from oil and it is apparent that this will continue to be the case.

The importance of Customs appears to lie in its responsibility to execute laws affecting transportation and trade. Therefore, the manner in which those laws are executed will have a major effect on these sectors. Consequently, Customs will have a major effect on the economic development of the country. Customs operations done in a positive manner will benefit the country's rapidly expanding economy. Conversely, however, Customs operations which are not responsive to national economic needs will serve as a significant deterrent to national economic growth.

Effective administration of Customs law is also a means of strengthening the role of the new federal government. Customs operations in the U.A.E. are not complex enough or of a magnitude large enough to require involved regulations and the employment of a diverse force of people. Effective Customs administration can play the same role as programs such as those dealing with a national highway system, a national educational system, a national air transportation system, in furthering the services of the federal government.

II. General Administration and Management**(a) Introduction**

The Abu Dhabi Director of Customs is under the supervision of the Finance Member of the Executive Council at the state level. The Abu Dhabi Finance Member serves as Minister of Finance in the Council of Ministers at the federal level. He is the chief finance official for the state of Abu Dhabi.

The Customs Department is operating inefficiently because of lack of experience, training, and education on the part of its employees and because of a need to strengthen supervision and administration in the Department.

Many experienced employees are expatriots from Customs departments in other countries. It appears that each of the expatriots has inserted a bit of his previous knowledge and experience into the local system so that rather than having one system of operations, Customs has a series of individual sub-systems. Also, each of the employees jealously defends his portion of the system to the detriment of the total system.

To develop a single operating system for the Abu Dhabi Customs Department would entail bringing all of these sub-systems into one uniform system of operation, have it documented into writing, and then issue a notice of operation to each of the units in the Department. In many cases a new operating system is required since the present practice is not responsive to trade and transportation needs. To accomplish this change, management and technical supervision require strengthening.

Abu Dhabi Customs does not presently have the resources necessary to institute the changes in the system that are essential, develop new work systems and necessary work manuals, nor the organization to accomplish the change.

(b) General Administration/Management

Abu Dhabi does not have an accurate organization chart. Throughout the years the organization developed around functions. In 1972 an organization chart was developed which in a loose manner describes most of the functions that exist today. There are however, operations shown which no longer exist; existing operations which are not covered; overlapping authority, and unclear lines of supervision. The 1972 table of organization is attached.

A major problem facing the Department is the low pay for its employees. This results in a constant turnover of personnel to private industry as well as to other Government departments where clerks, auditors, and inspectors are paid at rates higher than in the Customs Department.

The lower echelon of employees exhibit a lack of acceptance of responsibility. Each decision, regardless of how routine or inconsequential, is accelerated upwards to the Director or Assistant Director for resolution. Discussions and their results regarding this situation were less than desirable. The inadequacy of many of the employees due to lack of training or experience is acknowledged, however, it is admitted that the administration has no plans for training their employees even in the basic fundamentals of the work involved. Apparent examples indicating the need for an improved administration with strengthened technical supervision are:

1. The table of organization presently issued is inaccurate.
2. Procedures are too cumbersome. Excessive ledgers are maintained for records and transactions. Numerous signatures and counter-signatures are required on forms such as the Bill of Entry.
3. Standard procedures are lacking. For example:
 - a. There are no procedures in effect which require importers to pay duty after they have filed and processed a Bill of Entry.
 - b. There are no schedules at the airport for demurrage charges for cargo not timely cleared.
 - c. There are no procedures for holding public auctions to sell cargo which is unclaimed or abandoned.
4. Customs does not have the resources to provide either policy or technical advise on changes proposed in the Tariff and the impact of such changes.
5. There is no system to deal with Customs rulings and appeals.
6. There are no programs for:
 - a. training/career development
 - b. quality recruitment
 - c. pay administration

(c) Tariff and Revenue Policy Matters

Questions regarding changes in the tariff are discussed at meetings held with the Director General of Finance in the Ministry of Finance. Generally these meetings are attended by the Director General of the Finance Department, the Director General of Customs, the Chief Accountant from Customs, and the Senior Finance Officers from the Finance Department.

These discussions are followed by a series of correspondence between the parties involved. Once agreements have been made they are put in writing and submitted to the Executive Council for Abu Dhabi for review. If the Council concurs with the recommended changes they are prepared as a directive in English and Arabic and sent to the Federal Minister of Finance for his review and concurrence. When the Minister of Finance concurs with the change he prepares a Decree of Emiri which is signed by the Sheik and the proposed changes then become law.

The Director General of Customs is required to provide policy advice and guidance on these questions to the other concerned officials. Customs does not have the technical staff available for this work.

These questions require field inquiries or investigations of industries and/or interested parties. When such information is developed, it, with other pertinent information from Customs records must be analyzed to determine what position Customs should take. Customs has neither investigators or economists to conduct this work.

(d) Facilities

Generally, all of the facilities, with the exception of those at the Post Office, are adequate and meet the needs of the Service and the importing public. A new office layout in the Entry Control and Cashier Sections at the Custom House and at the Airport Customs is needed to present a more orderly and efficient flow of documents. The completion of the new postal facility will improve Customs parcel post operations.

(e) Records Disposal

All records, such as Bills of Entry with supporting documents, financial reports, etc. are filed in hard cover binders, one hundred documents to a binder. All records since 1968 have been retained, consequently the present storage area is completely filled with old files with no provision for their orderly disposal.

(f) Statistical Reporting

Prior to 1973 all statistics for Abu Dhabi Customs were compiled manually and issued on a yearly basis. In 1973 the Customs Department was put on the Finance Department computer with two terminals in the Custom House. Two employees have been trained in the operation of these terminals.

In general the statistical report of the Customs Department covers:

Imports:

by value
by country of origin
by commodity
by commodity and country of origin

Re-exports:

by country
by commodity

**Exports of crude petroleum
Entry of ocean-going ships**

All commodities are classified according to the main heading of the Standard International Trade Classification (SITC) of the United Nations. Necessary statistics such as those relating to the following are not collected in the general statistical runs:

1. Duty collections
2. Aircraft arrivals
3. Launch arrivals
4. Passenger arrivals

There is very little government liaison between the shipping concerns and the importers and merchants necessary to establish the type of statistics they need in business operations.

III. Merchandise Control

(a) Introduction

Merchandise control procedures which are applied at seaport and airport Customs are not responsive to the government's interests nor are they meeting the needs of modern trade and transportation interests.

Customs efforts to facilitate trade and transportation are harmed significantly by faulty Customs operations and lack of regulations effecting good merchandise control programs. Also, the positive image of the Department, as well as the working morale of the employees concerned, is destroyed by the readily visible, damaged and pilfered condition of overlain merchandise under Customs supervision. This situation is the result of inadequate systems that govern manifest procedures, supervision and control of merchandise, timely entry of merchandise and finally, proper disposal of overlain/unentered merchandise.

The consequence of this condition is that because of these faulty systems Customs is unable to protect the revenue and both parties, the public and Customs, suffer from this.

(b) Manifest procedures

The document of utmost importance in cargo control is the manifest. Likewise, the system of maximum importance insuring that landed merchandise is accounted for is the procedure that is followed in controlling the disposition of this cargo. Accounting for this cargo is done by matching the ships "outturn report" completed at the time of the vessel's discharge to the manifest and clearing the manifest, subsequently, as goods are released. When all of the merchandise is released or otherwise disposed of, the manifest is "closed".

The orderly review of open manifests must be done systematically following a procedure based on Customs regulations which govern the timely entry of merchandise. The procedure must have the necessary checks in order to provide management with the information essential to take corrective actions when unentered merchandise is overlain. This system is the basis for protecting the revenue since it insures that goods are disposed of according to law.

Manifesting procedures in Abu Dhabi follow two methods. One method, followed at the airport, uses a "manifest ledger". The "manifest ledger" is a ledger in which is entered the information contained on the manifest. Information identifying the Customs transaction by which the merchandise is released or disposed of is also maintained in the ledger. The manifest system at the seaport does not use the ledger. The system uses the manifest document itself.

Ship, launch and aircraft manifests are reviewed at the end of each year to determine that all manifested and landed goods are accounted for. Retaining "open" manifest for one year is inappropriate. Goods subject to deterioration, model/style changes, etc. depreciate considerably in value over a one year period and much potential revenue is lost. Inadequate manifest control procedures are a major contributing factor to problems concerning merchandise carrier controls in Abu Dhabi.

(c) Merchandise Control, Airport Customs

Physical supervision of unentered merchandise is exercised by Customs at the airport. Merchandise at the seaport is maintained in port administration warehouses under the physical supervision of that authority.

The Customs offices at the airport are located in a small building serving as a combination Custom House and Customs warehouse. The Airport Customs warehouse is maintained on the ground floor of the building in a space approximately 60' x 100'. Over the years efforts have been made to stow cargo according to the last digit of the Airway Bill, however, the system is not working effectively. Small cartons and cases are stored in the warehouse and all other cargo is stored in the open area between the cargo building and the aircraft storage apron. There are hundreds of cartons and cases strewn over a very large area along the apron and even into the aircraft parking area. It is easily apparent that pilferage and theft of whole cases takes place.

(d) Merchandise Control, Seaport Customs

Merchandise is maintained in port administration warehouses at the seaport where that authority maintains physical supervision of the merchandise.

The merchandise that is released is cleared from the vessel manifest when the Customs transaction is completed. The manifest procedure, however, lacks system. In the case of "dhows" the manifests are piled in stacks subject to an annual review, mentioned earlier, to determine that the landed merchandise is accounted for.

It is believed that a large quantity of overlain merchandise is present at the seaport due to the inadequate merchandise control procedures in use by Customs.

Cargo handling creates a situation which requires Customs to exercise tight control to properly protect the revenue. Excessive use of labor during discharge, stacking, etc. causes damage. This increases the opportunity for spoilage, pilferage, etc. In such situations Customs is required to exercise close physical supervision as well as effective document control systems.

Customs is unable to maintain either method and it cannot provide adequate merchandise controls.

(e) Unentered Merchandise

Overlaid/unentered merchandise is a major problem. A major cause is the lack of prompt clearance of cargo by the various Departments and Ministries of the Government. In many cases such merchandise is not cleared at all. It is common for merchandise to stay in the area for months before Bills of Entry are filed. There is much cargo still in the area two, three, and even four years after the dates of importation. In many instances containers become so weathered that the identification marks have disappeared and there is no way of identifying the shipment with the importer.

The lay-order period at present is five days free time from the date of importation. Thereafter a charge of one Dirham (U.S. .25) per carton or case for each day over five is assessed, regardless of the number of days involved. There are no provisions for abandonment of cargo or of holding public auctions for cargo which has lain unclaimed for months and years. Because of the low penalty fee and because the merchandise is not disposed of, the importers use the airport facility as a storage warehouse and only claim the merchandise when it is needed in their shops for sale.

IV. Appraisement/Collections

Customs duties on merchandise imported into Abu Dhabi are very low and have been on a descending curve for a number of years. Payments for oil concessions are the major revenue source. Due to continuing increases in quantities and types of imported merchandise the values of imports and duty collections have increased each year.

The major problem facing Customs is modernization. With appropriate direction Customs can systemize its appraisement/collection operations and modernize its operations. Knowledgeable supervisors can insure that Customs operations are responsive to government and business needs.

(a) Classification

Classification of imported merchandise other than for statistical purposes has low importance in Abu Dhabi Customs. A simplified tariff is in effect and the dutiable rate for merchandise is free, 1% or 25% (the 25% rate only applies to liquor). Management generally has not given priority to improvements in classifying merchandise because of the unimportant position which Customs duties maintain in relation to total revenue.

(b) Value

Abu Dhabi uses CIF value in assessing duties. Generally, all the required information is supplied to Customs. However, when it is not, value decisions are made in an arbitrary manner. It is possible for merchandise to be of the same kind, quality and price sold by the same exporter to different importers and have different values applied by Customs. Internal operation guidelines to eliminate these problems are not provided.

Despite different value possibilities there are few written instructions to the employees. Employees give vague answers as to the authority for certain practices.

(c) Entry Processing

The current procedures for processing Bills of Entry (Customs Entry Form) tend to slow down entry processing, require too many reviews, require the maintenance of too many ledgers, and do not provide any safeguards against the loss of Bills of Entry. It is also possible that merchandise will be released prior to the payment of duties.

(d) Cashier Operations

The cashier operation, because of extensive use of ledgers, hand written receipting procedures, cash box collection methods, etc., serves as a bottleneck in the expeditious completion of a transaction.

V. Conclusion

Since 1965 economic growth in Abu Dhabi and throughout the United Arab Emirates has been extremely rapid and has been accompanied by a demand for an ever broader range of government services including Customs. A decade ago infrastructure development was just beginning. There was not a single surfaced road in Abu Dhabi; the airport was a strip of leveled sand, the terminal a tiny shed, and the Customs & Immigration offices a Land Rover. Now there are many first class roads, and an international airport capable of handling the largest aircraft. Construction of major buildings, apartments, homes and schools is continuing at an increasing rate to meet the growing demands of the population.

Prior to the construction of the present seaport, all vessels were required to lay off-shore and unlade into lighters which were then towed to the beaches and manually unloaded. As trade has increased, it has been necessary to develop a modern six berth port for ocean-going ships plus ample space for local smaller vessels.

Port development is still in progress with five dockside storage warehouses presently under construction. In addition, a new passenger processing terminal is also under construction which will house Health, Immigration and Customs. Eventually it is planned to expand the port to seventeen berths.

The airport at Abu Dhabi is modern in construction and is an integral link in the air transport complex of the Gulf Area. In 1974 there were 3940 aircraft arrivals which were given Customs treatment.

Air cargo volume is growing apace. Importers are relying more and more on air freight to get their merchandise to them more timely. As an illustration of the increase in this area, in 1969 there were 9,243 Bills of Entry processed on air cargo; in 1973, there were 17,183 processed. Duty collections have gone up correspondingly.

The border station of Silla, located between Abu Dhabi and Qatar, handles a large volume of trucks laden with cargo for Abu Dhabi.

Das Island was once no more than a large sandbar in the Arabian Gulf. It now serves as a huge oil storage depot for off-shore petroleum operations at the Zakum and Umm Shair oil fields. Presently only crude oil is being stored and shipped, but by the end of 1976 a Liquified Natural Gas (LNG) plant will be operational. There are three off-shore tanker berths used at this facility. Over 700 tankers call each year at Das Island.

(b) Customs Improvement Program

Customs operations in Abu Dhabi will continue to grow as the economy develops.

An area of immediate concern to Customs is the need for improved organization and work processes by which to modernize and operate an effective system. A simple reorganization program should be undertaken to provide closer technical support and direction. The system should strengthen administration and management by establishing branches for budget, training, system development, pay and personnel administration, and internal audit-controls. Technical supervision of merchandise and carrier control, valuation, classification, entry processing, and customs investigations similarly should be strengthened.

In conjunction with this development, the present work processes need to be institutionalized, improved, and coordinated with regulatory authorities. As these improvements are developed, simplified operating guidelines should be issued. With implementation of the new work processes and guidelines for them, training should be accomplished either formally or on-the-job.

The overall plan of action is to improve the organization, procedural development, and training. A detailed plan of action will need to be compiled with precision and to be agreed upon between the U.A.E. and the U.S. Customs Service prior to its execution. While the exposition of the full details of this plan is beyond the purview of this preliminary report, it is believed that the following guidelines should govern its compilation:

- (1) The objective of the program should be to establish in Abu Dhabi a completely self-sufficient Customs service capable of meeting the growing needs of an expanding economy.
- (2) U.S. Customs advisory services should assist Abu Dhabi in developing their overall customs system and should work closely with the Abu Dhabi Customs Service in an advisory rather than an operational capacity.
- (3) In accomplishing the program we foresee the need for a senior U.S. Customs Advisor to work with the Abu Dhabi Customs Service on a two-year initial assignment with assistance from short-term advisors in specialized areas. In the latter case we visualize at least 18 months of short-term services.
- (4) As part of the program we recommend formalized training programs for inspectors, examiners and training instructors from Abu Dhabi Customs. These programs would be conducted

primarily in-country, but also there may be a need for some training in the U.S. for supervisors and managers.

As indicated above this plan is designed to establish a self-sufficient Abu Dhabi Customs Service.

An alternative program to supply an advisor in an operational position is not recommended since it is believed the effectiveness of the senior U.S. Customs Officer should be used to work on permanent improvements rather than to accomplish day-to-day technical details.

The U.S. Customs Service would welcome the opportunity to participate in such a program. To accomplish it, Abu Dhabi Customs would require a formal counterpart office, concerned with improvement activities. The officer assigned to that office should possess the necessary technical skills in Abu Dhabi Customs operations to enable him to work with the advisor in procedural developments.

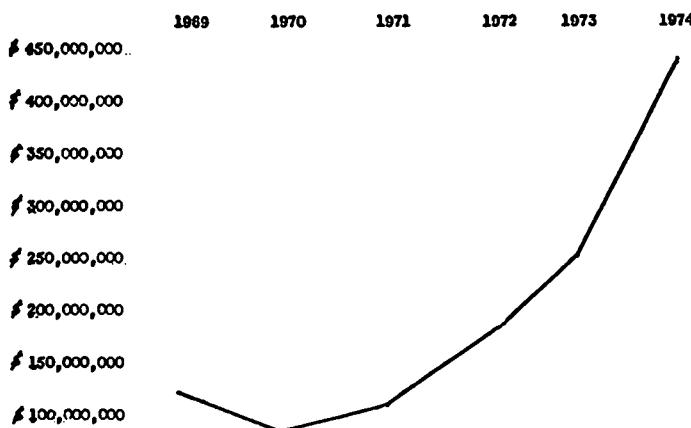
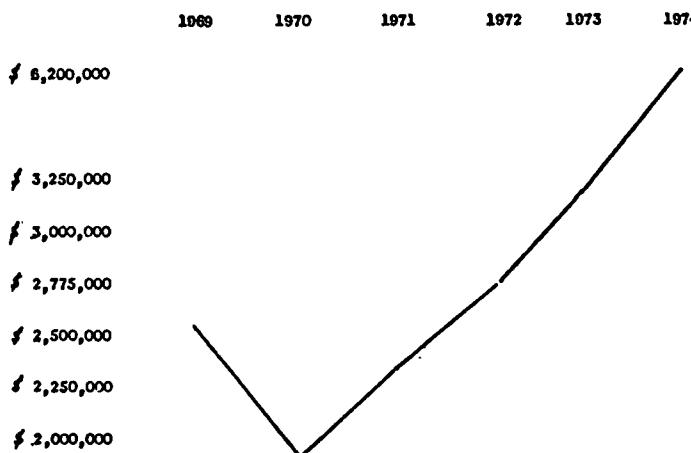
After this report is reviewed, a U.S. Customs official should visit Abu Dhabi to discuss its contents and to consider with the government any future program.

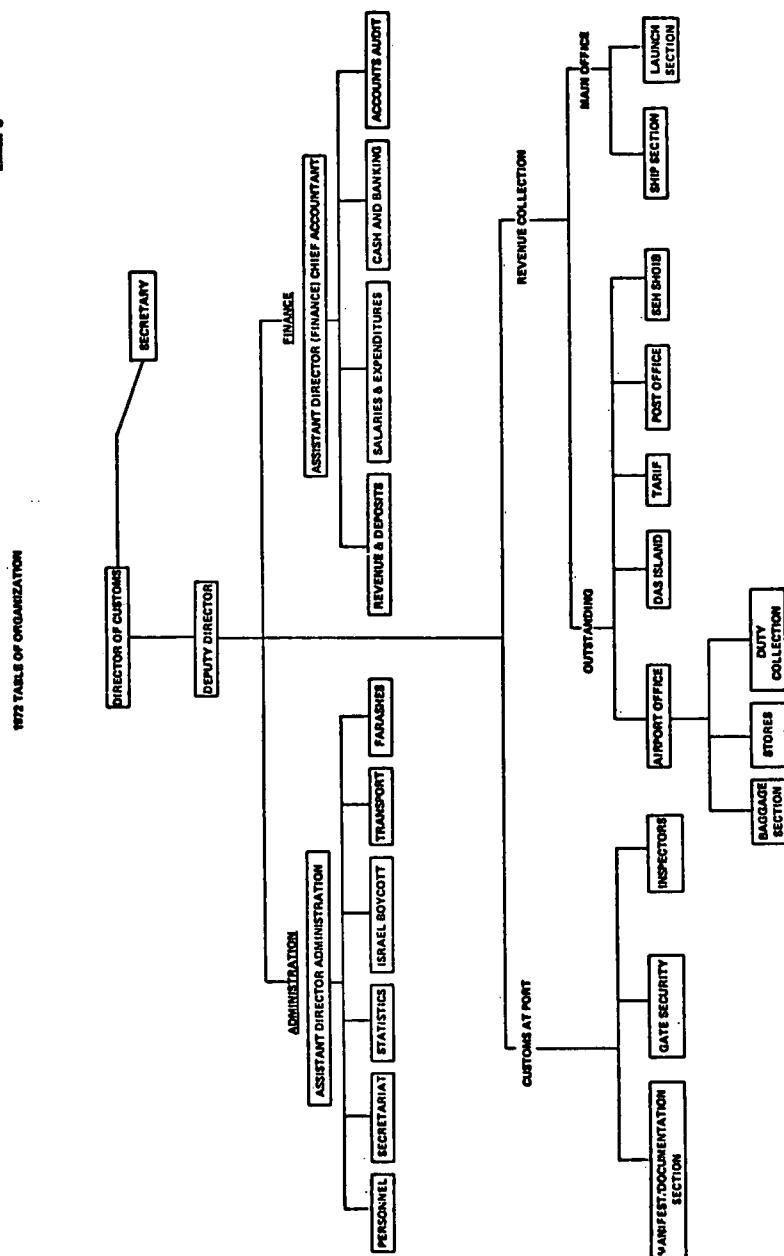
Attachments: Exhibits A,B,C, and D

Exhibit A

ACTIVITY	ACTIVITIES FOR PERIOD 1969-1973			
	1969	1970	1971	1972
Bills of Entry	39,909	29,298	37,632	41,980
Duty Collections	2,504,894	1,937,302	2,547,836	2,813,570
Aircraft Arrivals	2,564	2,635	2,819	3,337
Vessel Arrivals	270	231	236	398
Tanker Arrivals	565	661	715	731
Dhow Arrivals	1,227	831	1,102	744

♦ EXHIBIT B

IMPORTS BY VALUEDUTY COLLECTIONS



VENEZUELA

Educational Cooperation

*Agreement signed at Caracas May 7, 1976;
Entered into force May 7, 1976.*

STATEMENT OF UNDERSTANDING

Between the Ambassador of the United States of America and the Minister of Education of Venezuela, on the basis of the friendly relations existing between the two countries; in accord with the declaration regarding new and closer cooperation in the field of education issued by the Foreign Minister of Venezuela and the Secretary of State of the United States on the 17th of February 1976,^[1] and in view of the common interest in educational development, it has been agreed:

One: In recognition of the indispensable role of educational development and the adaptation of technology, and recognizing the essential part that educational research must play in the resolution of the many social and economic problems faced by the peoples of our nations, the Government of the United States of America and the Government of the Republic of Venezuela will seek new and effective ways to provide greater structure and impact to our academic cooperation.

Two: The Governments affirm their decision to cooperate in a program of high level scholarly exchange in mutually agreed upon fields of endeavor of educational development, with the objective of proposing cooperative programs and projects to accomplish this goal.

Three: The Government of the United States of America and the Government of Venezuela will provide high level experts to meet, consult, and develop educational project (or projects) of mutual interest to both countries and suitable for United States and Venezuelan cooperation.

Four: The jointly developed project or projects will be submitted to the respective Governments for their approval and funding, each government to fund its own part independently of the other, subject always to the availability of funds.

Five: The Government of the United States of America and the Government of the Republic of Venezuela will independently assume

¹ *Department of State Bulletin*, Mar. 15, 1976, p. 331.

the responsibility for the implementation of those activities to which each party has agreed.

Six: The Governments of the United States and Venezuela, by mutual agreement, may from time to time convene meetings of United States and Venezuelan specialists to review accomplishments and to recommend to their respective governments the continuation of existing activities or the beginning of new ones.

Seven: This Statement of Understanding may be amended by mutual agreement of the two governments.

Eight: This Statement of Understanding shall enter into force on signature and shall continue in force until September 30, 1978 and may be extended by mutual agreement of the two governments.

Signed in the city of Caracas, Capital of the Republic of Venezuela, on the 7th day of the month of May of the year 1976, in two originals in the English and Spanish languages, both texts being equally authentic.



En Luis Manuel Penáver
Minister of Education



Harry W. Shlaudeman
Ambassador

DECLARACION DE ENTENDIMIENTO

Entre el Embajador de los Estados Unidos de América y el Ministro de Educación de Venezuela, sobre la base de las relaciones amistosas que existen entre los dos países; de acuerdo con la declaración sobre una nueva y más estrecha cooperación en el campo educativo hecha por el Ministro de Relaciones Exteriores de Venezuela y el Secretario de Estado de los Estados Unidos de América el 17 de febrero de 1976, y teniendo en cuenta el interés común en el desarrollo educativo, ha sido convenido:

Uno: En reconocimiento del papel indispensable del desarrollo educativo y de la adaptación de la tecnología, y al reconocer la parte esencial que debe desempeñar la investigación docente en la solución de los muchos problemas sociales y económicos confrontados por los pueblos de nuestras naciones, el Gobierno de los Estados Unidos de América y el Gobierno de la República de Venezuela buscarán modos nuevos y efectivos para proporcionar mayor estructura e impacto a nuestra cooperación académica.

Dos: Los Gobiernos afirman su decisión de cooperar en un programa de intercambio académico de alto nivel en campos de conocimiento mutuamente convenidos de desarrollo educativo con la finalidad de proponer programas y proyectos cooperativos para lograr esta meta.

Tres: El Gobierno de los Estados Unidos de América y el Gobierno de Venezuela suministrarán expertos de alto nivel para que se reunan, celebren consultas y desarrolle un proyecto o proyectos de interés mutuo para ambos países y apropiados para la cooperación entre los Estados Unidos y Venezuela.

Cuatro: El proyecto o los proyectos creados conjuntamente serán sometidos a los Gobiernos respectivos para su aprobación y asignación de fondos. Cada Gobierno debe asignar fondos a su parte independientemente del otro, siempre estando sujeto a la disponibilidad de fondos.

Cinco: El Gobierno de los Estados Unidos de América y el Gobierno de la República de Venezuela asumirán la responsabilidad de llevar a cabo aquellas actividades a las cuales ha convenido cada parte.

Seis: Los Gobiernos de los Estados Unidos y Venezuela, de común acuerdo, pueden convocar reuniones de los especialistas estadounidenses y venezolanos de tiempo en tiempo, para pasar revista a los logros alcanzados y para recomendar a sus respectivos gobiernos la continuación de actividades existentes o el inicio de nuevas actividades.

Siete: Esta Declaración de Entendimiento puede ser enmendada de mutuo acuerdo por los dos gobiernos.

Ocho: Esta Declaración de Entendimiento entrará en vigor al ser firmada y continuará en vigor hasta el 30 de septiembre de 1978 y puede ser prorrogada de mutuo acuerdo por los dos gobiernos.

Firmado en la ciudad de Caracas, capital de la República de Venezuela, a los 7 días del mes de mayo del año de mil novecientos setenta y seis, en dos ejemplares originales, cada uno de ellos en idioma inglés y español, siendo ambos textos igualmente válidos.



Harry W. Shlaudeman
Harry W. Shlaudeman
Embajador

GUATEMALA

Emergency Municipal Reconstruction and Repair

*Agreement signed at Guatemala May 14, 1976;
Entered into force May 14, 1976.*

Convenio de Donacion No. DR 5

Programa de Emergencia de Reconstrucción y Reparación Municipal

Este convenio de donación, suscrito en la Ciudad de Guatemala el día 14 de mayo del año 1976, entre el Gobierno de la República de Guatemala actuando por intermedio del Instituto de Fomento Municipal (de aquí en adelante denominado INFOM), y los Estados Unidos de América representados por la Agencia para el Desarrollo Internacional, Guatemala, (de aquí en adelante denominada AID),

Grant Agreement No. DR 5

Emergency Municipal Reconstruction and Repair

This grant entered into in Guatemala City the 14 day of May 1976, between the Government of Guatemala, acting through the Municipal Development Institute (hereinafter referred to as INFOM), and the United States of America, represented by the Agency for International Development, Guatemala (hereinafter referred to as AID),

DECLARAN

CONSIDERANDO, que uno de los efectos mayores del terremoto del 4 de febrero de 1976 fue la destrucción de cabeceras municipales y aldeas y su respectiva infraestructura,

CONSIDERANDO, que el Gobierno de la República de Guatemala ha declarado que la etapa crítica de emergencia ha pasado, y ha establecido el Comité de Reconstrucción Nacional (de aquí en

WITNESSETH

WHEREAS, one of the major effects of the earthquake in Guatemala on February 4, 1976, was the destruction of towns and villages and their infrastructure,

WHEREAS, the Government of Guatemala has declared the critical stage of the emergency to have ended and has established the National Reconstruction Committee (hereinafter referred

adelante denominado el CRN), para coordinar los esfuerzos de los sectores públicos y privados del país, así como los esfuerzos de organismos internacionales en el proceso de reconstrucción,

CONSIDERANDO, que el INFOM es la entidad responsable de ayudar a las municipalidades en su desarrollo, y que ha sido contemplado por el CRN dentro del proceso de reconstrucción como unidad ejecutora,

CONSIDERANDO, que el INFOM, trabajando a través de las municipalidades, tiene la capacidad de desempeñar la reparación temporal, el mejoramiento y la construcción de los servicios e instalaciones esenciales que servirán por un tiempo limitado hasta que sea posible su instalación permanente,

CONSIDERANDO, que la AID desea proporcionar ayuda en forma de donación al programa de reconstrucción, de conformidad con la Sección 491 del Acta de Ayuda al Exterior de 1961 del Gobierno de los Estados Unidos, y sus enmiendas;

POR LO TANTO, el INFOM y la AID suscriben el siguiente convenio

I. OBJETIVO

Esta donación tiene el propósito de ayudar a las municipalidades en la recuperación y reiniciación de los servicios públicos a la comunidad.

II. PLAN DE ACCION

A. Actividades del Proyecto

Utilizando los recursos que se harán disponibles en este

to as the NRC), to coordinate the efforts of the public and private domestic sectors as well as those of international donors in the reconstruction process,

WHEREAS, INFOM is the entity responsible for assisting municipalities in their development and has been designated as the executing agency by the NCR in the process of reconstruction,

WHEREAS, INFOM has the capacity working through the municipalities to execute the temporary repair, improvement and construction of essential services and facilities that will serve in the interim until their permanent replacement is possible,

WHEREAS, AID desires to provide grant assistance to the reconstruction program pursuant to Section 491 of the Foreign Assistance Act of the United States Government, of 1961, as amended;[¹]

NOW THEREFORE, INFOM and AID enter into the following agreement.

I. OBJECTIVE

This grant is for the purpose of assisting the municipalities to recover and reinitiate public community services.

II. PLAN OF ACTION

A. Project Activities

Utilizing the resources to be made available under this

¹ 89 Stat. 849; 22 U.S.C. § 2292. [Footnote added by the Department of State.]

convenio, el INFOM, en estrecha colaboración con las municipalidades, realizará un programa de mejoramiento a nivel de emergencia en las municipalidades que han sufrido daños a causa del terremoto con el fin de.

1. Limpiar, reparar y restaurar el nivel de las calles, incluyendo las estructuras de control de aguas para evitar la erosión, incluyendo cunetas, empedrado y adoquinado, cuando son necesarios.

2. Remover los escombros que quedaron en el lugar después de retirar el equipo de descombramiento de emergencia.

3. Restaurar el drenaje superficial con el fin de evitar las inundaciones por las lluvias.

4. Inspeccionar, limpiar y reparar el sistema de alcantarillado sanitario y de aguas pluviales.

5. Hacer reparaciones menores en las instalaciones municipales.

6. Construir las instalaciones temporales municipales requeridas que puedan ser utilizadas hasta que se construyan los edificios permanentes.

7. Inspeccionar y demoler, según sea necesario, los edificios públicos que constituyan un peligro para la ciudadanía,

8. Construir instalaciones para proteger las fuentes públicas de agua municipal.

9. Construir instalaciones temporales para mercados que puedan ser utilizados hasta que se terminen de construir los mercados permanentes.

10. Construir muros de contención donde sea necesario, para evitar una destrucción mayor y proteger a la ciudadanía.

agreement INFOM, working in close concert with the municipalities, will execute an emergency improvement program in the municipalities that suffered severe earthquake damage to

1. Clean, repair and restore grade to streets including water control structures to prevent erosion such as the use of surfacing materials where required.

2. Remove rubble that remained after withdrawal of emergency rubble removal equipment.

3. Restore surface drainage to prevent impounding of rain water.

4. Inspect, clean and repair underground sewage and storm drainage systems.

5. Carry out minor repairs to municipal structures.

6. Erect required temporary municipal buildings which can be utilized until permanent replacement buildings are completed.

7. Inspect and demolish, as necessary, public buildings which constitute a public hazard.

8. Erect roofs for municipal public water sources.

9. Erect temporary market facilities which can be utilized until permanent replacement markets are completed.

10. Construct retaining walls where required to prevent further destruction and protect the population.

11. Llevar a cabo otras actividades necesarias de reconstrucción temporal según se determine serán requeridas, por medio de consultas entre el INFOM y funcionarios municipales. Las actividades que no estén comprendidas en los renglones del No. 1 al 10 arriba indicados estarán sujetas a la aprobación por escrito de la AID antes del financiamiento e iniciación de las mismas.

B. Procedimientos de Operación

Las actividades que el INFOM llevará a cabo y terminará en cada municipalidad, se desempeñarán de acuerdo con los siguientes procedimientos.

1. Los ingenieros del INFOM llevarán cabo una inspección, conjuntamente con los correspondientes funcionarios municipales, del daño sufrido en las localidades, con el fin de determinar la magnitud de las reparaciones y las actividades requeridas de reconstrucción temporal.

2. Con base en esta inspección, los ingenieros del INFOM prepararán un plan de trabajo para cada municipalidad y una estimación de costos para las reparaciones requeridas y las actividades de reconstrucción temporal. El plan de trabajo y estimación de costos incluirán una lista de actividades a llevarse a cabo, las cantidades de materiales a utilizarse, el tiempo requerido para la utilización de maquinaria, mano de obra, y las fechas estimadas para iniciar el trabajo y terminarlo.

3. Al llevar a cabo la inspección y elaboración del plan de

11. Carry out other critical, temporary reconstruction activities as may be determined to be required through consultation between INFOM and municipal officials. The eligibility for funding of activities other than items 1 through 10 above will be subject to written concurrence by AID prior to initiation and financing of such activities.

B. Operating Procedures

The activities to be undertaken and completed by INFOM in each municipality will be carried out in accordance with the following procedure.

1. INFOM engineers will, in concert with appropriate municipal officials, conduct an inspection of municipal damage to determine the extent of repairs and temporary reconstruction activities required.

2. Based upon this inspection, INFOM engineers will prepare a work plan for each municipality and a cost estimate for required repair and temporary reconstruction activities. The work plan and cost estimate will include a listing of the activities to be undertaken, the estimated amount of materials, machine time and hand labor required, and anticipated work initiation and completion dates.

3. In conducting the inspection and preparing the work plan

trabajo además de la estimación de costos, el INFOM considerará las actividades actuales y proyectadas de otras organizaciones del Gobierno de Guatemala, agencias voluntarias del sector privado y entidades internacionales, con el fin de asegurar el uso máximo de los recursos disponibles de reconstrucción. Los recursos proporcionados en este convenio de donación no serán utilizados para trabajos contemplados por otras agencias.

4. El plan de trabajo municipal y las estimaciones de costos serán elaborados y analizados por el personal técnico del INFOM y aprobados por la gerencia del mismo. Se enviarán dos copias de todos los planes aprobados a la AID, una copia es para la oficina del Contralor de la AID

5. Al aprobarse el plan de trabajo, el INFOM contratará la maquinaria requerida por proyecto o por hora, dará un adelanto de fondos a la municipalidad para la compra de materiales disponibles localmente y para el pago inicial de mano de obra además de comprar aquellos materiales que no pueden obtenerse por medio de la municipalidad. Los adelantos posteriores para comprar materiales y cubrir las planillas serán efectuados por el INFOM a las municipalidades, según sea requerido. El INFOM delegará la responsabilidad de dirigir las actividades en cada municipalidad donde haya trabajo que realizar, en un encargado calificado, quien será supervisado por un ingeniero del INFOM.

6. El INFOM preparará un informe de terminación del tra-

abajo y costos, el INFOM considerará las actividades actuales y proyectadas de otras organizaciones del Gobierno de Guatemala, agencias voluntarias del sector privado y entidades internacionales, con el fin de asegurar el uso máximo de los recursos disponibles de reconstrucción. Los recursos proporcionados en este convenio de donación no serán utilizados para trabajos contemplados por otras agencias.

4. The municipal work plans and cost estimates will be elaborated and analyzed by the technical staff of INFOM and approved by the Manager. Two copies of all approved plans will be submitted to the AID, one copy is for the AID Controller's office.

5. Upon approval of the work plan, INFOM will contract for the required machinery on an hourly or project basis, advance funds to the municipality for the procurement of locally available materials and payment of labor, and procure those materials which cannot be purchased by the municipality. Subsequent advances for material purchase and labor payments will be made by INFOM to the municipalities as required. INFOM will assign responsibility for directing activities in every municipality where work is to be carried out to a qualified foreman who will be supervised by an INFOM engineer.

6. A completion report for each municipality will be pre-

bajo por cada municipalidad y enviará una copia a la AID dentro de los 20 días siguientes a la terminación del mismo. Este informe señalará las fechas de terminación, resumirá las actividades de trabajo (metros cúbicos de material descombrado, número de cuadras de la cabecera limpiadas, niveladas, drenadas, etc., actividades de construcción efectuadas; las horas de alquiler de maquinaria detallando la clase de maquinaria, días de mano de obra utilizada, metros de drenaje inspeccionados y/o reparados, etc., y demostrar un detalle total de costos por actividad. Estos informes también deberán resumir en lo posible, lo que se está llevando o se ha llevado a cabo en la municipalidad por otras entidades del sector público o privado.

7 El INFOM llevará y retendrá los registros de todos los gastos involucrados en las actividades de cada municipalidad. Se prepararán informes mensuales de progreso resumiendo todos los trabajos aprobados y los gastos del INFOM correspondientes, junto con el porcentaje estimado de progreso, por municipalidad y actividad, los cuales serán enviados al Gerente del INFOM y la AID a más tardar 15 días después de cada mes subsiguiente.

C. Localidad y Tiempo de Ejecución.

1. Las actividades descritas en el párrafo II.A., que antecede, serán llevadas a cabo en las municipalidades que sufrieron daño durante el terremoto. La mayor actividad se concentrará

pared by INFOM and a copy sent to the AID within 20 days after completion of the works. This report will show the date of completion, summarize the work activities (cubic meters of rubble removed, number of city blocks cleaned, graded, drained, etc., construction activities carried out, hours of machine rental by kind of machine, worker days of labor employed, meters of drainage inspected and/or repaired, etc., and show a total cost breakdown by activity. These reports will also summarize to the extent possible what has and/or is being done in the municipality by other public and private entities.

7 Records of all expenditures for each activity in each municipality will be maintained and retained by INFOM. Monthly progress reports summarizing approved works and INFOM expenditures thereunder together with estimated percentage of completion by municipality and activity will be prepared and submitted to the Manager of INFOM and the AID no later than the 15th day of each succeeding month.

C. Location and Timing

1. The activities described under II.A., above will be carried out in the municipalities that suffered damage from the earthquake. Major activities will be centered in the municipal seats

en las cabeceras municipales, pero también serán elegibles las aldeas de los municipios.

2. El Anexo A incorpora una lista de las municipalidades por población y la magnitud del daño sufrido. Este documento también establece, en principio, el nivel máximo de financiamiento que pueda ser utilizado para fines de reconstrucción y actividades de reparación en cada municipalidad. Los requisitos de financiamiento que excedan estas cantidades por municipalidades individuales estarán sujetos a la aprobación de las partes de este convenio por medio de un intercambio de cartas.

3. Se podrán hacer enmiendas al Anexo A a través de un intercambio de cartas entre las partes. En ningún caso excederá esta donación para trabajos municipales un total de \$1,550,000, sin una enmienda formal de este convenio de donación.

4. Las actividades elegibles serán iniciadas inmediatamente después de la firma de este convenio de donación y serán llevadas a cabo al mismo tiempo en un número máximo de municipalidades.

5. Todas las actividades llevadas a cabo y el uso de los fondos provistos en este documento serán efectuados antes del 31 de diciembre de 1976. Los fondos no gastados serán desobligados y cualesquiera adelantos no utilizados serán liquidados pro medio de un comprobante "no-pagadero" o un reembolso en efectivo antes de esta fecha.

6. Aproximadamente el 15 de octubre de 1976 se efectuará un análisis del estado del proyecto,

but towns in the municipality will also be eligible.

2. Annex A incorporates a list of these municipalities by population and extent of damage suffered. This matrix also establishes, in principle, a maximum level of funding that may be used for reconstruction and repair activities in each municipality. Funding requirements in excess of these amounts for individual municipalities will be subject to approval by the parties hereto through an exchange of letters.

3. Additions and deletions may be made to Annex A by exchange of letters between the parties. In no event shall the total amount for municipal works exceed \$1,550,000 without formal amendment of this grant agreement.

4. Eligible activities will be initiated immediately upon signature of this Agreement and shall be carried out concurrently in the maximum possible number of municipalities.

5. All activities undertaken and the funds herein allocated will be expended prior to December 31, 1976. Unexpended funds will be deobligated and any outstanding advances will be liquidated through the submission of no-pay vouchers or cash refund prior to this date.

6. A project status review will be held about October 15, 1976 for the purpose of deter-

con el fin de determinar los requisitos de financiamiento para el período restante de trabajo. Podría requerirse una enmienda del convenio después de dicho análisis del proyecto para efectuar los ajustes de actividades y de financiamiento indicado, de acuerdo con el inciso II.C.6.

III. RESPONSABILIDAD DE LAS PARTES

A. El Gobierno de los Estados Unidos de América, a través de la AID por este medio conviene en proporcionar hasta \$1,950,000 para.

1. Un Programa de Emergencia de Reconstrucción y Reparación Municipal

—Hasta un máximo de \$1,550,000 para la compra de materiales no-inventariables, transportes, servicios, contratación de mano de obra especializada, capacitada y común, contratación de maquinaria requerida para llevar a cabo las actividades descritas en el Renglón II. A., que antecede.

2. La Supervisión del Proyecto y los Requisitos Especiales

—Hasta un máximo de \$225,000 para sufragar los costos requeridos para sueldos, viáticos y otros gastos involucrados en la contratación y el apoyo de ingenieros, personal administrativo y auxiliares, y equipos de asistencia técnica para la planificación, administración y dirección de los trabajos.

3. Vehículos y Equipo

—Hasta \$175,000 para la compra de la lista ilustrativa de equipo inventariable:

mining funding requirements for the balance of the work period. An amendment to the Agreement may be required following the review to make appropriate activity and funding adjustments in accordance with Section II.C.6.

III. RESPONSABILITIES OF THE PARTIES

A. The Government of the United States of America through AID hereby agrees to provide up to \$1,950,000 for:

1. Municipal Emergency Reconstruction and Repair

—Up to a maximum of \$1,550,000 for the purchase of expendable materials, transportation, services, the employment of specialized, skilled and common labor and equipment contracting required to carry out the activities described in II A. above.

2. Project Supervision and Special Requirements

—Up to a maximum of \$225,000 to defray costs required for salaries, per diem and other expenses entailed in contracting and supporting engineers, administrative personnel and foremen and technical assistance teams for planning, administering and directing the works.

3. Vehicles and Equipment

—Up to \$175,000 for the purchase of the following illustrative list of non-expendable items:

- 15 vehículos de trabajo tipo "Pick-up"
- 2 camiones de 10 toneladas de capacidad, con carrocería de madera
- equipo para la limpieza de drenajes, según se determine
- herramientas y equipo especializados

Todos los vehículos comprados en este convenio deberán ser fabricados en los Estados Unidos de América.

Toda compra que esté bajo esta sección debe contar con la aprobación previa de AID por escrito.

4. En ningún caso el costo total del programa excedrá la cantidad de \$1,950,000, sin enmendar este convenio.

B. El INFOM por este medio acuerda.

1. Proporcionar la administración y ejecución y supervisión de las actividades del proyecto.

2. Reclutar y celebrar contratos con el personal requerido para llevar a cabo los trabajos.

3. Utilizar su personal existente de ingeniería y administrativo, aumentado con el personal bajo contrato, para trabajar estrechamente con las municipalidades en la planificación, diseño y ejecución y supervisión de todos los elementos del proyecto.

4. Comprar, transportar o hacer que se compre y se transporte todo el material y el equipo requerido para el desempeño eficaz de las actividades.

5. Contratar el equipo según sea necesario.

6. Presentar informes a la AID según se estipule en la Sección II. B. 6 y 7 que antecede.

- 15 work vehicles, pick-up trucks
- 2, 10-ton capacity, stake trucks
- sewage cleaning equipment to be determined
- specialized tools and equipment

All vehicles procured under this Agreement must be manufactured in the United States of America.

All procurement under this section must have AID's prior written approval.

4. In no event will total program cost exceed \$1,950,000 without a formal amendment to this Agreement.

B. INFOM hereby agrees to

1. Provide overall direction, supervision and execution of project activities.

2. Recruit and enter into contracts with personnel required for conduct of the works.

3. Utilize its existing engineering and administrative staff, augmented by contract personnel, to work closely with the municipalities in the planning, design, execution and supervision of all elements of the project.

4. Procure, transport or cause to be procured and transported all materials and equipment required for efficient conduct of the activities.

5. Contract for equipment as required.

6. Submit reports to AID as stipulated in Section II. B., 6 and 7 above.

7 Asegurarse que todos los vehículos y el equipo se mantengan continuamente en buen estado.

8. Obtener fotografías tipo "antes" y "después" de las condiciones prevalecientes en no menos de 20 localidades, las cuales serán ampliadas (8" x 10") y enviar tres (3) copias a la AID

9. Proporcionar asistencia técnica a las municipalidades para ayudarles a re establecer los servicios municipales y mejorar los procedimientos administrativos y financieros.

7 Insure that vehicles and equipment are properly maintained at all times.

8. Obtain before and after photographs depicting the prevailing conditions in not fewer than 20 localities which will be enlarged (8" x 10") and three copies of each supplied to AID

9. Provide technical assistance to the municipalities to help them reestablish municipal services and improve financial and management procedures.

IV DISPOSICIONES GENERALES

El Anexo B—Disposiciones Generales—adjunto, por este medio forma parte de este Convenio.

V. DISPOSICIONES ADMINISTRATIVAS Y FINANCIERAS.

A. El Anexo D, "Disposiciones Administrativas y Financieras" adjunto, según se enmienda a continuación, forma parte de este convenio

El segundo parrafo de la Sección D sera eliminado en su totalidad.

B. A solicitud del INFOM por escrito, la AID dara un adelanto de fondos que no excedera de \$500,000, el cual servirá como un fondo rotativo para la ejecucion del proyecto. Este fondo sera administrado de conformidad con las disposiciones establecidas en el Anexo D y en el parrafo C a continuacion.

C. Se conviene mutuamente que el reembolso efectuado por el Contralor de la AID en este

IV GENERAL PROVISIONS

The Standard Provisions, Annex B, attached, are hereby made a part of this Agreement.

V ADMINISTRATIVE AND FISCAL PROVISIONS.

A. The attached "Administrative and Fiscal Provisions", Annex D, as amended below, are hereby made a part of this Agreement:

The second paragraph of Section D is hereby deleted.

B. Upon receipt from INFOM of a written request, AID will advance an amount not to exceed \$500,000 to serve as a rotating fund for project implementation. This will be operated in accordance with provisions established in Annex D and paragraph C below

C. It is mutually agreed that reimbursement by the Controller, USAID under this agree-

convenio estará sujeto a la siguiente disposición ademas de las Disposiciones Generales contenidas en el Anexo "D"

1. Reconstrucción y Reparación de Emergencia para las Municipalidades.

Unicamente se hará un reembolso a la terminación satisfactoria de cada actividad aprobada que inicie en cada municipalidad. Los fondos gastados por el INFOM para los trabajos que no estén dentro del alcance de la Sección II.A., o que no han sido aprobados de conformidad con la Sección II.B., o que no sean adecuadamente terminados serán cubiertos totalmente por el INFOM y no serán suffragados con fondos de donación.

Los reembolsos no se harán con mas frecuencia que una vez al mes a la presentación de un informe fiscal para cada municipalidad detallando las actividades llevadas a cabo y terminadas como se describe arriba, el informe presentara la siguiente certificación por el representante autorizado del INFOM.

"Por este medio certifico que las actividades en el informe fiscal adjunto para las municipalidades indicadas han sido iniciadas y terminadas de conformidad con los términos del Convenio No. AID DR-5 fechado 5/14/76 y que este es el único comprobante e informe fiscal para los costos actuales del mismo que será presentado para tales actividades dentro de la municipalidad en este convenio de donación. Certifico también que todas las fases de esta actividad han cumplido con

ment will be subject to the following special General Provisions contained in Annex "D"

1. Municipal Emergency Reconstruction and Repair.

Reimbursement will only be made upon satisfactory completion of each approved activity commenced in each municipality. Any funds expended by INFOM for works which are not within the scope of Section II.A., or not properly approved in accordance with Section II.B., or that are not satisfactorily completed will be solely for INFOM's account and will not be financed by grant funds.

Reimbursement will be made no more than monthly upon submission of a fiscal report for each listed municipality detailing each activity undertaken and completed as above, the report will contain the following additional certification by INFOM's authorized representative.

"I hereby certify that the activities contained in the attached fiscal report for the indicated municipalities have been initiated and completed in accordance with the terms of Grant No. AID DR-5 dated 5/14/76 and that this is the only voucher and fiscal report for the actual costs thereof to be submitted for such activities within the municipality under this grant." I further certify that all portions of this activity have complied with the standards of reasonable price

los estándares de precios razonables según se indica en el parrafo V.D de este Convenio."

2. Supervisión del Proyecto y Requisitos Especiales

Los comprobantes de reembolso serán enviados con no mas frecuencia que una vez al mes, de todos los gastos en que se incurra a la fecha del comprobante. El informe fiscal resumirá los costos por las siguientes categorías:

- a. Salarios
- b. Viáticos
- c. Uso y Mantenimiento de Vehículos

Costos de salarios del personal de planta del INFOM no serán reembolsables bajo este proyecto de donación.

3. Vehículos y Equipo

El reembolso se hará con no más frecuencia que una vez al mes al presentar un voucher con sus respectivas copias de las facturas y demás documentos. En el caso de que el INFOM designará a AID como su agente de compras bajo esta sección, la AID será autorizada a cargar la donación directamente por dichas compras hechas en nombre del INFOM.

D Precio Razonable

Con el objeto de asegurar la utilización máxima de los fondos disponibles bajo esta donación, el procedimiento para la compra de materiales y servicios bajo este contrato debería ser diseñada para producir al más bajo precio disponible siempre que la ejecución del programa no sea adversamente afectada. Sin em-

set forth in paragraph V.D of this agreement."

2. Project Supervision and Special Requirements.

Reimbursement vouchers will be submitted no more than monthly for all costs incurred to the date of the voucher. The fiscal report will summarize costs by the following categories.

- a. Salaries
- b. Per Diem
- c. Vehicle Operation and Maintenance

Salary costs of regular INFOM staff will not be reimbursed under this grant.

3. Vehicles & Equipment

Reimbursement will be made no more than monthly based upon a voucher supported by copies of appropriate procurement documents. In the event INFOM designates AID to be its procurement agent under this section, AID shall be authorized to charge the grant directly for such procurement made on INFOM's behalf.

D Reasonable Price

In order to assure maximum utilization of the funds available under the Grant, procedures for procurement of goods and services under contract should be designed to produce the lowest price available provided that execution of the program will not be unduly hampered. Therefore, to the extent possible,

bargo, según sea posible, el INFOM obtendrá precios de cotización por escrito de los varios vendedores, incluyendo a los proveedores de más prestigio en la venta de materiales/servicios solicitados y mantendrán tal documentación en sus archivos para cada transacción. La compra se hará a los proveedores y contratistas que ofrezcan el precio más bajo y que cumplan razonablemente con los requisitos mínimos de calidad requeridos y tiempo de entrega. Además, a menos que la situación particular lo requiera, y segun las presiones u otros problemas que pudieran causar tardanza, los materiales se comprarán en Guatemala u otro país del Mercado Común Centroamericano, solamente cuando el precio local sea menor que el "precio bruto" de un renglón comparable del país de código 935. (El "Precio Bruto" como se usa en este documento, será el precio de materiales ajustado para costos de transporte, seguro y otros gastos directamente tributables a la transacción de compra).

Los precios o tarifas no razonables serán razón para que la AID rechace el financiamiento de la transacción o solicite el reembolso del donatario.

El costo del trabajo reembolsable ejecutado por contrato debe ser razonable cuando se compare con un costo estimado del mismo trabajo ejecutado por una agencia del Gobierno de Guatemala que normalmente realizará trabajos similares.

Todos los documentos relacionados con las compras deberan

INFOM will obtain written price quotations from several vendors, including known major supplies of the commodities/services solicited, and maintain such documentation in their files for each transaction. Procurement shall be from the suppliers or contractors offering the lowest quoted price that reasonably meet quality standards and delivery schedules. Further, unless the particular situation requires, due to time pressures or other problems which may cause delay, goods shall be purchased in Guatemala or another CACM country only when the local price is lower than the "gross price" of a comparable item from a Code 935 source country ("Gross Price" as used herein shall be the price of the goods adjusted for costs of transport, insurance and other costs directly attributable to the purchase transaction.)

Unreasonable prices or rates, are cause for AID either to reject the financing of a transaction or to request a refund from the grantee.

The reimbursable cost of work performed by contract must be reasonable when compared to the estimated cost of the same work if performed by an agency of the GOG which would normally perform similar works.

All documents pertaining to procurement should be kept on

mantenerse por el INFOM en un archivo y deberán demostrar que los proveedores fueron seleccionados con base a una investigación de lo disponible en el mercado.

En una transacción de compra financiada por la A.I.D. solamente podrán ser incluidas las comisiones regulares de los agentes de venta y las ganancias normales de los distribuidores. Estas comisiones de venta y las ganancias de los distribuidores deben estar de acuerdo y ajustarse a las prácticas de transacciones normales y ser razonables.

VI. OTRAS DISPOSICIONES

A. El INFOM conviene en ceder formalmente a la AID, a su requerimiento, cualquier derecho de acción que pueda resultarle en conexión con o proveniente de un hecho del contratista o por incumplimiento de la ejecución de cualquier contrato financiado parcialmente o en su totalidad con fondos proporcionados por el Gobierno de los Estados Unidos bajo las leyes de Guatemala y los términos de este convenio.

B. El INFOM puede designar a la AID como su agente de compras de los vehículos y el equipo, siempre que esto contribuya a la eficiencia y a la realización del proyecto en el tiempo estipulado.

C. Este convenio puede ser enmendado por medio de la emisión de cartas de ejecución, lo cual requerirá la conformidad de ambas partes.

D. El equipo obtenido por INFOM a través del financiamiento obtenido con esta donación, será retenido por el

file by INFOM and must demonstrate that suppliers were selected competitively on the basis of a representative canvas of the market.

Please note that only regular sales agent's commissions and dealers mark-ups may be included in an A.I.D financed procurement transaction. These sales commissions and dealer's mark-ups must conform to normal trade practice and be reasonable.

VI. OTHER PROVISIONS

A. INFOM agrees to execute an assignment to AID upon its request, of any cause of action which may accrue to it in connection with or arising out of a contractor's performance or breech of performance of any contract financed in whole or in part out of funds provided by the United States Government under the laws of Guatemala and the terms of this Agreement.

B. INFOM may designate AID as its agent in procurement of vehicles and equipment to the extent that such action contributes to efficiency and carrying out the project on a timely basis.

C. This grant Agreement may be amended by issuance of implementation letters which will require the concurrence of both parties.

D. Equipment acquired by INFOM through financing provided under this grant will be retained by INFOM to be used

INFOM para usarse en su programa regular de ayuda financiera o de otra clase para las municipalidades de Guatemala.

Firmado en los idioma español e inglés este 14 dia de lo mayo de 1976.

FERNANDO CABRERA ARROYO

Fernando Cabrera Arroyo
Gerente, INFOM

in its regular program of financial and other assistance to the municipalities of Guatemala.

Signed in the English and Spanish languages this 14th. day of May 1976.

FREDERICK W SCHIECK
for

Edward W Coy
Director, USAID/Guatemala

A GONZALEZ C.

Armando Gonzalez Campo, *Secretario General de Planificación Económica*

Matrix Illustrating Population and Damage Incurred and Estimated Cost of Required Emergency Reconstruction and Repairs
Diagrama Ilustrativo de la Población, Daño Sufrido, y Costo Estimado de la Reconstrucción y Reparaciones de Emergencia

POBLACION¹

% de Destrucción²	ANEXO "A" (ANNEX "A")	
Less than 2,500	2,501 - 5,000	
91-100%-----	Parramos - 100% - 2,518 San Martin Jilotepeque - 100%, 3,760	
El Tejar - 100% - 2,330 Acatenango - 100% - 1,656 El Jicaro - 100% - 1,907 Cabañas - 95% - 2,095 Joyabaj - 96% - 2,369	Tecpan - 100% - 5,868 San Andres Izapa - 100% - 6,286 San Pedro Sacatepequez - 100% - 5,001 San Juan Sacatepequez - 100% - 6,684	
Financiamiento máximo por municipio (maximum funding each municipality): \$20,000	Guisan 100% - 5,220 Patzin 100% - 8,344 Comalapa 98% 7,195 Chimaltenango 91% - 13,147	
	Financiamiento máximo por municipio (maximum funding each municipality): \$40,000	
61-90%-----	Sumpango 100% 7,389 Financiamiento máximo por municipio (maximum funding each municipality): \$60,000	
-----	Salamá - 75% - 5,592 Financiamiento máximo por municipio: \$80,000 (maximum funding each municipality): \$30,000	
-----	San José Poaquil - 90% - 2,161 Santa Cruz Baranya - 80% - 1,971 Santa Apolonia 85% - 521 Huite - 75% - 1,447 Sansare - 70% - 1,593	San Pedro Ayampuc - 90% - 3,434 Santa Caterina Pinula 75% - 3,131 Rabinal - 90% - 4,680 Santo Domingo Xenacoj 70% - 2,617 San Miguel Petapa - 70% - 2,667
-----	Financiamiento máximo por municipio (maximum funding each municipality): \$15,000	Senarate - 70% - 2,729 Financiamiento máximo por municipio (maximum funding each municipality): \$25,000

41-60%	Magdalena Milpas Altas - 50% - 2,014	San Antonio Aguascalientes 50% - 3,180	Ciudad Vieja - 45% - 7,206
	Santa Lucia Milpas Altas - 45% - 878	Chuquarrancho 60% - 3,793	Santa Cruz del Quiche 50% - 7,689
	San Raymundo - 60% - 2,018	Palencia - 39% - 2,376	Momostenango - 50% - 5,298
	Rio Hondo 50% - 1,465	San Agustin Acasaguastlán 50% - 3,225	Totonicapan 50% - 8,727
	Usumatlan - 50% - 1,004	Zacapa - 50% - 12,703	Jalapa - 50% - 13,819
	Teculutan 60% - 2,321	San Cristobal Totonicapan 50% - 4,018	
	Santa Maria Chiquinmula - 50% - 1,699	Chinautla 30% - 2,376	
	San Francisco El Alto 50% - 1,964		
	Santa Lucia La Reforma 50% - 327		
	San Andres Sajcabajá 50% - 663		
Financiamiento máximo por municipio (maximum funding each municipality): \$10,000			
Financiamiento máximo por municipio (maximum funding each municipality): \$15,000			
Financiamiento máximo por municipio (maximum funding each municipality): \$20,000			
Financiamiento máximo por municipio (maximum funding each municipality): \$38,000			
Financiamiento máximo por municipio (maximum funding each municipality): \$8,000			

Sources (Fuentes)¹ — Población urbana, Dirección General de Estadística, 1973

(Censo de Población)

² Consejo Nacional de Planificación Económica

Porcentaje del daño de vivienda por Departamento y Municipio

Anexo "B"

Disposiciones Generales

A. Según se emplea en estas Disposiciones, el término "ADI" se refiere a la Agencia para el Desarrollo Internacional, cualquiera de sus dependencias o agencias sucesoras. Cualquier referencia a este Convenio de Donación significará el Convenio de Donación original, modificado por cualesquiera enmiendas que se encuentren vigentes.

B. A menos que se especifique lo contrario, el título de todas las propiedades (o bienes) adquiridos por medio de financiamiento de parte de la ADI de acuerdo con la Sección III de este Convenio de Donación estará a nombre de la Agencia Cooperante, o de aquellas agencias públicas o privadas que se haya autorizado. Esta disposición no se aplicará a los bienes que puedan usarse en conexión con el proyecto, pero que no sean financiados de conformidad con el Convenio.

C. Cualesquiera propiedades (bienes) proporcionados a cualquiera de las partes a través de financiamiento de la otra parte, de acuerdo con este Convenio de Donación, a menos que la parte que financió la adquisición convenga lo contrario, se dedicarán al trabajo dentro de este convenio, hasta la terminación del mismo, y después serán usadas para continuar los objetivos perseguidos al llevar a cabo el convenio. Cualquiera de las partes podrá ofrecer devolver o reembolsar a la otra parte cualesquiera propiedades (bienes) que obtenga por medio de financia-

Annex "B"

Standard Provisions

A. As used herein, the term "AID" refers to the Agency for International Development, any component agency or any successor agency. Reference to this Grant Agreement shall mean the original agreement as modified by any revisions which have entered into effect.

B. Unless otherwise specified title to all property procured through financing by AID pursuant to Section III C of this Grant Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with the Agreement, but is not financed therein.

C. Any property furnished to either party through financing by the other party pursuant to this Grant Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the work under this Agreement until completion of the work, and thereafter shall be used so as to further the objectives sought in carrying out the Agreement. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Grant Agreement which is not used in accord-

miento de la otra parte de conformidad con este Convenio de Donación que no sean usados de conformidad con la frase precedente.

D Si a la ADI, o a cualquier otra organización pública o privada que suministre materiales o equipo por medio de financiamiento de la ADI, para las operaciones aquí convenidas en los países cooperantes, se le hace responsable, de acuerdo con las leyes, reglamentos o procedimientos administrativos de los países cooperantes, de los derechos de aduana e impuestos de importación sobre los materiales y equipo importados a los países cooperantes para los fines de este Convenio de Donación los países cooperantes pagarán tales derechos aduanales e impuestos, a menos que se conceda la exención de los mismos por medio de algún convenio internacional aplicable.

E. La Agencia Cooperante hará los arreglos que sean necesarios para que los fondos introducidos a los países cooperantes por la ADI o cualquier agencia pública o privada, para llevar a cabo las obligaciones de la ADI estipuladas aquí, sean convertidos a la moneda de los países cooperantes a la tasa más alta de cambio que en la fecha de la conversión sea legal en los países cooperantes.

F La ADI gastará fondos y llevará a cabo las operaciones de conformidad con este Convenio de Donación únicamente de acuerdo con las leyes y reglamentos aplicables de Gobierno de los Estados Unidos.

ance with the preceding sentence.

D If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating countries, is, under the laws, regulations or administrative procedures of the cooperating countries, liable for customs duties and import taxes on commodities imported into the cooperating countries for purposes of carrying out this Grant Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

E. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating countries by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating countries at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating countries.

F AID shall expend funds and carry on operations pursuant to this Grant Agreement only in accordance with the applicable laws and regulations of the United States Government.

G. Las dos partes tendrán derecho, en todo tiempo, a observar las operaciones que se estén llevando a cabo de conformidad con este Convenio de Donación. Cualquiera de las partes, durante el término del Proyecto y tres años después de la terminación del trabajo, tendrá derecho a (1) examinar cualesquier propiedades (o bienes) adquiridos a través de financiamiento de esa parte, de acuerdo con ese Convenio de Donación en cualquier parte que se encuentren las propiedades, y (2) inspeccionar y practicar auditoria de los registros y cuentas que se refieran a los fondos proporcionados, o a las propiedades adquiridas y servicios por contrato prestados, a través de financiamiento de la parte interesada, de conformidad con este Convenio de Donación en cualquier parte en que tales registros estén ubicados o sean mantenidos. Cada una de las partes, para disponer de cualquier propiedad adquirida a través de financiamiento de la otra parte, de conformidad con este Convenio de Donación se asegurará de que los derechos de inspección, examen o auditoria descritos en la frase precedente sean reservados a la parte que efectuó el financiamiento.

H. El presente Convenio entrará en vigor en la fecha de su firma. Cualquiera de las partes podrá dar por terminado este Convenio de Donación dando a la otra parte aviso escrito de terminarlo con 30 (treinta) días de anticipación. La terminación de este Convenio de Donación dará por terminadas todas las

G. The two parties shall have the right at any time to observe operations carried out under this Grant Agreement. Either party during the term of this Agreement and three years after the completion of the work, shall further have the right (1) to examine any property procured through financing by that party under this Grant Agreement wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Grant Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Grant Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

H. The present agreement shall enter into force when signed. Either party may terminate this Grant Agreement by giving the other party 30 (thirty) days written notice of intention to terminate it. Termination of this Grant Agreement shall terminate any obligations of the two parties to make contributions pursuant

obligaciones de las dos partes de efectuar contribuciones de conformidad con la Sección III de este Convenio de Donación. Todos los contratos celebrados en esta donación deberá incluir disposiciones similares de terminación. Queda expresamente entendido que las obligaciones del párrafo VI. E. del Convenio de Conación y el párrafo C de estas disposiciones generales, relativas al uso de propiedades (bienes) quedarán en vigor después de tal terminación.

Anexo D

Disposiciones Fiscales y Administrativas

Convenio de Donación Viajes

A. Todo viaje aéreo internacional cuyo costo se reembolse dentro de este convenio deberá efectuarse en naves que ostenten bandera de los Estados Unidos de Norte América, en clase económica, a menos que tal servicio no esté disponible para la ruta deseada. Para viajes fuera de Guatemala se requiere la aprobación previa, por escrito, de la ADI, para el itinerario, transportista y propósito del viaje.

B. Los gastos de viaje y viáticos incluidos en un voucher del Organismo Cooperante deberán estar respaldados por recibos del transportista y por un itinerario detallado del viaje efectuado. Los gastos de viaje se calcularán de acuerdo con las tarifas del Organismo Cooperante pero no deberán exceder de las cantidades permitidas por los

to Section III of this Grant Agreement. All contracts entered into under this grant must contain a similar termination provision. It is expressly understood that the obligations under paragraph VI. E. of this Grant Agreement and Paragraph C of these General Provisions relating to the use of property shall remain in force after such termination.

Annex D

Administrative & Fiscal Provisions

Grant Agreement Travel

A. All international air travel which is to be reimbursed under this agreement must be on U.S. flag aircraft, less than first class unless such service is not available on the route traveled. Any travel outside Guatemala must have the USIAD's prior written approval of the itinerary, air carrier and purpose of travel.

B. Travel and per diem expenses included in a voucher from a Cooperating Organization shall be documented by carrier receipts and a complete itinerary of travel performed. Allowable travel expenses will be computed at the Cooperating Organization's standard rates but shall not exceed amounts allowable by current U.S. Government

reglamentos de viaje vigentes del Gobierno de los Estados Unidos, a menos que se convenga otra cosa por escrito.

Disposiciones Fiscales

A. La USAID proporcionará hasta la suma máxima indicada en la Sección III A. 4, del Convenio de Donación en apoyo de las actividades descritas en este documento.

El Organismo Cooperante presentará los comprobantes ("vouchers") indicando los detalles completos que respalden todos los gastos por los que se solicite reembolso.

Los fondos proporcionados por la USAID por este medio no podrán ser utilizados para cubrir indemnizaciones a empleados que sean requeridos por las leyes de Guatemala, y, por este medio se conviene en que el Organismo Cooperante es y será responsable de cualesquiera reclamaciones por tales indemnizaciones. Queda entendido que todos los gastos en que incurra el Organismo Cooperante serán por cuenta única del Organismo Cooperante y el reembolso parcial por parte de la USAID, de tales costos, está limitado a la suma máxima indicada en el Convenio de Donación.

B. Los fondos comprometidos bajo este Convenio serán desembolsados por la USAID en forma de pagos por los gastos directos en que incurra el Organismo Cooperante para llevar a cabo los programas aprobados y dentro de las limitaciones de la cantidad máxima estipulada en este Convenio. De acuerdo con este Convenio, ningún fondo

travel regulations, unless otherwise agreed in writing.

Fiscal Provisions

A. USIAD will provide up to the maximum amount shown in Section III. A. 4 of the Grant Agreement, in support of the activities described herein.

The Cooperating Organization must submit reimbursement vouchers showing complete details supporting all expenditures for which reimbursement is requested.

None of the funds provided by USAID hereunder will be utilized for any severance pay which may be required pursuant to the laws of Guatemala, and, it is hereby agreed that the Cooperating Organization is and shall be responsible for any claims for such severance pay. All costs incurred by the Cooperating Organization are understood to be for the sole account of the Cooperating Organization and partial reimbursement of such costs by USAID is limited to the maximum amount stated in this Grant Agreement.

B. The funds committed by this Agreement shall be disbursed by USAID through payment for direct costs incurred by the Cooperating Organization in carrying out the approved program and within the maximum limitations set forth in this Agreement. No funds made available under this Agreement may be used to make payments for

podrá utilizarse para efectuar pagos por servicios o equipo que no sean los estipulados en este Convenio.

C. Los anticipos de fondos bajo este Convenio, si los hubiere, se harán de acuerdo con las especificaciones vigentes del Manual de la USAID No. 101, "Método de Anticipos Monetarios para Financiar Actividades de la USAID/ROCAP". Los anticipos, si los hubiere, deberán liquidarse ya sea por medio del reembolso de cualquier porción no utilizada o presentando un documento "No Pagadero" (No Pay Voucher) preparado de acuerdo con las especificaciones y procedimientos abajo descritos para documentos corrientes; dichos documentos deberán marcarse "No Pagaderos" (No Pay).

D. El Organismo Cooperante deberá presentar mensualmente la Forma 1034 (Original) y 1034 (a) (tres copias) debidamente ejecutadas a la oficina del Contralor de la USAID por la cantidad gastada durante el mes. Este documento deberá estar amparado por la documentación que el Contralor de la USAID considere apropiada juntamente con un original y dos copias de un informe fiscal certificado rendido por el Organismo Cooperante y en forma y presentación satisfactorias a la USAID, sustancialmente como se muestra en el Adjunto I de este Anexo.

El informe fiscal deberá tener la siguiente certificación firmada por un representante autorizado del Organismo Cooperante.

goods and services other than those stipulated in the Agreement.

C. Advances of funds under this Agreement, if any, shall be in accordance with the provisions of the current USAID Manual Order No. 101, "Policy on Cash Advances in Support of USAID/ROCAP Activity". Advances, if any, shall be liquidated by either refund of any portion which has not been utilized or by submission of "No-Pay" vouchers prepared in accordance with the procedures set forth below for regular vouchers; such vouchers shall be marked "No Pay".

D. The Cooperating Organization will submit a properly executed voucher on Form 1034 (original and 1034 (a) (three copies) monthly to the Controller of USAID in the amount of the expenditures made during each month. The voucher shall be supported by such documentation as the USAID Controller considers appropriate together with an original and two copies of a certified fiscal report rendered by the Cooperating Organization in a form and manner satisfactory to USAID, substantially as shown in attachment I of this Annex.

The fiscal report shall also include a certification signed by an authorized representative of the Cooperating Organization, as follows:

"El infrascrito por este medio certifica. (1) que el pago de la suma reclamada en el recibo es justo y debido de acuerdo con los términos del Convenio, y (2) que la información contenida en el informe fiscal es correcta, y que cualquier información detallada que la USAID requiera para confirmarla será proporcionada inmediatamente a su solicitud."

E. Un último documento de cobro (voucher) y un informe fiscal, deberán ser presentados no más tarde del 31 de diciembre, 1976,

F En caso de que el Organismo Cooperante utilice fondos de este Convenio para propósitos que la USAID determine diferentes a los establecidos por el Convenio, el Organismo Cooperante reembolsará dichos fondos inmediatamente a la Oficina del Contralor de la USAID

G. La USAID, o los representantes debidamente autorizados por el Gobierno de los Estados Unidos tendrán acceso, y el derecho de examinar cualesquiera libros, documentos, papeles y registros del Organismo Cooperante relacionados con el trabajo llevado a cabo de acuerdo con este Convenio, durante su vigencia y hasta tres años después de que se haya efectuado el último desembolso bajo los términos de dicho Convenio.

"The undersigned hereby certifies: (1) that payment of the sum claimed on the voucher is proper and due under the terms of the Agreement, and (2) that the information on the fiscal report is correct and such detailed supporting information as USAID may require will be furnished promptly on request."

E. A final voucher and fiscal report must be submitted no later than December 31, 1976.

F In the event that the Cooperating Organization expends funds provided by this Agreement for purposes determined by USAID to be other than those authorized by the Agreement, the Cooperating Organization will promptly refund an amount equal to such unauthorized expenditures to the Office of the Controller, USAID

G. USAID, or any duly authorized representatives of the United States shall have access to and the right to examine any books, documents, papers and records of the Cooperating Organization pertaining to work under this Agreement during the term of the Agreement and for three years after the final or terminal payment under this Agreement.

Organismo Cooperante Cooperating Organization		INFORME FISCAL—PROYECTO N° _____	
		Para el período _____ a _____ For the period _____ to _____	
		Gastos—Expenditures	A la fecha (To date)
PRESUPUESTO TOTAL (Total Budget)		Este Periodo (This Period)	
Categoría—(Category)			
A Reconstrucción Municipal (Municipal Reconstruction)	(Actividad terminada por Municipalidad) (Completed Activity, by municipality)		
B Supervisión del Proyecto (Project Supervision)	Mensual, por categoría mayor de gastos (Monthly, by category of expenditures)		
	1 Salarios (salaries)		
	2 Viáticos (per diem)		
	3 Mantenimiento y Uso de Vehículos (Vehicle operation and maintenance)		
C Vehículos y Equipo (Vehicles and equipment)	Mensual, por artículo comprado (Monthly, by item purchased)		
	TOTAL		

DOMINICAN REPUBLIC

Technical Services in Equipment Installations and Airport Facilities

*Agreement signed at Washington and Santo Domingo May 6
and 28, 1976;
Entered into force May 28, 1976.*

Agreement WO-I-139

MEMORANDUM OF AGREEMENT

BETWEEN the United States of America, represented by the FEDERAL AVIATION ADMINISTRATION (hereinafter referred to as the FAA) an official Agency of the Government of the United States of America, located in Washington, D.C., and the CENTRAL BANK OF THE DOMINICAN REPUBLIC (hereinafter referred as The Bank), an Institution of the Dominican State, organized in accordance with law No. 6142 as amended, dated 29th. December 1962, with residence in the building located on the site bounded by the streets: Pedro Henríquez Ureña, Ave. Mexico, Leopoldo Navarro y Federico Henríquez y Carvajal, in this city, which is represented for purposes of this present Agreement by Dr. Diógenes H. Fernández, Dominican, married, adult, resident in this city, with Personal Identification No. 35543, 1st. Series, with income stamp duly renewed, in his capacity of Governor of said Banking Institution;

WHEREAS, the FAA is able to furnish directly technical services as specified in this Agreement, and in Annex A, which forms part of the same to be applied at Puerto Plata International Airport which is being built at the site named "La Union", which services have been requested by The Bank, on a reimbursable basis; and

WHEREAS, Section 305 of the Federal Aviation Act, as amended, [1] authorizes and directs the FAA Administrator to foster and encourage the development of civil aeronautics and air commerce in the United States and abroad; and Section 5 of the International Aviation Facilities Act[2] authorizes the FAA to perform services for foreign governments;

Now, THEREFORE, the FAA and The Bank mutually agree as follows:

¹ 72 Stat. 749; 49 U.S.C. § 1346.

² 62 Stat. 451; 49 U.S.C. § 1154.

ARTICLE I—Scope of Work

The services to be provided by the FAA are described in detail in Annex A which forms a part of this Agreement, and fall into three consecutive phases consisting of the necessary assistance in the pre-contract award phase, post-award and surveillance of equipment installation, and final facility acceptance and flight inspection commissioning check of the equipment installations and airport facilities, which include the following:

- A. VOR/DME
- B. VHF Air-Ground Communication
- C. Telecommunications
- D. Airport Control Tower Console and Weather Equipment.

For the carrying out of all these services the FAA will select qualified specialists and will obtain the prior approval of The Bank before assigning persons to the work described in Annex A.

ARTICLE II—Estimated Costs and Method of Payment

- A) The Bank will reimburse FAA for all costs incurred under this Agreement and will provide local support to the FAA in accordance with Article IV of this Agreement. The amounts to be reimbursed the FAA will include: all salaries, benefits, and other compensation for FAA personnel; all travel, per diem, and related costs; for flight inspection activities, the amounts set forth in Annex B to this Agreement; and any other costs incurred by the FAA in the furnishing of services hereunder.
- B) A detailed estimate of the amount of the costs to be incurred by the FAA in performing services under this Agreement is set forth in Annex C. Notwithstanding such estimate, The Bank will pay actual costs incurred pursuant to the foregoing paragraph.
- C) The FAA will arrange for all services of its personnel under this Agreement, including related disbursements, in accordance with FAA regulations and practices with subsequent reimbursement by The Bank.
- D) Bills for payment will be presented by the FAA Accounting Operations Division, AAA-200, Washington, D.C. 20591.
- E) The Bank hereby designates the Department for the Development of Tourism Infrastructure (INFRATUR), a component of The Bank, as the office to which the FAA will render bills for payment.
- F) The INFRATUR will make payment to FAA in United States dollars within thirty (30) days from receipt of FAA billings by check made payable to the Federal Aviation Administration.

ARTICLE III—Commencement of the Services

The FAA undertakes to commence the services no later than forty-five (45) days following the signature of the present Agreement by both parties.

ARTICLE IV—Liability

The Bank agrees to defend any suit brought against the United States, the FAA, or any instrumentality or officer of the United States arising out of work under this Agreement. The Bank further agrees to hold the United States, the FAA, and any instrumentality or officer of the United States harmless against any claim by third persons for personal injury, death, or property damage arising out of work under this Agreement.

For the purposes of the flight inspection activities to be provided under this Agreement, the term "work under this Agreement" in this Article includes, in addition to the particular flight inspection services provided under this Agreement, the operation of flight inspection aircraft while performing such services, and the operation of such aircraft in connection with such services within the Dominican Republic's territorial boundaries or within airspace in which air traffic services are provided by the Dominican Republic.

ARTICLE V—Amendments

Any change in this Agreement will be formalized by an appropriate amendment which will specify the nature of the change and be signed by both parties to the original Agreement.

ARTICLE VI—Obligation of The Bank

The bank will make available to the FAA all data and previous reports on the Airport and arrange access to any other sources of information which may be necessary for the proper execution of the work. When FAA needs the cooperation of other Dominican Government agencies and departments, The Bank will effect the required liaison. The Bank will provide the FAA in its offices in Puerto Plata furnished office accommodations, including secretarial, telex, and telephone facilities.

ARTICLE VII—Duration, Termination

The Agreement will become effective upon signature by both parties and will remain in effect for three (3) years, unless terminated at any time by either party by giving three (3) months notice in writing.

ARTICLE VIII—Language

The present Agreement will be written in English and Spanish with two original copies in each language. In case of disagreement on the interpretation of any articles, the English version will have precedence.

ARTICLE IX—Domicile

For all intents and purposes of this present Agreement the parties elect the following domicile:

- A) The Bank in its offices located in the streets: Pedro Henriquez Urena, Ave. Mexico, Leopoldo Navarro y Federico Henriquez y Carvajal.
- B) The FAA in its headquarters offices at 800 Independence Avenue, Washington, D.C. 20591, United States of America.

ARTICLE X—

The present Agreement will be signed in the United States and in the Dominican Republic.

MADE AND SIGNED in four (4) original copies, for all effects the same, in English and Spanish, three (3) for The Bank and one (1) for the FAA, in Santo Domingo, Capital of the Dominican Republic, on of May 1976

THE CENTRAL BANK OF
THE DOMINICAN REPUBLIC.
BY THE CENTRAL BANK

THE UNITED STATES OF
AMERICA
DEPARTMENT OF TRANSPORTATION
THE FEDERAL AVIATION
ADMINISTRATION

D H FERNANDEZ

CHARLES O. CARY

By: Dr. Diogenes H. Fernández
Title: Governor
Date: 28 MAYO 1976

By: Charles O. Cary
Title: Assistant Administrator
for International Aviation Affairs
Date: MAY 6, 1976

Annex A to Agreement WO-I-139**Scope of Work****1. PHASE I – Pre-Award**

- a) Assist Consultant with review of technical specifications for equipment to be included in bid package.
- b) Review Invitation For Bids (IFB) to ensure completeness and conformity with technical specifications.
- c) Analyze bid submissions and advise Consultant of conformity with technical specifications.

2. PHASE II - Post-Award

- a) Provide periodic surveillance of all facilities during construction and installation.
- b) Participate in final acceptance inspection to ensure equipment meets technical specifications.

3. PHASE III - Facility Acceptance

- a) Flight inspection of VOR/DME and communications facilities.
- b) Assist in operational tests of equipment and installations.

Annex B to Agreement WO-I-139**Flight Inspection****1. Description of Services**

The FAA will perform a commissioning flight inspection of the Voice Omni Range (VOR), Distance Measuring Equipment (DME), and Communications equipment at Puerto Plata International Airport, Puerto Plata, Dominican Republic, on a mutually agreed upon schedule and date, under the following conditions:

- A. Ground equipment will be in suitable condition for flight inspection on the scheduled dates.
- B. The flight inspection procedures used will conform to the ICAO Manual on Testing of Radio Navigation Aids, Doc. 8071.
- C. Within thirty (30) days following completion of the flight checks, FAA will provide the INFRATUR with a written report specifying the results of the flight inspection, together with the appropriate recordings. In addition, the results of the flight check will be orally reported immediately after completion of the flight check.
- D. An employee designated by the INFRATUR may accompany the aircraft during any or all phases of the flight inspection mission at the discretion of the aircraft commander, if space is available. No charge will be made for his carriage and no insurance will be provided covering him.
- E. Prior to the flight inspection, the FAA will be provided with a carnet, laissez-passar or invitation from the INFRATUR, which will serve the following purposes:
 1. Constitute a waiver of airport or other user charges. In the event a waiver of such charges is not possible, the costs incurred will be added to total charges for flight inspection performance.

- 2. Obviate the posting of bonds, technical equipment declarations, inventories, and customs and other entrance and departure formalities.
- F. The INFRATUR will provide all clearances for aircraft and crew as required by the Dominican Republic law and regulations.
- G. The INFRATUR will provide the following:
 - 1. A responsible electronics engineer to be present at the facility during all flight inspection operations.
 - 2. Detailed charts of the areas to be covered during flight inspection. Charts to scale of 1:50,000 should be provided for the immediate area and 1:250,000 and 1:500,000 to a radius of approximately 50 nautical miles.

2. Payment

The INFRATUR will reimburse the FAA for flight inspection services performed under this Agreement at the rate of \$945 (United States dollars) per operating flight hour for light jet aircraft and \$724 (United States dollars) per operating flight hour for FAA CV-580 aircraft. The FAA will determine type of aircraft to be used based on availability.

On the condition that the systems to be flight checked are a standard dual equipment VOR/DME and VHF communications, the estimated inspection flight time for the system is twenty hours. Charge for en route flight time to and from the Dominican Republic will also be charged and will be pro-rated among users if the inspection is accomplished during a scheduled trip to the Caribbean area.

Annex C to Agreement WO-I-139

Cost Estimates

1. PHASE I – Pre-Award

a)	Assistance with specifications. Three employees, three weeks each in Washington, D.C.	\$ 9,000
b)	Review of Invitation For Bids (IFB). Two employees for two weeks each in Washington, D.C.	\$ 4,100
c)	Analyze bid proposals and advise Consultant. Two employees, two weeks each in Washington, D.C. One employee, one week in Dominican Republic	\$ 4,600 \$ 1,400

Phase I Total	\$19,100
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2. PHASE II – Post-Award

a) Provide periodic surveillance of facility installation in Dominican Republic	
Two employees, one week each	\$ 2,700
One employee, one week	\$ 1,400
Two employees, one week each	\$ 2,700
b) Facility acceptance in Dominican Republic	
One employee, one week (VOR/DME)	\$ 1,400
One employee, one week (Comm.)	\$ 1,400
One employee, one week (Teletype)	\$ 1,400
Phase II Total	\$11,000

3. PHASE III – Facility Acceptance

a) Flight inspection estimated at 20 hours flight time	\$22,000
b) Turn over of facilities to the Dominican Republic, one employee, one week	\$ 1,400
Phase III Total	\$23,400

4. Transportation

a) Car rental in Dominican Republic, eight weeks	\$ 3,000
5. FAA/Washington Support	\$ 2,000
Grand Total	\$58,500

Acuerdo WO-I-139

MEMORANDUM DE ACUERDO

ENTRE Estados Unidos de América, representado por la ADMINISTRACION FEDERAL DE AVIACION (en lo adelante denominada FAA) dependencia oficial del Gobierno de Estados Unidos de América, con domicilio en Washington, D.C., y el BANCO CENTRAL DE LA REPUBLICA DOMINICANA (en lo adelante denominado EL BANCO), Institución del Estado Dominicano, organizada mediante Ley No. 6142, reformada, de fecha 29 de diciembre de 1962, con su domicilio en el edificio ubicado en la manzana comprendida entre las calles: Ave. México, Leopoldo Navarro y Federico Henríquez y Carvajal, representada para los fines del presente Acuerdo por el Dr. Diógenes H. Fernández, dominicano, casado, mayor de edad, residente en esta ciudad, portador de la Cédula de Identificación Personal No. 35543, Serie 1ra., con sello de Rentas Internas debidamente renovado, en su calidad de Gobernador de dicha Institución Bancaria;

CONSIDERANDO, que la FAA puede suministrar servicios técnicos que se especifican en el presente Acuerdo, y en el Anexo "A" que forma parte del mismo, para ser realizados en el Aeropuerto Internacional de Puerto Plata que se construye en el lugar denominado "La Unión", cuyos servicios han sido requeridos por EL BANCO, sobre una base reembolsable; y

CONSIDERANDO, que la Sección 305 del Acto de Aviación Federal, reformada, autoriza y manda al Administrador de la FAA promover e incentivar el desarrollo de la aeronáutica civil y comercio aéreo en los Estados Unidos y el extranjero, y la Sección 5 del Acto de Facilidades Internacionales de Aviación autoriza a la FAA a realizar servicios para gobiernos extranjeros;

POR TANTO, la FAA y El Banco acuerdan mutuamente lo siguiente:

ARTICULO I.—Alcance del Trabajo

Los servicios a ser prestados por la FAA figuran detallados en el Anexo "A" que forma parte de este Acuerdo, y los mismos se desarrollarán en tres (3) fases consecutivas, las cuales comprenderán la asistencia necesaria en la etapa anterior a la instalación de los equipos, la vigilancia posterior de la instalación de los equipos y la aceptación final y revisión por vuelos de inspección de las instalaciones de los equipos y de las facilidades aeropuertarias, que incluyen lo siguiente:

- A. VOR/DME
- B. Comunicación Aire-Tierra VHF
- C. Telecomunicaciones
- D. Consola de la Torre de Control y Equipo Meteorológico

Para llevar a cabo todos estos servicios, la FAA seleccionará especialistas calificados y obtendrá la aprobación previa DEL BANCO antes de asignar personas al trabajo descrito en el Anexo "A".

ARTICULO II—Estimado de Costos y Método de Pago

A) El Banco reembolsará a la FAA todos los costos incurridos bajo este Acuerdo y proporcionará ayuda local a la FAA conforme al Artículo IV de este Acuerdo. Las sumas que se reembolsarán a la FAA incluyen: todos los salarios, beneficios y otras compensaciones para el personal de la FAA; todos los gastos de viaje, dietas y costos relacionados; para las actividades de vuelos de inspección, las sumas indicadas en el Anexo "B" de este Acuerdo; y cualesquiera otros gastos en que haya incurrido la FAA al prestar los servicios estipulados en este Acuerdo.

B) Un estimado detallado del monto de los costos en que incurrirá la FAA al prestar los servicios especificados en este Acuerdo figura en el Anexo "C". A pesar de dicho estimado, El Banco pagará los costos reales en que se haya incurrido conforme al párrafo anterior.

C) La FAA se ocupará de todos los servicios de su personal bajo este Acuerdo, incluyendo los desembolsos correspondientes, de

acuerdo con los reglamentos y práctica de la FAA, los cuales serán reembolsados posteriormente por El Banco.

D) Las facturas para el pago serán presentadas por la División de Operaciones Contables de la FAA, AAA-200, Washington, D.C. 20591.

E) El Banco designa por este medio al Departamento para el Desarrollo de la Infraestructura Turística (INFRATUR), dependencia Del Banco, como la oficina a la cual la FAA entregará las facturas para su pago.

F) INFRATUR pagará a la FAA en dólares de los Estados Unidos a los treinta (30) días de haber recibido las facturas de la FAA mediante cheque pagadero a la Administración Federal de Aviación.

ARTICULO III—Incio de los Servicios

La FAA se compromete a iniciar sus servicios a más tardar cuarenta y cinco (45) días después de haber sido suscrito el presente Acuerdo por ambas partes.

ARTICULO IV—Responsabilidad

EL BANCO conviene en defender cualquier demanda judicial iniciada contra los Estados Unidos, la FAA, o cualquier agencia o funcionario de Estados Unidos que surja del trabajo bajo este Acuerdo. El Banco conviene además en eximir de responsabilidad a Estados Unidos, la FAA y cualquier agencia o funcionario de Estados Unidos, en cualquier demanda por terceros, por lesiones personales, muerte o daños a la propiedad que surjan bajo este Acuerdo.

Para los fines de las actividades de los vuelos de inspección dispuestos en este Acuerdo, el término "trabajo bajo este Acuerdo" en este Artículo incluye, además de los servicios particulares de vuelos de inspección dispuestos bajo este Acuerdo, la operación de los aviones de vuelos de inspección mientras estén prestando tales servicios, y la operación de dichos aviones con relación a tales servicios dentro de los límites territoriales de la República Dominicana o en le espacio aéreo en que la República Dominicana preste servicios de tráfico aéreo.

ARTICULO V—Enmiendas

Cualquier modificación de este Acuerdo será formalizada mediante una enmienda apropiada que especificará la naturaleza de la modificación y deberá ser firmada pro ambas partes suscriptores del Acuerdo original.

ARTICULO VI—Obligación del BANCO

EL BANCO facilitará a la FAA todos los datos e informes anteriores sobre el Aeropuerto y proveerá el acceso a cualesquiera otras fuentes de información que puedan ser necesarias para la ejecución cabal de la obra. Cuando la FAA necesite la cooperación de otras

dependencias y departamentos del Gobierno Dominicano, EL BANCO efectuará los enlaces necesarios. EL BANCO proveerá a la FAA en sus oficinas de Puerto Plata de espacio para una oficina amueblada, incluyendo servicios de secretaria, telex y teléfono.

ARTICULO VII—Duración—Resolución

El presente Acuerdo entrará en efecto después de ser firmado por ambas partes y se mantendrá en efecto por tres (3) años, a menos que sea resuelto en cualquier momento por cualquiera de las partes mediante una notificación por escrito con tres (3) meses de antelación.

ARTICULO VIII—Idioma

El presente Acuerdo será redactado en inglés y español, con dos copias originales en cada idioma. En caso de desacuerdo sobre la interpretación de cualesquiera de sus Artículos, la versión en inglés prevalecerá.

ARTICULO IX—Domicilio

Para todos los fines y efectos del presente Acuerdo, las partes hacen la siguiente elección de domicilio:

- A) EL BANCO, en su local ubicado en las calles: Ave. México, Leopoldo Navarro y Federico Henríquez y Carvajal.
- B) La FAA, en el local de su oficina principal en 800 Independence Avenue, Washington, D.C. 20591, Estados Unidos de América.

ARTICULO X—

El presente Acuerdo será firmado en Estados Unidos y en la República Dominicana.

HÉCHO Y FIRMADO en cuatro (4) originales, del mismo tenor y efecto, en inglés y español, tres (3) para EL BANCO y uno (1) para la FAA, en Santo Domingo, Capital de la República Dominicana, a los días del mes de mayo de 1976.

BANCO CENTRAL DE LA
LA REPUBLICA DOMINICANA
POR EL BANCO CENTRAL

ESTADOS UNIDOS DE AMERICA
DEPARTAMENTO DE TRANSPORACION ADMINISTRACION
FEDERAL DE AVIACION

D H FERNÁNDEZ

CHARLES O. CARY

Por: Dr. Diógenes H.
Fernández

Por: Charles O. Cary

Titulo: Gobernador

Titulo: Administrador Asistente para Asuntos Internacionales de Aviación

Fecha: MAY 28 1976

Fecha: 6 de MAYO, 1976

Anexo al Acuerdo WO-I-139**Alcance del Trabajo****1. FASE I – Anterior a la Concesión**

- A) Ayudar al Consultor a revisar las especificaciones técnicas de los equipos incluidos en las propuestas.
- B) Revisar las Invitaciones a Concurso (IFB) para cerciorarse de que se ajustan en todo a las especificaciones técnicas.
- C) Analizar las propuestas presentadas e informar al Consultor de que se ajustan a las especificaciones técnicas.

2. FASE II – Posterior a la Concesión

- A) Proveer vigilancia de todas las facilidades durante la construcción e instalación.
- B) Participar en la inspección final de aceptación para cerciorarse que los equipos se ajustan a las especificaciones técnicas.

3. FASE III – Aceptación de la Facilidad

- A) Vuelo de inspección de las facilidades de VOR/DME y de Construcción.
- B) Ayudar en las pruebas operacionales de equipos e instalaciones.

Anexo B al Acuerdo WO-I-139**Vuelo de Inspección****1. Descripción de Servicios**

La FAA efectuará un vuelo de inspección antes de iniciarse la puesta en marcha del Voice Omni Range (VOR), Equipo de Medida de Distancia (DME), y equipo de Comunicación en el Aeropuerto Internacional de Puerto Plata, República Dominicana, en una fecha y hora mutuamente acordadas, bajo las siguientes condiciones:

- A. El Equipo de Tierra estará en condiciones adecuadas para el vuelo de inspección en las fechas fijadas.
- B. El procedimiento de vuelo de inspección a realizarse estará de acuerdo con el Manual de la OACI sobre Normas de Pruebas para Navegación por Radio, Doc. 8071.
- C. A los treinta (30) días de haberse completado el examen de vuelo, la FAA proveerá a INFRATUR un informe escrito especificando los resultados del vuelo de inspección, conjuntamente con las grabaciones apropiadas. Además, los resultados del examen de vuelo serán reportados verbalmente inmediatamente después de terminar el examen de vuelo.

- D. Un empleado designado por INFRATUR puede acompañar el avión durante parte o todas las fases de la misión de vuelo de inspección a discreción del comandante del avión, si hay espacio disponible. No habrá costo por su transporte y no estará cubierto por un seguro.
- E. Anterior al vuelo de inspección, a la FAA se le facilitará un carnet, laissez-passar o invitación por parte de INFRATUR que servirá para los siguientes propósitos:
 1. Constituye una exención de pago para cargos de aeropuerto u otros cargos por usuarios. En caso de que una exención de estos cargos no sea posible, los costos serán sumados al total de los costos por concepto de la operación de vuelos de inspección.
 2. Obviar el pago de fianzas, declaraciones de equipos técnicos, inventarios, formalidades aduanales y otras de entrada y salida.
- F. INFRATUR proveerá todos los permisos necesarios al avión y su tripulación según lo requerido por las leyes y reglamentos de la República Dominicana.
- G. INFRATUR proveerá lo siguiente:
 1. Un ingeniero electrónico responsable que esté presente en el lugar durante todas las operaciones de vuelos de inspección.
 2. Cartas detalladas de navegación de las áreas que serán cubiertas durante los vuelos de inspección. Las cartas de navegación deberán tener una escala de 1:50,000 para el área inmediata y de 1:250,000 para el área que abarque un radio de aproximadamente 50 millas náuticas.

2. Pago

INFRATUR reembolsará a la FAA por los servicios de vuelos de inspección realizados bajo este Acuerdo a razón de \$945 (dólares de los Estados Unidos) por cada hora de operación de vuelo para los aviones de propulsión ligeros y \$724 (dólares de los Estados Unidos) por cada hora de operación de vuelo para los aviones CV=580 de la FAA. La FAA determinará el tipo de avión a utilizarse, basándose en lo disponible.

Bajo la condición de que los sistemas a verificar en vuelo son un equipo dual de comunicación "standard" VOR/DME y VHF, el tiempo de vuelo de inspección para el sistema es de veinte horas. Cargo por el tiempo de vuelo a y desde la República Dominicana será también incluido y será prorrateado entre los usuarios si la inspección se realiza durante un viaje programado al área del Caribe.

Anexo C al Acuerdo WO-I-139**Estimados de Costos****1. FASE I – Antes de la Concesión**

A) Ayuda con las especificaciones. Tres empleados, tres semanas cada uno en Washington, D.C.	9,000
B) Revisión de la Invitación a Licitación (IFB). Dos empleados por dos semanas cada uno en Washington, D.C.	4,100
C) Analizar las proposiciones de Licitación y aconsejar al Consultor. Dos empleados, por dos semanas cada uno, en Washington, D.C.	4,600
Un empleado por una semana en la República Dominicana.	1,400
	<hr/>
FASE I TOTAL	19,100

2. FASE II – Después de la Concesión

A) Ofrecer vigilancia periódica de las instalaciones en la República Dominicana. Dos empleados, una semana cada uno	2,700
Un empleado, una semana	1,400
Dos empleados, una semana cada uno	2,700
B) Aceptación de la facilidad en la República Dominicana	
Un empleado, una semana (VOR/DME)	1,400
Un empleado, una semana (Comunicaciones)	1,400
Un empleado, una semana (Teletipo)	1,400
	<hr/>
FASE II TOTAL	11,000

3. FASE III – Aceptación de la Facilidad

A) Vuelo de inspección estimado 20 horas de tiempo por vuelo	22,000
B) Entrega de las facilidades a la República Dominicana—Un empleado por una semana	1,400

FASE III TOTAL	23,400
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4. Transportación

A) Alquiler de automóvil en la República Dominicana, ocho semanas	3,000
	<hr/>

5. Ayuda de la FAA en Washington

	2,000
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GRAN TOTAL	58,500
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UNITED NATIONS

Trust Fund for Africa

*Agreement signed at Washington June 17, 1976;
Entered into force June 17, 1976.*

BASIC AGREEMENT**GOVERNING****GRANTS****BY THE****UNITED STATES OF AMERICA****TO THE****UNITED NATIONS****(UNITED NATIONS TRUST FUND FOR AFRICA)**

THIS AGREEMENT is made and entered into on the 17th day of June 1976 by and between the United States of America, acting through the Agency for International Development (hereinafter referred to as "AID") and the United Nations, acting through the United Nations Economic Commission for Africa (hereinafter referred to as "ECA").

WITNESSETH THAT:

WHEREAS, AID and ECA are mutually interested in assisting Africans in their efforts to accelerate economic and social progress throughout the continent of Africa;

WHEREAS, ECA has identified areas of assistance which are compatible with the above concerns, particularly for programs which will benefit the majority of people in African countries;

WHEREAS, AID desires to assist ECA in implementing such activities through contributions to the United Nations Trust Fund for Africa (hereinafter referred to as "the Fund").

NOW THEREFORE, the parties to this Agreement hereby agree as follows:

ARTICLE I - PURPOSE OF AGREEMENT

- A. The purpose of this Basic Agreement is to set forth agreed upon provisions that will apply to future grants made by AID for the benefit of ECA during the term and within the scope of this Agreement. Such grants will be made pursuant to Grant Agreements entered into expressly hereunder by and between AID and ECA.
- B. It is AID's intention to provide to ECA, for purposes and within the scope of this Agreement over a period of three years from the date hereof, subject to the availability of funds and other considerations exclusively within the discretion of AID, grants totalling up to One Million Five Hundred Thousand Dollars (\$1,500,000). All such grants, as available, shall be considered to be contributions to the Fund and shall be administered in accordance with the financial regulations and rules of the United Nations. It is understood that AID undertakes no obligation, however, to enter into any such Grant Agreements, and ECA undertakes no obligation to enter into such Grant Agreements.

ARTICLE II - TERM OF BASIC AGREEMENT

- A. This Agreement is effective June 17, 1976. It expires on June 16, 1979.
- B. During the term of this Agreement, Grant Agreements entered into hereunder shall incorporate by reference and be subject to the provisions of this

Basic Agreement, except as parties hereto may otherwise agree in writing.

ARTICLE III - DISCONTINUANCE OF BASIC AGREEMENT

This Agreement may be discontinued from future application upon thirty (30) days' written notice by either party. Discontinuance of this Agreement will not affect the completion of performance under any Grant Agreement entered into hereunder before the effective date of such discontinuance.

ARTICLE IV - SCOPE OF GRANT PROGRAMS AND ACTIVITIES

Grant Agreements entered into under this Basic Agreement will be limited to provision of assistance for programs and activities within one or more of the following described areas:

1. Efforts which improve directly the economic and/or social well-being of rural populations, particularly as related to rural development, agriculture and health;
2. Pilot projects and studies which enhance the prospects of utilizing non-conventional sources of energy and intermediate technology in rural areas;
3. Activities which tend to enhance the role of women, particularly rural women, in economic and social development.
4. Efforts which stimulate cooperation among African countries and organizations which are considering implementation of regional efforts directed at developing rural areas;
5. Activities which provide training and/or refresher courses for selected ECA personnel who are or will be involved in implementing joint ECA/AID activities.

ARTICLE V - PROCEDURE APPLICABLE TO GRANTS AND GRANT AGREEMENTS HEREUNDER

- A. Each Grant Agreement entered into hereunder will describe the specific program or activity for which assistance is provided and will specify the amount of assistance provided, the use of AID funds and the period of availability for disbursement of funds made available. Each Agreement will also include any conditions precedent to disbursement and special conditions as may be appropriate.
- B. Except as the parties may otherwise agree in writing, the provisions of this Basic Agreement shall apply to and shall be incorporated in all Grant Agreements entered into within the scope and during the term of this Basic Agreement, as provided in Article II. B.
- C. Each Grant Agreement shall be entered into only after receipt by AID of written Activity Proposals and supporting cost estimates. Activity Proposals shall include the following, together with such other information as AID may reasonably request:

1. Name and location of the activity;
2. Purpose of activity -- what is to be achieved each year for the life of the activity;
3. Line item budget for the life of the activity; and
4. Description of the contribution to be made by ECA and/or other donors.

Except as AID may otherwise agree, budget items (No. 3 above) which may be provided through AID assistance hereunder will be limited to the following:

1. Technicians Costs: Consists of either short-term (under 12 months) or long-term (over 12 months) consultants or advisors. In this connection, AID will assist the United Nations to identify and recruit qualified persons. In no case will technicians' services be provided to fill ECA vacancies which normally would be filled by staff members of the United Nations:

2. Participant Training Costs: Consists of short or long-term training for selected ECA personnel. Regarding participants to be trained in the U.S., AID will provide placement and monitoring services;

3. Other Costs: Consists of the costs of workshops, conferences and seminars, including travel and transportation; administrative services and expendable supplies.

D. Subject to United Nations procedures regarding trust funds, ECA is authorized to submit Activity Proposals and to enter into Grant Agreements under and pursuant to the provisions of this Basic Agreement.

E. ECA agrees to make, or to cause to be made by other donors, a contribution to the Fund with respect to each specific program or activity financed by AID through contributions to the Fund under a Grant Agreement. It is agreed that this requirement shall not apply to any program or activity administered directly by AID. Prior to the first disbursement by AID with respect to each such program or activity, ECA shall advise AID that a contribution which will be used for such program or activity has been made and credited to the Fund.

ARTICLE VI - CONSULTATION AND COORDINATION

- A. The parties to this Basic Agreement shall consult with each other at the request of either party concerning the operation of the Agreement or concerning the operation of Grant Agreements and the programs or activities funded thereunder.
- B. The United Nations, as appropriate, shall provide all necessary liaison with U.N. member states to effect the degree of cooperation required to achieve the purposes of this Basic Agreement and implementing Grant Agreements.

ARTICLE VII - DISBURSEMENT OF FUNDS

- A. Funds for all participant training in the United States and related costs will be disbursed by AID pursuant to subobligating Project Implementation Orders/Participants (PIO/Ps) prepared by AID/Washington. Such funds will therefore not be reflected in United Nations accounts.
- B. Funds other than for participant training in the United States and related costs will be disbursed by means of advances to be deposited in the Chemical Bank, U.N. Branch, New York, New York, to the credit of the United Nations Trust Fund for Africa.
- C. Procedures governing advances to be made by establishment of a Federal Reserve Letter of Credit and drawdowns of funds thereunder are set forth in Attachment A, which is incorporated by reference and made part of this Agreement.
- D. Funds may be disbursed upon such other terms and conditions as may be

TIAS 8694

mutually agreed upon in writing by and between the parties to the Agreement in accordance with the Grant Agreements made thereunder.

ARTICLE VIII - PROCUREMENT

Except as otherwise provided herein, ECA procurement of goods and services financed with AID funds shall be made in accordance with applicable United Nations procedures and shall be subject to mutual agreement between AID and ECA.

ARTICLE IX - SPECIAL PROVISIONS

- A. This Basic Agreement shall be amended only by the parties hereto. Any such amendment may be signed only by the authorized representatives of the parties.
- B. Except as AID may otherwise agree in writing, any goods or property financed by AID shall be applied to the programs and activities described in the Grant Agreements entered into hereunder until the completion of such programs and activities, and thereafter shall be used for purposes consistent with the objectives of this Basic Agreement.
- C. ECA shall submit annually to AID a narrative report describing the progress to date in each of the programs and activities for which AID funds are provided, including support from other sources. The first such report shall be submitted six months after the effective date of the first Grant Agreement hereunder.
- D. Each of the parties hereto shall have the right at all reasonable times to observe operations carried out under individual Grant Agreements.

E. Financial records, including documentation to support entries on accounting records and to substantiate charges for programs and activities for which AID funds are provided, shall be kept in accordance with United Nations accounting regulations and rules and shall follow generally accepted accounting principles. All such financial records shall be maintained, and be required to be maintained, for at least three years after final disbursement of funds under each Grant Agreement. ECA shall submit semi-annually a financial statement on the expenditures incurred under Grant Agreements made hereunder to the authorized representative of AID or to the Comptroller General of the United States. Such statements shall also include the contributions in cash or in kind of ECA and other donors to the activities financed under Grant Agreements.

F. If the use of any funds provided by AID under any Grant Agreement results in the accrual of interest income to the U.N. or ECA, or to any other person or organization to whom such funds may be made available in carrying out the purposes of any such Grant Agreement, ECA shall pay to AID, in United States dollars, an amount equal to the interest so earned.

G. If any AID funds disbursed under any Grant Agreement are not used, applied, or accounted for in accordance with the terms of said Grant Agreement, ECA agrees to refund to AID, within thirty (30) days after receipt of a request therefor, the amount thereof, provided that AID's request is made not later than five (5) years after final disbursement under each Grant Agreement.

H. Either party may terminate any Grant Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Any such termination shall terminate any obligations of the parties to make contributions pursuant to the Grant Agreement, except for payments either party is committed to make pursuant to non-cancellable commitments entered into with third parties prior to such termination. It is expressly understood that all other obligations of the parties shall remain in force after such termination.

I. No portion of the funds granted by AID under any Grant Agreement shall be disbursed after three (3) years from the effective date of each such Grant Agreement, unless such date is extended by AID in writing, and any funds granted thereunder by AID which remain undisbursed on that date shall revert to AID.

J. AID shall disburse funds pursuant to individual Grant Agreements hereunder only in accordance with applicable laws and regulations of the United States Government.

K. ECA agrees to execute an assignment to AID, upon request, of any cause of action which may accrue to ECA in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by AID under any Grant Agreement hereunder.

L. No member of or delegate to the United States Congress or U.S. resident

commissioner shall be admitted to any share or part of any Grant Agreement hereunder or to any benefit that may arise therefrom.

IN WITNESS WHEREOF, the United States of America and the United Nations, acting through the United Nations Economic Commission for Africa have caused this Agreement to be executed.

FOR THE UNITED NATIONS

BY:

Adebayo Adedeji

Executive Secretary
Economic Commission
TITLE: for Africa

FOR THE UNITED STATES OF AMERICA

BY:

W. Haven North

Acting Assistant Administrator
Agency for International
TITLE: Development

DATE: June 17, 1976

DATE: June 17, 1976

Attachment A.

PAYMENT PROVISIONSFederal Reserve Letter of Credit for Advance Payment

A. After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall be presented as near as possible to the time of expenditure and will call for those amounts necessary to meet the current needs of the Grantee in carrying out the purposes of the Grant Agreements.

B. In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the Federal Reserve Letter of Credit. The current status of the pertinent Federal Reserve Letter of Credit funds shall be presented on the reverse side of the last two copies of the Form TUS 5401 in the following format:

Total available under Federal Reserve Letter of Credit	: \$ _____
Amount drawn down to date	: \$ _____
Amount of current drawing	: \$ _____
Amount remaining	: \$ _____

C. A report of expenditures shall be prepared and submitted semiannually to AID in two copies indicating how the money was spent for purposes of the Grant Agreements.

D. Simultaneously with submission of the report of expenditures, the Grantee shall submit to AID a status report on the Federal Reserve Letter of Credit for the same period.

E. The Secretary-General, or the Executive Head of other United Nations organizations, shall appoint the professional staff under the respective Staff Regulations of the organizations concerned. Nothing in the Basic Agreement, nor in the Special Provisions, shall be interpreted as infringing the right of the Secretary-General or the Executive Heads to make appointments or to terminate them under the applicable Staff Regulations.

SWITZERLAND

Air Charter Services

*Agreement effected by exchange of letters
Signed at Bern July 14 and 27, 1977;
Entered into force July 27, 1977.*

The Swiss Director, Federal Air Office, to the American Ambassador

Eidgenössisches Luftamt
Office fédéral de l'air
Ufficio aeronautico federale

9 021-81 41 11
Telex: Ofair Bern
Telex: 32 110 Ofair ch

Ambassador Nathaniel Davis
U.S. Embassy
Jubiläumstrasse 95

3005 Bern

Ihr Zeichen Votre référence Vostre referenza	Ihre Nachricht von Votre communication du Vostre comunicazione del	Unser Zeichen Notre référence Nostra referenza	Rückfragen Requête Richiamo	3005 Bern, Bundeshaus Inselgasse 9
14/N-Sz	031/61 59 82	July 14, 1977		

Gegenstand / Objet / Oggetto
Exchange of Letters

Dear Mr. Ambassador,

Based on discussions between the Federal Air Office and the competent U.S. authorities regarding the rules to be applied to passenger air charter traffic between Switzerland and the United States, the following Understanding has been reached:

A. Principles

1. Subject to compulsory clauses of their national air laws the air transport authorities of each country will accept as charterworthy air charter traffic which originates in the territory of the other and which is organized and operated pursuant to the rules of the other air transport authority, or according to waivers of such rules granted for exceptional reasons.
2. The air transport authorities of the country where a passenger charter is originated have the prime responsibility for the enforcement of charterworthiness rules.

- 1) Should the air transport authorities of the country of origin not require that a passenger list be filed with them at least 30 days before the initial flight date of each affinity charter group, the air transport authorities of the destination country may require such a filing for any series of affinity charter flights.

With respect to the substitution of not previously listed "advance charter" (i.e. TGC/ABC) passengers on a series of flights, the air transport authorities of the receiving country reserve their right to impose conditions consistent with compulsory provisions of their national law.

In einem Brief nur eine Angelegenheit behandeln
Ne traiter qu'un seul objet par lettre
Preghai trattare un solo oggetto per lettera

Korrespondenzen bitte an das Amt, nicht persönlich, adressieren
Priera d'adresser toute correspondance directement à l'office
Indirizzare impersonalmente all'ufficio

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TIAS 8005

3. Passenger charterworthiness rules will be applied and enforced in a nondiscriminatory manner.

4. Modifications or additions to the charterworthiness rules of the air transport authorities of one country which are of a technical or administrative nature and which do not alter the basic character of an existing charter rule nor establish a new charter type, will be accepted by the air transport authorities of the other country.

Other modifications shall be brought to the attention of the other air transport authority, who may deny or revoke with immediate effect acceptance of those changes.

The airlines of both countries shall submit price information on charter contracts between the airline and the charterer as either air transport authority may request.

B. Traffic Originating in Switzerland

The rules governing this traffic must be within the limits laid down in the Swiss air law. The particular charter types authorized for traffic are listed in the Annex to this Exchange of Letters.

C. Traffic Originating in the United States

The rules governing charter traffic are set forth in the Economic Regulations and Special Regulations of the Civil Aeronautics Board.

D. Operating Environment

The air transport authorities of each country will continue the present practices of applying reciprocity in approval of charter flights by the airlines of the other country. If either air transport authority contemplates a unilateral departure from these practices it will give prior notice to the other authority and agree to consultations.

E. Implementation

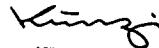
1. This Understanding shall become effective upon receipt by the Federal Air Office of a confirmation that the Government of the United States agrees to its terms, and shall remain in force until the 31st of March, 1978. The Understanding shall continue in effect for one year periods thereafter unless by 90 days prior to an expiration date either party has given written notice to the other party of its desire to allow the Understanding to expire.

2. Consultations relating to this Understanding shall be held upon request by the air transport authority of either country within sixty days.

3. This Understanding shall supersede the Exchange of Letters dated November 20, 1975 and November 24, 1975 on air charter services. [1]

Your written confirmation that the above Understanding is acceptable to you will, upon its receipt by the Swiss Federal Air Office, place it into effect.

for the DIRECTOR
OF THE FEDERAL AIR OFFICE


Künzli

Annex
Swiss charter categories

¹ TIAS 8161; 26 UST 2864. [Footnote added by the Department of State.]

A n n e xSwiss Charter CategoriesAdvance Booking Charters

Round trip charter flights where the aircraft is hired on behalf of one or several groups, provided that:

1. at least 45 days before the flight, a list of all the passengers in each group who have committed themselves to travel is submitted by the air carrier or charterer to the appropriate authorities; such list contains apart from the name, the passport number and/or the date of birth of each passenger;
2. such list is accompanied by a waiting-list, if any, in which the number of persons does not exceed 100 % of the number of seats contracted for;
3. before the flight, a final list of passengers is submitted to the appropriate authorities showing transfers, if any, from the waiting-list to the main list, such transfers not to exceed 15 % of the number of seats contracted for;
4. all the passengers are in possession of a valid and non-transferable ticket;
5. all the passengers of a group travel together, on both the outward and return portion of the journey which, save in exceptional circumstances, shall be operated by the same carrier;
6. the total duration of the journey from departure on the outward portion to arrival on the inward portion is not less than 7 days.
7. advertisements of such flights clearly identify them as charters of the advance booking type and indicate the main conditions under which they may be operated, including the name of the carrier.

Affinity Charters.

Affinity charter flights must meet the following requirements:

1. the association has principal purposes, aims and objectives other than travel and sufficient prior affinity to distinguish it and set it apart from the general public;
2. the association has a permanent character and has been in existence for at least two years;
3. the total membership of the association does not exceed 50'000;
4. no part of the capacity of the aircraft is sold to persons outside the association (except other charterers);
5. the passengers of the flight have been members of the association for at least 6 months preceding the flight (or be in the family of such members);
6. the flights are advertised only to members of the association;
7. a group travels together both on the outward and return portions of the journey;
8. when several affinity groups travel on the same aircraft, each group conforms to the above criteria;
9. a passenger list is filed with the aeronautical authority at least 30 days before the departure of the flight and substitution of passengers is accepted only in cases of "force majeure".

Inclusive Tour Charters (ITC)

Each flight has to fulfill the following conditions:

1. At least local transportation at the flight destination (airport - hotel - airport) as well as accommodation in recognized hotels or similar facilities are provided by the charterer for the total duration of the tour.
2. The passenger travels together with the same group both on the outward and return portion of the journey in the framework of an inclusive tour and has a firm booking for the return flight before starting the tour.

Special Event Charters

Round trip charter flights for the carriage of one or more groups of passengers all attending or participating in the same special event of a religious, sporting, cultural, social, professional or other nature, in cases where the date and place of the event were not known and could not have been known in sufficient time for the participants to have qualified for the chartering of an aircraft under advance booking charter conditions or for which the minimum stay requirements of advance booking charter services are inappropriate, provided that:

1. such flights are authorised on a "ad hoc" basis by way of exception from the advance booking charter concept and subject, as far as possible, to the rules of advance booking charter flights;
2. the entire planeload travel together on the outward and return portions of the journey;
3. the duration of stay shall, where appropriate, be limited to not more than the duration of the event, or that part of it which the charter passengers wish to attend, plus a 36-hour period beforehand and a 36-hour period after it;
4. special event charters shall be operated only to the country where the special event takes place.

Student Charters

Charter flights for the carriage of students, sponsored by recognized institutions or students' associations and reserved for passengers each of whom shall be a student undergoing a full-time course of study at a recognized university or other establishment of higher education

except that:

1. members of the teaching staff or other persons may be authorized to participate as leaders of student groups, provided that the number of such leaders is no larger than is necessary for each group;
2. wives and husbands of eligible persons, as well as dependent children, may also be authorized to participate;
3. past pupils or scholars may also be authorized to participate up to 31 December of the year in which they completed their courses;
4. part-time students or scholars and students or scholars taking evening classes or correspondence courses or following courses lasting a few months shall not be eligible;
5. the above shall not include persons who have been gainfully employed and who are attending refresher courses in pursuance of their career or as retraining for a new career.

Own Use Charters

Charter flights in which the entire capacity of the aircraft is chartered by a single person (individual, firm, corporation or institution):

1. for the carriage of his or its staff provided that no part of such capacity is resold; or
2. where the charterer is other than a travel organizer, for the carriage of persons associated with the charterer for purposes other than those specified in 1., provided he does not wholly or partly, directly or indirectly, pass on the charter price to the passengers carried under the charter agreement.

TIAS 8695

Split Charters

The same aircraft may be chartered by more than one charterer for the same or different types of charters (except "own use"), provided that each charterer contracts for at least 40 seats per type of charter.

The American Ambassador to the Swiss Director, Federal Air Office



EMBASSY OF THE
UNITED STATES OF AMERICA
Bern, Switzerland

July 27, 1977

Dr. Werner Guldmann,
Director, Federal Air Office
Inselgasse
3003 Bern

Dear Dr. Guldmann,

I am replying to your letter of July 14, 1977 with regard to the operation of charter air services between our two countries.

I am pleased to inform you that the proposed arrangements are satisfactory to the United States authorities, and I agree that they should be placed into effect on today's date.

Sincerely yours,

Nathaniel Davis
Nathaniel Davis
Ambassador

JORDAN
Road Improvement

*Agreement signed at Amman July 22, 1976;
Entered into force July 22, 1976.*

A. I. D. Loan No. 278-K-017

LOAN AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE HASHEMITE KINGDOM OF JORDAN

(Roads Improvement Loan)

Date: July 22, 1976

TIAS 8696

TABLE OF CONTENTS

<u>Section Number</u>	<u>Title</u>	<u>Page No.</u>	<u>[Pages herein]</u>
ARTICLE I	The Loan	1	6914
Section 1.01	The Loan	1	6914
Section 1.02	The Project	1	6914
ARTICLE II	Loan Terms	2	6915
Section 2.01	Interest	2	6915
Section 2.02	Repayment	2	6915
Section 2.03	Application, Currency, and Place of Payment	2	6915
Section 2.04	Prepayment	3	6916
Section 2.05	Renegotiation of the Terms of the Loan	3	6916
ARTICLE III	Conditions Precedent to Disbursement	3	6916
Section 3.01	Conditions Precedent to Initial Disbursement	3	6916
Section 3.02	Terminal Dates for Meeting Conditions Precedent to Disbursement	4	6917
Section 3.03	Notification of Meeting of Conditions Precedent to Disbursement	5	6918
ARTICLE IV	General Covenants and Warranties	5	6918
Section 4.01	Execution of the Project	5	6918
Section 4.02	Funds and Resources to be Provided by the Borrower	5	6918
Section 4.03	Continuing Consultation	6	6919
Section 4.04	Management	6	6919
Section 4.05	Taxation	6	6919
Section 4.06	Utilization of Goods and Services.	7	6920
Section 4.07	Disclosure of Material Facts and Circumstances	7	6920
Section 4.08	Commissions, Fees and Other Payments	8	6921
Section 4.09	Maintenance and Audit Records	8	6921
Section 4.10	Reports	9	6922
Section 4.11	Inspection.	9	6922
ARTICLE V	Special Covenants	10	6923
Section 5.01	Rights-of-Way	10	6923
Section 5.02	Maintenance of Project	10	6923
ARTICLE VI	Procurement	10	6923
Section 6.01	Eligible Countries for Procurement	10	6923

TABLE OF CONTENTS (CONT'D)

Section Number	Title	Page No.	(Pages AHEAD)
Section 6.02	Eligibility Date	11	6924
Section 6.03	Goods and Services Not Financed Under the Loan	11	6924
Section 6.04	Implementation of Procurement Requirements.	11	6924
Section 6.05	Plans, Specifications and Contracts	11	6924
Section 6.06	Reasonable Price	12	6925
Section 6.07	Employment of Third-Country Nationals	12	6925
Section 6.08	Information and Marking	13	6926
ARTICLE VII	Disbursements	13	6926
Section 7.01	Reimbursement for Local Currency Costs.	13	6926
Section 7.02	Other Forms of Disbursement	13	6926
Section 7.03	Date of Disbursement	14	6927
Section 7.04	Terminal Date for Disbursement	14	6927
ARTICLE VIII	Cancellation and Suspension	14	6927
Section 8.01	Cancellation by the Borrower	14	6927
Section 8.02	Events of Default; Acceleration	15	6928
Section 8.03	Suspension of Disbursement	15	6928
Section 8.04	Cancellation by A.I.D.	17	6930
Section 8.05	Continued Effectiveness of Agreement	17	6930
Section 8.06	Refunds	17	6930
Section 8.07	Expenses of Collection	18	6931
Section 8.08	Non-Waiver of Remedies	18	6931
ARTICLE IX	Miscellaneous	19	6932
Section 9.01	Communications	19	6932
Section 9.02	Representatives.	20	6933
Section 9.03	Implementation Letters	20	6933
Section 9.04	Promissory Notes	21	6934
Section 9.05	Termination Upon Full Payment.	21	6934
Annex No. I	Project Description	22	6935

LOAN AGREEMENT dated the 22nd day of July 1976 between the HASHEMITE KINGDOM OF JORDAN ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. 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,^[1] an amount not to exceed Four Million United States Dollars (\$4,000,000) (the "Loan"), to assist the Borrower in carrying out the roads improvement project (the "Project") described in Section 1.02. The Loan shall be used to finance a portion of the local currency costs of goods and services required for the Project. Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursements under the Loan shall constitute the principal of the Loan.

SECTION 1.02. The Project. The Project shall consist of road construction improvement work for selected segments of the national highway system. The Project is more fully described in Annex I attached hereto which may be modified by written agreement between the Borrower and A.I.D.

¹ 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 principal shall accrue from the date of each respective disbursement (as such date is defined in Section 7.03) and shall be computed on the basis of a 365-day year. 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 the principal to A.I.D. 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 due and 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 principal and interest 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 order of the "Agency for International Development" and shall be deemed paid when received by the Office of the Controller, Agency for International Development, Washington, D.C., USA, 20523.

SECTION 2.04. Prepayment. Upon payment of all interest and refunds, if any, then due, the Borrower may prepay, without penalty, all or any part of the outstanding 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 agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, 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 Jordan.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement.

Prior to the first disbursement or to the issuance of the first Letter of Commitment or other authorization of disbursement under the Loan, the Borrower shall, 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 the Minister of Justice of Jordan or of other counsel acceptable to A.I.D. to the effect that (i) this Agreement has been duly authorized 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 (ii) the person signing the Agreement on behalf of the Borrower has the authority to act as the representative of the Borrower in all matters pertaining to the Loan and the Agreement;

(b) a statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.02 and a specimen signature of each person specified in such statement; and

(c) such additional plans, specifications or other documents or submissions as A.I.D. may reasonably request.

SECTION 3.02. Terminal Dates for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have been met within one hundred twenty (120) days from the date of this Agreement, or by such later dates as A.I.D. may agree to in writing, A.I.D. may at its option at any time thereafter cancel the then undisbursed balance of the Loan or terminate this Agreement by giving written notice to the Borrower. Upon the giving of such notice of termination the Borrower shall immediately repay any principal then outstanding and pay any accrued interest. This Agreement and all obligations of the parties hereunder shall terminate either (a) upon receipt of such principal and interest payments in full,

or (b) if there is no principal then outstanding nor any interest accrued, upon the giving of such notice of termination.

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

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial administrative, economic and accounting practices.

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications thereto, approved by A.I.D. pursuant to this Agreement. The Borrower shall at all times employ suitably qualified and experienced engineering supervisors or consultants to be professionally responsible for the work of the Project.

SECTION 4.02. Funds and Resources to be Provided by the Borrower.

The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective execution of the Project.

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purposes of this Agreement will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants engaged on the Project and other matters relating to the Loan and the Project.

SECTION 4.04. Management. The Borrower shall provide qualified and experienced management for the Project acceptable to A.I.D., and it shall take the steps necessary to assure training of such staff as may be appropriate for the execution of the Project.

SECTION 4.05. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Jordan. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Jordan,

the Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan; provided, however, that this Section 4.05 shall not apply to taxes levied upon the income of citizens and companies of Jordan.

SECTION 4.06. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.07. Disclosure of Material Facts and Circumstances.

The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the

discharge of the Borrower's obligations under this Agreement.

SECTION 4.08. Commissions, Fees and Other Payments.

(a) The Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to 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 nor 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 the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis); and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Jordan.

SECTION 4.09. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound

accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders; and
- (d) The progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for three (3) years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.10. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

SECTION 4.11. Inspection. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records, and other documents relating

to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Jordan for any purpose relating to the Loan.

ARTICLE V

Special Covenants

SECTION 5.01. Rights-of-Way. Borrower warrants that all necessary rights-of-way for permanent construction and temporary detours have been acquired or are available to the Ministry of Public Works.

SECTION 5.02. Maintenance of Project. Borrower warrants that the road improvements comprising the Project financed under the Loan will be properly maintained and that adequate maintenance funds will be provided therefor in annual budgets.

ARTICLE VI

Procurement

SECTION 6.01. Eligible Countries for Procurement. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Article VII shall be used exclusively to finance the procurement for the Project of goods and services having their source and origin in Jordan as further defined in Implementation Letters.

TIAS 8696

SECTION 6.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to January 1, 1976.

SECTION 6.03. Goods and Services Not Financed Under the Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.04. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 6.01 and 6.03 will be set forth in detail in Implementation Letters.

SECTION 6.05. Plans, Specifications and Contracts. Except as A.I.D. may otherwise agree in writing:

(a) The Borrower will furnish to A.I.D. promptly upon preparation, any plans, specifications, construction schedules, bid documents, and contracts relating to the Project, and any modifications thereof, whether or not the goods and services to which they relate are financed under the Loan.

(b) Plans and specifications for construction relating to the Project which are to be financed under the Loan and furnished pursuant to subsection (a) above shall be mutually approved by the parties hereto in writing.

(c) Construction contracts to be financed under the Loan shall be mutually approved by the parties hereto in writing prior to their execution. In the event contracts which may be eligible for financing pursuant to Section 6.02 have been executed prior to the date of this Agreement, such contracts shall be reviewed and approved by A.I.D. before becoming eligible for financing under the loan. Approval by A.I.D. of the above contracts shall include approval of the contractor. Procedures for approval of contractors and contracts shall be set forth in Implementation Letters and shall be based on the list of qualified contractors maintained by the Ministry of Public Works and on the standard form construction contract used by said Ministry for construction of road works.

SECTION 6.06. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 6.07. Employment of Third-Country Nationals. The employment of personnel to perform services under construction contracts financed under the Loan shall be subject to requirements with respect to third-country nationals prescribed in Implementation Letters.

SECTION 6.08. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, and mark any goods and equipment financed under the Loan, as prescribed in Implementation Letters.

ARTICLE VII

Disbursements

SECTION 7.01. Reimbursement for Local Currency Costs. Upon satisfaction by the Borrower of the conditions precedent set forth in Section 3.01, the Borrower, from time to time, may request disbursement by A.I.D. of Jordanian currency in accordance with procedures to be set forth in Implementation Letters. Such disbursement shall be made to reimburse the Borrower for local currency costs of Eligible Items procured for the Project in accordance with the terms and conditions of this Agreement, upon submission to A.I.D. of such supporting documentation as A.I.D. may prescribe in Implementation Letters. The rate of exchange for determining the dollar equivalent of the approved amount for reimbursement shall be the highest lawful rate of exchange (i.e., that rate yielding the largest number of Jordanian dinars) at which Jordanian dinars may be bought with United States dollars in Jordan as established by the Central Bank of Jordan, on the date of disbursement as defined in Section 7.03.

SECTION 7.02. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and

A.I.D. may agree to in writing.

SECTION 7.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to the Borrower or to its designee. In the event of a disbursement under Section 7.02 hereof, the date of disbursement shall be designated in the documentation by which the parties agree to such disbursement; provided, in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or delivers property into the control of the Borrower or its designee.

SECTION 7.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no disbursements shall be made against documentation received by A.I.D. after June 30, 1979. A.I.D., at its option, may at any time or times after June 30, 1979 reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower may, by 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 then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. 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 provisions of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;

(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 unpaid principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days, such unpaid principal and any accrued interest hereunder shall be due and payable immediately, and the amount of any subsequent disbursements made under then outstanding Letters of Commitment or otherwise shall become due and payable as soon as made.

SECTION 8.03. Suspension of Disbursement. In the event that at any time:

(a) an Event of Default has occurred;

(b) an event or events occur that A.I.D. determines 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 Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, giving notice to the Borrower promptly thereafter; (ii) decline to make disbursements other than under outstanding Letters of Commitment; (iii) decline to issue additional Letters of Commitment; 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 Jordan, are in a deliverable state, and have not been offloaded in ports of entry of Jordan.

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 8.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 8.03, 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., at its option, may, at any time or times thereafter, cancel all or any part of the Loan that is not then disbursed, including outstanding Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or bank payments made other than under irrevocable Letters of Credit.

SECTION 8.05. 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 until the payment in full of all principal and any accrued interest hereunder.

SECTION 8.06. Refunds.

(a) In case any disbursement is not supported by valid documentation or is not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedy provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to

A.I.D. within thirty days after receipt of a request therefor. Such refund shall be made available first, in accordance with the provisions of this Agreement, to pay for the procurement of goods and services for the Project; the remainder, if any, of any such refund in United States dollars to A.I.D. in such manner shall be applied to the remaining installments of principal in the inverse order of their maturity. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

SECTION 8.07. 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 8.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 8.08. Non-Waiver 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 such rights, powers, or remedies.

ARTICLE IX

MiscellaneousSECTION 9.01. Communications.

(a) Any notice, request, document, or other communication given, made, or sent by the 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:

Mail Address: National Planning Council
Amman, Jordan

Cable Address: Same

To A.I.D. (three copies):

Mail Address: Agency for International Development
Bureau for Near East
Washington, D.C. 20523

Cable Address: A.I.D.
Washington, D.C.

Borrower, in addition, shall provide the American Embassy, Amman, with a copy of each communication sent to A.I.D. Other addresses may be substituted for the above upon the giving of notices.

(b) Except as A.I.D. may otherwise agree in writing, all notices, requests, communications, and documents submitted to A.I.D.

hereunder shall be in English, and if the original of any such communication or document is in other than English, a copy in the language of the original shall also be submitted.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the President, National Planning Council, and A.I.D. will be represented by the individual holding or acting in the office of the A.I.D. Director, Amman, Jordan. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, A.I.D. may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will specify the procedures applicable hereunder in connection with the implementation

of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. Termination Upon Full Payment. Upon payment in full of principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under the Agreement shall terminate.

IN WITNESS WHEREOF, the Hashemite Kingdom of Jordan and the United States of America, each acting through its respective 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 HASHEMITE KINGDOM OF JORDAN

By: Hana Odeh

Title: President, NPC

UNITED STATES OF AMERICA

By: Thomas R. Pickering

Title: Ambassador, USA

ANNEX I

PROJECT DESCRIPTION

The Project consists of patching, overlaying, completion and upgrading of roads listed below to the standards and specifications commensurate with the improvement to be performed.

<u>Description of Subproject</u>	<u>Length km</u>
A. Patch and Place 5 cm Asphalt Paving - Primary Highways	
1. Rte 15 (km 110-215)	105
2. Rte 70 (Marka-Um-Hiran)	18.5
3. Rte 15 (Amman-Sweilah)	7.5
B. Completion/Upgrading - Secondary Roads	
1. Rte 11 (Rihab-Hashimiya)	13
2. Rte 57 (Ma'an-Wadi Musa)	10
3. Rte 26 (Amman-Wadi Seer)	3.7
4. Rte 65 (Suweima-Dead Sea)	4
5. Rte 30 (Mafraq-H5)	5
6. Rte 26 (Sweilah-Fuheis)	7

JORDAN

School Construction

*Agreement signed at Amman July 22, 1976;
Entered into force July 22, 1976.*

A.I.D. Loan No. 278-K-016

LOAN AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE HASHEMITE KINGDOM OF JORDAN

(School Construction)

Date: July 22, 1976

TIAS 8697

TABLE OF CONTENTS

<u>Section Number</u>	<u>Title</u>	<u>Page No.</u>	<u>[Pages herein]</u>
ARTICLE I	The Loan	1	6940
Section 1.01	The Loan	1	6940
Section 1.02	The Project	1	6940
ARTICLE II	Loan Terms	2	6941
Section 2.01	Interest	2	6941
Section 2.02	Repayment	2	6941
Section 2.03	Application, Currency, and Place of Payment	2	6941
Section 2.04	Prepayment	3	6942
Section 2.05	Renegotiation of the Terms of the Loan	3	6942
ARTICLE III	Conditions Precedent to Disbursement	3	6942
Section 3.01	Conditions Precedent to Initial Disbursement	3	6942
Section 3.02	Terminal Dates for Meeting Conditions Precedent to Disbursement	4	6943
Section 3.03	Notification of Meeting of Conditions Precedent to Disbursement	5	6944
ARTICLE IV	General Covenants and Warranties	5	6944
Section 4.01	Execution of the Project	5	6944
Section 4.02	Funds and Resources to be Provided by the Borrower	5	6944
Section 4.03	Continuing Consultation	6	6945
Section 4.04	Management	6	6945
Section 4.05	Taxation	6	6945
Section 4.06	Utilization of Goods and Services	7	6946
Section 4.07	Disclosure of Material Facts and Circumstances	7	6946
Section 4.08	Commissions, Fees and Other Payments	8	6947
Section 4.09	Maintenance and Audit Records	8	6947
Section 4.10	Reports	9	6948
Section 4.11	Inspection	9	6948
ARTICLE V	Special Covenants	10	6949
Section 5.01	Staffing and Furnishings	10	6949
Section 5.02	Maintenance of Project	10	6949
ARTICLE VI	Procurement		
Section 6.01	Eligible Countries for Procurement	10	6949

TABLE OF CONTENTS (CONT'D)

<u>Section Number</u>	<u>Title</u>	<u>Page No.</u>	<u>[Page Aresin]</u>
Section 6.02	Eligibility Date	11	6950
Section 6.03	Goods and Services Not Financed Under the Loan.	11	6950
Section 6.04	Implementation of Procurement Requirements.	11	6950
Section 6.05	Plans, Specifications and Contracts	11	6950
Section 6.06	Reasonable Price	12	6951
Section 6.07	Employment of Third-Country Nationals	12	6951
Section 6.08	Information and Marking	13	6952
ARTICLE VII	Disbursements	13	6952
Section 7.01	Reimbursement for Local Currency Costs.	13	6952
Section 7.02	Other Forms of Disbursement	13	6952
Section 7.03	Date of Disbursement	14	6953
Section 7.04	Terminal Date for Disbursement	14	6953
ARTICLE VIII	Cancellation and Suspension	14	6953
Section 8.01	Cancellation by the Borrower	14	6953
Section 8.02	Events of Default; Acceleration	15	6954
Section 8.03	Suspension of Disbursement	15	6954
Section 8.04	Cancellation by A.I.D.	17	6956
Section 8.05	Continued Effectiveness of Agreement	17	6956
Section 8.06	Refunds	17	6956
Section 8.07	Expenses of Collection	18	6957
Section 8.08	Non-Waiver of Remedies	18	6957
ARTICLE IX	Miscellaneous	19	6958
Section 9.01	Communications	19	6958
Section 9.02	Representatives.	20	6959
Section 9.03	Implementation Letters	20	6959
Section 9.04	Promissory Notes	21	6960
Section 9.05	Termination Upon Full Payment.	21	6960
Annex No. I	Project Description	22	6961

TIAS 8697

LOAN AGREEMENT dated the 22nd day of July 1976 between the HASHEMITE KINGDOM OF JORDAN ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. 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, [1] an amount not to exceed Seven Million United States Dollars (\$7,000,000) (the "Loan"), to assist the Borrower in carrying out the school construction project (the "Project") described in Section 1.02. The Loan shall be used to finance a portion of the local currency costs of goods and services required for the Project. Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursements under the Loan shall constitute the principal of the Loan.

SECTION 1.02. The Project. The Project shall consist of construction of new elementary and preparatory schools in various districts of Jordan. The Project is more fully described in Annex I attached hereto which may be modified by written agreement between the Borrower and A.I.D.

¹ 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 principal shall accrue from the date of each respective disbursement (as such date is defined in Section 7.03) and shall be computed on the basis of a 365-day year. 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 the principal to A.I.D. 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 due and 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 principal and interest 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 order of the "Agency for International Development" and shall be deemed paid when received by the Office of the Controller, Agency for International Development, Washington, D.C., USA, 20523.

SECTION 2.04. Prepayment. Upon payment of all interest and refunds, if any, then due, the Borrower may prepay, without penalty, all or any part of the outstanding 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 agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, 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 Jordan.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to the first disbursement or to the issuance of the first Letter of Commitment or other authorization of disbursement under the Loan, the Borrower shall, 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 the Minister of Justice of Jordan or of other counsel acceptable to A.I.D. to the effect that (i) this Agreement has been duly authorized 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 (ii) the person signing the Agreement on behalf of the Borrower has the authority to act as the representative of the Borrower in all matters pertaining to the Loan and the Agreement;
- (b) a statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.02 and a specimen signature of each person specified in such statement;
- (c) a plan for supervision of construction work, including provision for sufficient qualified construction inspectors; and
- (d) such additional plans, specifications or other documents or submissions as A.I.D. may reasonably request.

SECTION 3.02. Terminal Dates for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have been met within one hundred twenty (120) days from the date of this Agreement, or by such later dates as A.I.D. may agree to in writing, A.I.D. may at its option at any time thereafter cancel the then undisbursed balance of the Loan or terminate this Agreement by giving written notice to the Borrower. Upon the giving of such notice of termination the Borrower shall immediately repay any principal then outstanding and pay any accrued interest. This Agreement and all obligations of the parties hereunder shall terminate either (a) upon receipt of such principal and interest payments in full,

or (b) if there is no principal then outstanding nor any interest accrued, upon the giving of such notice of termination.

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

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial administrative, economic and accounting practices.

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications thereto, approved by A.I.D. pursuant to this Agreement. The Borrower shall at all times employ suitably qualified and experienced engineering supervisors or consultants to be professionally responsible for the work of the Project.

SECTION 4.02. Funds and Resources to be Provided by the Borrower.

The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective execution of the Project.

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purposes of this Agreement will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants engaged on the Project and other matters relating to the Loan and the Project.

SECTION 4.04. Management. The Borrower shall provide qualified and experienced management for the Project acceptable to A.I.D., and it shall take the steps necessary to assure training of such staff as may be appropriate for the execution of the Project.

SECTION 4.05. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Jordan. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Jordan,

the Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan; provided, however, that this Section 4.05 shall not apply to taxes levied upon the income of citizens and companies of Jordan.

SECTION 4.06. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.07. Disclosure of Material Facts and Circumstances.

The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the

discharge of the Borrower's obligations under this Agreement.

SECTION 4.08. Commissions, Fees and Other Payments.

(a) The Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to 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 nor 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 the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis); and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Jordan.

SECTION 4.09. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound

accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders; and
- (d) The progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for three (3) years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.10. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

SECTION 4.11. Inspection. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records, and other documents relating

to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Jordan for any purpose relating to the Loan.

ARTICLE V

Special Covenants

SECTION 5.01. Staffing and Furnishings. Borrower covenants that prior to final disbursement for any given school the Ministry of Education will have an implementation plan for staffing and materials and equipment distribution for such school covering the academic year following completion of such school.

SECTION 5.02. Maintenance of Project. Borrower covenants that the schools to be constructed under the Loan will be properly maintained and that adequate maintenance funds will be provided therefor in annual budgets.

ARTICLE VI

Procurement

SECTION 6.01. Eligible Countries for Procurement. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Article VII shall be used exclusively to finance the procurement for the Project of goods and services having their source and origin in Jordan as further defined in Implementation Letters.

SECTION 6.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to January 1, 1976.

SECTION 6.03. Goods and Services Not Financed Under the Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.04. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 6.01 and 6.03 will be set forth in detail in Implementation Letters.

SECTION 6.05. Plans, Specifications and Contracts. Except as A.I.D. may otherwise agree in writing:

(a) The Borrower will furnish to A.I.D. promptly upon preparation, any plans, specifications, construction schedules, bid documents, and contracts relating to the Project, and any modifications thereof, whether or not the goods and services to which they relate are financed under the Loan.

(b) Plans and specifications for construction relating to the Project which are to be financed under the Loan and furnished pursuant to subsection (a) above shall be mutually approved by the parties hereto in writing.

(c) Construction contracts to be financed under the Loan shall be mutually approved by the parties hereto in writing prior to their execution. In the event contracts which may be eligible for financing pursuant to Section 6.02 have been executed prior to the date of this Agreement, such contracts shall be reviewed and approved by A.I.D. before becoming eligible for financing under the Loan. Approval by A.I.D. of the above contracts shall include approval of the contractor. Procedures for approval of contractors and contracts shall be set forth in Implementation Letters and shall be based on the list of qualified contractors maintained by the Ministry of Public Works and on the standard form construction contract used by said Ministry for school construction.

SECTION 6.06. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 6.07. Employment of Third-Country Nationals. The employment of personnel to perform services under construction contracts financed under the Loan shall be subject to requirements with respect to third-country nationals prescribed in Implementation Letters.

SECTION 6.08. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, and mark any goods and equipment financed under the Loan, as prescribed in Implementation Letters.

ARTICLE VII

Disbursements

SECTION 7.01. Reimbursement for Local Currency Costs. Upon satisfaction by the Borrower of the conditions precedent set forth in Section 3.01, the Borrower, from time to time, may request disbursement by A.I.D. of Jordanian currency in accordance with procedures to be set forth in Implementation Letters. Such disbursement shall be made to reimburse the Borrower for local currency costs of Eligible Items procured for the Project in accordance with the terms and conditions of this Agreement, upon submission to A.I.D. of such supporting documentation as A.I.D. may prescribe in Implementation Letters. The rate of exchange for determining the dollar equivalent of the approved amount for reimbursement shall be the highest lawful rate of exchange (i.e., that rate yielding the largest number of Jordanian dinars) at which Jordanian dinars may be bought with United States dollars in Jordan as established by the Central Bank of Jordan, on the date of disbursement as defined in Section 7.03.

SECTION 7.02. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and

A.I.D. may agree to in writing.

SECTION 7.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to the Borrower or to its designee. In the event of a disbursement under Section 7.02 hereof, the date of disbursement shall be designated in the documentation by which the parties agree to such disbursement; provided, in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or delivers property into the control of the Borrower or its designee.

SECTION 7.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no disbursements shall be made against documentation received by A.I.D. after June 30, 1979. A.I.D., at its option, may at any time or times after June 30, 1979 reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower may, by 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 then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. 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 provisions of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- (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 unpaid principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days, such unpaid principal and any accrued interest hereunder shall be due and payable immediately, and the amount of any subsequent disbursements made under then outstanding Letters of Commitment or otherwise shall become due and payable as soon as made.

SECTION 8.03. Suspension of Disbursement. In the event that at any time:

(a) an Event of Default has occurred;

(b) an event or events occur that A.I.D. determines 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 Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, giving notice to the Borrower promptly thereafter;

(ii) decline to make disbursements other than under outstanding Letters of Commitment; (iii) decline to issue additional Letters of Commitment; 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 Jordan, are in a deliverable state, and have not been offloaded in ports of entry of Jordan.

TIAS 8697

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 8.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 8.03, 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., at its option, may, at any time or times thereafter, cancel all or any part of the Loan that is not then disbursed, including outstanding Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or bank payments made other than under irrevocable Letters of Credit.

SECTION 8.05. 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 until the payment in full of all principal and any accrued interest hereunder.

SECTION 8.06. Refunds.
(a) In case any disbursement is not supported by valid documentation or is not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedy provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to

A.I.D. within thirty days after receipt of a request therefor. Such refund shall be made available first, in accordance with the provisions of this Agreement, to pay for the procurement of goods and services for the Project; the remainder, if any, of any such refund in United States dollars to A.I.D. in such manner shall be applied to the remaining installments of principal in the inverse order of their maturity. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

SECTION 8.07. 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 8.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 8.08. Non-Waiver 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 such rights, powers, or remedies.

ARTICLE IX

MiscellaneousSECTION 9.01. Communications.

(a) Any notice, request, document, or other communication given, made, or sent by the 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:

Mail Address: National Planning Council
Amman, Jordan

Cable Address: Same

To A.I.D. (three copies):

Mail Address: Agency for International Development
Bureau for Near East
Washington, D.C. 20523

Cable Address: A.I.D.
Washington, D.C.

Borrower, in addition, shall provide the American Embassy, Amman, with a copy of each communication sent to A.I.D. Other addresses may be substituted for the above upon the giving of notices.

(b) Except as A.I.D. may otherwise agree in writing, all notices, requests, communications, and documents submitted to A.I.D.

hereunder shall be in English, and if the original of any such communication or document is in other than English, a copy in the language of the original shall also be submitted.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of the President, National Planning Council, and A.I.D. will be represented by the individual holding or acting in the office of the A.I.D. Director, Amman, Jordan. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, A.I.D. may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will specify the procedures applicable hereunder in connection with the implementation

of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. Termination Upon Full Payment. Upon payment in full of principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under the Agreement shall terminate.

IN WITNESS WHEREOF, the Hashemite Kingdom of Jordan and the United States of America, each acting through its respective 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 HASHEMITE KINGDOM OF JORDAN

By: Hana Odeh

Title: President, NPC

UNITED STATES OF AMERICA

By: Thomas R. Pickering

Title: Ambassador, USA

ANNEX I

PROJECT DESCRIPTION

The Project consists of constructing school buildings of "standard" design as prepared by the Ministry of Public Works in compliance with requirements of the Ministry of Education.

LOCATION	SCHOOL FOR B - BOYS G - GIRLS	NUMBER OF FLOORS
<u>Ajlun District:</u>		
Anjara	G	2
<u>Amman District:</u>		
Ashrafiya	B	3
Nazzal	G	3
North Marka	B	3
Jabal Al-Ousour	B	3
Jabal Al-Nuzha	G	2
Um Heran	G	2
<u>Irbid District</u>		
Mafraq	B	3
Jerash	B	2
Irbid East Quarter	G	3
Qumaim-Kafar Asad	B	2
Ramtha	G	2
Deir Abu Said	B	2

CONTINUATION.....

LOCATION	SCHOOL FOR B - BOYS G - GIRLS	NUMBER OF FLOORS
<u>Karak District:</u>		
Ma'ayta	B	3
<u>Ma'an District:</u>		
Shameyya	G	2
<u>Salt District:</u>		
Azeria	G	3
<u>Tafilah District:</u>		
Tafilah	G	2
<u>Zerka District:</u>		
Batrabi	G	3

Per Section 6.05 of the Loan Agreement, plans, specifications and contracts for each school shall be mutually approved by the parties to the Agreement. Disbursement of funds from the loan will be on the basis of a pre-determined sum towards construction costs of each school the amounts of which will be set forth in Implementation Letters.

AFRICAN DEVELOPMENT BANK

**Regional Onchocerciasis Area Land Satellite
(LANDSAT) Related Study**

*Agreement signed at Abidjan June 30, 1976;
Entered into force June 30, 1976.*

**GRANT AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE AFRICAN DEVELOPMENT BANK**

**(Regional Onchocerciasis Area Land
Satellite (Landsat) Related Study
in Benin, Ghana, and Upper Volta)**

**AID Project No. 625-11-190-912
Allotment No. 402-52-683-00-69-61
Appropriation No. 72-11X1023**

This Grant Agreement is made on June 30, 1976 between the Government of the United States of America, acting through the Agency for International Development (hereinafter called A.I.D.) and the African Development Bank (hereinafter called the "Grantee"), acting as the executing agency for the project.

ARTICLE I—THE GRANT

SECTION 1.1. Amount. A.I.D. hereby agrees to grant to the Grantee in accordance with the terms and conditions of this Agreement an amount not to exceed One Million United States Dollars (\$1,000,000) to enable the Grantee to finance United States Dollar costs and local currency costs of goods and services required to further the purposes of this Grant as outlined in Section 1.2.

SECTION 1.2. Purpose. The purpose of the Grant is to enable the Grantee to finance a study to provide data on land use, land suitability, climate, and surface and ground water in Benin, Ghana and Upper Volta (hereinafter referred to as "Host Countries") using LANDSAT and other sources of information. The study, more specifically described in Annex I, attached hereto, shall be sometimes hereinafter referred to as "the Project".

SECTION 1.3. Grantee Administrative Costs. An amount not to exceed ten percent (10%) of the cost of the study contract to be financed under this Agreement may be allocated to cover the Grantee's Administrative and Overhead costs involved in carrying out the terms of this Agreement, provided, that the sum of the study contract amount and the allowable costs under this Section shall not exceed One Million United States Dollars (\$1,000,000). The procedures for such disbursements and the definitions of allowable costs under this Section will be described in Implementation Letters issued pursuant to Section 3.1 herein.

ARTICLE II—PROCUREMENT

SECTION 2.1. Source and Origin. Except as A.I.D. may otherwise agree in writing, disbursements made under this Grant shall be used to finance the procurement of goods and services having their source and origin in the U.S. provided, however, that the prime U.S. contractor(s) selected to carry out the Project may subcontract in an amount not to exceed Two Hundred Twenty Five Thousand United States Dollars (\$225,000) for services having their source and origin in countries listed in Code 935 of the A.I.D. Geographic Code Book where the prime contractor can demonstrate that portions of the study require considerable French language capability which is not available from otherwise qualified United States sources.

SECTION 2.2. Procedures. With respect to activities financed hereunder, A.I.D. and the Grantee will mutually agree, through an exchange of implementation letters, as to the applicable procurement procedures.

SECTION 2.3. Utilization of Goods and Services. Except as A.I.D. may otherwise agree in writing, goods and services financed under this Agreement shall be used exclusively for the Project and no goods or services financed hereunder may be used to promote or assist any foreign aid 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 use.

SECTION 2.4. Plans, Specifications, and Contracts.

(a) Except as A.I.D. may otherwise agree in writing, the Grantee shall furnish to A.I.D. promptly upon preparation the final terms of reference for the study to be financed under the Grant, the list of prequalified contractors, requests for proposals, and contracts relating to the Project to be financed by A.I.D. and any modifications therein.

(b) Except as A.I.D. may otherwise agree in writing, all of the documents required to be furnished to A.I.D. pursuant to subsection (a) above shall be approved by A.I.D. in writing.

(c) All documents related to the solicitation of proposals relating to goods and services financed under the Grant shall be approved by A.I.D. in writing prior to their issuance.

(d) All contracts and sub-contracts financed under the Grant shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts including, but not limited to, major changes in the general scope of work of the study previously approved by A.I.D. and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

ARTICLE III—DISBURSEMENTS

SECTION 3.1. Method of Disbursement.

(a) Upon written request of the Grantee A.I.D. may arrange for the issuance of letters of commitment in specified amounts to one or more U.S. banks, as designated by the Grantee, to cover the disbursements, through letters of credit, for the activities undertaken under this Grant Agreement.

(b) Upon the written request of the Grantee, A.I.D. may establish through letters of implementation, procedures for direct payment and/or reimbursement of the Grantee for disbursements for studies financed hereunder.

SECTION 3.2. Terminal Date of Disbursement. Except as A.I.D. may otherwise agree in writing, no letter of commitment or other commitment documents shall be issued in response to a request received by A.I.D. for the funding of the project after thirty (30) months, and no disbursement shall be made against documentation received by A.I.D. or any bank after thirty-six (36) months from the date of this agreement. Any funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated, shall revert to A.I.D.

ARTICLE IV—GENERAL COVENANTS

SECTION 4.1. Grantee Responsibility. The Grantee will be fully responsible for compliance with the Grant Agreement and, unless otherwise mutually agreed, for all awards, payments, negotiations, contracts, performance, evaluations, host country relationships, and other implementation aspects of the activities financed under this Agreement and shall cause the project to be carried out in conformity with all of the contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D.

SECTION 4.2. Approval of Project by Host Countries. Prior to the commencement of the information gathering activities to be financed under this Agreement, the Grantee shall secure the written approval by the Host Countries of the terms of reference of the Study Contract and of the publication of the data to be collected including that gathered through the use of remote sensing techniques. The Grantee shall furnish A.I.D. with copies of such approvals.

SECTION 4.3. Taxes.

(a) If A.I.D. or any public or private organization furnishing commodities through A.I.D. financing for operations hereunder in any of the Host Countries is under the laws, regulations or administrative procedures of such State, liable for customs duties or import taxes on commodities imported into that State for the purpose of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by international agreement.

(b) If any personnel (other than citizens and permanent residents of the Host Country) whether United States Government employees, or employees of public or private organizations under contract with A.I.D., the Grantee, a Host Country or any other agency authorized by a Host Country, who are present in such Host Country to provide services which A.I.D. has agreed to furnish or finance under this Agreement, are, under the laws, regulations, or administrative procedures of such State (i) liable for income or social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States, (ii) liable for property taxes on personal property intended for their own use, or (iii) liable for the payment of any tariff or duty upon personal or household goods brought into the Host Country for their own personal use, the Grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

SECTION 4.4. Travel within Host Countries. The Grantee will take such steps as may be necessary to facilitate entry and travel within the Host Countries for purposes of allowing persons to perform duties, functions and services under this Grant Agreement.

SECTION 4.5. Consultation. The Grantee and A.I.D. shall consult as frequently as necessary concerning the execution of this Grant

Agreement and the implementation of the activities contemplated by the Agreement.

SECTION 4.6. Reports. The Grantee shall keep A.I.D. currently informed as to the status, including the planning and implementation of the project, and will submit to A.I.D. such reports relating thereto as A.I.D. may reasonably request.

SECTION 4.7. Convertibility of Funds. The Grantee will make such arrangements as may be necessary so that funds introduced into the Host Countries by A.I.D. or any public or private agency for the purpose of carrying out obligations of A.I.D. hereunder shall be convertible into currency of that State at the highest rate which, at the time conversion is made, is not unlawful in the Host Country.

SECTION 4.8. Refund. If A.I.D. determines that any disbursement or expenditure charged to this Grant was not made, used, or applied in accordance with the terms of this Agreement, the Grantee agrees to refund to A.I.D. within thirty (30) days after receipt of a request, therefore, the amount thereof, provided that A.I.D.'s request is made not later than five (5) years after final disbursement under this Grant.

SECTION 4.9. Inspection and Audit. The parties hereto shall have the right at any time to observe operations carried out under this Grant Agreement. It is agreed that a financial audit of the project will be made by the two parties within six months after final disbursement under this Agreement and a report on the findings made. Any party, including representatives of A.I.D. or the Controller General of the United States, during the term of the Grant and three years after final disbursement under this Agreement shall further have the right:

(a) To examine any property procured through financing by that party under this Grant Agreement, wherever such property is located; and,

(b) To inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Grant Agreement, wherever such records may be located and maintained. Financial records, including documentation to support entries on accounting records and to substantiate charges to the Grant, shall be kept in accordance with generally accepted accounting practices. Such records shall be maintained and neither destroyed nor otherwise disposed of until three (3) years after final disbursement under this Grant Agreement, or, if questions about expenditures are raised on audit or otherwise within such time, until all such questions have been resolved. Each party, in arranging for any disposition of any property procured through financing by the other party under this Grant Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which financed the procurement of the property.

SECTION 4.10. Interest Earned on Grant Funds. The Grantee agrees that if the use of funds provided under this Grant results in the accrual of interest income to the Grantee, or any other person or organization to whom such funds are made available in carrying out the purposes of the Grant, the Grantee shall pay to A.I.D. an amount equal to the amount of interest accrued.

ARTICLE V—MISCELLANEOUS

SECTION 5.1. Termination. Either party may terminate this Grant Agreement by giving the other party sixty (60) days written notice of intention to terminate it. Termination of this Grant Agreement shall terminate any obligations of the parties to make contributions pursuant to this Grant Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Grant Agreement. It is expressly understood that the other requirements under this Grant Agreement shall remain in force after such termination.

SECTION 5.2. Language of Agreement. This Agreement is prepared in the English language. An official translation will be prepared in the French language by A.I.D. at the request of the Grantee. The English language version shall be considered controlling for purposes of interpretation.

SECTION 5.3. Applicable United States Laws and Regulations. It is expressly understood that notwithstanding anything in this Grant Agreement to the contrary, A.I.D. shall expend funds and carry on operations pursuant to this Grant Agreement only in accordance with the applicable laws and regulations of the United States Government.

SECTION 5.4. Successor and Assignments. This Grant Agreement shall be binding upon and inure to the benefit of any successor of A.I.D. This Agreement may not be assigned nor may any obligations hereunder be delegated by the Grantee without the written consent of A.I.D.

SECTION 5.5. Entry into Force. This Grant Agreement has been prepared in multiple identical copies which have been distributed by A.I.D. to the Grantee. This Grant Agreement shall be in full force and effect upon the signing of a single or separate identical copies of all of the parties hereto. Should any party so request, each of the parties hereto agrees to reexecute this Agreement so as to provide each party with a fully executed form of agreement.

SECTION 5.6. Completion Report. Upon completion of the project, a completion report shall be drawn up, signed by appropriate representatives of A.I.D. and the Grantee. The completion report shall provide a record of the activities carried out, the objectives achieved and related basic data. A.I.D. and the Grantee shall furnish the other with such information as may be needed to determine the

nature and scope of operations under this Grant Agreement to evaluate the effectiveness of such operations. The Grantee agrees to transmit written appraisals of any contractor's performance to A.I.D. on completion of such performance.

SECTION 5.7. Assignment of Cause of Action. The Grantee agrees to execute an assignment to A.I.D., upon request, of any cause of action which may accrue to it in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by A.I.D. under this Grant Agreement.

SECTION 5.8. Implementation Letters. A.I.D. may from time to time issue implementation letters that will prescribe the procedures applicable in connection with the implementation of this Agreement.

SECTION 5.9. Representatives. For all purposes relevant to this Agreement, A.I.D. will be represented by the individual holding or acting in the office of Director, Regional Economic Development Services Office, West Africa, and the Grantee will be represented by the individual holding or acting in the office of President.

SECTION 5.10. Communications. Any notice, request, document, or other communication given, made, or sent by the Grantee or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram 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 to such party by hand or by mail, telegram, cable, or radiogram at the following addresses:

To GRANTEE:

Mail Address: Director of Operations
African Development Bank
B.P. 1387
Abidjan, Ivory Coast
AFDEV ABIDJAN

Cable Address:

To A.I.D.:

Mail Address: Director, Regional Economic
Development Service
B.P. 1712
Abidjan, Ivory Coast
AMEMBASSY ABIDJAN

Cable Address:

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its respective duly authorized representatives have caused this Grant Agreement to be signed in their names and delivered as of the day and year first written above.

UNITED STATES OF AMERICA

AFRICAN DEVELOPMENT BANK

By ROBERT S. SMITH

By A LABIDI

Name Robert S. Smith
Title U.S. Ambassador to
the Ivory Coast

Name A. Labidi
Title President

Date

Date

TIAS 8698

ANNEX I

Project Description

As part of a larger international program of coordinated activities in the countries affected by ONCHOCERCIASIS, the project financed under this Grant will consist of an information gathering and data collation activity to be carried out in Benin, Ghana and Upper Volta for the purpose of augmenting and making readily available basic information on land use, land suitability, climate, surface and ground water in those countries.

The AFDB shall contract for the services of a United States firm specialized in remote sensing technology to carry out the activity which is further described below.

SCOPE OF STUDY

Although considerable information is available on land use, land suitability, ground water/surface water and climatology in the region, that information is scattered and not in readily usable form. The LANDSAT-related study will pull together existing information, complement it with information from LANDSAT satellites, and produce a final product that will provide an extensive data base for project planning. The study will include a land use survey, a land suitability survey, surface and ground water studies and a climatology study. The products of the land use survey will be land use maps at 1: 200,000, with overlays for each main land use, and statistical data for each land use category. The land suitability survey (also 1: 200,000) will be a description of the soil resources of the areas, classified in accordance with their use and productive capacity, and ranked in order of the combined economic and social benefits that would accrue as a result of their exploitation. It is foreseen that the survey will assist in the determination of developmental priorities and indicate potential areas for specific investments. The surface and ground water studies will provide information on existing bodies of surface water (including streams and ponds) and their variation in the dry seasons, on the location of existing wells, and on potential ground water sources. One product will be water exploration guide maps indicating priority areas with a high probability of finding ground water resources essential for settlement.

The climatology study will combine data from weather satellites with ground truthing and soil data to estimate the potential production of areas with forest, food and fiber. The climatological report will describe climatological characteristics, the relationship between weather and yield potential in the past ten years, and a weather-yield forecast for the forthcoming three years.

A.I.D. will provide such short term technical assistance as may be required by the Grantee in preparation of the terms of reference of the above described study and in the evaluation of project proposals.

This Annex may be modified by written agreement between the parties.

EGYPT

Public and Private Sector Productive Enterprises

*Agreement signed at Cairo July 29, 1976;
Entered into force July 29, 1976.*

A.I.D. Loan 263-K-035

LOAN AGREEMENT AMONG THE UNITED STATES OF AMERICA THE ARAB REPUBLIC OF EGYPT AND THE DEVELOPMENT INDUSTRIAL BANK OF EGYPT

Dated: JULY 29, 1976

(6971)

TIAS 8699

Loan agreement dated the 29th day of July 1976 among the ARAB REPUBLIC OF EGYPT ("Borrower"), the DEVELOPMENT INDUSTRIAL BANK OF EGYPT ("Bank") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower pursuant to the Foreign Assistance Act of 1961, as amended, [¹] an amount not to exceed Thirty-two Million United States Dollars (\$32,000,000) ("Loan") to assist the Borrower and the Bank in financing the foreign exchange costs of goods and services required to carry out the Project referred to in Section 1.02 ("Project"). The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 1.02. The Project. Project funds shall be reloaned by the Borrower to the Bank so that the Bank can provide public and private sector productive enterprises in Egypt (hereinafter referred to as "Sub-borrowers") with foreign exchange credits in the form of sub-loans ("Sub-loans") evidenced by sub-loan agreements ("Sub-loan Agreements") for the purchase of United States capital goods and related services needed to carry out productive investment. The Project is more fully described in Annex 1, attached hereto, which Annex may be modified in writing by the parties designated in Section 9.02 hereof.

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 7.03), 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 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 (9½) years after the date on which the first interest payment is due in accordance with Section 2.01.

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

A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan. The Borrower's obligation pursuant to this section shall not be affected by any non-performance by the Bank of its obligations under the Reloan Agreement.

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 Controller, Agency for International Development, Washington, D.C., U.S.A., and shall be deemed made when received by the Office of the Controller.

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 agrees 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 the country of the Borrower.

SECTION 2.06. Reloan by Borrower to Bank. In order to assist the Bank in carrying out the Project, the Borrower shall relend to the Bank the proceeds of the Loan under a reloan agreement ("Re-loan Agreement") to be entered into between the Borrower and the Bank under terms and conditions satisfactory to A.I.D. Unless A.I.D. otherwise agrees in writing such terms and conditions shall include, but not be limited to, repayment by the Bank to the Borrower within twenty (20) years, including a grace period of not to exceed three (3) years, and an interest rate of not less than eight percent (8%). Repayments shall be made at least semi-annually in approximately equal payments of interest or interest and Principal. Said repayments shall be in Egyptian Pounds, or such other currency as may be at the time lawful tender in the country of the Borrower ("Local Currency"). The amount of each repayment in Local Currency shall be calculated by applying to the United States Dollar amount of the repayment due on any given date the official rate of exchange between the United States Dollar and the Egyptian Pound in effect on that date.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Borrower shall, 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 the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the corresponding Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that they constitute valid and legally binding obligations of the Borrower in accordance with all of their terms;
- (b) An opinion of the chief legal officer of the Bank, or of other counsel acceptable to A.I.D., that this Agreement and the corresponding Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of the Bank, and that they constitute valid and legally binding obligations of the Bank in accordance with their terms;
- (c) A statement of the names of the persons authorized to represent the Borrower and the Bank as specified in Section 9.02, and a specimen signature of each person;
- (d) A Reloan Agreement satisfactory to A.I.D. for the Project between the Borrower and the Bank pursuant to Section 2.06 and duly authorized or ratified by all necessary corporate and governmental action;
- (e) Evidence that sufficient Local Currency financing for the Project is or will be available;
- (f) Evidence that the staff and management of the Bank of Alexandria ("BOA") Department called Special Services to Private Industrial Sector ("SSPIS") have been transferred to the Bank and that the senior staff of SSPIS is committed to remain with the Bank for not less than two years;
- (g) Evidence that BOA has transferred its portfolio of industrial term loans to the Bank and that the prospects for portfolio repayments are adequate to permit the Bank to repay the Reloan;
- (h) A copy of all Statutes, Articles of Association, term lending guidelines, Statements of Policy and all other documents affecting the management, administration and general policy of the Bank (which documents are hereinafter collectively referred to as "Bank Documents").
- (i) Such other documentation as A.I.D. may require.

SECTION 3.02. Terminal Dates for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Bank and the Borrower. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

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

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Bank shall carry out the Project with due diligence and efficiency, and in conformity with sound economic, technical, financial, administrative and investment standards and practices.

(b) The Bank shall cause the Project to be carried out in conformity with all of the plans, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower and Bank. The Borrower and the Bank shall provide promptly as needed all funds including Egyptian Pounds, in addition to the Loan, and all other resources required for the punctual and effective carrying out of the Project.

SECTION 4.03. Continuing Consultation. The Borrower, the Bank and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, they shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Bank of its obligations under this Agreement, the performance of any consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project. The Bank and A.I.D. shall hold Annual Project Evaluations, the first to be approximately one year from the signing of this Agreement. The Bank shall promptly inform A.I.D. of any condition which interferes or threatens to interfere with the satisfactory progress of the Project.

SECTION 4.04. Management and Assignment. The Borrower and the Bank shall provide qualified and experienced management for the Project assisted by other qualified personnel in adequate number, and it shall train such staff as may be appropriate for the maintenance and operation of the Project. The Borrower and the Bank agree that the staff and management of SSPIS shall be transferred from BOA to the Bank, and that the transfer of senior staff members will be effective for at least a two-year period.

SECTION 4.05. Project Implementation. Borrower shall cause to be carried out and the Bank shall carry out the Project in conformity with sound administrative practices, and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

SECTION 4.06. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions re-

lating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Borrower, the Borrower shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

SECTION 4.07. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.08. Disclosure of Material Facts and Circumstances.

The Borrower and the Bank represent and warrant that all facts and circumstances that they have disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that they have disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of their obligations under this Agreement. The Borrower or the Bank shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of their obligations under this Agreement.

SECTION 4.09. Commissions, Fees, and Other Payments.

(a) The Borrower and the Bank warrant and covenant that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, they have not paid, and will not pay or agree to pay, nor to the best of their knowledge has there been paid nor 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 the Borrower's or Bank's full time officers and employees or as compensation for bona fide professional, technical, or comparable services. They shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which they are a party or of which they have knowledge (indicating whether such payment has been made or is to be made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower and the Bank warrant and covenant that no payments have been or will be received by them or any official of theirs, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in the country of the Borrower.

SECTION 4.10. Maintenance and Audit of Records. The Borrower and the Bank shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project and each sub-project thereunder.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.11. Reports. The Borrower and the Bank shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

SECTION 4.12. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's and the Bank's books, records, and other documents relating to the Project and the Loan. The Borrower and the Bank shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Borrower for any purpose relating to the Loan.

ARTICLE V Procurement

SECTION 5.01. Procurement from the United States. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Sections 7.01 and 7.02 shall be used exclusively to finance the procurement for the Project of Eligible Items including ocean shipping and marine insurance having both their source and origin in the United States of America.

SECTION 5.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to July 1, 1976.

SECTION 5.03. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Section 5.01 will be set forth in detail in Implementation Letters.

SECTION 5.04. Eligible Projects. The Bank will submit to A.I.D. a list of categories of development projects eligible to receive Sub-loans. The list shall be satisfactory to both the Bank and A.I.D. and

may be amended from time to time as they may agree. All Sub-loans made shall be within the categories listed.

SECTION 5.05. Reasonable Price. No goods or services may be financed, in whole or in part, under the Loan, unless they have been procured at a reasonable price, which should normally approximate the lowest competitive price for the item procured, quality, cost and time of delivery and other factors considered. Except as A.I.D. may otherwise agree in writing procurements will be based upon solicitation of a reasonable number of suppliers.

SECTION 5.06. Shipping and Insurance.

(a) Goods financed under the Loan shall be transported to the country of the Borrower only on flag carriers of a country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) Unless A.I.D. shall determine that privately owned United States-flag commercial vessels are not available at fair and reasonable rates for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed under the Loan which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported to Egypt on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

(c) Marine insurance on United States goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate, and (ii) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the government of the Borrower, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the cooperating country financed under the Loan shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(d) The Borrower or the Bank shall insure, or cause to be insured, all goods and services financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and shall insure the full value of the goods. Any indemnification received by the Borrower or the Bank under such insurance shall be used to replace or repair any material damage or

any loss of the goods insured or shall be used to reimburse the Bank for the replacement or repair of such goods. Any such replacements shall have their source and origin in the United States of America and shall be otherwise subject to the provisions of this Agreement.

SECTION 5.07. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Bank shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 5.08. Information and Marking. Borrower and the Bank shall give publicity to the Loan and the Project as a program of United States aid, identify the Project sites, and mark goods financed under the Loan, as prescribed in Implementation Letters.

ARTICLE VI

Additional Covenants and Warranties

SECTION 6.01. Sub-Loan Approvals and Conditions. Unless A.I.D. shall otherwise agree in writing, the Bank hereby covenants:

(a) To submit to A.I.D. for approval all proposed Sub-loans with a total foreign exchange requirement in excess of \$250,000 prior to the execution thereof. Such submissions shall contain a description of the Sub-borrower and an appraisal of the project (including a description of the proposed investment, including all goods and services proposed to be financed hereunder), the proposed terms, conditions and amortization schedule of the Sub-loan, and such other terms and conditions as A.I.D. shall reasonably request.

(b) To consult with A.I.D. prior to the commencement of evaluation of, or the processing of the Sub-loan for, any new project with a total foreign exchange requirement of \$500,000, or any existing project with a total foreign exchange requirement of \$1,000,000.

(c) To submit to A.I.D. for approval any material change proposed to be made in a Sub-loan approved by A.I.D. pursuant to Section 6.01(a). The Bank shall consult with A.I.D. with respect to any material change in any Sub-loan concerning which A.I.D. was consulted pursuant to Section 6.01(b).

(d) To sub-lend the Loan proceeds to Sub-borrowers on terms calling for repayment in not more than fifteen (15) years, including a grace period of not to exceed three (3) years, an interest rate not less than ten percent (10%) per annum, and maintenance of value tied to the U.S. Dollar.

(e) That Sub-borrowers will not be required to make security deposits on their Sub-loans.

(f) That at least 65% of the Loan funds will be used to finance the Sub-loans of private industrial Sub-borrowers.

(g) That Sub-loans will be made only for productive enterprises having not less than a 15% projected internal rate of return.

(h) That the total amount of loans or other funds made available from total Bank resources, regardless of the source of funds, to any one person or entity during the first two years after execution of the Loan shall not exceed ten percent (10%) of the Bank's total outstanding portfolio at any given time, and thereafter shall not exceed five percent (5%) of such portfolio.

(i) That no Sub-loans will be made for use in activities forbidden by A.I.D. such as gambling facilities, public safety, military-use items, weather modification and such other activities as A.I.D. may specify in Implementation Letters.

(j) To maintain a reserve against bad debts of no less than two percent (2%) per year on the balance of all outstanding Sub-loans, regardless of the source of funds.

SECTION 6.02. Actions of Borrower. The Borrower shall not take or permit any of its political subdivisions, or any of its agencies or instrumentalities, or any agency or instrumentality of any of its political subdivisions, to take any action which would prevent or materially interfere with the performance by the Bank of any of its obligations under this Agreement or the Reloan Agreement, and shall take or cause to be taken all reasonable action which shall be required on its part in order to enable the Bank to perform such obligations.

SECTION 6.03. Permits and Licenses. The Bank and the Borrower shall issue or cause to be issued, promptly as needed, all permits, import licenses and all other authorizations required for the carrying out of the Project.

SECTION 6.04. Protection of Interests of Borrower and A.I.D. The Borrower shall exercise its rights under the Reloan Agreement in such manner as to protect the interests of the Borrower, the Bank, and of A.I.D. and to accomplish the purposes of the Loan, and except as A.I.D. shall otherwise agree in writing, the Borrower shall not assign, nor amend, abrogate or waive the Reloan Agreement or any provision thereof.

SECTION 6.05. Relationship with Sub-Borrowers.

(a) The Bank shall establish by written Sub-loan Agreement with Sub-borrowers or by other appropriate legal means, rights adequate to protect the interests of A.I.D. and the Bank including, but not limited to, the right of the Bank to: (i) require the Sub-borrowers to carry out and operate investment projects with due diligence and efficiency and in accordance with sound, technical, financial and managerial standards and to maintain adequate records; (ii) require that: (1) the goods and services to be financed out of the proceeds of the Loan shall be purchased in the United States at a reasonable price, account being taken also of other relevant factors such as time of delivery and efficiency and reliability of the goods and availability of maintenance facilities and spare parts therefor, and, in the case of services, of their quality and the competence of the parties rendering them; and (2) such goods and services shall be used exclusively in

the carrying out of the applicable approved investment project; (iii) inspect, by itself or jointly with representatives of A.I.D. if A.I.D. shall so request, such goods and the sites, works, plants and construction included in the Project, the operation thereof, and any relevant records and documents; (iv) require that: (1) the Sub-borrower shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be consistent with sound business practice; and (2) without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of goods financed out of the Loan to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Sub-borrower to replace or repair such goods; (v) obtain all such information as the Bank or A.I.D. shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Sub-borrower and (vi) suspend or terminate the right of the Sub-borrower to the use of the proceeds of the Sub-loan upon failure by such Sub-borrower to perform its obligations under the Sub-loan.

(b) The Bank shall exercise its rights in relation to each project financed hereunder so as to protect the interests of the Bank and A.I.D., comply with its obligations under this Agreement, and achieve the purposes of the Project.

SECTION 6.06. Training of Staff. The Bank shall prepare and furnish to A.I.D. for its approval not later than December 31, 1976, or such other date as shall be agreed with A.I.D., a program for the training of the Bank's staff in development banking practices and project appraisal and supervision. The Bank shall carry out said training program as approved by A.I.D.

SECTION 6.07. Bank Operations. The Bank shall make Sub-loans and otherwise conduct its operations in strict conformity with the Bank Documents referred to in Section 3.01(h). The Bank shall make no amendments to any such Bank Documents approved by A.I.D. pursuant to Section 3.01(h) without the prior written approval of A.I.D.

SECTION 6.08. Protection of the Bank's Assets. Except as A.I.D. may otherwise agree in writing, the Bank shall not sell, lease, transfer, encumber or otherwise dispose of any of its property or assets, except in the ordinary course of business; and shall take all action necessary to protect such property and assets, to maintain its corporate existence and right to carry on operations and to acquire, maintain and renew all rights, powers, privileges and franchises necessary or useful in the conduct of its business.

SECTION 6.09. Audited Statements. The Bank shall (i) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with sound auditing principles consistently applied by auditors acceptable to A.I.D.; (ii) furnish to A.I.D. as

soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors, of such scope and in such detail as A.I.D. shall have reasonably requested; (iii) furnish to A.I.D. such other information concerning the accounts and financial statements of the Bank and the audit thereof as A.I.D. shall from time to time reasonably request; and (iv) grant A.I.D. the right, upon A.I.D.'s request, to discuss the Bank's financial statements and its financial affairs at any time and from time to time with the Bank's auditors, and the Bank shall authorize and require any representative of such auditors to participate in any such discussions, provided, however, that any such discussion shall be conducted only in the presence of an officer of the Bank except as the Bank shall otherwise agree.

SECTION 6.10. Bank Payments. The Bank shall not make any repayment in advance of maturity in respect of any outstanding debt which materially affects its ability to meet its financial obligations.

SECTION 6.11. Equity of the Bank. The Bank shall take such measures as are necessary to expand its equity base should loans disbursed and outstanding at any time having maturities exceeding one year equal or exceed six times the amount of unimpaired paid-up capital, surplus and free reserves of the Bank and subsidiaries after excluding therefrom such amounts as shall represent equity interests of the Bank in any subsidiary or of any subsidiary in the Bank or other subsidiary; provided that prior to taking any such measures the Bank shall obtain the written approval of A.I.D.

ARTICLE VII

Disbursements

SECTION 7.01. Disbursement for United States Dollar Costs—Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the Bank may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by such bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Bank and may be financed under the Loan.

SECTION 7.02. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Bank and A.I.D. may agree to in writing.

SECTION 7.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to the Borrower, the Bank, to their designee, or to a banking institution pursuant to a Letter of Commitment. In the event of a disbursement under Section 7.02 hereof, the date of disbursement shall be designated in the documentation by which the parties agree to such disbursement, provided, in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or delivers property into the control of the Borrower, the Bank, or their designee.

SECTION 7.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.02, or amendment thereto, shall be issued in response to requests received by A.I.D. after December 31, 1978 and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 after December 31, 1979. A.I.D., at its option, may at any time or times after said dates, reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. 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 or the Bank 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 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 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 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 unrepaid Principal and any accrued interest hereunder 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 8.03. 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. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower or the Bank will be able to perform its obligations under this agreement;
- (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 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 or any of its agencies and the Government of the United States or any of its agencies; The A.I.D. may, at its option:
 - (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
 - (ii) decline to make disbursements other than under 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 shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been offloaded in ports of entry of the country of the Borrower. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 8.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 8.03, 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 8.05. 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 until the payment in full of all Principal and any accrued interest hereunder.

SECTION 8.06. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not confirm to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECTION 8.07. 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 8.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 8.08. 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 IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document, or other communication given, made, or sent by the Bank, the Bor-

rower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram 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 to such party by hand or by mail, telegram, cable, or radiogram at the following addresses:

To BANK:

Mail Address: Industrial Development Bank
110, Galat Street
Cairo, Egypt

To BORROWER:

Mail Address: Ministry of Economy and Economic Cooperation
8, Adly Street
Cairo, Egypt

Cable Address: 8, Adly Street
Cairo, Egypt

To A.I.D.:

Mail Address: Director, USAID, c/o U.S. Embassy,
Cairo, Egypt

Cable Address: U.S. Embassy, Cairo

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Economy and Economic Cooperation, the Bank will be represented by the individual holding or acting in the office of the Chairman of the Board of Directors, and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID, Cairo, Egypt. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, the Borrower and the Bank shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower or the Company designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable here under in connection with the implementation of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower, the Bank, and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower, the Bank, and the United States of America, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By M. Z. SHAFEI

Name: Dr. Mohamed Zaki
Shafei

Title: *Minister of Economy and
Economic Cooperation*

DEVELOPMENT INDUSTRIAL
BANK OF EGYPT

By A. KABODAN

Name: Mr. A. H. Kabodan
Title: *Chairman, Board of Di-
rectors*

UNITED STATES OF AMERICA

By HERMANN FR. EILTS

Name: Hermann Fr. Eilts

Title: *American Ambassador*

ANNEX 1

Description of Project

The Project shall consist of:

1. Sub-loans of foreign exchange credits made by the Bank to public and private sector enterprises in Egypt ("Sub-borrowers") for the purchase of United States goods and services needed for productive investment.
2. Technical assistance including, but not limited to, the following areas:
 - (a) A procurement advisor for approximately one year.
 - (b) A senior development banking advisor for approximately three years.

TIAS 8699

- (c) A training advisor for approximately one and one-half years to assist in the design and implementation of a training program for the Bank.
- (d) Training of the senior staff of the Bank in other development banks and attendance at seminars on development banking and related areas.
- (e) Technical assistance related procurement workbooks and other material related to the Bank's training program, a modest library, calculators and other office equipment.

EGYPT
Helwan-Talka Gas Turbine Project

*Agreement signed at Cairo July 31, 1976;
Entered into force July 31, 1976.*

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A.I.D.: Loan 263-K-032

**LOAN AGREEMENT
AMONG
THE UNITED STATES OF AMERICA
THE ARAB REPUBLIC OF EGYPT
AND
THE EGYPTIAN ELECTRIC POWER AUTHORITY
FOR
THE HELWAN-TALKA GAS TURBINE PROJECT**

Date July 31, 1976

Loan agreement dated the 31st day of July 1976 among the ARAB REPUBLIC OF EGYPT ("Borrower") the EGYPTIAN ELECTRIC POWER AUTHORITY ("EEPA") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower pursuant to the Foreign Assistance Act of 1961, as amended,[¹] an amount not to exceed Fifty Million United States Dollars (\$50,000-000) ("Loan") to assist the Borrower in financing the foreign exchange costs of goods and services required to carry out the Project referred to in Section 1.01 ("Project"). Goods and services authorized to be financed hereunder are hereinafter referred to as Eligible Items. The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 1.02. The Project. The Project shall consist of the construction of a 120 MW gas turbine generator plant near the city of Helwan and a 180 MW gas turbine generator plant near the city of Talka, for the purpose of providing interim power generation, scheduled to begin in 1979, until planned thermal power generating plants have been constructed and placed in operation.

The Eligible Items to be financed under the loan shall be listed in the implementation letters referred to in Section 9.03 ("Implementation Letters").

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 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 (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

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

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 Controller, Agency for International Development, Washington, D.C., U.S.A., and shall be deemed made when received by the Office of the Controller.

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 agrees 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 the country of the Borrower.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Borrower shall, 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 the Minister of Justice 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 EEPA, and that it constitutes a valid and legally binding obligation of the Borrower and EEPA in accordance with all of its terms.

(b) A statement of the names of the persons authorized to represent the Borrower and EEPA as specified in Section 8.02, and a specimen signature of each person;

(c) Evidence that satisfactory arrangements have been made among the pertinent Government agencies and entities to carry out, operate, and maintain the project as planned.

(d) Evidence that the proceeds of the Loan will be reloaned to EEPA at an interest rate set pursuant to Section 4.05.

(e) An executed contract for consulting engineering services for the Project with a firm acceptable to A.I.D.

(f) Such other documentation as A.I.D. may require.

SECTION 3.02. Conditions Precedent to Disbursement for Specific Goods or Services. Prior to any disbursement or to the issuance of

any letter of Commitment under the Loan for any other reason than to finance the services of a consulting engineer for the Project, the Borrower shall, 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) Evidence that all Egyptian currency required for the first fiscal year in which funds will be required, in an amount based on the estimate of the consulting engineer, and as approved by EEPA, have been budgeted by the Borrower and are available for expenditure by EEPA.
- (b) An executed contract for the supply, erection, construction and related services of gas turbine generator plants at Helwan and Talka.
- (c) Evidence that EEPA has obtained, from the Cairo Municipal Authority, full title to the Helwan plant site.
- (d) Evidence that EEPA has acquired, by purchase or condemnation, full title to the additional land required for the Talka plant site, in accordance with the consulting engineer's recommendation.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Borrower. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting of 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 and 3.02 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound construction, engineering, financial, and administrative practices.

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower. The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective carrying out, maintenance, repair, and operation of the Project.

SECTION 4.03. Continuing Consultation. The Borrower, EEPA, and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, they shall from time to time,

at the request of any party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower and EEPA of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project. The Borrower and EEPA shall review with A.I.D. the recommendations of the consultants presently working with the United Nations Development Program in Egypt to study the Egyptian power sector.

SECTION 4.04. Financial Planning. Except as A.I.D. and the Borrower may otherwise agree in writing, the Borrower shall assure adequate long-term financing for EEPA's expansion program which has been authorized and for any modifications and additions to such program. Within three years from the date of the Agreement, the financing so provided will be divided between equity contributions and loans in such a manner that after the completion of disbursements under the Loan the debt to equity ratio will be no greater than 1.5:1. Also, within three years from the date of this Agreement EEPA system-wide tariffs shall be set at a level high enough to produce an annual rate of return of 9 percent per annum on average net fixed assets of EEPA in operation, appropriately valued and revalued from time to time.

SECTION 4.05. Interest Rate on Reloans to EEPA. The Borrower agrees to relend the proceeds of the Loan to EEPA at an interest rate not less than that set by the Council of Ministers pursuant to Article 6 of the Law for the setting up of the Egyptian Electric Power Authority, published February 12, 1976.

SECTION 4.06. Management. The Borrower shall provide qualified and experienced management for the Project, and it shall train such staff as may be appropriate for the maintenance and operation of the Project.

SECTION 4.07. Operation and Maintenance. The Borrower shall operate, maintain, and repair the Project in conformity with sound engineering, financial, and administrative practices, and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

SECTION 4.08. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Borrower, the Borrower shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than than provided under the Loan.

SECTION 4.09. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other times as goods financed under the Loan can no longer usefully be employed for the Project, the Borrower may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.10. Disclosure of Material Facts and Circumstances.

The borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's obligations under this Agreement.

SECTION 4.11. Commissions, Fees, and Other Payments.

(a) Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to 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 nor 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 the Borrower's full time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indication whether such payment has been made or is to be made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in the country of the Borrower.

SECTION 4.12. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound

accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.13. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

SECTION 4.14. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's records, and other documents relating to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Borrower for any purpose relating to the Loan.

SECTION 4.15. Investment Guaranty Project Approval by Borrower. The construction work to be financed under this Agreement is hereby stated to be a project approved by the Government of Borrower pursuant to the agreement between the Government of Egypt and the Government of the United States of America on the subject of investment guaranties, and no further approval by the Government of Egypt shall be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

ARTICLE V

Procurement

SECTION 5.01. Procurement from Selected Free World Countries. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of Eligible Items including ocean shipping and marine insurance having both their source and origin in the United States of America.

SECTION 5.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan

which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 5.03. Goods and Services Not Financed Under Loan.
Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 5.04. Implementation of Procurement Requirements.
The definitions applicable to the eligibility requirements of Sections 5.01 and 5.03 will be set forth in detail in Implementation Letters.

SECTION 5.05. Plans, Specifications, and Contracts.

(a) Except as A.I.D. may otherwise agree in writing, the Borrower shall furnish to A.I.D. promptly upon preparation, all plans, specifications, schedules, bid documents, and contracts relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan.

(b) Except as A.I.D. may otherwise agree in writing, all of the plans, specifications, and schedules furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.

(c) All bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance. All plans, specifications, and other documents relating to goods and services financed under the Loan shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

(d) All contracts financed under the Loan shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the selection of the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

SECTION 5.06. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 5.07. Shipping and Insurance.

(a) Goods financed under the Loan shall be transported to the country of the Borrower only on flag carriers of a country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) Unless A.I.D. shall determine that privately owned United States-flag commercial vessels are not available at fair and reasonable rate for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry

cargo liners and tankers) financed under the Loan which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported to Egypt on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

(c) Marine insurance on United States goods may be financed under the Loan with disbursements made pursuant to Section 6.01, provided (i) such insurance is placed at the lowest available competitive rate, and (ii) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the government of the Borrower, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the cooperating country financed under the Loan shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(d) The Borrower shall insure, or cause to be insured, all Eligible Items financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and shall insure the full value of the goods. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower for the replacement or repair of such goods. Any such replacements shall have their source and origin in the United States of America and shall be otherwise subject to the provisions of this Agreement.

SECTION 5.08. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 5.09. United States Government-owned Excess Property. The Borrower shall utilize, with respect to goods financed under the Loan to which the Borrower takes title at the time of procurement, such reconditioned United States Government-owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time. The Borrower shall seek assistance from A.I.D. and A.I.D. will assist the Borrower in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection of such property by the Borrower or its representative. The costs (of inspection and)

of acquisition, and all charges incident to the transfer to the Borrower of such Excess Property, may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan and after having sought such A.I.D. assistance, the Borrower shall indicate to A.I.D. in writing, on the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

SECTION 5.10. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, identify the Project site, and mark goods financed under the Loan, as prescribed in Implementation Letters.

ARTICLE VI

Disbursements

SECTION 6.01. Disbursement for United States Dollar Costs—Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 6.02. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

SECTION 6.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 6.01, 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. In the event of a disbursement under Section 6.02 hereof, the date of disbursement shall be designated in the documentation by which the parties agree to such disbursement, provided, in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or deliveries property into the control of the Borrower, or its designee.

SECTION 6.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment,

or other commitment documents which may be called for by another form of disbursement under Section 6.02, or amendment thereto shall be issued in response to requests received by A.I.D. after September 30, 1978, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 6.01 after December 30, 1979.

ARTICLE VII

Cancellation and Suspension

SECTION 7.01. Cancellation by the Borrower. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then 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, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- (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 agreement, any guaranty agreement, or any other agreement between the Borrower 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 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 further disbursements made under then outstanding irrevocable Letters of Credit or otherwise 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. 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.;
- (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 agreement, any guaranty agreement, or any 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. may, at its option:
 - (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
 - (ii) decline to make disbursements other than under 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 shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been offloaded in ports of entry of the country of the Borrower. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from 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 until the payment in full of all Principal and any accrued interest hereunder.

SECTION 7.06. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such

amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

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. Communications. Any notice, request, document, or other communication given, made, or sent by the Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram 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 to such party by hand or by mail, telegrams, cable, or radiogram at the following addresses:

TO EEPA:

Mail Address: Cairo, Nasr City
Extension Ramses Street

Cable Address: Electrocop

Telex: 2097 Power UN

TO GRANTEE:

Mail Address: Ministry of Economy and Economic Cooperation
8 Adly Street
Cairo, Egypt

Cable Address: 8 Adly Street
Cairo, Egypt

TO A.I.D.:

Mail Address: Director
c/o U.S. Embassy
Cairo, Egypt

Cable Address: U.S. Embassy, Cairo

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 8.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Economy and Economic Cooperation, EEPA will be represented by the individual holding or acting in the office of Chairman of the EEPA and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Director, Cairo, Egypt. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, the Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 8.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 8.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 8.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower, EEPA and the United States of America, each acting through its respective duly authorized representative have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

By· M. Z. SHAFEI

By· HERMANN Fr. EILTS

Name. Dr. Mohamed Zaki
Shafei

Name. Hermann Fr. Eilts

Title. *Minister of Economy and
Economic Cooperation*

Title. *American Ambassador*

EGYPTIAN ELECTRIC POWER
AUTHORITY

By· K HAMED

Name. Eng. Mohamed Kamel
Hamed

Title. *Chairman*

TIAS 8700

MEXICO
Plant Protection

*Agreement signed at México February 8, 1973;
Entered into force February 8, 1973.
And amending agreements
Signed at Washington and México September 10 and October 9,
1973;
Entered into force October 9, 1973.
And signed at Washington and México July 15 and 24, 1976;
Entered into force July 24, 1976.*

MEMORANDUM OF UNDERSTANDING
between
SECRETARIAT DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL
and
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLANT PROTECTION AND QUARANTINE

Relative to:

**Cooperative efforts to protect crops from plant pest damage
and plant diseases in the Republic of Mexico and the
United States of America through the execution of
cooperative programs**

The purpose of this Memorandum of Understanding is to plan and execute measures directed toward preventing, controlling and/or eradicating plant pests and diseases of economic importance which affect or threaten crops and harvests in Mexico and the United States of America as well as to prevent their dissemination by all possible means.

The United States Department of Agriculture, Animal and Plant Health Inspection Service, Plant Protection and Quarantine, hereinafter called the Service, and the Secretaria de Agricultura y Gana-

deria de Mexico through the Direccion General de Sanidad Vegetal, hereinafter called Sanidad Vegetal, shall apply and accomplish this agreement in accordance with the laws of each country and for the general benefit of the people of Mexico and the United States.

A. The Sanidad Vegetal agrees:

1. To act in preventing, controlling and/or eradicating plant pests and diseases in Mexico in accordance with the powers which the Secretaria de Agricultura y Ganaderia de Mexico, the law of the Secretaria de Estado, the law of Plant and Animal Health, the regulations of the Agricultural Sanitary Police and all the legal regulations in effect grant. It shall meet with representatives of the Service on the development of cooperative programs of mutual interest discussed and approved by the authorized representatives of both countries.
2. For the better development of the approved cooperative programs, Sanidad Vegetal will reinforce its inspection service personnel, with the purpose of correctly applying the applicable quarantines, and when deemed necessary, will authorize the personnel of the Service to collaborate in the planning and execution of these quarantines.
3. To develop the necessary technical activities to assure the success of controlling and/or eradicating plant pests and diseases included in the cooperative programs, utilizing available funds.
4. To provide all the administrative conveniences that are required for the temporary assignment or use in Mexico of technical personnel, equipment, instruments and substances to be used in the development of these authorized programs.
5. To permit the joint payment of salaries or other compensation to its personnel by the Service only in exceptional cases as mutually agreed upon.

B. The Service agrees:

1. To cooperate in preventing, controlling and/or eradicating plant pests and diseases in accordance with work plans mutually agreed upon based on the authority included in the statute establishing the United States Department of Agriculture and related acts, regulations and annual appropriations acts providing funds for the activities of the Service.
2. To provide collaboration in the quarantine works in Mexico in accordance with the work plans mutually agreed upon by authorized representatives of both countries.
3. To provide employees as mutually agreed upon to cooperate with Sanidad Vegetal in preventing, controlling and/or eradicating plant pests and diseases in the cooperative programs or in case of emergency when a harmful biological agent threatens the crops of both countries, in accordance with authority granted by Congress and the United States Department of Agriculture.

4. To continue, in mutual agreement with Sanidad Vegetal, studies regarding new and improved techniques and procedures which might be used for preventing, controlling and/or eradicating plant pests and diseases.
5. To request from Sanidad Vegetal the necessary permits for the temporary use or assignment in Mexico of private company contractors, personnel, equipment, materials, substances, etc. that are necessary for the execution of the cooperative programs.
6. To make joint payment of salaries or other compensations to the personnel of Sanidad Vegetal only in exceptional cases as mutually agreed upon.

C. It is mutually understood and agreed that:

1. The joint planning of the cooperative programs developed on the basis of this agreement, and the approved work plans and procedures will be subject to revision, as mutually agreed upon, as work progresses and experience justifies modification. The two cooperating parties will have copies of these plans, as may be requested.
2. Each of the cooperating parties will prepare periodic reports, as mutually agreed upon, on the accomplishments of the cooperative programs, in accordance with its regulations and will send a copy to the other party.
3. Either party shall be free to use any results obtained in the cooperative programs with the prior approval of the other party. Publications will require prior approval and may be jointly or separately published; in either case, credit will be given to the cooperation and to the persons who performed the work.
4. The results and experience derived from the cooperative programs may be used by either party in making recommendations to the proper authorities of either respective country in revising or modifying existing laws and regulations or to promulgate new laws and regulations to prevent, control and/or eradicate plant pests and diseases.
5. The responsibilities assumed by each of the cooperating parties are contingent upon funds being available from which the expenditures legally may be met.
6. This Memorandum of Understanding is to define in general terms the basis on which the parties concerned will cooperate, and does not constitute a financial obligation to serve as a basis for expenditures. Each party will handle and expend its own funds. Any and all expenditures from Federal funds in the Department of Agriculture made in conformity with the plans outlined in this Memorandum of Understanding must be in accord with Department Rules and Regulations in each instance based upon appropriate financial papers. Ex-

penditures made by the Sanidad Vegetal will be in accord with its rules and regulations.

Funds of the cooperating party shall not be expended by a Federal employee, even though the cooperating party has no representatives stationed in the locality. In such instances the Federal employee may handle the accounts but shall forward the vouchers to the disbursing agent of the cooperating party for payment. The cooperating party should not send checks payable to Federal employees or send them checks payable to "Cash" or "Bearer" for payment of local expenses.

7. The personnel of the Service shall remain under the administrative direction of the Service and will work cooperatively with the personnel of Sanidad Vegetal in the development of the cooperative programs. Personnel of Sanidad Vegetal shall remain under the administrative direction of Sanidad Vegetal.
8. Mexican citizens employed by the Service will be paid by the Service and will be subject to its rules, regulations and policies.
 - (a) Mexican citizen employees will be appointed under the authority of the U.S. Civil Service Commission, Rule 8.3, and shall be paid in accordance with the Mexican Pay Plan approved by the Service and established under Memorandum of Agreement, among the Departments of State, Defense, and Agriculture, USIA and AID, concerning joint compensation plans for local employees overseas. Said employees are subject to the Mexican Labor Laws, in accord with the United States Department of State Regulations applicable to the employment of Mexican Nationals.
 - (b) The number of hours per day and days per week to be worked by such employees and any annual or sick leave with pay granted shall be based on regulations of the Service and the approved Pay Plan. Sanidad Vegetal shall be kept informed.
 - (c) The selection of such personnel to be hired by the Service within the Republic of Mexico to work on preventing, controlling and/or eradicating programs of plant pests and diseases will be by mutual agreement with Sanidad Vegetal.
9. No member of or delegate to Congress or resident commissioner, and no officer, agent or employee of the United States Government, shall be admitted to any share or part of this agreement or to any benefit to arise therefrom.
10. An annual meeting will be held in which progress reports will be presented to the preventing, controlling and/or eradicating of plant pests and diseases included in the

cooperative programs. The site of these meetings will be alternated. One year the meeting will be in the United States in a city near the border chosen by the Service and the following year it will be in Mexico in any city chosen by Sanidad Vegetal.

11. This Memorandum of Understanding shall become effective upon date of final signature and supersedes the one signed on May 10, 1957 and shall continue indefinitely but may be modified by mutual agreement between the parties in writing and may be discontinued at the request of either party. Requests for termination or any major change shall be submitted to the other party for consideration not less than ninety days in advance of the effective date requested for modification or termination.

SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL

B ORTEGA C.
Director

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

F J MULHERN
APHIS Administrator

México, DF., a 8 de febrero 1973.
Date

MEMORANDUM DE ENTENDIMIENTO

entre

SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL

Y

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLANT PROTECTION AND QUARANTINE

Relativo a:

Esfuerzos Cooperativos para proteger las cosechas
de daños causados por plagas y enfermedades de
las plantas en la República de México y en
los Estados Unidos de América a través
de la ejecución de los programas
cooperativos

El objeto de este Memorándum de Entendimiento es el de planear y ejecutar medidas tendientes a la prevención, control y/o erradicación de plagas y enfermedades de las plantas de importancia económica que afectan o amenazan las cosechas y rendimientos en México y en los Estados Unidos de América, así como prevenir su diseminación por todos los medios pibles.

El United States Department of Agriculture, a través de Animal and Plant Health Inspection Service, Plant Protection and Quarantine, en adelante denominado el "Servicio", y la Secretaría de Agricultura y Ganadería de México, a través de la Dirección General de Sanidad Vegetal, en adelante denominada "Sanidad Vegetal", aplicerán y ejecutarán este acuerdo con apego a las leyes de cada país y para el beneficio general de la agricultura en México y Estados Unidos de América.

A. Sanidad Vegetal acuerda:

1. Actuar en la prevención, control y/o erradicación de plagas y enfermedades en México de acuerdo con las facultades que le otorga a la Secretaría de Agricultura y Ganadería de México, la ley de Secretarías de Estado, la ley de Sanidad Fitopecuaria, el reglamento de Policía Sanitaria Agrícola y todos los reglamentos legales en vigor. Se reunirá con representantes del Servicio para discutir el desarrollo de los programas cooperativos de interés mutuo discutidos y aprobados por los representantes autorizados de ambos países.
2. Para mejor desarrollo de los programas cooperativos, Sanidad Vegetal reforzará su personal de servicio de inspección, con el objeto de aplicar correctamente las cuarentenas en vigor, y cuando juzgue necesario, autorizará al personal del Servicio a colaborar en la planeación y ejecución de estas cuarentenas.
3. Llevar a cabo las actividades técnicas necesarias que aseguren el éxito de las operaciones de control y/o erradicación de plagas y enfermedades de las plantas incluidas en los programas cooperativos, utilizando los fondos disponibles.
4. Proporcionar todas las conveniencias administrativas que sean requeridas para la asignación o uso temporal en México del personal técnico, equipo, instrumentos y substancias que serán utilizadas en el desarrollo de estos programas autorizados.
5. Permitir el pago conjunto de salarios u otras compensaciones a su personal por parte del Servicio solamente en casos excepcionales según se acuerde mutuamente.

B. El Servicio acuerda:

1. Cooperar en la prevención, control y/o erradicación de plagas y enfermedades de las plantas de acuerdo con los planes de trabajo mutuamente autorizados, basados en la autoridad incluida en el estatuto que establece el Departamento de

Agricultura de Estados Unidos y actas relacionadas, reglamentos y actas de presupuesto anuales que proporcionan los fondos para las actividades del Servicio.

2. Proporcionar colaboración en los trabajos de cuarentena en México, de acuerdo con los planes de trabajo autorizados por los representantes de ambos países.
3. Proporcionar empleados, según se acuerda mutuamente, para cooperar con Sanidad Vegetal en la prevención, control y/o erradicación de plagas y enfermedades de las plantas en los programas cooperativos, o en caso de emergencia, cuando un agente biológico dañino amenace las cosechas de ambos países de acuerdo con la autoridad concedida por el Congreso y el Departamento de Agricultura de los Estados Unidos.
4. Continuar, en mutuo acuerdo con Sanidad Vegetal, estudios relacionados con las técnicas y procedimientos nuevos y mejorados que pudieran utilizarse para la prevención, control y/o erradicación de plagas y enfermedades de las plantas.
5. Solicitar de Sanidad Vegetal los permisos necesarios para el uso o asignación temporal en México de compañías privadas contratistas, personal, equipo, material, substancias, etc. que sean necesarios para la ejecución de los programas cooperativos.
6. Pagar salarios u otras compensaciones al personal de Sanidad Vegetal únicamente en casos excepcionales y mediante mutuo acuerdo entre ambas partes.

C. Es de acuerdo y entendimiento mutuo que:

1. La planeación conjunta de los programas cooperativos desarrolladas en base a este acuerdo, y los planes y procedimientos de trabajo serán sujetos a revisión, según se acuerda mutuamente, a medida que el trabajo progrese y la experiencia justifique su modificación. Las dos partes cooperantes tendrán copias de estos planes según sean solicitadas.
2. Cada una de las partes cooperantes preparará informes periódicos, según se acuerda mutuamente, sobre los resultados de los programas cooperativos, de acuerdo con sus reglamentos y enviará una copia a la contraparte.
3. Cada parte estará en libertad de utilizar los resultados obtenidos en los programas cooperativos, con la aprobación previa de la contraparte. Las publicaciones requerirán aprobación previa y pueden ser editadas en forma conjunta o separada; en cualquier caso, deberán darse crédito a la cooperación y a las personas que llevaron a cabo el trabajo.
4. Los resultados y la experiencia derivada de los programas cooperativos pueden ser utilizados por cualquiera de las partes al hacer recomendaciones a las autoridades apropiadas de sus respectivos países para la revisión o modificación de las leyes y reglamentos existentes, así como para promulgar nuevas leyes y reglamentos sobre prevención,

- control y/o erradicación de las plagas y enfermedades de las plantas.
5. Las responsabilidades asumidas por cada una de las partes cooperantes son proporcionales a los fondos disponibles por medio de los cuales se deben cumplir con los gastos legalmente.
 6. Este Memorándum de Entendimiento es para definir en términos generales las bases sobre las cuales las partes interesadas cooperarán, y no constituye una obligación financiera que deba servir de base para efectuar gastos. Cada parte administrará y gastará sus propios fondos. Todo gasto hecho de los fondos federales en el Departamento de Agricultura, de conformidad con los planes descritos en este Memorándum de Entendimiento, debe cumplir con las reglas y reglamentos del Departamento y en cada caso deberán basarse en los documentos financieros apropiados. Los gastos que efectúe Sanidad Vegetal serán efectuados de acuerdo con sus propias reglas y reglamentos. Los fondos de Sanidad Vegetal no pueden ser distribuidos por un empleado federal, aún cuando Sanidad Vegetal no tenga un representante asignado a esa localidad. En tales casos, el empleado Federal puede administrar las cuentas pero enviará los comprobantes al agente de desembolsos para su pago correspondiente. La parte cooperante correspondiente a Sanidad Vegetal no deberá expedir cheques a nombre de los empleados federales, ni tampoco expedirlos al portador para cubrir los gastos locales.
 7. El personal del Servicio permanecerá bajo la dirección administrativa del Servicio y laborará en cooperación con el personal de Sanidad Vegetal en el desarrollo de los programas cooperativos. El personal de Sanidad Vegetal permanecerá bajo la dirección administrativa de Sanidad Vegetal.
 8. Los ciudadanos Mexicanos empleados por el Servicio recibirán sus pagos del Servicio y se someterán a sus reglas, reglamentos y políticas.
 - a) Los ciudadanos Mexicanos serán asignados bajo la autoridad de U.S. Civil Service Commission, Rule 8.3, y se les pagará de acuerdo con el plan de Pagos Mexicano aprobado por el Servicio y establecido bajo el Memorándum de acuerdo efectuado entre los Departamentos de Estado, Defensa y Agricultura, USIA y AID, concerniente a los planes de compensación conjunta para los empleados locales extranjeros. Los empleados mencionados estarán sujetos a las leyes de trabajo Mexicanas, de acuerdo con los reglamentos del Departamento de Estado aplicables al empleo de los ciudadanos Mexicanos.

- b) El número de horas por día y días por semana que deberán trabajarse y todo el tiempo de ausencia por vacaciones o enfermedad que se conceda a estos empleados con pago, serán basados en los reglamentos del Servicio y el Plan de Pago aprobado. Sanidad Vegetal recibirá la información correspondiente.
- c) La selección de dicho personal que empleará el Servicio dentro de la República de México para trabajar en la prevención, control y/o erradicación de las plagas y enfermedades de las plantas, será por mutuo acuerdo con Sanidad Vegetal.
9. Ningún miembro o delegado del Congreso, o comisionado residente, y ningún oficial; agente o empleado del gobierno de los Estados Unidos, deberá ser admitido a compartir este acuerdo o beneficio que se deriva del mismo.
10. Una junta anual será celebrada, en la cual se presentarán reportes del progreso efectuado en la prevención, control y/o erradicación de las plagas y enfermedades de las plantas incluidos en los programas cooperativos. El lugar de estas juntas será alternado. Un año, la junta será efectuada en los Estados Unidos en una ciudad cercana a la frontera, elegida por el Servicio, y el año siguiente en México en cualquier ciudad elegida por Sanidad Vegetal.
11. Este Memorándum de Entendimiento entrará en vigor en la fecha de la firma final y substituye aquél firmado en mayo 10 de 1957 y continuará indefinidamente; pero puede ser modificado por mutuo acuerdo entre las partes por escrito y así mismo puede ser descontinuado a solicitud de cualquiera de las partes. Las solicitudes para su terminación o cualquier cambio significativo, deberán ser presentadas a la contreparte para su consideración no menos de 90 días antes de la fecha efectiva solicitada para su modificación o terminación.

SECRETARIA DE AGRICULTURA Y GANADERIA DE
MEXICO
DIRECCION GENERAL DE
SANIDAD VEGETAL

B ORTEGA C
Director

UNITED STATES DEPARTMENT
OF AGRICULTURE
ANIMAL AND PLANT HEALTH
INSPECTION SERVICE

F J MULHERN
APHIS Administrator

México, DF., a 8 de febrero 1973.
Fecha

AMENDMENT TO MEMORANDUM OF UNDERSTANDING
Between
SECRETARIAT DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL
And
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLANT PROTECTION AND QUARANTINE

WHEREAS, a Memorandum of Understanding was entered into between Secretaria de Agricultura y Ganaderia de Mexico through the Direccion General de Sanidad Vegetal and United States Department of Agriculture, Animal and Plant Health Inspection Service, Plant Protection and Quarantine on February 8, 1973, covering cooperative efforts to protect crops from plant pest damage and plant diseases in the Republic of Mexico and the United States of America through the execution of cooperative programs; and

WHEREAS, in order to avoid any possible misunderstanding, it is agreed that paragraph A.2. of said Memorandum of Understanding is amended to read as follows:

A. *The Sanidad Vegetal agrees:*

2. For the better development of the approved cooperative programs, Sanidad Vegetal will reinforce its inspection service personnel, with the purpose of correctly applying the applicable quarantines, and will authorize personnel of the Service under the direction and the general supervision of Sanidad Vegetal to assist Sanidad Vegetal in work activities on the cooperative programs which may be associated with quarantines.

It is further mutually understood by and between the parties hereto that in all other respects the terms, conditions, and provisions of said Memorandum of Understanding shall be and remain in full force and effect as therein provided.

The parties agree that this amendment shall become effective upon date of final signature.

SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL

B ORTEGA C
Director

Oct. 9, 1973.

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

F J MULHERN
Administrator

SEP 10 1973
Date

ENMIENDA AL MEMORANDUM DE ENTENDIMIENTO
entre
SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL
y
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLAN PROTECTION AND QUARANTINE

CONSIDERANDO, que se estableció el 8 de febrero de 1973 un Memorándum de Entendimiento, entre la Secretaría de Agricultura y Ganadería de México por conducto de la Dirección General de Sanidad Vegetal y el United States Department of Agriculture, Animal and Plant Health Inspection Service Plant Protection and Quarantine, documento que se refiere a las condiciones en que se realizan los esfuerzos cooperativos para proteger los cultivos de los daños de las plagas y enfermedades de las plantas en la República de México y en los Estados Unidos de América, mediante la ejecución de programas cooperativos; y

CONSIDERANDO, que para evitar cualquier posible mal entendido, es necesario modificar el texto del párrafo A.2 de dicho Memorándum de Entendimiento a manera de que quede como sigue:

A. Sanidad Vegetal acuerda:

2. Para el mejor desarrollo de los programas cooperativos aprobados, Sanidad Vegetal reforzará el personal de su servicio de inspección, con el propósito de que se cumplan correctamente las cuarentenas establecidas y autorizará al personal del Servicio, bajo la dirección y supervisión general de Sanidad Vegetal, a realizar actividades en los programas cooperativos que puedan estar conectados con Cuarentenas.

Se acuerda además, por y entre las partes que todos los términos, condiciones y provisiones del citado Memorándum de Entendimiento, seguirán en vigor tal y como se enuncian en este documento.

Las partes acuerdan que esta enmienda empezará a ser efectiva a partir de la fecha en que requisite con todas las firmas.

SECRETARIA DE AGRICULTURA Y GANADERIA DE
 MEXICO
 DIRECCION GENERAL DE
 SANIDAD VEGETAL

B ORTEGA C
Director

Oct. 9, 1973

UNITED STATES DEPARTMENT
 OF AGRICULTURE
 ANIMAL AND PLANT HEALTH
 INSPECTION SERVICE

F J MULHERN
Administrador

September 10, 1973

AMENDMENT NO. 2 TO MEMORANDUM OF UNDERSTANDING
Between
SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL
And
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLANT PROTECTION AND QUARANTINE PROGRAMS

WHEREAS, a Memorandum of Understanding was entered into between Secretaria de Agricultura y Ganaderia de Mexico through the Direccion General de Sanidad Vegetal and the United States Department of Agriculture, Animal and Plant Health Inspection Service, Plant Protection and Quarantine Programs on February 8, 1973, covering cooperative efforts to protect crops from plant pest damage and plant diseases in the Republic of Mexico and the United States of America through the execution of cooperative programs; and

WHEREAS, it is desirable to work in concert to halt the further northward spread in Central America of the dangerous Mediterranean fruit fly; and

WHEREAS, it is desirable to establish conformity in cooperative service and other U.S. Government programs in Mexico and expedite the delivery of goods and services needed by Service personnel in the conduct of such programs, it is mutually agreed that paragraphs A.4. and B.7. of said Memorandum of Understanding, as amended, be amended to read as follows:

A.4. The Sanidad Vegetal Agrees:

To afford all exemptions provided in Article III (2) and IV (2) of the 1942 Consular Convention between Mexico and the United States.¹

B.7. The Service Agrees:

Subject to the provisions of a bilateral agreement between the Service and the Ministerio de Agricultura de Guatemala and in accordance with a mutually agreed to work plan to cooperate with Sanidad Vegetal in Mexico and in Guatemala through Sanidad Vegetal with the Joint Mexico-Guatemala Commission for Prevention and Control of the Mediterranean fruit fly in actions to detect, quarantine, and control/eradicate this dangerous pest.

It is further mutually understood by and between the parties hereto that in all other respects the terms, conditions, and provisions of said Memorandum of Understanding shall be and remain in full force and effect as therein provided.

¹ TS 985; 57 Stat. 805.

The parties hereto agree that this amendment shall become effective upon date of final signature.

SECRETARIA DE AGRICULTURA Y GANADERIA DE MEXICO
DIRECCION GENERAL DE SANIDAD VEGETAL

July 24, 1976
Date

B ORTEGA C

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

July 15, 1976
Date

F J MULHERN
Administrator

EGYPT
Cement Plant Construction

*Agreement signed at Cairo July 31, 1976;
Entered into force July 31, 1976.*

A.I.D. GRANT 263-0012

**GRANT AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE ARAB REPUBLIC OF EGYPT
FOR
SUEZ RECONSTRUCTION—CEMENT PLANT**

DATED. JULY 31, 1976

Grant agreement dated the 31st day of July 1976 between the ARAB REPUBLIC OF EGYPT ("Grantee") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Grant

SECTION 1.01. The Grant. A.I.D. agrees to grant to the Grantee pursuant to the Foreign Assistance Act of 1961, as amended, [¹] an amount not to exceed Ninety Million United States Dollars (\$90,-000,000) ("Grant"). The Grant will be used to finance the foreign exchange costs of goods and services required to carry out the Project referred to in Section 2.01 ("Project"). Goods and services authorized to be financed hereunder are hereinafter referred to as Eligible Items.

ARTICLE II

The Project

SECTION 2.01. The Project. The Project shall consist of the construction of a cement plant by the Suez Cement Company ("SCC") with a capacity to produce approximately one million metric tons annually with related offsite facilities. The Project is more fully described in Annex 1, attached hereto, which Annex may be modified in writing by the parties designated in Section 9.02 hereof. The goods and services to be financed under the Loan shall be listed in the implementation letters referred to in Section 9.03 ("Implementation Letters").

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement: Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Grant, the Grantee shall, 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 the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the Agreements referred to in Sections 3.01 (f), (g), and (h) have been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that they constitute valid and legally binding obligations of the Grantee in accordance with all of their terms;

(b) An opinion of the chief legal officer of the Suez Cement Company or of other counsel acceptable to A.I.D. that the Agreements referred to in Sections 3.01 (e), (f), and (g) have been duly authorized and/or ratified by, and executed on behalf of SCC, and that they constitute valid and legally binding obligations of SCC in accordance with all of their terms;

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

(c) An opinion of the chief legal officer of the Egyptian Electric Authority ("EEA") or of other counsel acceptable to A.I.D. that the Sub-grant Agreement referred to in Section 3.01(h) has been duly authorized and/or ratified by, and executed on behalf of EEA, and that it constitutes a valid and legally binding obligation of EEA in accordance with all of its terms;

(d) A statement of the names of the persons authorized to represent the Grantee, SCC and the EEA as specified in Section 9.02, and a specimen signature of each person;

(e) An executed project agreement between A.I.D. and SCC containing the terms and conditions governing the operation of SCC and the implementation of the Project ("Project Agreement");

(f) An executed loan agreement, between the Grantee and SCC ("SCC Loan Agreement"), satisfactory to A.I.D., under which Sixty Four Million Nine Hundred Thousand United States Dollars (\$64,-900,000) of Grant funds will be lent to SCC for a period of 15 years, including a grace period of 5 years, with annual interest of not less than 10 percent, without maintenance of value;

(g) An executed Sub-grant Agreement between the Grantee and SCC ("SCC Sub-grant Agreement"), satisfactory to A.I.D., for an amount of Twenty Million Five Hundred Thousand United States Dollars (\$20,500,000), specifying: that Six Million Seven Hundred Thousand United States Dollars (\$6,700,000) will be used to cover the foreign exchange costs of consulting services, and that the remaining Thirteen Million Eight Hundred Thousand United States Dollars (\$13,800,000) will be used for other foreign exchange costs of the Project, with the understanding that SCC will issue stock to the four cement companies which participated in the formation of SCC at such time or times as may be agreed upon between SCC and such cement companies in the amount of 5.4 Million Egyptian Pounds, which is the equivalent of the said \$13,800,000 based on the official rate of exchange between the United States Dollar and the Egyptian Pound in effect on the date of execution of this Agreement.

(h) An executed Sub-grant Agreement between the Grantee and EEA ("EEA Sub-grant Agreement"), satisfactory to A.I.D., under which Four Million Six Hundred Thousand United States Dollars (\$4,600,000) will be made available to EEA to cover foreign exchange costs of construction for a power transmission line and related facilities to connect SCC's plant to the national grid;

(i) Evidence that 80% of the total capital stock of SCC (valued at Sixteen Million Egyptian pounds) to be issued by SCC has been subscribed to by public sector companies or organizations in the country of the Borrower, that 25% of the amount of such subscription has in fact been paid in, and that SCC has executed a valid and effective underwriting agreement with an entity satisfactory to A.I.D. for the remaining 20% of its stock to be issued by SCC and made available to the public;

(j) Evidence that SCC is a legal entity under the laws of Egypt;

(k) An executed contract acceptable to A.I.D. between SCC and a U.S. firm for consulting engineering services for the Project, with an organization acceptable to A.I.D.;

(l) A statement of SCC's assets, liabilities and capital including a list of all persons or organizations who are creditors of SCC showing the nature and amount of each liability;

(m) Copies of all contracts to which SCC is a party;

(n) All relevant information on the qualifications of the individuals nominated for the positions of chairman and managing director of SCC;

(o) A budget for the first years operation of SCC, showing both financial and manpower requirements;

(p) Such other documentation as A.I.D. may require.

SECTION 3.02. Conditions Precedent to Disbursement for Specific Goods or Services. Prior to any disbursement or to the issuance of any Letter of Commitment under the Grant to finance any specific goods and services, other than the services of a consulting engineer for the Project, the Grantee shall, 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 detailed project implementation schedule covering the timing of all elements of the Project. The plan shall, without limitation, include provision for the coordination among the SCC, EEA, the Egyptian Cement Office ("ECO") and the Ministry of Housing and Reconstruction ("MOHR");

(b) Evidence that local currency financing for the Project has been budgeted by SCC and will be available for expenditure by SCC in an amount sufficient for the first year of the construction phase of the Project, pursuant to a cost estimate made by the consulting engineer and approved by SCC.

(c) Evidence that SCC has obtained legal title to or full rights to the use of (including, without limitation, all easements, privileges, and approvals necessary for the exercise of such rights) and full right of access to all land necessary for (1) the plant site, (2) the limestone and clay quarries, and (3) offsites required for the project, including sites for office buildings and staff housing.

(d) Evidence that core drilling in the limestone deposit has been carried out to the extent and with methods approved by A.I.D. as sufficient to prepare a definitive mining plan;

(e) An executed contract or contracts satisfactory to A.I.D. for said goods or services with firms acceptable to A.I.D.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent to Disbursement.

(a) If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Grantee. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting of Conditions Precedent to Disbursement. A.I.D. shall notify the Grantee upon determination by A.I.D. that the conditions precedent to disbursement specified in Sections 3.01 and 3.02 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Grantee shall cause the Project to be carried out with due diligence and efficiency, and in conformity with sound engineering, construction, financial, and administrative practices.

(b) The Grantee shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Grantee. The Grantee shall provide or cause to be provided promptly as needed all funds, in addition to the Grant, and all other resources required for the punctual and effective carrying out, maintenance, repair, and operation of the Project.

SECTION 4.03. Continuing Consultation. The Grantee and A.I.D. shall cooperate fully to assure that the purpose of the Grant will be accomplished. To this end, they shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Grantee of its obligations under this Agreement, the performance by SCC of its obligation under the Project Agreement, the SCC Loan Agreement and the SCC Sub-grant Agreement, the performance of EEA under the EEA Sub-grant Agreement, the performance of MOHR and ECO, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

SECTION 4.04. Management. The Grantee shall provide or cause to be provided qualified and experienced management for the Project, and it shall train or cause to be trained such staff as may be appropriate for the maintenance and operation of the Project.

SECTION 4.05. Operation and Maintenance. The Grantee shall operate, maintain, and repair the Project or cause it to be operated, maintained and repaired in conformity with sound engineering, financial, and administrative practices, and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

SECTION 4.06. Taxation. This Agreement and the Grant shall be free from any taxation or fees imposed under the laws in effect within

the country of the Grantee. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Grantee, the Grantee shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Grant.

SECTION 4.07. Utilization of Goods and Services.

(a) Goods and services financed under the Grant shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Grant can no longer usefully be employed for the Project, SCC may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Grant shall be used to promote or assist any foreign aid 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 use.

SECTION 4.08. Disclosure of Material Facts and Circumstances.

The Grantee represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Grant are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of obligations under this Agreement. The Grantee shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project, the discharge of the Grantee's obligations under this Agreement, the discharge of SCC's obligations under the Project Agreement, the SCC Loan Agreement or the SCC Sub-grant Agreement or the discharge of EEA's obligations under the EEA Sub-grant Agreement.

SECTION 4.09. Commissions, Fees, and Other Payments.

(a) Grantee warrants and covenants that in connection with obtaining the Grant, or taking any action under or with respect to 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 nor 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 the Grantee's full time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Grantee shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating

whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Grantee warrants and covenants that no payments have been or will be received by the Grantee, or any official of the Grantee, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION 4.10. Maintenance and Audit of Records. The Grantee shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D.

SECTION 4.11. Reports. The Grantee shall furnish to A.I.D. such information and reports relating to the Grant and to the Project as A.I.D. may request.

SECTION 4.12. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Grant, SCC's and EEA's books, records, and other documents relating to the Project and the Grant. The Grantee shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Grantee for any purpose relating to the Grant. The A.I.D. rights pursuant to this Section shall remain in effect for five years following the date of last disbursement by A.I.D.

SECTION 4.13. Investment Guaranty Project Approval by Grantee. The construction work to be financed under this Agreement is hereby stated to be a project approved by the Government of Egypt pursuant to the agreement between the Government of Egypt and the Government of the United States of America on the subject of investment guarantees, and no further approval by the Government of Egypt shall be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

ARTICLE V

Special Covenants and Warranties

SECTION 5.01. MOHR, EEA and ECO Responsibilities. The Grantee agrees to:

(a) Cause MOHR or other organization acceptable to A.I.D. to construct a pumping station and necessary pipe line to provide an adequate and continuous flow of water to the project site for SCC in accordance with the detailed project implementation schedule to be prepared by the U.S. consulting firm.

(b) Insure that EEA constructs the necessary high tension power line to the project site to supply the power needs of SCC for the project.

(c) Provide all necessary support, personnel and equipment to ECO to insure that the cement produced by SCC can be promptly marketed and distributed.

SECTION 5.02. Cement Pricing. The Grantee agrees to:

(a) Set cement prices and the level of taxes imposed on cement at a level which will allow SCC to generate a reasonable profit on its investment after paying for all production and other costs of operation, as shown in the Feasibility Study Cement Plant at Suez Zone, Final Report of Arab Swiss Engineering Company dated February 1976.

(b) To prepare within one year from signature of the agreement a study of its pricing policies relating to the cement industry and to consult with A.I.D. from time to time on the financial situation of the cement industry.

SECTION 5.03. SCC Audited Statements. The Grantee shall insure that SCC shall (i) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with sound auditing principles consistently applied by auditors acceptable to A.I.D.; (ii) furnish to A.I.D. as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors, of such scope and in such detail as A.I.D. shall have reasonably requested; (iii) furnish to A.I.D. such other information concerning the accounts and financial statements of SCC and the audit thereof as A.I.D. shall from time to time reasonably request; and (iv) grant A.I.D. the right, upon A.I.D.'s request, to discuss SCC's financial statements and its financial affairs at any time and from time to time with SCC's auditors, and SCC shall authorize and require any representative of such auditors to participate in any such discussions, provided however that any such discussion shall be conducted only in the presence of an officer of SCC except as SCC shall otherwise agree.

SECTION 5.04. SCC Financial Management. The Grantee agrees to insure that SCC shall not incur or have outstanding any long-term debt if the aggregate principal amount of SCC's outstanding long-term debt exceeds 200 percent of its net worth. For the purposes of this covenant, the following definitions shall apply:

"Long-term debt" shall mean any and all loan contracts and agreements, bonds, debentures, notes or other debt, whether secured or unsecured, which shall be payable after twelve (12) months from the balance sheet date on which the determination is made, as shown by SCC's financial statements, all determined and prepared in accordance with generally accepted accounting principles. Debt shall be deemed to be incurred (a) under a loan contract or agreement, on the date and to the extent that it is drawn down pursuant to such loan contract or agreement, and (b) under a guarantee, on the date the guarantee is entered into but only to the extent of the amount of the guaranteed debt outstanding.

"Net worth" shall mean the aggregate amount of SCC's unimpaired capital, surplus (including appropriate revaluations acceptable to A.I.D.) and reserves out of surplus determined in accordance with generally accepted accounting principles.

SECTION 5.05. Protection of SCC's Assets. Except as A.I.D. may otherwise agree in writing, SCC shall not sell, lease, transfer, encumber or otherwise dispose of any of its property or assets, except in the ordinary course of business; and shall take all action necessary to protect such property and assets, to maintain its corporate existence and right to carry on operations and to acquire, maintain and renew all rights, powers, privileges and franchises necessary or useful in the conduct of its business.

SECTION 5.06. Protection of Interests of Grantee, SCC, EEA and A.I.D. The Grantee shall exercise its rights under the SCC Loan Agreement, the SCC Sub-grant Agreement and the EEA Sub-grant Agreement in such manner as to protect the interests of the Grantee, SCC, EEA and of A.I.D. and to accomplish the purposes of the Loan, and except as A.I.D. shall otherwise agree in writing, the Grantee shall not assign, nor amend, abrogate or waive such Agreements or any provision thereof.

SECTION 5.07. SCC Management. The Grantee agrees to ensure that SCC will furnish A.I.D. relevant information on the qualifications and experience of the individuals, nominated or selected for the positions of chairman and managing director of SCC, and afford A.I.D. a reasonable opportunity to consult prior to such nomination or appointment.

SECTION 5.08. Actions of Grantee. The Grantee shall not take or permit any of its political subdivisions, or any of its agencies or instrumentalities, or any agency or instrumentality of any of its political subdivisions, to take any action which would prevent or materially interfere with performance by SCC of any of its obligations

under the Project Agreement, the SCC Loan Agreement or the SCC Sub-grant Agreement or with the performance by EEA under the EEA Sub-grant Agreement, and shall take or cause to be taken all reasonable action which shall be required on its part in order to enable SCC and EEA to perform such obligations.

SECTION 5.09. Environmental Protection. The Grantee shall ensure that environmental and pollution controls designed to meet environmental protection standards satisfactory to A.I.D. are installed in the plant as a part of the Project and that such controls are thereafter maintained in good condition and properly utilized.

SECTION 5.10. Revolving Fund. All repayments by SCC to the Grantee pursuant to the Reloan Agreement shall be placed in a revolving fund ("Revolving Fund"). The Revolving Fund shall be deposited in the National Bank of Egypt. The control of the Revolving Fund shall be vested in the Minister of Housing and Reconstruction and the Fund shall be available only for investment in projects of the building materials industry.

ARTICLE VI

Procurement

SECTION 6.01. Procurement from the United States. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of Eligible Items including ocean shipping and marine insurance having both their source and origin in the United States of America.

SECTION 6.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 6.03. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Section 6.01 will be set forth in detail in Implementation Letters.

SECTION 6.04. Plans, Specifications, and Contracts.

(a) Except as A.I.D. may otherwise agree in writing, the Grantee shall furnish to A.I.D. promptly upon preparation and prior to implementation, issuance, or execution, all plans, specifications, schedules, bid documents, and contracts relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Grant.

(b) Except as A.I.D. may otherwise agree in writing, all of the plans, specifications, and schedules furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.

(c) All bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Grant shall be approved by A.I.D. in writing prior to their issuance. All plans, specifications, and other documents relating to goods and

services financed under the Grant shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

(d) All contracts financed under the Grant shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the selection of the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

SECTION 6.05. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Grant, as more fully described in Implementation Letters. All procurement shall be on a competitive basis in a manner approved by A.I.D.

SECTION 6.06. Shipping and Insurance.

(a) Goods financed under the Grant shall be transported to the country of Grantee only on flag carriers of a country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) Unless A.I.D. shall determine that privately owned United States-flag commercial vessels are not available at fair and reasonable rate for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed under the Grant which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Grant and transported to Egypt on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

(c) Marine insurance on United States goods may be financed under the Grant with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate, and (ii) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the government of the Grantee, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the country of the Grantee financed under the Grant shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(d) The Grantee shall insure, or cause to be insured, all goods financed under the Grant against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and shall insure the full value of the goods. Any indemnification received by the Grantee under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements shall have their source and origin in the United States of America and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.07. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 6.08. Information and Marking. Grantee shall give or cause to be given publicity to the Grant and the Project as a program of United States aid, identify the Project sites, and mark goods financed under the Grant, as prescribed in Implementation Letters.

ARTICLE VII

Disbursements

SECTION 7.01. Disbursement for United States Dollar Costs—Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the Grantee, SCC and EEA may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Grantee, SCC or EEA, as appropriate, and may be financed under the Grant.

SECTION 7.02. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Grantee, SCC or EEA and A.I.D. may agree to in writing.

SECTION 7.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to the Grantee, SCC, EEA, or to their designee, or to a banking institu-

tion pursuant to a Letter of Commitment. In the event of a disbursement under Section 7.02 hereof, the date of disbursement shall be designated in the documentation by which A.I.D. and the Grantee, SCC, or EEA, agree to such disbursement, provided, in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or delivers property into the control of the Grantee, SCC, EEA, or their designee.

SECTION 7.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.02, or amendment thereto shall be issued in response to requests received by A.I.D. after December 31, 1980, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 after December 31, 1980. A.I.D., at its option, may at any time or times after December 31, 1981, reduce the Grant by all or any part thereof for which documentation is not received by such date.

ARTICLE VIII

Termination and Remedies of A.I.D.

SECTION 8.01. Termination of Disbursement. In the event that at any time:

(a) Grantee, SCC or EEA shall fail to comply with any provision contained in this Agreement, the Project Agreement, the SCC Loan Agreement, the SCC Sub-grant Agreement or the EEA Sub-grant Agreement;

(b) an event has occurred which A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of the Grant will be attained or that the Grantee, SCC or EEA will be able to perform their obligations under the agreements named in Section 8.01(a);

(c) any disbursements would be inconsistent with the legislation governing A.I.D.; or

(d) a default shall have occurred under any other agreement between the Grantee or any of its agencies and 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 the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Grantee promptly thereafter;
- (ii) decline to make disbursements other than under 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 Grant shall be transferred to A.I.D. if the goods are from a source outside the country of the Grantee, are in a deliverable state and have not been offloaded in ports of entry of the country of the Grantee.

SECTION 8.02. Cancellation by A.I.D. Following any termination of disbursements pursuant to Section 8.01, if the cause or causes for such termination of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such termination, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Grant that is not then either disbursed or subject to irrevocable Letters of Credit.

SECTION 8.03. Refunds. If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is in violation of the law governing A.I.D., or that the services financed under this Agreement are not financed or used in accordance with the terms of the Agreement, the Grantee shall refund to A.I.D. in U.S. dollars within thirty (30) days after receipt therefor, an amount not to exceed the amount of such disbursement. Refunds paid by the Grantee 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, unless A.I.D. agrees otherwise in writing, be available for reuse under the Agreement. A.I.D.'s right to require such a refund shall continue for five (5) years following the date of such disbursement, notwithstanding the fact that A.I.D. may have invoked its right to terminate the Agreement.

SECTION 8.04. Non-Waiver 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 such right, power, or remedy or any other right, power, or remedy hereunder.

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, requests, documents or other communication given, made or sent by the Grantee, SCC, EEA or A.I.D. pursuant to this Agreement, the Project Agreement the SCC Loan Agreement, the SCC Sub-grant Agreement or the EEA Sub-grant Agreement shall be in writing or by telegram, cable or radiogram 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 to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

To GRANTEE:

Mail Address: Ministry of Economy and Economic Cooperation
8 Adly St.
Cairo, Egypt

Cable Address: 8 Adly St.
Cairo, Egypt

To A.I.D.:

Mail Address: Director/USAID
c/o U.S. Embassy
Cairo, Egypt

Cable Address: U.S. Embassy, Cairo

To EEA:

Mail Address: Cairo, Nasr City
Extension Ramses St.

Cable Address: Electrocop
Telex: 2097 Power UN

To SCC:

Mail Address: 17 Kasr El Nil St., Cairo

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Minister of Economy and Economic Development, the SCC will be represented by the individual holding or acting in the office of Chairman, the EEA will be represented by the individual holding or acting in the office of Chairman and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID, Cairo, Egypt. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, the Grantee, SCC or EEA shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Grantee, SCC or EEA designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

IN WITNESS WHEREOF, Grantee and the United States of America, each acting through its respective duly authorized representative have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: M. Z. SHAFEI

Name: *Dr. Mohamed Zaki
Shafei*Title: *Minister of Economy
and Economic
Cooperation*

UNITED STATES OF AMERICA

By: HERMANN FR. EILTS

Name: *Hermann Fr. Eilts*Title: *American Ambassador*

ANNEX 1**Description of Project**

The Project consists of financing to assist the Grantee in constructing and equipping a cement plant to be owned and operated by SCC with a capacity to produce one million metric tons of cement annually. The proposed cement plant site is located in the Suez area, approximately 40 kilometers south of Suez City.

With the proceeds of the Grant the Grantee will:

(1) Grant \$4.6 million to the EEA to finance the foreign exchange costs of construction of the following:

- (a) A double circuit 220 KV overhead transmission line which will connect the Suez Cement Plant into the EEA National Grid. This line will connect into the Grid on the planned EEA 220 KV double circuit, overhead transmission line which EEA will construct from Suez to Ain-Sukhna.
- (b) A transformer substation at the cement plant 220/66/11 KV with 11 KV service.

(2) Grant \$13.8 million to SCC for equity capital, the shares of which will be in the names of the four national cement companies.

(3) Grant \$6.7 million to SCC for costs of (1) U.S. A/E services to supervise the procurement of equipment, construction of the plant and associated facilities, development and implementation of a training program, installation of the equipment, testing and start-up, and (2) training.

(4) Lend \$64.9 million to SCC for construction of the plant and related facilities.

In addition MOHR will provide \$2.5 million to fund a pumping station and a 40 kilometer water pipeline to carry fresh water to the cement plant.

The total cost of the Project is estimated to be \$156.6 million. Other financing will include: 7.4 million Egyptian pounds equity to be purchased by local banks and insurance companies, 3.2 million Egyptian pounds equity to be purchased by public subscription and a commercial bank local currency loan to SCC in an amount equivalent to approximately \$29.7 million.

PHILIPPINES
Waterworks Systems

*Agreement signed at Manila August 6, 1976;
Entered into force August 6, 1976.*

And amending agreement

*Signed at Manila February 7, 1977;
Entered into force February 7, 1977.*

LOAN AGREEMENT

(Philippines: Local Water Development I)

BETWEEN THE
REPUBLIC OF THE PHILIPPINES,
THE LOCAL WATER UTILITIES ADMINISTRATION
AND
UNITED STATES OF AMERICA

Date: August 6, 1976

TABLE OF CONTENTS

ARTICLE AND SECTION	TITLE	PAGE	(Pages herein)
ARTICLE I <u>The Loan</u>			
Section 1.01	- The Loan	1	7040
Section 1.02	- The Project	1	7040
ARTICLE II <u>Loan Terms</u>			
Section 2.01	- Interest	2	7041
Section 2.02	- Repayment	2	7041
Section 2.03	- Application, Currency, and Place of Payment	2	7041
Section 2.04	- Prepayment	3	7042
Section 2.05	- Renegotiation of the Terms of the Loan	3	7042
ARTICLE III <u>Conditions Precedent to Disbursement</u>			
Section 3.01	- Conditions Precedent to Opening Letters of Commitment	3	7042
Section 3.02	- Conditions Precedent to Opening Letters of Commitment for Procurement of Materials or Reimbursement for Construction of Each Waterworks System	4	7043
Section 3.03	- Terminal Dates for Meeting Conditions Precedent	5	7044
Section 3.04	- Notification of Meeting of Conditions Precedent to Disbursement	5	7044
ARTICLE IV <u>General Covenants and Warranties</u>			
Section 4.01	- Execution of the Project	6	7045
Section 4.02	- Funds and Other Resources to be Provided by Borrower	6	7045
Section 4.03	- Continuing Consultation	7	7046
Section 4.04	- Management	7	7046
Section 4.05	- Utilization of Goods and Services	7	7046
Section 4.06	- Taxation	8	7047
Section 4.07	- Operation and Maintenance	8	7047
Section 4.08	- Disclosure of Material Facts and Circumstances	9	7048
Section 4.09	- Commissions, Fees, and Other Payments	9	7048

ARTICLE AND SECTION	TITLE	PAGE	[<i>Pages herein</i>]
Section 4.10	- Maintenance and Audit of Records	10	7049
Section 4.11	- Reports	11	7050
Section 4.12	- Inspections	11	7050
ARTICLE V	<u>Special Covenants and Warranties</u>		
Section 5.01	- Borrower's Covenants	11	7050
Section 5.02	- LWUA's Covenants	12	7051
ARTICLE VI	<u>Procurement</u>		
Section 6.01	- Procurement Source and Origin	13	7052
Section 6.02	- Eligibility Date	14	7053
Section 6.03	- Goods and Services Not Financed Under Loan	14	7053
Section 6.04	- Implementation of Procurement Requirements	14	7053
Section 6.05	- Plans, Specifications, and Contracts . . .	14	7053
Section 6.06	- Reasonable Price	15	7054
Section 6.07	- Employment of Third-Country Nationals Under Construction Contracts	16	7055
Section 6.08	- Shipping and Insurance	16	7055
Section 6.09	- Port Charges	18	7057
Section 6.10	- Notification to Potential Suppliers . . .	18	7057
Section 6.11	- United States Government-owned Excess Property	19	7058
Section 6.12	- Information and Marking	19	7058
ARTICLE VII	<u>Disbursements</u>		
Section 7.01	- Disbursement - Letters of Commit- ment to United States Banks	20	7059
Section 7.02	- Reimbursement for Local Currency Costs - Special Letters of Credit . . .	20	7059
Section 7.03	- Other Forms of Disbursement	22	7061
Section 7.04	- Date of Disbursement	22	7061
Section 7.05	- Terminal Date for Disbursement	22	7061
ARTICLE VIII	<u>Cancellation and Suspension</u>		
Section 8.01	- Cancellation by the Borrower	22	7061
Section 8.02	- Events of Default; Acceleration	23	7062
Section 8.03	- Suspension of Disbursement	24	7063

ARTICLE AND SECTION	TITLE	PAGE	[<i>Pages herein</i>]
Section 8.04	- Cancellation by A.I.D.	25	7064
Section 8.05	- Continued Effectiveness of Agreement	25	7064
Section 8.06	- Refunds	25	7064
Section 8.07	- Expenses of Collection	27	7066
Section 8.08	- Nonwaiver of Remedies	27	7066
ARTICLE IX	<u>Miscellaneous</u>		
Section 9.01	- Communications	27	7066
Section 9.02	- Representatives	28	7067
Section 9.03	- Implementation Letters	29	7068
Section 9.04	- Promissory Notes	29	7068
Section 9.05	- Termination Upon Full Payment . . .	29	7068

LOAN AGREEMENT

LOAN AGREEMENT dated the 6th day of August 1976, between THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ("Borrower"), THE LOCAL WATER UTILITIES ADMINISTRATION ("LWUA") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A. I. D. ").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower, for the use of the Local Water Utilities Administration (LWUA), pursuant to the Foreign Assistance Act of 1961, as amended, [¹] an amount not to exceed Ten Million United States Dollars (\$10,000,000) ("Loan") to assist the Borrower and LWUA in carrying out the Project referred to in Section 1.02 ("Project"). The Loan shall be used first to finance the foreign exchange costs of goods and services required for the project, and the balance remaining shall be used to reimburse the GOP for eligible local costs by means of a U.S. Special Letter of Credit referred to in Section 7.02. The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 1.02. The Project. The Project shall consist of the improvement/construction of local waterworks systems; engineering and consulting services to LWUA; a laboratory and waterworks training facility; and specialized training in the U.S.

¹ 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 on the outstanding balance of the Principal and any due and unpaid interest at the rate of 2% per annum for 10 years following the date of the first disbursement hereunder and at the rate of 3% per annum thereafter. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 7.04), 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 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 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 Controller, Agency for International Development, Washington, D.C., U.S.A., and shall be deemed made when received by the Office of the Controller.

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 agrees 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 the country of the Borrower.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Opening Letters of Commitment. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Borrower, or LWUA, as appropriate shall, 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 the Secretary of Justice of the Borrower on behalf of Borrower and LWUA that both Borrower and LWUA possess full power and authority to carry out all obligations undertaken hereunder, that this Loan Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower and LWUA, and that this Loan Agreement is a valid and legally binding obligation of the Borrower and LWUA in accordance with its terms;
- (b) statements of the names of the persons holding or acting in the office of the Borrower and LWUA specified in Section 9.02 together with specimen signatures of each person specified in such statement;
- (c) an agreement providing for the relending of the loan proceeds from Borrower to LWUA, such relending to be on terms and conditions not less favorable than the terms and conditions of this Loan.

SECTION 3.02. Conditions Precedent to Opening Letters of Commitment for Procurement of Materials or Reimbursement for Construction of Each Waterworks System. Prior to the issuance of the Letters of Commitment for procurement of materials or for reimbursement for construction of each waterworks system, the Borrower or LWUA, as appropriate, shall, 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 subproject report containing evidence that the subproject waterworks system is an independent water district under the requirements of LWUA, an analysis of the current situation of the waterworks, recommendations for immediate improvements and future needs, alternate solutions studied, costs

data, and a financial/economic/technical feasibility analysis. The subproject report will be certified by the U.S. consultant as to its concurrence with the findings and recommendations.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent.

(a) If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Borrower and LWUA. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

(b) If all of the conditions specified in Section 3.02 shall not have been met by July 31, 1979, 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 amount of the Loan and/or may terminate this Agreement by giving written notice to the Borrower and LWUA. In the event of a termination, upon the giving of notice, the Borrower shall immediately repay the Principal then outstanding and shall pay any accrued interest and, upon receipt of such payments in full, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting of 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 and, as the case may be, 3.02 and 3.03 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Borrower and LWUA shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial, administrative and planning practices. In this connection, LWUA shall at all times employ or ensure that the local water districts employ suitable qualified and experienced consultants to be professionally responsible for the design and execution of the subproject and suitably qualified and competent construction contractors to carry out the subproject.

(b) The Borrower and LWUA shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower.

The Borrower shall provide promptly, as needed, all funds, in addition to the Loan, and all other resources required for the timely and effective execution, maintenance, repair, and operation of the Project, on the further condition that these contributions by the Borrower shall constitute at least 25% of the costs of the entire Project.

SECTION 4.03. Continuing Consultation. The Borrower, LWUA and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower, LWUA and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower and LWUA of their obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

SECTION 4.04. Management. Borrower and LWUA shall provide qualified and experienced management for the Project, and LWUA shall train such staff as may be appropriate for the maintenance and operation of the Project.

SECTION 4.05. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Loan can no longer be usefully employed for the Project, the Borrower and LWUA may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign

aid 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 use.

SECTION 4.06. Taxation. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. The proceeds of the Loan shall not be used for the payment of taxes, tariffs, duties and other levies in effect in the country of the Borrower with respect to (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder. To the extent that persons or entities in (a) and (b) immediately above are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Borrower, the Borrower shall, as and to the extent prescribed in and pursuant to implementation letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

SECTION 4.07. Operation and Maintenance. The Borrower and LWUA shall ensure the operation, maintenance and repair of the waterworks systems improved/constructed under the Project in conformity with sound engineering.

financial, and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

SECTION 4.08. Disclosure of Material Facts and Circumstances. The Borrower and LWUA represent and warrant that all facts and circumstances that they have disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that they have disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of their obligations under this Agreement. The Borrower and LWUA shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's or LWUA's obligations under this Agreement.

SECTION 4.09. Commissions, Fees, and Other Payments.

(a) Borrower and LWUA warrant and covenant that in connection with obtaining the Loan, they have not paid, and will not pay or agree to pay, nor to the best of their knowledge has there been paid nor 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 the Borrower's or LWUA's fulltime officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower and LWUA shall promptly report to A.I.D. any payment or agreement to pay for such

bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower and LWUA warrant and covenant that no payments have been or will be received by the Borrower or LWUA or any official of the Borrower or LWUA, in connection with the procurement of goods and services hereunder, except fees, taxes, or similar payments legally established in the Philippines.

SECTION 4.10. Maintenance and Audit of Records. The Borrower and LWUA shall maintain, and cause local water districts to maintain, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.11. Reports. The Borrower and LWUA shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

SECTION 4.12. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's and LWUA's books, records, and other documents relating to the Project and the Loan. The Borrower and LWUA shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Borrower for any purpose relating to the Loan.

ARTICLE V

Special Covenants and Warranties

SECTION 5.01. Borrower's Covenants. Pursuant to Section 4.02 and except as A.I.D. may otherwise agree in writing, the Borrower covenants and agrees to make available to LWUA on a timely basis:

(a) peso funds required for implementation and completion of the Project;

- (b) any foreign exchange necessary to complete the Project if Loan proceeds are not sufficient; and
- (c) assistance to carry out the Project or cause the Project to be carried out with due diligence and efficiency in conformance with sound engineering, construction, financial and management practices and any plans, specifications, contracts, schedules or other arrangements approved by A.I.D.

SECTION 5.02. LWUA's Covenants. Except as A.I.D. may otherwise agree in writing, LWUA covenants and agrees:

(a) To carry out the Project, or cause the Project to be carried out, with due diligence and efficiency, and in conformity with sound engineering, financial, administrative and management practices and in accordance with the plans required by Section 3.02 herein and any contracts and procurement arrangements, and modifications therein, approved by A.I.D. pursuant to this Agreement.

(b) That within ninety (90) days from the execution of this Agreement to provide A.I.D. with the names of the LWUA personnel assigned full time to the twenty positions designated as counterpart personnel in Appendix D of the contract executed between LWUA and James M. Montgomery on July 15, 1974 and amended by Amendment No. 1 on January 1, 1976.

(c) To perform a performance evaluation on all subprojects financed by the Loan approximately two years after completion of the subproject construction. The performance evaluation will specifically list in detail the improvements

made to the system under the Project, the current status of those improvements, and recommendations made by LWUA on any deficiencies found.

(d) To have the accounts and financial statements (balance sheet, statement of income and expenses, and selected statements) of LWUA audited annually, in accordance with sound and consistently applied auditing principles, by independent auditors and shall, promptly after their preparation and in any event not later than six months after the close of the fiscal year to which they relate, furnish to A.I.D. (a) certified copies of such audited financial statements and (b) the report of the auditors related thereto. LWUA shall furnish A.I.D. such further information concerning such accounts and financial statements and the audit thereof as A.I.D. shall from time to time reasonably request.

ARTICLE VI

Procurement

SECTION 6.01. Procurement Source and Origin. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Sections 7.01, 7.02 and 7.03 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in the Republic of the Philippines or in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services. All ocean shipping and marine insurance financed under the Loan shall have both their source and origin in Code 941 countries.

SECTION 6.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 6.03. Goods and Services Not Financed Under Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.04. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Section 6.01 and 6.03 will be set forth in detail in Implementation Letters.

SECTION 6.05. Plans, Specifications, and Contracts.

(a) Except as A.I.D. may otherwise agree in writing, the Borrower and LWUA shall furnish to A.I.D. promptly upon preparation, all plans, specifications, time schedules, cost estimates, bid documents, and contracts relating to the Project and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan.

(b) Except as A.I.D. may otherwise agree in writing, all of the plans, specifications, and construction schedules furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.

(c) All bid documents and documents relating to the solicitation of proposals for goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance. All plans, specifications, and other documents relating to goods and services financed under the Loan shall be in terms of metric standards and measurements, except as A.I.D. may otherwise agree in writing.

(d) All contracts financed under this Loan shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the selection of the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

(e) Consulting firms used by the Borrower, LWUA and the local water districts for the Project but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Borrower, LWUA and the local water districts for the Project but not financed under the Loan shall be acceptable to A.I.D.

SECTION 6.06. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in implementation Letters. Such items shall be procured

on a fair and, except for professional services, on a competitive basis in accordance with procedures therefore prescribed in Implementation Letters.

SECTION 6.07. Employment of Third-country Nationals under Construction Contracts. The employment of personnel to perform services under construction contracts financed under the Loan shall be subject to requirements with respect to third-country nationals prescribed in Implementation Letters.

SECTION 6.08. Shipping and Insurance.

(a) Goods financed under the Loan shall be transported to the country of the Borrower on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) (i) Gross tonnage. At least fifty percent (50%) of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) financed hereunder which may be transported on ocean vessels shall be transported on privately-owned United States-flag commercial vessels.

(ii) Revenue. Additionally, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed hereunder and transported to Manila on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels.

(iii) Compliance. Compliance with the requirements of (i) and (ii) above must be achieved with respect to cargo transported from U.S. ports

and also to cargo transported from non-U.S. ports, computed separately.

(iv) Reporting. Within ninety (90) days following the end of each calendar quarter, or such other period as A.I.D. may specify in writing, Borrower or LWUA shall furnish A.I.D. with a statement, in form and substance satisfactory to A.I.D., reporting on compliance with the requirements of this Section.

(c) No such goods may be transported on any ocean vessel (or aircraft) (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D.-financed goods unless such charter has been approved by A.I.D.

(d) If, in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the country of the Borrower, by statute, decree, rule, or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, goods procured from the United States and financed under the Loan shall, during the continuance of such discrimination, be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.

(e) The Borrower or LWUA shall insure, or cause to be insured, all goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms

and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower or LWUA for the replacement or repair of such goods. Any such replacements shall have both their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.09. Port Charges. With respect to ocean freight costs which qualify as eligible for financing under the Loan, A.I.D. will finance ninety percent (90%) of all ocean freight costs of each shipment, and ninety-eight percent (98%) of such costs on any shipment under free-out terms. The remaining ten percent (10%), or two percent (2%) of free-out shipments represent port charges in the Philippines and Borrower covenants that it shall make available foreign exchange in accordance with procedures which may be prescribed by A.I.D. in Implementation Letters.

SECTION 6.10. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower and LWUA shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 6.11. United States Government-owned Excess Property.

LWUA shall utilize, with respect to goods financed under the Loan to which the LWUA takes title at the time of procurement, such reconditioned United States Government-owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time.

LWUA shall seek assistance from A.I.D. and A.I.D. will assist the LWUA in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection and of acquisition, and all charges incident to the transfer to the LWUA of such Excess Property, may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan and after having sought such A.I.D. assistance, LWUA shall indicate to A.I.D. in writing, on the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

SECTION 6.12. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, identify the water-works systems construction site, and provide other markings or publicity as prescribed in Implementation Letters.

ARTICLE VII

DisbursementsSECTION 7.01. Disbursement - Letters of Commitment to United

States Banks. Upon satisfaction by the Borrower and LWUA of conditions precedent, the Borrower or LWUA may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 7.02. Reimbursement for Local Currency Costs - SpecialLetters of Credit.

(a) Reimbursement for local currency costs. A.I.D. will reimburse the Borrower for eligible local currency costs incurred in the construction of, and related procurement of commodities for, the local water systems. Procedures for establishing eligible local cost expenditures under this provision will be set forth in implementation letters.

(b) Requests for Commitment Documents. To obtain reimbursement for local cost expenditures Borrower may submit requests to A.I.D. for the issuance of commitment documents to one or more banks in the United States designated by Borrower and satisfactory to A.I.D., committing A.I.D., to reimburse such bank or banks for payments made, through irrevocable Special Letters of Credit ("SLC") or otherwise, to Borrower or any designee of Borrower pursuant to such documentation requirements as A.I.D. may prescribe in implementation letters. Banking charges incurred pursuant to this Section in connection with commitment documents and disbursements shall be for the account of Borrower and may be financed hereunder. Disbursements hereunder shall be deemed to occur on the date the U.S. bank, as instructed by A.I.D., issues a Special Letter of Credit in favor of the Borrower or his designee. The SLC shall be used to reimburse local currency costs mutually agreed upon between Borrower, LWUA and A.I.D.

(c) Exchange Rate: The rate of exchange that shall be used in determining the amount of dollars to be made available shall be the selling rate for U.S. dollars set by the Central Bank of the Philippines on the date of acknowledgment of receipt by USAID/Manila of an application for reimbursement, by the Borrower. Taxes, fees, commissions, and similar charges, if any, are not included in determining the appropriate exchange rate.

SECTION 7.03. Other Forms of Disbursement. Disbursement of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

SECTION 7.04. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Sections 7.01 and 7.03, on the date on which A.I.D. makes disbursement to the Borrower, to its designee, or to a banking institution pursuant to a Letter of Commitment.

SECTION 7.05. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.03, or amendment thereto shall be issued in response to requests received by A.I.D. after December 31, 1979, and no disbursement shall be made against documentation received by A.I.D., or any bank described in Section 7.01 after March 31, 1981. A.I.D., at its option, may at any time or times after March 31, 1981, reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower, may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed

or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. 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 or LWUA shall have failed to comply with any other provisions of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- (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 agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and A.I.D., or any of its predecessor agencies; then A.I.D. may, give to the Borrower or LWUA 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 any accrued interest hereunder 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 8.03. 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. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower or LWUA 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 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 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 the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
- (ii) decline to make disbursements other than under 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 shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been offloaded in ports of entry of the country of the Borrower, in which event A.I.D. shall give notification to the Borrower promptly thereafter. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 8.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 8.03, 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 8.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration or 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 8.06. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any

disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECTION 8.07. 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 8.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 8.08. 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 such rights, powers, or remedies.

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document, or other communication given, made, or sent by the Borrower, LWUA, or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram 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 to such party by hand or by mail, telegram, cable, or radiogram at the following address:

To Borrower:

Mail Address: National Economic & Development Authority
P. O. Box 1116, Manila, Philippines

Cable Address: NEDAPHIL

To LWUA:

Mail Address: Local Water Utilities Administration
PHILCOMCEN Building
Ortigas Avenue, Pasig
Rizal, Philippines

Cable Address: LOCAL WATER

To A. I. D.:

Mail Address: United States Agency for International
Development
c/o American Embassy
Manila, Philippines

Cable Address: USAID AMEMB MANILA

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in the English language, except as A.I.D. may otherwise agree in writing.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the Office of Director-General, National Economic and Development Authority, LWUA will be represented by the individual holding or acting in the office of General Manager, LWUA, and A.I.D. will be represented by the individual holding or acting in the office of Director of the United States A.I.D. Mission to the Philippines. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower or LWUA shall

TIAS 8703

submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice or revocation of the authority of any of the duly authorized representatives of the Borrower or LWUA designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. Termination Upon Full Payments. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower, LWUA and the United States of America, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivery as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

By:

Ferdinand E. Marcos

Title: President, Republic of the Philippines

UNITED STATES OF AMERICA

By:

William H. Sullivan

Title: Ambassador to the Republic of the Philippines

By:

Gerardo P. Sicat

Title: Secretary of Economic Planning
(Director-General)
National Economic and Development Authority

By:

Garnett A. Zimmerly

Title: Director
USAID/Philippines

AMENDMENT NO. 1 TO LOAN AGREEMENT NO. 492-U-042

THIS AGREEMENT, entered into as of this 7th day of February 1977, between the GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ("Borrower"), the LOCAL WATER UTILITIES ADMINISTRATION ("LWUA"), and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WITNESSETH THAT

WHEREAS A.I.D., the Borrower, and the Local Water Utilities Administration entered into a Loan Agreement No. 492-U-042 on August 6, 1976 to provide \$10,000,000 for the Project, and

WHEREAS the intent was to provide \$20,000,000 for the Project, and A.I.D. has authorized an additional \$10,000,000 and

THEREFORE, the Borrower and A.I.D. hereby agree to amend the Agreement as follows:

1. Section 1.01 The Loan: The phrase "an amount not to exceed Ten Million United States Dollars (\$10,000,000) is deleted and the phrase "an amount not to exceed Twenty Million United States Dollars (\$20,000,000)" is substituted therefor.

2. Section 5.01 Borrower's Covenants: Add the following:

"(d) to provide to LWUA, in addition to its legal capitalization, the peso equivalent to the amount of each Special Letter of Credit."

3. Section 6.09 Port Charges: Delete the entire section.

Condition Precedent to Opening Letters of Commitment under Amendment No. 1. Within sixty (60) days of the execution of Amendment No. 1 to the Agreement and, prior to the first disbursement or to the issuance of the first Letter of Commitment for utilization of loan funds added by this Amendment No. 1, the Borrower, or LWUA, as appropriate shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.: an opinion of the Secretary of Justice of the Borrower on behalf of Borrower and LWUA that both Borrower and LWUA possess full power and authority to carry out all obligations undertaken hereunder, that this Loan Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower and LWUA, and that this Loan Agreement is a valid and legally binding obligation of the Borrower and LWUA in accordance with its terms.

Except as hereinabove expressly amended the said loan agreement is confirmed and continued in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties to said agreement have caused this Amendment to be executed by their duly authorized representatives.

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By: Gerardo P. Sicat
Gerardo P. Sicat

By: Peter M. Cody
Peter M. Cody

Title: Secretary of Economic Planning
(Director-General)
National Economic and Development Authority

Title: Director
USAID/Philippines

By: Carlos C. Leano, Jr.
Carlos C. Leano, Jr.

By: Richard M. Dangler
Richard M. Dangler

Title: General Manager
Local Water Utilities Administration

Title: Assistant Director for Capital Development
USAID/Philippines

PHILIPPINES

Rural Electrification

*Agreement signed at Manila August 6, 1976;
Entered into force August 6, 1976.*

A. I. D. Loan No. 492-T-043

LOAN AGREEMENT

(Philippines: Rural Electrification IV)

BETWEEN THE

GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

AND

THE NATIONAL ELECTRIFICATION ADMINISTRATION

AND THE

UNITED STATES OF AMERICA

Date: August 6, 1976

TABLE OF CONTENTS

ARTICLE AND SECTION	TITLE	PAGE	<small>[<i>Pages herein</i>]</small>
ARTICLE I <u>The Loan</u>			
Section 1.01 -	The Loan	1	7078
Section 1.02 -	The Project	1	7078
ARTICLE II <u>Loan Terms</u>			
Section 2.01 -	Interest	2	7079
Section 2.02 -	Repayment	2	7079
Section 2.03 -	Application, Currency, and Place of Payment	3	7080
Section 2.04 -	Prepayment	3	7080
Section 2.05 -	Renegotiation of the Terms of the Loan	3	7080
ARTICLE III <u>Conditions Precedent to Disbursement</u>			
Section 3.01 -	Conditions Precedent to Opening Letters of Commitment for Procurement of Materials	4	7081
Section 3.02 -	Terminal Dates for Meeting Conditions Precedent	5	7082
Section 3.03 -	Notification of Meeting of Conditions Precedent to Disbursement	5	7082
ARTICLE IV <u>General Covenants and Warranties</u>			
Section 4.01 -	Execution of the Project	5	7082
Section 4.02 -	Funds and Other Resources to be Provided by Borrower	6	7083
Section 4.03 -	Continuing Consultation	6	7083
Section 4.04 -	Management	6	7083
Section 4.05 -	Utilization of Goods and Services	7	7084
Section 4.06 -	Taxation	7	7084
Section 4.07 -	Operation and Maintenance	8	7085
Section 4.08 -	Disclosure of Material Facts and Circumstances	8	7085
Section 4.09 -	Commissions, Fees, and Other Payments	9	7086

ARTICLE AND SECTION	TITLE	PAGE	(Pages herein)
Section 4.10	- Maintenance and Audit of Records	9	7086
Section 4.11	- Reports	10	7087
Section 4.12	- Inspections	10	7087
ARTICLE V	<u>Special Covenants and Warranties</u>		
Section 5.01	- Borrower's Covenants	11	7088
Section 5.02	- NEA's Covenants	11	7088
ARTICLE VI	<u>Procurement</u>		
Section 6.01	- Procurement Source and Origin	12	7089
Section 6.02	- Eligibility Date	13	7090
Section 6.03	- Goods and Services Not Financed Under Loan	13	7090
Section 6.04	- Contracts	13	7090
Section 6.05	- Reasonable Price	14	7091
Section 6.06	- Shipping and Insurance	14	7091
Section 6.07	- Port Charges	16	7093
Section 6.08	- Notification to Potential Suppliers	17	7094
Section 6.09	- United States Government-owned Excess Property	17	7094
Section 6.10	- Information and Marking	17	7094
ARTICLE VII	<u>Disbursements</u>		
Section 7.01	- Disbursement - Letters of Commit- ment to United States Banks	18	7095
Section 7.02	- Other Forms of Disbursement	18	7095
Section 7.03	- Date of Disbursement	18	7095
Section 7.04	- Terminal Date for Disbursement	19	7096
ARTICLE VIII	<u>Cancellation and Suspension</u>		
Section 8.01	- Cancellation by the Borrower	19	7096
Section 8.02	- Events of Default; Acceleration	19	7096
Section 8.03	- Suspension of Disbursement	21	7098
Section 8.04	- Cancellation by A.I.D.	22	7099
Section 8.05	- Continued Effectiveness of Agreement	22	7099

ARTICLE AND SECTION	TITLE	PAGE	(Pages Arrears)
Section 8.06 - Refunds	23	7100	
Section 8.07 - Expenses of Collection	24	7101	
Section 8.08 - Nonwaiver of Remedies	24	7101	
 ARTICLE IX <u>Miscellaneous</u>			
Section 9.01 - Communications	24	7101	
Section 9.02 - Representatives	26	7103	
Section 9.03 - Implementation Letters	26	7103	
Section 9.04 - Promissory Notes	27	7104	
Section 9.05 - Termination Upon Full Payment	27	7104	

LOAN AGREEMENT

LOAN AGREEMENT dated the 6th day of August, 1976, between
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ("Borrower"),
THE NATIONAL ELECTRIFICATION ADMINISTRATION ("NEA"), and the
UNITED STATES OF AMERICA, acting through the AGENCY FOR INTER-
NATIONAL DEVELOPMENT ("A. I. D. ").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. hereby agrees to lend to the Borrower, for the use of the National Electrification Administration (NEA), pursuant to the Foreign Assistance Act of 1961, as amended, [¹] up to Twenty Million United States Dollars (\$20,000,000) ("Loan"), to assist in financing certain foreign exchange costs of goods and services required for the Project as defined in Section 1.02 hereof. Goods and services financed hereunder are hereinafter referred to as "eligible items", and the aggregate amount disbursed hereunder is hereinafter referred to as "Principal".

SECTION 1.02. The Project. As used in this Agreement, the "Project" shall mean (a) the construction of new rural electric cooperatives ("Cooperatives") or the expansion of existing ones, and (b) the further development of the institutional and managerial capability of NEA and the Cooperatives,

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

and the further development and improvement of the quality of work of the local A&E firms and construction contractors.

ARTICLE II

Loan Terms

SECTION 2.01. Interest. The Borrower shall pay to A.I.D. interest which shall accrue on the outstanding balance of the Principal and any due and unpaid interest at the rate of 2% per annum for 10 years following the date of the first disbursement hereunder and at the rate of 3% per annum thereafter. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 7.03), 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 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 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 Controller, Agency for International Development, Washington, D. C., U.S.A., and shall be deemed made when received by the Office of the Controller.

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 agrees 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 the country of the Borrower.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Opening Letters of Commitment for Procurement of Materials. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Borrower, or NEA, as appropriate shall, 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 the Secretary of Justice of the Borrower on behalf of Borrower and NEA that both Borrower and NEA possess full power and authority to carry out all obligations undertaken hereunder, that this Loan Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower and NEA, and that this Loan Agreement is a valid and legally binding obligation of the Borrower and NEA in accordance with its terms;
- (b) statements of the names of the persons holding or acting in the office of the Borrower and NEA specified in Section 9.02 together with specimen signatures of each person specified in such statement; and
- (c) an agreement providing for the relending of the Loan proceeds from Borrower to NEA, such relending to be on terms and conditions satisfactory to A. I. D.

SECTION 3.02. Terminal Dates for Meeting Conditions Precedent.

If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Borrower and NEA. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.03. Notification of Meeting of 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 and Warranties

SECTION 4.01. Execution of the Project. (a) The Borrower and NEA shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial, administrative and planning practices. In this connection, NEA shall employ, or insure that the Cooperatives employ, suitably qualified and experienced consultants to be professionally responsible for the design and execution of the Project and suitably qualified and competent construction contractors to carry out the Project.

(b) The Borrower and NEA shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other

arrangements, and with all modifications therein, approved by A. I. D. pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower. The Borrower shall provide promptly, as needed, all funds, in addition to the Loan, and all other resources required for the timely and effective execution, maintenance, repair, and operation of the Project, on the further condition that these contributions by the Borrower shall constitute at least 25% of the costs of the entire Project.

SECTION 4.03. Continuing Consultation. The Borrower, NEA and A. I. D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower, NEA and A. I. D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

SECTION 4.04. Management. Borrower and NEA shall provide qualified and experienced management for the Project, and NEA shall train such staff as may be appropriate for the maintenance and operation of the Project.

TIAS 8704

SECTION 4.05. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Loan can no longer be usefully employed for the Project, the Borrower and NEA may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.06. Taxation. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. The proceeds of the Loan shall not be used for the payment of taxes, tariffs, duties and other levies in effect in the country of the Borrower with respect to (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder. To the extent that persons or entities in (a) and (b) immediately above are not exempt from

identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Borrower, the Borrower shall, as and to the extent prescribed in and pursuant to implementation letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

SECTION 4.07. Operation and Maintenance. The Borrower and NEA shall insure that the Cooperatives operate, maintain, and repair the electric distribution systems financed under this Loan in conformity with sound engineering, financial, and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

SECTION 4.08. Disclosure of Material Facts and Circumstances. The Borrower and NEA represent and warrant that all facts and circumstances that they have disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that they have disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of their obligations under this Agreement. The Borrower and NEA shall promptly inform A.I.D. of any facts and circumstances that may hereinafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's or NEA's obligations under this Agreement.

SECTION 4.09. Commissions, Fees, and Other Payments.

(a) Borrower and NEA warrant and covenant that in connection with obtaining the Loan, they have not paid, and will not pay or agree to pay, nor to the best of their knowledge has there been paid nor 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 the Borrower's or NEA's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower and NEA shall promptly report to A. I. D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A. I. D., the same shall be adjusted in a manner satisfactory to A. I. D.

(b) The Borrower and NEA warrant and covenant that no payments have been or will be received by the Borrower or NEA or any official of the Borrower or NEA, in connection with the procurement of goods and services hereunder, except fees, taxes, or similar payments legally established in the Philippines.

SECTION 4.10. Maintenance and Audit of Records. The Borrower and NEA shall maintain, and cause the Cooperatives assisted by this Loan to maintain, in accordance with sound accounting principles and practices consistently applied,

books and records relating both to the Project and to this Agreement.

Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be maintained for five years after the date of the last disbursement by A. I. D. or until all sums due A. I. D. under this Agreement have been paid, whichever date shall first occur.

NEA and the individual cooperatives shall be audited annually and audit of the cooperatives shall be by independent certified public accountants.

SECTION 4.11. Reports. The Borrower and NEA shall furnish to A. I. D. such information and reports relating to the Loan and to the Project as A. I. D. may request.

SECTION 4.12. Inspections. The authorized representatives of A. I. D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's, NEA's and the Cooperatives' books, records, and other documents

relating to the Project and the Loan. The Borrower and NEA shall cooperate with A.I.D. to facilitate the visit by representatives of A.I.D. to any part of the country of the Borrower for any purpose relating to the Loan.

ARTICLE V

Special Covenants and Warranties

SECTION 5.01. Borrower's Covenants. Pursuant to Section 4.02 and except as A.I.D. may otherwise agree in writing, the Borrower covenants and agrees:

- (a) To make available to NEA on a timely basis peso funds required for implementation and completion of the Project;
- (b) To assist NEA to carry out the Project or cause the Project to be carried out with due diligence and efficiency in conformance with sound engineering, construction, financial and management practices and any plans, specifications, contracts, schedules or other arrangements approved by A.I.D.; and
- (c) To absorb any maintenance of value (MOV) risks on behalf of NEA and the Cooperatives.

SECTION 5.02. NEA's Covenants. Except as A.I.D. may otherwise agree in writing, NEA covenants and agrees:

- (a) To carry out the Project, or cause the Project to be carried out, with due diligence and efficiency and in conformity with sound engineering,

financial, administrative and management practices and in accordance with any contracts and procurement arrangements, and modifications therein, approved by A. I. D. pursuant to this Agreement.

(b) To present to A. I. D. for its approval any proposed new or amended contract between NEA and a consultant for engineering or other professional services to be financed under this loan.

(c) That the Cooperatives' retail power rates will be fixed to result in rates that will conform to the requirements of the formal rate policies specified in NEA policy statements 401-A and 402 dated December 19, 1974. Any change in these rate policy statements will be in consultation with A. I. D. prior to the making of such change.

(d) That commodities procured under this Loan will not be released to individual electric cooperatives prior to certification by the Beneficiary and its consulting engineers as to the technical, economic and financial soundness of each proposed cooperative system.

(e) To implement the evaluation plan submitted to A. I. D. pursuant to Section 3.01(d) of A. I. D. Loan Agreement No. 492-T-036, executed by the parties on March 24, 1975.

ARTICLE VI

Procurement

SECTION 6.01. Procurement Source and Origin. Except as A. I. D. may otherwise agree in writing, disbursements made pursuant to Sections 7.01

and 7.02 shall be used exclusively to finance the procurement for the Project of goods and services having both 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 for such goods and services.

SECTION 6.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 6.03. Goods and Services Not Financed Under the Loan.

Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.04. Contracts. Except as A.I.D. may otherwise agree in writing:

(a) All bid documents and documents relating to the solicitation of proposals for goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance.

(b) All contracts financed under this Loan shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the

selection of the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

SECTION 6.05. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 6.06. Shipping and Insurance.

(a) Goods financed under the Loan shall be transported to the country of the Borrower on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) (i) Gross tonnage. At least fifty percent (50%) of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) financed hereunder which may be transported on ocean vessels shall be transported on privately-owned United States-flag commercial vessels.

(ii) Revenue. Additionally, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed hereunder and

transported to the Philippines on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels.

(iii) Compliance. Compliance with the requirements of (i) and (ii) above must be achieved with respect to cargo transported from U.S. ports and also to cargo transported from non-U.S. ports, computed separately.

(iv) Reporting. Within ninety (90) days following the end of each calendar quarter, or such other period as A.I.D. may specify in writing, Borrower or NEA shall furnish A.I.D. with a statement, in form and substance satisfactory to A.I.D., reporting on compliance with the requirements of this Section.

(c) No such goods may be transported on any ocean vessel (or aircraft) (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D.-financed goods unless such charter has been approved by A.I.D.

(d) If, in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the country of the Borrower, by statute, decree, rule, or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, goods procured from the United States and financed under the Loan shall, during the continuance of such discrimination, be insured against marine risk in the

United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.

(e) The Borrower or NEA shall insure, or cause to be insured, all goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower or NEA for the replacement or repair of such goods. Any such replacements shall have both their source and origin in countries included in Code 941 of the A. I. D. Geographic Code Book and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.07. Port Charges. With respect to ocean freight costs which qualify as eligible for financing under the Loan, A. I. D. will finance ninety percent (90%) of all ocean freight costs of each shipment, and ninety-eight percent (98%) of such costs on any shipment under free-out terms. The remaining ten percent (10%), or two percent (2%) of free-out shipments, represent port charges in the Philippines and Borrower covenants that it shall make available foreign exchange in accordance with procedures which may be prescribed

by A. I. D. in Implementation Letters.

SECTION 6.08. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower or NEA shall furnish to A. I. D. such information with regard thereto, and at such times, as A. I. D. may request in Implementation Letters.

SECTION 6.09. United States Government-owned Excess Property. NEA shall utilize, with respect to goods financed under the Loan to which the NEA takes title at the time of procurement, such reconditioned United States Government-owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time. NEA shall seek assistance from A. I. D. and A. I. D. will assist the NEA in ascertaining the availability of and in obtaining such Excess Property. A. I. D. will make arrangements for any necessary inspection and of acquisition, and all charges incident to the transfer to the NEA of such Excess Property, may be financed under the Loan.

SECTION 6.10. Information and Marking. Borrower and NEA shall give publicity to the Loan and the Project as a program of United States aid, identify the Project sites, and provide other markings or publicity as prescribed in Implementation Letters.

ARTICLE VII

Disbursements

SECTION 7.01. Disbursement - Letters of Commitment to United States Banks. Upon satisfaction by the Borrower and NEA of conditions precedent, NEA may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 7.02. Other Forms of Disbursement. Disbursement of the Loan may also be made through such other means as the Borrower, NEA and A.I.D. may agree to in writing.

SECTION 7.03. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes disbursement to the Borrower, to its designee,

or to a banking institution pursuant to a Letter of Commitment.

SECTION 7.04. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.02, or amendment thereto, shall be issued in response to requests received by A.I.D. after February 6, 1979 and no disbursement shall be made against documentation received by A.I.D., or any bank described in Section 7.01 after August 6, 1979. A.I.D., at its option, may at any time or times after August 6, 1979 reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower, may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. 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 or NEA shall have failed to comply with any other provisions of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- (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 agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and A. I. D. or any of its predecessor agencies;
- (d) any action by any governmental authority shall be instituted to dissolve or disestablish NEA or to suspend its operations, or a substantial part thereof; or
- (e) any right, privilege, or other legal authority necessary for the conduct of NEA's operations for the completion of the Project, or for carrying out of the terms of this Loan Agreement, is revoked, cancelled, or denied in such manner as to make it improbable that NEA will be able to perform its obligations under this Loan Agreement or that the Loan provided for herein will substantially fulfill the purposes for which it has been established;
Then A. I. D. may, at its option, give to the Borrower or NEA 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 unrepaid Principal and any accrued interest hereunder 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 8.03. 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. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower or NEA will be able to perform their obligations under this Agreement;
- (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 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 or any of its agencies and A. I. D. or any of its predecessor 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 the issuance of irrevocable

Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A. I. D. shall give notice to the Borrower promptly thereafter;

- (ii) decline to make disbursements other than under 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 shall be transferred to A. I. D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been offloaded in ports of entry of the country of the Borrower, in which event A. I. D. shall give notification to the Borrower promptly thereafter. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 8.04. Cancellation by A. I. D. Following any suspension of disbursements pursuant to Section 8.03, 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 8.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration or 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 8.06. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A. I. D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A. I. D. within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A. I. D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A. I. D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that

did not conform to specifications, or to services that were inadequate, A. I. D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECTION 8.07. 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 8.02 may be charged to the Borrower and reimbursed to A. I. D. in such manner as A. I. D. may specify.

SECTION 8.08. 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 such rights, powers or remedies.

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document, or other communication given, made, or sent by the Borrower, NEA, or A. I. D.

pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram 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 to such party by hand or by mail, telegram, cable or radiogram at the following address:

To Borrower:

Mail Address: National Economic and Development Authority
P. O. Box 1116
Manila, Philippines

Cable Address: NEDAPHIL

To NEA:

Mail Address: National Electrification Administration
1050 Quezon Boulevard Extension
Quezon City, Philippines

Cable Address: NEAPHIL

To A.I.D.:

Mail Address: United States Agency for International
Development
c/o American Embassy
Manila, Philippines

Cable Address: USAID/AMEMB MANILA

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in the English language, except as A.I.D. may otherwise agree in writing.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the Office of Director-General, National Economic and Development Authority; NEA will be represented by the individual holding or acting in the office of Administrator, NEA; 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. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower or NEA shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice or revocation of the authority of any of the duly authorized representatives of the Borrower or NEA designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

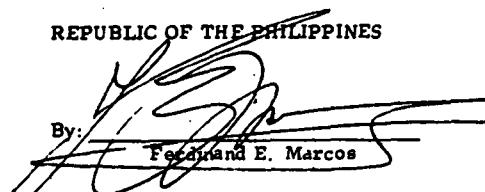
SECTION 9.04. Promissory Notes. At such time or times as A. I. D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A. I. D. may reasonably request.

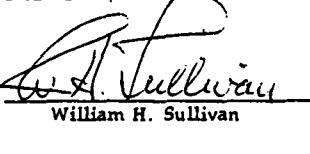
SECTION 9.05. Termination Upon Full Payment. Upon payment in full of the principal and of any accrued interest, this Agreement and all obligations of the Borrower, NEA and A. I. D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower, NEA and the United States of America, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

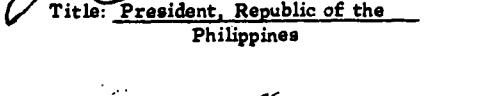
UNITED STATES OF AMERICA

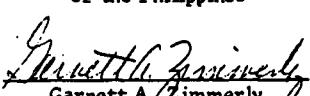
By: 
Ferdinand E. Marcos

By: 
William H. Sullivan

Title: President, Republic of the Philippines

Title: Ambassador to the Republic of the Philippines

By: 
Gerardo P. Sicat

By: 
Garnett A. Zimmerman

Title: Secretary of Economic Planning
(Director-General)
National Economic & Development Authority

Title: Director, USAID/Philippines

ICELAND

Information Exchange on Utilization of Energy from Geothermal Sources

*Agreement signed at Reykjavik November 23, 1973;
Entered into force November 23, 1973.*

And amending agreement

*Signed at Germantown and Reykjavik December 18, 1974 and
January 20, 1975;
Entered into force January 20, 1975.*

ARRANGEMENT BETWEEN THE U.S. ATOMIC ENERGY COMMISSION AND THE ICELANDIC NATIONAL ENERGY AUTHORITY TO EXCHANGE INFORMATION ON THE UTI- LIZATION OF ENERGY FROM GEOTHERMAL SOURCES

The United States Atomic Energy Commission (USAEC) and The Icelandic National Energy Authority having a mutual interest in the exchange of information on the utilization of energy from geothermal sources, hereby agree as follows:

The USAEC and The Icelandic National Energy Authority will make available to each other unclassified information on the utilization of energy from geothermal sources which each has the right to disclose either in its possession or available to it, including especially information from the technical areas listed in Appendix A.

The information exchange will be in the form of technical reports, scientific papers, published literature, letters, conferences and visits.

The USAEC will invite the Department of the Interior, the National Science Foundation and other interested agencies of the U.S. Government to participate in the arrangement as appropriate.

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.

The information exchanged under this arrangement shall be subject to the patent provisions in the Patent Addendum to this exchange arrangement.

Technical specialists working in the field of geothermal energy in each country are encouraged to communicate directly with persons known to have common interests with the objective of fostering the

exchange of ideas and results to accelerate the overall rate of progress in the field.

Upon the coming into force of this arrangement, correspondents will be named on each side and all correspondence relating to detailed arrangements and procedures for implementing this exchange arrangement should be addressed to these correspondents.

This arrangement shall come into force on the date of signature of this document and shall remain in force for a period of five (5) years, subject to the availability of funds to either party to carry on the work covered by the arrangement. This arrangement may be terminated at the discretion of either party, upon six months advance written notification by the party seeking to terminate, to the other party.

DONE at Reykjavik, Iceland, the 23rd of November 1973.

FOR THE U.S. ATOMIC ENERGY COMMISSION:

DIXY LEE RAY

Dixy Lee Ray

Chairman

U.S. Atomic Energy Commission

FOR THE ICELANDIC NATIONAL ENERGY AUTHORITY:

JACOB BJORNSSON

Jacob Bjornsson

Director General

Icelandic National Energy Authority

Appendix "A"

Technical Scope

U.S.-Icelandic Geothermal Energy Information Exchange

United States

The United States will provide information concerning:

1. Experience obtained from the operation of the electrical generating facilities at the Geysers in California, utilizing dry steam;
2. Research on the development of new geothermal exploration techniques and resource evaluation methods;
- *3. Analysis and development of binary cycles;
- *4. Evaluation of the utilization of hydrothermal systems for power generation;
- *5. Investigation of the feasibility of energy recovery from hot, dry rock;
- *6. Production of fresh water from saline geothermal fluids;
- *7. Cost-benefit studies and systems analyses of various techniques of geothermal energy utilization.

*Work in these areas is scheduled for 1974.

Iceland

Iceland will provide information concerning:

1. Engineering and operating experience using geothermal sources for process heating;
2. Generation of electricity from geothermal sources, including plant design, construction, and operating experience;
3. Geophysical prospecting, well completion, stimulation of wells, and the use of downhole pumps.

ARRANGEMENT BETWEEN THE U.S. ATOMIC ENERGY COMMISSION AND THE ICELANDIC NATIONAL ENERGY AUTHORITY TO EXCHANGE INFORMATION ON THE UTILIZATION OF ENERGY FROM GEOTHERMAL SOURCES

Patent Addendum

A. With respect to any invention or discovery made or conceived during the period of, or in the course of, or under this exchange arrangement on the application of energy from geothermal sources between the United States Atomic Energy Commission and the Icelandic National Energy Authority:

- (1) If made or conceived when employing information which has been communicated under this exchange arrangement by one party or its contractors to the other party or its contractors, each party shall grant to the other party 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 utilization of energy from geothermal sources.

The grant of license rights of this section shall not apply if the information is already generally available to the public, or is available from other sources to the party making the invention, or is not directly employed so as to become a part of the invention or discovery claimed.

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 under subparagraph A(1) above.

C. Each party waives any and all claims against the other party for compensation, royalty or award as regards any such inventions or discovery, patent application, or patent, and releases the other party with respect to any and all such claims.

AMENDMENT TO THE ARRANGEMENT BETWEEN THE U.S. ATOMIC ENERGY COMMISSION AND THE ICELANDIC NATIONAL ENERGY AUTHORITY TO EXCHANGE INFORMATION ON THE UTILIZATION OF ENERGY FROM GEOTHERMAL SOURCES

Whereas the United States Atomic Energy Commission and the Icelandic National Energy Authority on November 23, 1973, signed an "Arrangement Between the U.S. Atomic Energy Commission and the Icelandic National Energy Authority to Exchange Information on the Utilization of Energy from Geothermal Resources" (hereinafter referred to as "the Arrangement"),

Whereas the Parties desire to expand the scope of the Arrangement to include cooperation in the undertaking of projects involving certain research on and development and demonstration of applications of geothermal energy,

The Parties hereby agree to amend the Arrangement as follows:

- (1) The sixth paragraph of the Arrangement is amended to read as follows:

“The information exchanged under this Arrangement shall be subject to the provisions of Section 5 of Appendix B to this Exchange Arrangement”;

- (2) Appendix B annexed hereto shall be added; and
(3) The Patent Addendum to the Arrangement is deleted in its entirety.

This amendment shall enter into force on the latter date of signature by a Party and shall remain in force for the period of the Arrangement as provided therein.

DONE in duplicate:

FOR THE U.S. ATOMIC ENERGY
COMMISSION

A S FRIEDMAN

(Name and title)

Date: Dec. 18, 1974

FOR THE ICELANDIC
NATIONAL ENERGY
AUTHORITY

JACOB BJORNSSON

(Name and title)

Date: Jan. 20, 1975

Appendix “B”

Section 1. Pursuant to this Appendix, the Parties envisage establishment cooperative projects in the United States or Iceland, or both, including separate but complimentary projects, for research on or development of applications of geothermal energy in areas such as set forth in Section 2 below.

Section 2. It is the intent of the Parties that projects be undertaken in areas such as listed below, and in such other areas as the Parties may mutually agree:

- (a) Heat transfer from hot brine to fresh water using advanced heat exchanges to improve efficiencies.
- (b) Steam-water separation to provide higher quality steam for turbines.
- (c) Removal of dissolved solids from geothermal fluids to reduce corrosion and scaling effects.
- (d) Geophysical exploration and reservoir modeling to enable more precise definition of reservoirs and better understanding of reservoir behavior as fluids are withdrawn and reinjected.
- (e) Rock fracturing and formation stimulation techniques to increase production of geothermal fluids.

- (f) Deep drilling technology, including drilling methods, high-temperature drilling muds and cements, high-strength materials for improved and more economical drilling.
- (g) Sea chemical recovery of minerals presently considered uneconomical or nonfeasible.
- (h) Geothermal process heating and freeze drying, including greenhouse application.
- (i) Power cycle studies, including multiple flash, binary and other advanced systems, to improve power conversion efficiencies.
- (j) Brine reinjection studies to assess effect on overall reservoir control and adjacent withdrawal wells, and well bore corrosion and scaling.

Section 3. Projects undertaken pursuant to this Appendix shall be subject to applicable provisions of the Arrangement, to the availability of funds, personnel, material and equipment, and to the applicable laws, regulations, and license requirements in force in the respective countries of the Parties.

Section 4. Implementation of project activities undertaken pursuant to this Appendix shall be pursuant to agreed arrangements and, notwithstanding the provisions of Section 5, shall accord with the following:

- (a) Upon the mutual agreement of the Parties, institutions, organizations or firms in the country of either Party may participate in project activities undertaken in the United States or Iceland;
- (b) Unless otherwise agreed, each Party, including any participating institution, organization or firm, shall bear the costs of its participation and that of its personnel;
- (c) Establishment of agreed implementing arrangements, and coordination thereof in the course of cooperation under this Appendix, shall be undertaken through the respective correspondents of the Parties designated pursuant to the Arrangement;
- (d) At the discretion of the correspondents, meetings between them, including others as they may designate, may be held as deemed necessary, particularly with respect to reviewing implementation of project activities and the agreed procedures therefor;
- (e) In addition to the opportunities for exchange of information as envisaged in the Arrangement, implementation of projects under this Appendix may include assignments of scientists, technicians, or other experts on general or specific subjects under terms and conditions as may be agreed, and may include expenditure of funds available to one Party in the country of the other Party for agreed purposes under this Appendix; and

Section 5. The following guiding principles are for use in negotiating individual cooperative activities, including separate but complementary projects, under this Arrangement, with the understanding that the principles may be modified during negotiations of individual cooperative activities where necessary or desirable. It is further

understood that these principles do not cover prior activities, or related, but independent, activities of either Party or of private organizations unless mutually and specifically identified as being included in the cooperative activities under this Arrangement.

In this context, the Parties agree on the following guiding principles:

(a) The Parties support the widest possible dissemination and exchange of scientific and technical information resulting from cooperative activities under this Arrangement. Such information may be made available to the public by either Party through customary channels and in accordance with the normal procedures of participating agencies.

(b) Certain results of these cooperative activities may contain industrial property, the right to which must be protected in accordance with applicable laws. Industrial property of a proprietary nature, such as trade secrets, inventions, patent information, and know-how, made available hereunder, but acquired by either Party or private organization prior to or outside the course of these activities, and which bear a restrictive designation, shall be respected and shall not be used for commercial purposes or made public without the consent of the originating Party or private organization, except as may be required by the laws of the receiving Party and paragraph (c) below, where such industrial property:

- (i) is of a type customarily held in confidence by commercial firms;
- (ii) is not generally known or publicly available from other sources;
- (iii) has not already been made available by the originating Party or others without an agreement concerning its confidentiality; or
- (iv) is not already in the possession of the receiving Party or its contractors or does not come into their possession from another source.

(c) Each Party shall use its best efforts to make available to the other Party such relevant industrial property of a proprietary nature as may reasonably be necessary to a specific cooperative project. Such industrial property may be disseminated without the prior consent of the originating Party or private organization as follows:

- (i) to persons within or employed by the recipient Party, and to other concerned Government agencies of the recipient Party; and
- (ii) to prime or subcontractors of the recipient Party for use only within the framework of its 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 (i) or (ii) above shall bear a marking restricting dissemination outside the recipient's organization without prior written approval of the originating Party.

(d) Each Party will use its best efforts to ensure that the dissemination of proprietary data received under this Arrangement is controlled as prescribed herein.

(e) As to rights in patents owned or controlled by a Party at the commencement of a particular cooperative activity, or owned or controlled by a Party as the result of related but independent concurrent work, each Party shall agree to grant a royalty-free license to the other under patents that bear a direct relationship to those cooperative activities, for use during the period of the cooperative activities only.

(f) As to any invention subject to patents originated in connection with exchanges of personnel or equipment or joint work efforts or experiments under this Arrangement, the following rule shall apply:

- (1) each Party shall determine the allocation of all rights to such invention in its own country subject to a non-exclusive, irrevocable, royalty-free license to the other Party with the right to grant sublicenses under such inventions; and
- (2) the Party in whose country the invention is originated shall have the first option to acquire all right, title, and interest in and to such inventions in third countries, subject to a non-exclusive, irrevocable, royalty-free license to the other Party with the right to grant sublicenses under such inventions.

(g) As to any invention subject to patents originated during the period of this Arrangement while in attendance at meetings, consultations, seminars or panels, or when employing information which has been communicated under this Arrangement by one Party to the other, or originated in connection with separate but complimentary projects, the Party of the inventor shall acquire all right, title, and interest in and to such inventions, subject to a non-exclusive, irrevocable, royalty-free license to the other Party with the right to grant sublicenses under such inventions.

(h) The Parties shall provide all necessary cooperation from its inventors to carry out the provisions of paragraphs f and g above.

(i) Each Party shall assume the responsibility to pay awards or compensation required to be paid to its own nationals according to its own laws.

(j) Copyrights of either Party or of cooperating organizations and persons shall be accorded treatment consistent with internationally recognized standards of protection.

(k) As to copyrights owned or controlled by a Party at the commencement of particular cooperative activities or acquired by a Party as the result of related independent concurrent work, each Party shall agree to grant to the other a royalty-free license to reproduce copyrighted materials having a direct relationship to those cooperative activities for use in those cooperative activities only.

(l) Any material which may be subject to copyright developed in any cooperative activity may be copyrighted. A Party securing a copyright or rights thereto shall grant a royalty-free license to the other Party to reproduce the copyrighted material.

MULTILATERAL
Transatlantic Balloon Program

*Agreement signed at Washington July 21 and 22, 1976;
Entered into force July 22, 1976.
And amending agreement
Opened for signature at Washington August 9, 1976;
Entered into force August 13, 1976.*

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE SCIENCE RESEARCH COUNCIL
AND
THE CONSIGLIO NAZIONALE DELLE RICERCHE
AND
THE NATIONAL SCIENCE FOUNDATION
FOR A
TRANSATLANTIC BALLOON PROGRAM**

1. INTRODUCTION

- 1.1 This Memorandum of Understanding sets forth the conditions under which the Science Research Council (SRC), the Consiglio Nazionale Delle Richerche (CNR), and The National Science Foundation (NSF) will collaborate in a joint program whereby experimenters from the UK, Italy, and the USA who are approved by SRC, CNR, or NSF respectively, may conduct long duration scientific balloon flights.
- 1.2 The joint program provides for the necessary launch area, payload preparation buildings and launch site services, the provision of flight and ground equipment to control and maintain communications with the balloon; and operational support for launch of the balloon from Sicily and recovery of the payload.
- 1.3 Experimenters from other countries may participate in this program, subject to agreement in each case by all of the Parties to this Memorandum and to the agencies funding these other experimenters becoming, by means of an exchange of letters, additional Parties to this Memorandum in respect of each specific flight on behalf of these experimenters.

2. FLIGHT PLANS

Operational flights will be conducted with balloons of 21 MCF volume carrying payloads of approximately 1800 kgs. They will be launched during the period 1 June to 31 August 1976 from Trapani-Milo, Sicily and are expected to float in a westerly direction at an altitude of about 140,000 ft. across Spain, Portugal, the Atlantic Ocean and the southern United States of America at about 38 degrees north latitude and be remotely commanded to descend by parachute at a convenient and safe location within the USA approximately four to eight days after launch. The flights will be controlled by HF and VHF telecommand systems and position information accurate to within ± 5 miles will be obtained throughout flights using the Omega Navigation system and this will be supplemented over the Mediterranean and USA by information obtained by normal tracking techniques.

3. RESPONSIBILITIES

3.1 Science Research Council

3.1.1 SRC, acting through the Appleton Laboratory, will manage the program, allocate flights and:

- (a) Provide flight service modules equipped with HF telemetry and telecommand; automatic ballast control; Omega navigation; and power supply systems.
- (b) Procure the balloons.
- (c) Provide a ground station and data retrieval system in Sicily.
- (d) Provide the personnel necessary to man the Sicily ground station and advise USA staff manning the Naval Research Laboratory (NRL) ground station (ref. Clause 3.3.2 (c)).
- (e) Assume control of the flights after completion of the ascent phase and prior to transfer of control to the NRL ground station when the balloon reaches 30° west longitude.
- (f) Arrange for the return to experimenters of their equipment, after its delivery to the Appleton Laboratory (ref. Clause 3.3.2 (d)).

3.1.2 SRC will allocate one flight to CNR. In the allocation of other flights, proposals submitted by any of the Parties to this Memorandum will be given preferential consideration.

3.1.3 SRC, acting through the Appleton Laboratory, will endeavour to:

- (a) Process experimental data on to computer compatible magnetic tape.
- (b) Develop a high bit rate communication system.

3.2 Consiglio Nazionale delle Richerche

- 3.2.1 CNR, acting through its Servizio Attività Spaziale (SAS), will:
- (a) Provide a launch area and payload preparation facilities at Trapani-Milo, Sicily.
 - (b) Provide communication links and services at the launch site.
 - (c) Arrange for duty-free entry and exit into and out of Italy of equipment related to operation of the program.
 - (d) Arrange for liaison with Air Traffic Control while the balloons are within Mediterranean airspace.
 - (e) Arrange for radar surveillance while the balloons are within Mediterranean airspace.
 - (f) Arrange for liaison with the Air Defense networks of countries bordering the Mediterranean Sea.
 - (g) Arrange for clearance to overfly nations bordering the Mediterranean Sea and Portugal subject to prior consent of the US State Department.
 - (h) Arrange for the international allocation of radio transmission frequencies used during the flights.
- 3.2.2 CNR, acting through SAS, will endeavour to obtain satellite infrared cloud cover photographs of the flight path to assist in controlling the float height of the balloon.

3.3 National Science Foundation

- 3.3.1 NSF, acting through its contractor namely the University Corporation for Atmospheric Research (UCAR), which operates the National Center for Atmospheric Research (NCAR) and the National Scientific Balloon Facility (NSBF), will:
- (a) Provide operational support for launching the balloons from Trapani-Milo, Sicily, including a launch team and launch equipment and launch the balloons.
 - (b) Provide standard airborne equipment for each flight including parachute and flight train, radar reflector, flashing light, beacon, barocoder, airborne VHF telecommand and telemetry package and cut-down mechanisms.
 - (c) Provide ground VHF telecommand and telemetry equipment at Trapani-Milo, Sicily and assume control of the flights during the ascent phase, subject to overriding command by an Italian Air Force range safety officer while the balloons are within Italian airspace.

- (d) Provide the facilities necessary for and be responsible for terminating the flights and recovering the payloads over Spanish Territory, should the controlling ground station require the flights to be prematurely terminated for safety or technical reasons, provided that it shall be the responsibility of the CNR to obtain the necessary permission to terminate flights over Spanish territory and NSF shall not be responsible for recovery operations in Spanish territory if the Spanish Government does not grant any necessary visas and other permits.
 - (e) Arrange for the shipment of balloons and NSBF equipment to and from Trapani-Milo, Sicily and Spain.
 - (f) Obtain insurance cover in accordance with Clause 7 of this Memorandum.
 - (g) Assume responsibility for control of the flights when the balloon reaches 30 degrees west longitude.
 - (h) Arrange for liaison with Air Traffic Control while the balloons are within American airspace.
 - (i) Arrange for duty-free entry and exit into and out of the USA of equipment related to operation of the program.
 - (j) Arrange for termination of the flight and payload recovery within the USA.
 - (k) Coordinate all aspects of all the flights.
- 3.3.2 NSF acting through UCAR will endeavour to:
- (a) Arrange for hire, in Sicily, of a ten ton mobile crane and flat bed truck.
 - (b) Arrange for supplies of hydrogen gas to be available as required.
 - (c) Arrange for operation of the NRL receiving station at Chesapeake Bay, Maryland, in cooperation with the SRC.
 - (d) Arrange for return shipment of the recovered payloads to the Appleton Laboratory, except in the case of items which have been provided by NSBF or when service modules are required to be returned to Sicily for reflight in the same campaign.

4. Costs

- 4.1 SRC and CNR will provide the requisite funds for the implementation of those parts of the programme for which they are respectively responsible as detailed in Clauses 3.1 and 3.2.
- 4.2 SRC will reimburse NSF's contractor (UCAR) for all expenses

incurred in implementation of that part of the programme for which NSF is responsible as detailed in Clause 3.3, except in the case of 3.3.1 (g), (h), (i). These costs will include, but not necessarily be limited to: transportation of equipment and personnel, per diem, vehicle rental, extended field program reimbursement and costs incurred in the use of the Naval Research Laboratory's HF receiving station.

- 4.3 In addition to costs detailed in 4.2 above, SRC will pay NSF's contractor (UCAR) a flight service fee of \$11,000 U.S. per flight.
- 4.4 NSF will provide the requisite funds for any costs associated with the activities detailed in Clause 3.3.1 (g), (h), (i).

5. CHARGES FOR FLIGHTS OF NON-UK EXPERIMENTS

- 5.1 The SRC will be reimbursed for the actual costs of the balloons, hydrogen and return of the experimenters' equipment from the Appleton Laboratory, and processing of experimental data, together with any consumable items including ballast and service module batteries, used for all flights allocated to other Parties to this Memorandum. In the event of a flight of a joint payload involving a UK and a non-UK experimenter, these costs will be shared between SRC and the other Party in proportions to be agreed in advance.
- 5.2 In addition to charges falling within the scope of Clause 5.1 and subject to the exception in Clause 5.3, SRC will levy a charge on the experimenter, to be fixed in advance, for the use of equipment and services to be provided by SRC. This charge will be based on full economic costings but will take account of any contribution to the operating costs of the program being met by the other Party.
- 5.3 For one CNR flight in the 1976 program, the SRC will not levy any charge other than those falling within the scope of the first sentence of Clause 5.1.
- 5.4 In the event of an unsuccessful flight in which the operational requirements agreed by the SRC and the experimenter are not met due to an identifiable failure for which SRC accepts responsibility, the charge referred to in Clause 5.2 would be reviewed.

6. TITLE TO PROPERTY

Title to all equipment and other property furnished by any Party to this Memorandum will remain vested in that Party.

7. INSURANCE

Pursuant to 3.3.1(f), insurance will be obtained to cover liability for damage to property or death or injury to persons in the amount of twenty million U.S. dollars (\$ US 20,000,000) per flight where the liability arises during the flight, and in the amount of five

million U.S. dollars (\$ US 5,000,000) per flight where the liability arises during ground operations associated with the flight.

8. LIABILITIES

- 8.1 Because of the numerous inherent risks involved with balloon launches, UCAR and the Government of the United States shall not be responsible for any loss or damage to the balloon or scientific equipment that may occur during the course of activities under this Memorandum, except as indicated below. Accordingly, the Parties will not bring any claims against UCAR, the Government of the United States, or their employees for loss or damage to balloons or scientific equipment except where the claim is based on damages or loss occurring either (i) prior to launch operations or (ii) after the completion of the flight and any recovery operations and, in both cases, resulting from the willful misconduct or gross negligence of UCAR employees.
- 8.2 Except as provided for in Clause 8.1, the Party or Parties providing the scientific payload for a particular flight will assume all liability for that flight and hold the remaining Parties harmless with respect to any claim arising out of such flight not covered by the insurance for that flight provided for in Clause 7.
- 8.3 In the event of an experiment by a Signatory Party (whether a Party under the present Memorandum or an additional Party under the terms of Clause 1.3) involving collaboration with an experimenter supported by another funding agency which is not a Party to this Memorandum the Signatory Party will assume liability to the extent required by Clause 8.2 as if it alone had been responsible for the experiment.

9. PUBLICITY

Each Party may publish information regarding its own part in the setting up or operation of the program.

10. AMENDMENT

This Memorandum may be amended or be extended anytime upon the written common consent of SRC, CNR, and NSF, and of any additional Party in so far as such amendment or extension relates to the terms and conditions for a specific flight on behalf of an experimenter from another country in accordance with Clause 1.3.

11. ENTRY INTO OPERATION

This Memorandum will come into operation upon signature by SRC, CNR, and NSF, and will remain effective until 31 December 1976.

SIGNED AT Washington, D.C. on 22 July 1976, in triplicate by
T. M. MOYNEHAN for the Science Research Council.

SIGNED AT Washington, D.C. on 22 July 1976, in triplicate by
GIULIO TAMAGNINI, *Charge d'Affaires a.i. of Italy*, for the
Consiglio Nazionale Delle Ricerche.

SIGNED AT Washington, D.C. on July 21, 1976, in triplicate by
E. CREUTZ for the National Science Foundation.

[AMENDING AGREEMENT]

AMENDMENT NO. 1

**Memorandum of Understanding
Between
The Science Research Council
and
The Consiglio Nazionale Delle Ricerche
and
the National Science Foundation
for a
Transatlantic Balloon Program**

1. As provided for by Clause 1.3 of the Memorandum of Understanding (MOU) signed on 21 and 22 July 1976 on behalf of the Science Research Council (SRC), the Consiglio Nazionale Delle Ricerche (CNR) and the National Science Foundation (NSF) governing a program of transatlantic balloon flights to be launched during the period 1 June to 31 August 1976, the parties signing below, namely SRC, CNR, NSF, the Centre National D'Etudes Spatiales (CNES) and the Max-Planck Institut Fuer Physik Und Astrophysik (MPI) hereby agree as follows with reference solely to the planned flights of a payload which comprises experiments provided or sponsored by CNR, CNES and MPI.

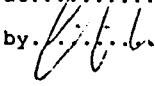
2. SRC, CNR, and NSF agree to CNES and MPI becoming parties to the MOU.

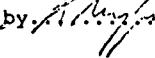
3. CNES and MPI each agree to become parties to the MOU and to abide by its terms and conditions.

4. Notwithstanding Clause 8.2 of the MOU which provides that the party or parties providing the scientific payload for a particular flight will assume all liability for that flight and hold the remaining parties harmless with respect to any claims arising out of such flights not covered by insurance for that flight provided for in Clause 7, CNR

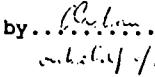
agrees to assume all such liability as if the payload specified in paragraph one of this amendment had been provided or sponsored by CNR alone.

Signed at Washington, D.C.... on August 10, 1976 in quintuplicate
by  [1] for the Science Research Council

Signed at Washington, D.C.... on August 13, 1976 in quintuplicate
by  [2] for the Consiglio Nazionale Delle
Ricerche

Signed at Washington, D.C.... on August 9, 1976 in quintuplicate
by  [3] for the National Science Foundation

Signed at Washington, D.C.... on August 12, 1976 in quintuplicate
by  [4] for the Centre National D'Etudes
Scientifiques Spatiales

Signed at Washington, D.C.... on August 13, 1976 in quintuplicate
by  [5] for the Max-Planck Institut Fuer
Astrophysik

¹ Alan Smith
² Giulio Tamagnini
³ Guyford Stever
⁴ J. J. Sussel
⁵ Christian Patermann

SYRIA

Investment Guaranties

*Agreement effected by exchange of notes
Signed at Damascus August 9, 1976;
Entered into force August 13, 1977.
With related letter.*

The American Ambassador to the Syrian Minister of Economy and Foreign Trade

EMBASSY OF THE
UNITED STATES OF AMERICA

Damascus, August 9, 1976

Dear Mr. Minister:

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Syria which promote the development of the economic resources and productive capacities of Syria and to insurance (including reinsurance) and guaranties of such investments which are backed in whole or in part by the credit or public monies of the United States of America and are administered either directly by the Overseas Private Investment Corporation ("OPIC"), an independent government corporation organized under the laws of the United States of America, or pursuant to arrangements between OPIC and commercial insurance, reinsurance and other companies. I also have the honor to confirm the following understanding reached as a result of those conversations.

Article 1

As used herein, the term "Coverage" shall refer to any investment insurance or guaranty which is issued in accordance with this agreement by OPIC, by any successor agency of the United States of America or pursuant to arrangements with OPIC or any successor agency, by any other entity or group of entities, all of whom are hereinafter deemed included in the term "issuer" to the extent of their interest as insurer or reinsurer in any coverage, whether as a party or successor to a contract providing coverage or as an agent for the administration of coverage.

Article 2

The procedure set forth in the agreement shall apply only

with respect to coverage of investments relating to projects or activities approved by the Government of Syria. In the case of construction or service contracts entered into with the Government of Syria or any agency or political subdivision thereof, the project or activity shall be deemed to have been approved by the Government of Syria for purposes of the agreement.

Article 3

(A) If the issuer makes payment to any investor under coverage, the Government of Syria shall, subject to the provisions of Article 4 hereof, recognize the transfer to the issuer of any currency, credits, assets, or investment on account of which payment under such coverage is made as well as the succession of the issuer to any right, title, claim, privilege, or cause of action existing, or which may arise in connection therewith.

(B) The issuer shall assert no greater rights than those of the transferring investor with respect to any interests transferred or succeeded to under this paragraph. Nothing in this agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as issuer.

(C) The issuance of coverage outside of Syria with respect to investment in a project in Syria shall not subject the issuer to regulation under the laws of Syria applicable to insurance or financial organizations.

Article 4

To the extent that the laws of Syria partially or wholly invalidate or prohibit the acquisition from a covered investor of any interest in any property within the territory of Syria by the issuer, the Government of Syria shall permit such

investor and the issuer to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of Syria.

Article 5

Amounts in the lawful currency of Syria, including credits thereof, acquired by the issuer by virtue of such coverage shall be accorded treatment by the Government of Syria no less favorable as to use and conversion than the treatment to which such funds would be entitled in the hands of the covered investor. Such amounts and credits may be transferred by the issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the territory of Syria.

Article 6

(A) Any dispute between the Government of the United States of America and the Government of Syria regarding the interpretation of this agreement or which, in the opinion of one of the governments, involves a question of public international law arising out of any project or investment for which coverage has been issued shall be resolved, insofar as possible, through negotiations between the two governments. If at the end of three months following the request for negotiations the two governments have not resolved the dispute by agreement, the dispute, including the question of whether such dispute presents a question of public international law, shall be submitted, at the initiative of either government, to an arbitral tribunal for resolution in accordance with paragraph 6(B).

(B) The arbitral tribunal for resolution of disputes pursuant to paragraph 6(A) shall be established and function as follows:

(I) Each government shall appoint one arbitrator; these two arbitrators shall designate a president by common agreement who shall be a citizen of a third state and be appointed by the two governments. The arbitrators shall be appointed within two months and the president within three months of the date of receipt of either government's request for arbitration. If the appointments are not made within the foregoing time limits, either government may, in the absence of any other agreement, request the president of the International Court of Justice to make the necessary appointment or appointments, and both governments agree to accept such appointment or appointments.

(II) The arbitral tribunal shall base its decision on the applicable principles and rules of public international law. The arbitral tribunal shall decide by majority vote. Its decision shall be final and binding. Only the two governments may request the arbitral procedure and participate in it.

(III) Each of the governments shall pay the expense of its arbitrator and of its representation in the proceedings before the arbitral tribunal; the expenses of the president and the other costs shall be paid in equal parts by the two governments. The arbitral tribunal may adopt regulations concerning the costs, consistent with the foregoing.

(IV) In all other matters, the arbitral tribunal shall regulate its own procedures.

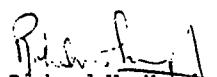
Article 7

This agreement shall continue in force until six months from the date of receipt of a note by which one government informs the other of an intent no longer to be a party to the agreement. In such event, the provisions of the agreement with respect to coverage issued while the agreement was in

force shall remain in force for the duration of such coverage, but in no case longer than twenty years after the denunciation of the agreement.

Upon receipt of a note from you indicating that the foregoing provisions are acceptable to the Government of Syria, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between our two governments on this subject, to enter into force on the date of the note by which the Government of Syria communicates to the Government of the United States of America that this exchange of notes has been approved pursuant to its constitutional procedures.^[1]

Accept, Mr. Minister, the renewed assurances of my highest consideration.


Richard W. Murphy
Ambassador of the United States
of America in Damascus

His Excellency Dr. Mohamad al-Imadi
Minister of Economy and Foreign Trade
Ministry of Economy and Foreign Trade
Damascus, S.A.R.

¹ Aug. 18, 1977.

Arabic Text of the American Note

EMBASSY OF THE
UNITED STATES OF AMERICA

دمشق ۲۰۱۷

عزيز السيد الوزير :

لي الشرف أن أشير إلى المحادثات التي جرت مؤخراً بين ممثلي حكومتينا حول الاستثمارات في سوريا التي تشهـد تطوير العوائد الاقتصادية والثـانـيات المنتجـةـ السـورـيةـ وـحـولـ التـأـمـينـ (ـبـماـ فـيـهـ اـعادـةـ التـأـمـينـ)ـ وـضـائـاتـ طـكـ لـاستـثمـاراتـ المـدعـومـةـ كـلـيـاـ أوـ بـجزـئـياـ باـعتمـادـ الـولـاـيـاتـ الـمـتـحـدةـ الـامـيرـكـيـةـ أوـ اـموـالـهـاـ النـاسـةـ وـالـمـدـارـةـ اـمـاـ بـواـسـطـةـ مـوـسـسـةـ الـاسـتـثـمـارـاتـ الـخـاصـةـ لـمـاـ وزـارـ الـبـحـارـ
OPICـ (ـاـيـنـكـ)ـ ماـشـرـعـةـ،ـ وـهـيـ مـوـسـسـةـ حـكـومـيـةـ مـسـتـقـلـةـ أـسـتـ بـمـوـبـبـ قـوـانـيـنـ
الـلـوـلـاـيـاتـ الـمـتـحـدةـ الـامـيرـكـيـةـ،ـ اوـ عـيـاـ لـتـرـيـبـاتـ بـيـنـ مـوـسـسـةـ الـاسـتـثـمـارـاتـ الـخـاصـةـ
ـسـاـ وزـارـ الـبـحـارـ (ـاـيـنـكـ)ـ وـبـيـنـ شـرـكـاتـ التـأـمـينـ الـتـجـارـيـ وـاعـادـةـ التـأـمـينـ
ـوـالـشـرـكـاتـ الـآـخـرـىـ .ـ وـلـيـ الشـرـفـ أـيـشـاـ أـثـبـتـ التـفـاصـيمـ الـتـالـيـ الـذـىـ تمـ الـتـوـصـلـ
ـلـيـ نـتـيـجـةـ طـكـ الـمـحـادـدـاتـ :ـ

المادة ١ —

ان عارة " التخطية " كما هي مستعملة هنا تشير الى أي **تأييدين** أو شعائر للاستئثار صادر وفقاً لهذه الاشارة من قبل مؤسسة (أوباما)، أو من قبل أية ادارة تخليها من ادارات الولايات المتحدة الاميركية، أو تبعها لعمليات (اوبيت) أو من أية ادارة تخليها ، أو من قبل أية هيئة أخرى أو مجموعة من القيادات ، وكلها تشير هنا وفيما يلي مسئولة بعبارة "المصدر" بحسب دوافعها كعذر للتأمين أو لاغادة التأمين في أية تخطية ، سواء كان طرف أو خلف شى عقد يعد تخطية أو كوكيل لإدارة التخطية .

لَمَّا

تفصي الإجراءات الواردة في الاتفاقية بقصد تفعيلية الاستثمارات المتعلقة بالمشاريع أو النشاطات التي توافق عليها الحكومة السورية فقط . وفي حال الدخول في عقود للبناء أو للخدمات من الحكومة السورية أو من جهة وكالة أو دائرة سياسية تابعة لها فإن المشرع أو الشعالية يعتبر أنه موافق عليه من قبل الحكومة السورية من أجل أغراض الاتفاقية .

المادة ٢ —

(٢) اذا قام المصدر بدفع أموال الى أي مستثمر يتعين بالتفصيل، فإن الحكومة السورية، من الخفون لاحكام المادة الرابعة من هذه الاتفاقية، سوف تقر بتحويل ملكية أية عملة أو اعتمادات أو موجودات أو استثمار المس المصدر، والتي يسيبها تم الدفع بموجب التفصي، وكذلك سوف تقرر بتولي المصدر لاي حق أو ملكية أو مطلب أو امتياز أو سبب اجراء تأسيم أو محتمل الحصول بمقدارها.

(ب) ان المصدر لن يطالب بموجب أى حقوق من حقوق المستثمر المحول فيها يخسر أية مصالح تحول أو تؤول اليه بموجب هذه المادة . ولن يحد شرط في هذه الاتفاقية من حق حكومة الولايات المتحدة الاميركية في تقييد حقوقها بموجب القانون الدولي بوصفها دولة ذات سيادة ، متغيرة عن أية حقوق قد تكون لها بوصفها مصدر .

(ج) ان اصدار التفصي خارج سوريا بمقدار استثمار في مشروع داخل سوريا لن يخضع المصدر لادارة المطبقة على مؤسسات التأمين أو المؤسسات المالية بموجب القوانين السورية .

المادة ٤ —

الى الحد الذي تعطل فيه القوانين السورية أو تتعارض جزئياً أو كلياً ، انتقال أي حق من أي عقار ذعن الاراضي السورية من المستثمر الوهمي الى المصدر ، فإن الحكومة السورية تسمح لذلك المستثمر وللمصدر بالقيام بترتيبات مناسبة بحسباً على طلب الحقائق الى هيئة مسحوق لها بمعنى طك الحقوق بموجب القوانين السورية .

المادة ٥ —

ان مالك النسبة السورية القابوية ، بما فيه الاعتمادات بهذه الجملة ، التي يحصل عليها المصدر نتيجة تلك التفصي سوف يعامل من قبل الحكومة السورية محاملة لا تقل ضيقاً ، بالنسبة للاستعمال والتحويل ، عن المحاملة التي تتحقق بها هذه الاموال في أيدي المستثمر المخاطب بالتأمين . ويمكن لهذه المبالغ والاعتمادات أن تتحول من قبل المصدر الى أي شخص أو هيئة ، ومن ثم حولت هكذا تصبح قابلة للاستعمال بحرية من قبل ذلك الشخص أو الهيئة في الاراضي السورية .

المادة ٦ -

(٢) ان أي خلاف بين حكومة الولايات المتحدة الاميركية والحكومة السورية بصدر تفسير هذه الاتفاقية أو متصل، برأسى احدى الحكومتين، بمسألة تخمس القانون الدولي العام ناجمة عن أي مشروع أو استشارة أصدرت له تحطيم سوف يحل، الى الحد الممكن، عن طريق العقوبات بين الحكومتين. واذا لم توصل الحكومية الى حل اتفاقي للخلاف بانتهائاه ثلاثة أشهر من طلب المفاوضات، فان الخلاف، بما فيه قنوية ما اذا كان الخلاف ينطوي على مسألة تتعلق بالقانون الدولي العام، سوف يرفع بمبادرة من احدى الحكومتين الى هيئة تحكم لحله وقتها للقطع ٦ (ب).

(ب) ان هيئة التحكيم لحل الخلافات فيما للقطع ٦ (٢) سوف تنشأ وتعمل كما يلي :

(١) تعيين كل حكومة محكماً واحداً، ويسمى هذان الحكمان رئيساً بالاتفاق على أن يكون مواطننا لدولة ثالثة ويسمى من قبل الحكومتين، ويبقى تعيين المحكمين خلال مدة شهرين، والرئيس خلال ثلاثة أشهر من تاريخ استلام طلب احدى الحكومتين للتحكيم. واذا لم تجر التعيينات خلال المهل الزمنية المذكورة آننا فيمكن لاي من الحكومتين، بعد تقادم أي اتفاق آخر، أن تطلب الى رئيس محكمة العدل الدولية اجراء التعيين أو التعيينات اللازمة، وتفافق كلا الحكومتين على قبول ذلك التعيين أو تلك التعيينات.

(٢) تعيي هيئة التحكيم ثارتها على مبادئ وقواعد القانون الدولي العام القابلة للتطبيق. وتتخذ قرارات هيئة التحكيم بأغلبية الأصوات. ويكون قرارها نهائياً وملزماً. يمكن للحكومتين فقط طلب ابراء التحكيم والمشاركة فيه.

(٣) تدفع كل من الحكومتين تكاليف مكلفها وتعطيها في الايام أيام هيئة التحكيم، وان تكاليف الرئيس والتكاليف الاخرى تدفع مناصفة من قبل الحكومتين. ويمكن ل الهيئة التحكيم وضع قواعد تتعلق بالتكاليف مسبقة مع ما ذكر آننا.

(٤) وفي جميع القدایا الاخرى فان هيئة التحكيم تتضم اجراءاتها الخاصة.

المادة ٢ —

تبقى هذه الاتفاقية سارية المفعول حتى انتهاء ستة أشهر من تاريخ استلام مذكرة بموجبها تعلم أحدى الحكومتين الأخرى عن تبنته في عدم بتأثيرها طرقاً في الاتفاقية . في تلك الحالة، يبقى أحكام الاتفاقية بمقدار التغيير المقدرة أعلاه سريان مفعول الاتفاقية بافادة لمدة تلك التغطية، ولكن لا تتجاوز في أي حال عشرين عاماً بعد الناء الاتفاقية .

عد استلام مذكرة مذكورة تشير إلى أن الأحكام المذكورة مقبولة لدى الحكومة السورية ، فإن حكومة الولايات المتحدة تعتبر أن هذه المذكرة وجوابكم عليهما يشكلان اتفاقاً بين الحكومتين حول هذا الموضوع يصبح باعده المفعول بتاريخ المذكرة التي تعلم فيها الحكومة السورية حكومة الولايات المتحدة الأميركيه أن تبادل المذكرات هذا قد صدق حسب الإجراءات الدستورية .

وأتهلاوا يا سيادة الوزير مجدداً تأكيد أسماع اعتباري .

سفير الولايات المتحدة الأميركيه في دمشق

محالي الدكتور محمد الحمادى
وزير الاقتصاد والتجارة الخارجية
وزارة الاقتصاد والتجارة الخارجية
دمشق — الجمهورية العربية السورية

TIAS 8707

The Syrian Minister of Economy and Foreign Trade to the American Ambassador

دمشق ٦ آب ١٩٢٦

السيد السفير ،

لي الشرف أن أُعرف باستلام مذكرة العودة ٦ آب ١٩٢٦ التي تقدّمها
كالاتي :

لي الشرف أن أشير إلى المعادلات التي جرت مؤخراً بين حكومتيما
حول الاستثمارات في سوريا التي تقطع تطوير الموارد الاقتصادية والطاقات
المتحدة السورية ودول التأمين (بما فيه إعادة التأمين) وضمانات تلك الاستثمارات
المدعومة كلها أو بجزئها باعتماد الولايات المتحدة الأمريكية أو موالياً لها العامة والمدارة
اما بواسطة مؤسسة الاستشارات الخاصة لما زواه البحار (اوبيك ^{OPIC}) مبادرة ،
وهي مؤسسة حكومية مستقلة أُسست بموجب قوانين الولايات المتحدة الأمريكية ، أو تبعها
لتزكيات بين مؤسسة الاستشارات الخاصة لما زواه البحار (اوبيك ^{OPIC}) وبين
شركات التأمين التجاري وإعادة التأمين والشركات الأخرى . ولني الشرف أثيناً أن أثبت
الشأن التالي الذي تم التوصل إليه نتيجة تلك المعادلات :

النادرة ١ -

إن عبارة " التغطية " كما هي مستعملة هنا تشير إلى أي تأمين أو ضمان
للاستثمار سادر وفقاً لهذه الإشارة من قبل مؤسسة (اوبيك) ، أو من قبل أيّة
ادارة تختلفها من ادارات الولايات المتحدة الأمريكية ، أو تبعها لتزكيات من (اوبيك)
أو من أيّة ادارة تختلفها ، أو من قبل أيّة هيئة أخرى أو مجموعة من الهيئات ،
وكذلك تشير هنا ونيها على مشموله بعبارة " المصدر " بحدود مساحتها كعديدة للتأمين
أو لإعادة التأمين في أيّة تغطية ، سواءً كان ذلك أو بخلاف ذلك غير عقد يعنى تغطية
أو كوكيل لإدارة التغطية .

النادرة ٢ -

تبين الإبراءات الواردة في الإشارة بمصدّد تغطية الاستشارات المتعلقة
بالمشاريع أو الفحاليات التي توانق عليها الحكومة السورية فقط . وفي حال الدخول
في عقود تأمين أو للخدمات من الحكومة السورية أو من أيّة وكالة أو دائرة ميسانية
تابعة لها فإن المشرع أو الفحالية يعتبر أنه موافق طلبه من قبل الحكومة السورية
من أجل أغراض الإشارة .

المادة ٣

(٢) اذا قام المصدر بدفع أموال الى مستثمر يتعين بالتفصية، فان الحكومة السورية، من الخogenous لاحكام المادة الرابعة من هذه الاتفاقية، سوف تتر تحويل ملكية آية علبة او اعتمادات او موجودات او استثمار ~~الى~~ المصدر ، والتي يسببا تم الدفع بموجب التشكية ، وكذلك سوف تقرر بتعلی المصدر لای حق او ملكية او مطلب او امتياز او سبب ابراه قائم او محتل الحمول بمددها .

(ب) ان المصدر لن يطالب بحقوق اكبر من حقوق المستثمر المحول فيها يخسر آية صالح تحول از تهول اليه بموجب هذه المادة . ولن يحد ~~شبيه~~ في هذه الاتفاقية من حق حكومة الولايات المتحدة الاميركية في ثبوت حقها بموجب القانون الدولي بوصفها دولة ذات سيادة ، متغزا عن ~~أي~~ حقوق قد تكون لها بوصفها مصدر .

(ج) ان اصدار العقليات خارج سوريا بمحدد استثمار في مشروع داخل سوريا لن يخضع المصدر للادارة المطبقة على مؤسسات التأمين أو المؤسسات المالية بموجب القوانين السورية .

المادة ٤

الى الحد الذي تحظى فيه القوانين السورية او تعن ، بجزئها او كليها ، انتقال اى حق في اى عقار ذمن الاراضي السورية من المستثمر العؤمن الى المصدر ، فان الحكومة السورية تسمن لذلك المستثمر والمصدر بالقيام بترتيبات مناسبة بمقتضى ~~ما~~ تقتضي ذلك الحقوق الى جهة مسحورة لها بذلك تلك الحقوق بموجب القوانين السورية .

المادة ٥

ان مبالغ الجملة السورية القابوية ، بما فيه الاعتمادات بهذه السلطة ، التي يحدبل عليها المصدر نتيجة تلك التشكية سوف تتعامل من قبل الحكومة السورية معاملة لا تقل طفهلا ، بالنسبة للاستعمال والتحويل ، عن المعاملة التي تستحقها هذه الاموال في ايدي المستثمر العنظم بالتأمين . ويمكن لهذه المبالغ والاعتمادات ان تتحول من قبل المصدر الى اى شخص او هيئة ، ومن ثم حولت هكذا صور ~~صورة~~ قابلة للاستعمال بحرية من قبل ذلك الشخص او الهيئة في الاراضي السورية .

النادرة ٦ -

(٢) ان أي خلاف بين حكومة الولايات المتحدة الاميركية والحكومة السورية
يحدد تفسير هذه الاتفاقية أو متصلق، برأى احدى الحكومتين، بمسألة
تفصيل القانون الدولي العام ناجمة عن أي مخالفة أو استئثار أصدرت له تشريعية
سوف يحل، الى الحد الممكن، عن طريق المفاوضات بين الحكومتين . و اذا لم
تتوصل الحكومتان الى حل اتفاقي للخلاف بانتهاه ثلاثة أشهر من طلب
المفاوضات، فان الخلاف، بما فيه قضية ما اذا كان الخلاف يلطفى على
مسألة تتصل بالقانون الدولي العام، سوف يرفع بمبادرة من احدى الحكومتين
الى هيئة تحكيم لحله وفقاً للمقتضى ٦ (ب)

(ب) ان هيئة التحكيم لحل الخلافات تبدأ للقطعان ٦ (٢) سوف هذا وتمام
كما يلى :

(١) تعيين كل حكومة مكما واحداً، ويسمى هذان المحكمان رئيساً بالاتفاق على أن يكون مواطننا لدولة ثلاثة يعين من قبل الحكومتين . ويجب على رئيس المحكمين خلال مدة شهرين ، والرئيس خلال ثلاثة أشهر من تاريخ استلام طلب أحدى الحكومتين للتحكيم . فإذا لم تجر التعيينات خلال المهلة الزمنية المذكورة آتنا نعيّن لاًى من الحكومتين ، عد فتقان أو اتفاق آخر أن تتولى الرئيس محكمة العدل الدولية إجراء التعيين او التعيينات اللازمة ، وتوافق كلاً الحكومتين على تحول ذلك التعيين أو تلك التعيينات .

٢) تبني هيئة التحكيم قرارها على مبادئه وقواعد القانون الدولي العام القائمة للتطبيق . وتتعذر ترارات هيئة التحكيم بأغلبية الأصوات . يمكن ترارداً باتفاقاً زمنياً . يمكن للحكومتين فقط على إجراء التحكيم وإنما رحمة فيه .

٣) تدفن كل من الحكومتين تكاليف مسكنها وتعطيلها في الإجراءات أيام هيئّة التسليم، وإن تكاليف الرئيس والتالييف الأخرى تدفن مناصفة من قبل الحكومتين • ويمكن لبيئة التحقيق وضمن قواعده تتعلق بالتكاليف مميسعة من ما ذكر آنفاً •

٤) وغير جميع القضايا الأخرى فإن هيئة التحكيم تعنى بأحكاماً لها الخاصة.

النادرة ٢
سـ

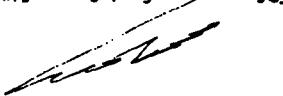
تبين هذه الاشارة سارية المفعول حتى انتهاء ستة أشهر من تاريخ استلام مذكرة بحسبها تعلم احدى الحكومتين الاخرى عن نفسها في عدم باقها طرفا في الاشارة . في تلك الحال، تبقى أحكام الاشارة بمددة التحفظية المصدرة أعلاه سريان مفعول الاتفاقية نافذة لمدة تلك التحفظية، ولكن لا تتجاوز في أي حال عشرين عاما بعد انتهاء الاتفاقية .

عد استلام مذكرة منكم تشير الى أن الاحكام المذكورة مقبولة لدى الحكومة السورية ، فإن حكومة الولايات المتحدة ستعتبر أن هذه المذكرة وثوابت طليها يشكلان اتفاقا بين الحكومتين حول هذا الموضوع يصبح نافذ المذكور بتابع المذكرة التي تعلم فيها الحكومة السورية حكومة الولايات المتحدة الاميركية أن تبادر المذكرات هذا قد سدق حسب الاجراءات الدستورية .

ولي الشرف أن أثبت أن ما ورد أعلاه يخضع بصورة صحيحة للثبات الجارى
بیننا .

أرجو أن تتفضلوا ، سيادة السنير ، تأكيد أسمى اعتبار .

الدكتور محمد الصادى
وزير الاقتصاد والتجارة الخارجية



علوية ريتشارد و . مويني
سفير الولايات المتحدة الاميركية
دمشق - الجمهورية العربية السورية

English Text of the Syrian Note

Damascus, August 9, 1976

Mr. Ambassador:

I have the honor to acknowledge the receipt of your note dated August 9, 1976, which reads:

"I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Syria which promote the development of the economic resources and productive capacities of Syria and to insurance (including reinsurance) and guaranties of such investments which are backed in whole or in part by the credit or public monies of the United States of America and are administered either directly by the Overseas Private Investment Corporation ("OPIC"), an independent government corporation organized under the laws of the United States of America, or pursuant to arrangements between OPIC and commercial insurance, reinsurance and other companies. I also have the honor to confirm the following understanding reached as a result of those conversations.

"Article 1"

"As used herein, the term "Coverage" shall refer to any investment insurance or guaranty which is issued in accordance with this agreement by OPIC, by any successor agency of the United States of America or pursuant to arrangements with OPIC or any successor agency, by any other entity or group of entities, all of whom are hereinafter deemed included in the term "issuer" to the extent of their interest as insurer or reinsurer in any coverage, whether as a party or successor to a contract providing coverage or as an agent for the administration of coverage.

"Article 2

"The procedure set forth in the agreement shall apply only with respect to coverage of investments relating to projects or activities approved by the Government of Syria. In the case of construction or service contracts entered into with the Government of Syria or any agency or political subdivision thereof, the project or activity shall be deemed to have been approved by the Government of Syria for purposes of the agreement.

"Article 3

"(A) If the issuer makes payment to any investor under coverage, the Government of Syria shall, subject to the provisions of Article 4 hereof, recognize the transfer to the issuer of any currency, credits, assets, or investment on account of which payment under such coverage is made as well as the succession of the issuer to any right, title, claim, privilege, or cause of action existing, or which may arise in connection therewith.

"(B) The issuer shall assert no greater rights than those of the transferring investor with respect to any interests transferred or succeeded to under this paragraph. Nothing in this agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as issuer.

"(C) The issuance of coverage outside of Syria with respect to investment in a project in Syria shall not subject the issuer to regulation under the laws of Syria applicable to insurance or financial organizations.

"Article 4

"To the extent that the laws of Syria partially or wholly invalidate or prohibit the acquisition from a covered investor of any interest in any property within the territory of Syria

by the issuer, the Government of Syria shall permit such investor and the issuer to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of Syria.

"Article 5

"Amounts in the lawful currency of Syria, including credits thereof, acquired by the issuer by virtue of such coverage shall be accorded treatment by the Government of Syria no less favorable as to use and conversion than the treatment to which such funds would be entitled in the hands of the covered investor. Such amounts and credits may be transferred by the issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the territory of Syria.

"Article 6

"(A) Any dispute between the Government of the United States of America and the Government of Syria regarding the interpretation of this agreement or which, in the opinion of one of the governments, involves a question of public international law arising out of any project or investment for which coverage has been issued shall be resolved, insofar as possible, through negotiations between the two governments. If at the end of three months following the request for negotiations the two governments have not resolved the dispute by agreement, the dispute, including the question of whether such dispute presents a question of public international law, shall be submitted, at the initiative of either government, to an arbitral tribunal for resolution in accordance with paragraph 6(B).

"(B) The arbitral tribunal for resolution of disputes pursuant to paragraph 6(A) shall be established and function as follows:

"(I) Each government shall appoint one arbitrator; these two arbitrators shall designate a president by common agreement who shall be a citizen of a third state and be appointed by the two governments. The arbitrators shall be appointed within two months and the president within three months of the date of receipt of either government's request for arbitration. If the appointments are not made within the foregoing time limits, either government may, in the absence of any other agreement, request the president of the International Court of Justice to make the necessary appointment or appointments, and both governments agree to accept such appointment or appointments.

"(II) The arbitral tribunal shall base its decision on the applicable principles and rules of public international law. The arbitral tribunal shall decide by majority vote. Its decision shall be final and binding. Only the two governments may request the arbitral procedure and participate in it.

"(III) Each of the governments shall pay the expense of its arbitrator and of its representation in the proceedings before the arbitral tribunal; the expenses of the president and the other costs shall be paid in equal parts by the two governments. The arbitral tribunal may adopt regulations concerning the costs, consistent with the foregoing.

"(IV) In all other matters, the arbitral tribunal shall regulate its own procedures.

"Article 7

"This agreement shall continue in force until six months from the date of receipt of a note by which one government informs the other of an intent no longer to be a party to the agreement. In such event, the provisions of the agreement with respect to coverage issued while the agreement was in

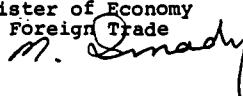
force shall remain in force for the duration of such coverage but in no case longer than twenty years after the denunciation of the agreement.

"Upon receipt of a note from you indicating that the foregoing provisions are acceptable to the Government of Syria, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between our two governments on this subject, to enter into force on the date of the note by which the Government of Syria communicates to the Government of the United States of America that this exchange of notes has been approved pursuant to its constitutional procedures."

I have the honor to confirm that the above correctly sets out the understanding reached between us.

Please accept, Mr. Ambassador, the assurance of my highest consideration.

Dr. Mohamad al-Imadi
Minister of Economy
and Foreign Trade



Honorable Richard W. Murphy
Ambassador of the United States of America
Damascus, S.A.R.

[RELATED LETTER]

DAMASCUS, S.A.R. August 9, 1976

His Excellency Dr. MOHAMMAD AL-IMADI
Minister of Economy and Foreign Trade
Ministry of Economy and Foreign Trade
Damascus, S.A.R.

DEAR MR. MINISTER:

I have the honor to refer to the agreement effected by exchange of Notes of this date relating to investment insurance (including reinsurance) and guaranties, which are backed in whole or part by the credit or public monies of the United States of America, covering private investments by United States investors in Syria, which program of investment insurance and guaranties presently is administered by the Overseas Private Investment Corporation ("OPIC"). In this respect, I also have the honor of describing the types of insurance and guaranties covering investments in Syria that presently may be issued either directly by OPIC or by OPIC and other entities or groups of entities operating in conjunction with OPIC.

Under the applicable laws of the United States of America, United States investors, including foreign entities that are wholly-owned by United States citizens, are eligible for either investment insurance or guaranties issued in whole or part by OPIC. OPIC also is authorized to make arrangements with foreign governments or with multilateral organizations and institutions for the sharing of liabilities assumed under investment insurance, and OPIC may, in connection with such risk sharing arrangements, issue insurance to investors not otherwise eligible for investment insurance issued by OPIC.

OPIC's statutory authority to issue investment insurance and reinsurance is set forth in broad terms to assure flexibility in developing types of insurance coverage and in OPIC's operations. OPIC's basic coverages are classified as "inconvertibility", "expropriation", and "war revolution and insurrection". In addition, because of the diverse forms of foreign investments, and the special needs of certain industries operating overseas, OPIC has developed special coverages, such as that offered for construction and service contractors with foreign government entities, in which the basic coverages have been tailored to the needs of the industry.

As presently being issued by OPIC, inconvertibility coverage applies with respect to an approved investment when the investor is unable to convert into United States dollars the local currency received as earnings on the original investment or capital eligible for repatriation. Inconvertibility coverage does not protect against the effects of exchange fluctuations, or exchange regulations or restrictions that are applicable at the time the insurance is issued. Expropriation coverage provides compensation with respect to an approved in-

vestment when subsequent action of the host country government results in nationalization, expropriation or confiscation of the investment or earnings on the investment. Before an investor has the right to compensation with respect to any given act, he must pursue all reasonable and available remedies he may have with respect to the alleged expropriatory act. Expropriation coverage does not compensate for losses resulting from the impact of valid business regulations that are not intended for the purpose of nationalization or applied in an arbitrary manner. War, revolution and insurrection coverage provides compensation for losses resulting from war, revolution and insurrection. Losses resulting from lesser civil disturbances are not covered.

Under its present statutory authorities, OPIC may issue investment guaranties of loans and other investments assuring against loss due to any risk. In most cases, the investment guaranty is an all risk, "commercial" guaranty covering a loan from an institutional lender in the United States to the approved project in the host country. Under its present policies, OPIC also may guarantee equity investments in approved projects against realized losses such as commercial failure of the operation.

In the case both of investment insurance and investment guaranties, the terms of insurance or guaranty agreements under which the insurance or guaranties would be issued to the investor would not create obligations for the Government of Syria. Thus war, revolution and insurrection coverage would not obligate the Government of Syria to reimburse the insured investor for losses resulting from war. Likewise, the measure of compensation under expropriation coverage would not be determinative of the amount of compensation to be paid by the Government of Syria for a nationalized investment.

I hope the foregoing is consistent with your understanding of the investment insurance and guaranty programs of the United States of America that would be available with respect to investments in Syria under the terms of the agreement between our governments pertaining to these programs.

Accept again, Mr. Minister, the renewed assurances of my highest consideration.

Sincerely,

RICHARD W. MURPHY

Richard W. Murphy
Ambassador

Arabic Text of the American Letter

سيادة الدكتور محمد العادى
وزير الاقتصاد والتجارة الخارجية
دمشق—سوريا

عندي سيادة الوزير ،

أتشرف بالاشارة الى الاوضاعية المتفاذه بوجب تبادل المذكرات بطريق——
اليوم والخاصة بتأمين الاستثمار (بما في ذلك اعادة التأمين) والضمانات الدبلوماسية
كلياً أو جزئياً من قبل اصحاب الاموال العامة في الولايات المتحدة الامريكية——
الذى يغطي الاستثمارات الخاصة التي يقوم بها مستثمرون اميركيون في سوريا——
وهو برنامج تأمين الاستثمار من قبل مؤسسة الاستثمارات الخاصة لما وراء البحار
(OPIC) . في هذا المجال ، أتشرف أيضاً بوسف أنواع التأمين والضمانات
التي يغطي الاستثمارات في سوريا التي يمكن أن تصدر حالياً اماً من قبل مؤسسة
(OPIC) مباشرةً أو منها ومن مؤسسات أخرى أو جمادات تعمل معها .

صرا للقوانين النافذة في الولايات المتحدة الامريكية يحق للمستثمرين——
الاميركيين بما في ذلك المؤسسات الاجنبية التي يملكها كلية مواطنون اميركيون——
التأمين والاستثمار او الضمانات الصادرة كلياً او جزئياً عن مؤسسة (OPIC) ،
كما أن مؤسسة (OPIC) لها صلاحية الترتيب مع حكومات أجنبية او مع منظمات
 ذات دوقة جوانب ومؤسسات للشاركة في مسؤولياتها المشهولة بالتأمين والاستثمارى
كما يمكن لمؤسسة (OPIC) ، فيما يتعلق بالترتيبات مثل هذه المشاركة فى
المجازفة بالتأمين أن تصدر التأمين لل المستثمرين الذين لا يحق لهم بطريقة أخرى
الاستفادة من تأمين الاستثمارات من طريق مؤسسة (OPIC) .

ان سلطة مؤسسة (OPIC) التشريعية لا تدار تأمين الاستثمارات او اعادة
التأمين قد أثبتت بشكل واضح من أجل تأمين المرونة في تضيير أنواع التأمين——
في عمليات الخططية التي تشملها تأمينات مؤسسة الاريك (OPIC) .

ان ملبيات التغطية الاساسية لهذه المؤسسة قد صنفت على ثلاثة أشكال " عدم امكانية التحويل " ، و " مصادرة الملكية " و " الحرب والثورة والعميان السلاح " . وبالإضافة ، وبنظراً لعدد أشكال الاستثمار الاجنبي ، وال الحاجة الخاصة لتأمين بعض المصانع الخامسة في بلد ما وراء المحار ، فإن مؤسسة (OPIC) قد أعدت طرق تأمين خاصة كذلك التي قدمت لمؤسسات تعمير ومتاولين مع هيئات حكومية أجنبية ، والتي كان فيها التأمين الأساسي قد فصل طبقاً لاحتياجات الصناعة .

وكما يجري حالياً لدى مؤسسة (OPIC) فإن التأمين ضد " عدم امكانية التحويل " ينطبق على الاستثمار المتفق عليه عندما لا يستطيع المستثمر أن يحصل إلى ذويارات أميركية العملة المحلية التي تسهلاً من استثماره الأصلي أو رأس المال القابل للتحويل إلى وطنه الأصلي . فالتأمين ضد " عدم امكانية التحويل " لا يعني ضد نشاط تجارة مبادلة أسعار التحويل أو قوانين التحويل أو القوود الطبية في وقت اجراء التأمين . والتأمين ضد " مصادرة الملكية " يوفر التغطية بالنسبة للاستثمار المقول عندما يقدم البلد المضيف على التأمين أو مصادرة الملكية أو مصادرة الاستثمار أو الابداح الناجمة عنه . وقدل أن يتحقق للمستثمر أي تعويض من أي من أعمال المصادر يجب أن يحاول متابعة المطالبة بكل طريقة ممكنة ومعقلة بالنسبة لقرار مصادرة الملكية . لأن التأمين ضد مصادرة الملكية لا يغوص من الخسائر الناجمة من اثر القوانين التجارية السائدة والتي لم توضع من أجل التأمين أو تطبق بطريقة اعتباطية . أما التأمين ضد الحرب والثورة والعميان السلاح فإنه يوفر تغطية للخسائر الناجمة عن الحرب والثورة والعميان السلاح . أما الخسائر الناجمة من اضطرابات مدمرة أخف فهي غير مشولة بالتأمين .

يمكن لمؤسسة (OPIC) بموجب سلطتها التشريعية الحالية أن تصدر ضمانات لاستثمار للقوروش والاستثمارات الأخرى تغطي التعويض من خسائر ناجمة عن اية مخاطرة . وفيبي معظم الحالات تغطي ضمانة الاستثمار جميع الاخطار وهي ضمانة تجارية لتغطية قدر من مؤسسة للتمويل في الولايات المتحدة الى مشروع في البلد المضيف تم الاتفاق عليه . ويوجبه سياستها الحاضرة يمكن لمؤسسة (OPIC) أن تضع استثمارات مساندة الرح لشروع تم الاتفاق عليها ضد خسائر واقعية

مثل فعل الشروع تجاهها .

وفي حالات تأمين الاستثمار وضمانات الاستثمار، فإن شروط اتفاقيات التأمين أو الضمان التي يصدر بوجهها التأمين أو الضمان للمستثمر لا تشكل أية تزامنات على الحكومة السورية ، ومكذا فإن التأمين ضد الحرب والهزة والمعابر والسلح لن يلزم الحكومة السورية باطاحة المال إلى المستثمر صاحب التأمين من النسائين الناجمة عن الحرب . وكذلك ، فإن مقدار التعويض من تأمين مساعدة الطلبة لن يحدد بملخ التعويض الذي ستدفعه الحكومة السورية لاستثمار موسم .

أمل أن يكون ما تقدم مطئلاً مع شفويكم لمراجعة الولايات المتحدة الأمريكية لتأمين وضمان الاستثمار التي ستحقق على استثمارات في سوريا بوجوب شرط الاتفاقية بين حكومتيها الخامسة بهذه البراجع .

وختلوا يا سيادة الوزير يقول فائق اعbari .

المخلص
ريشارد و . مورفي
السفير

FEDERAL REPUBLIC OF GERMANY

Safeguarding Technical Data on JT-10D Aircraft Engine

*Agreement effected by exchange of notes
Signed at Washington February 24 and March 18, 1977;
Entered into force March 18, 1977.*

The Acting Secretary of State to the German Ambassador

DEPARTMENT OF STATE
WASHINGTON

FEBRUARY 24, 1977

EXCELLENCY:

I have the honor to refer to recent discussions between representatives of the Government of the United States and the Government of the Federal Republic of Germany concerning commercial arrangements with respect to the design and development of a jet aircraft engine designated the "JT-10D" entered into by the Pratt and Whitney Aircraft Group, Commercial Products Division, United Technologies, Inc., a United States firm; Rolls Royce, Ltd., a British firm; Motoren- und Turbinen-Union GmbH, a German firm; and Fiat S.p.A., an Italian firm.

Under the aforementioned commercial arrangements, the United States firm has agreed, subject to approval by the Government of the United States, to make available to the German firm certain advanced technical data relating to aircraft engine design and manufacture. The Government of the United States desires to facilitate this cooperative endeavor by granting the necessary approval, so long as the information to be transferred will be adequately safeguarded against disclosure to third parties or uses other than those specified in the collaboration agreement entered into by the United States, British, German, and Italian firms. The United States firm has been advised that export from the United States of technical data under the collaboration agreement is authorized subject to several conditions precedent, one of which is the conclusion of "a satisfactory agreement with the governments of the JT-10D partners constraining all parties from divulging any technical information on JT-10D design and manufacturing technology to third parties."

Accordingly, I have the honor to request that the Government of the Federal Republic of Germany furnish to the Government of the United States its firm assurances that it will not, except as hereinafter provided, disclose or permit the disclosure of technical data made available to the German firm by the United States firm pursuant to the collaboration agreement, and as particularly identified in Appendices 4 and 6 thereof, including technology developed in the implementation of that agreement, to any-third country or to a national of a third country, and, further, that it will take all practicable measures to prevent that information from being so disclosed. The foregoing assurances apply to information conveyed to the German firm in writing and identified as JT-10D restricted technology pursuant to the collaboration agreement, and only so far as practicable, to information conveyed orally or by other means. They do not apply to information in the public domain or to information which was already known to the German firm prior to its receipt from the United States firm, it being understood that nothing in this understanding authorizes the release to third countries or to nationals of third countries of information received from the United States firm pursuant to the collaboration agreement that was not already releaseable to third countries or to nationals of third countries. They do not apply to transfers to the British and Italian partners, in accordance with the collaboration agreement, of technical information necessary for them to perform their respective roles under that agreement. The Government of the Federal Republic of Germany will also advise the Government of the United States promptly should any unauthorized disclosure occur.

I have the further honor to request that the Government of the Federal Republic of Germany request the German firm to insure that "confidential MTU technology" is initially transmitted in writing.

I have the honor to assure the Government of the Federal Republic of Germany that the Government of the United States will not, except as hereinafter provided, disclose or permit the disclosure of technical data made available to the United States firm by the German firm pursuant to the collaboration agreement, and as particularly identified in Appendices 4 and 6 thereof, including technology developed in the implementation of that agreement, to any third country or to a national of a third country, and, further, that it will take all practicable measures to prevent that information from being so disclosed. The foregoing assurances apply to information conveyed to the United States firm in writing and identified as "confidential MTU technology" pursuant to the collaboration agreement and, only so far as practicable, to information conveyed orally or by other means. They do not apply to information in the public domain or to information which was already known to the United States firm prior to its receipt from the German firm, it being understood that nothing in this understanding authorizes the release to third countries or to nationals of third countries of information received from the German

firm pursuant to the collaboration agreement that was not already releasable to third countries or to nationals of third countries. They do not apply to transfers to the British and Italian partners, in accordance with the collaboration agreement, of technical information necessary for them to perform their respective roles under that agreement. The Government of the United States will also advise the Government of the Federal Republic of Germany promptly should any unauthorized disclosure occur.

I have the further honor to assure the Government of the Federal Republic of Germany that the Government of the United States has requested the United States firm to insure that "JT-10D restricted technology" is initially transmitted in writing.

Comparable assurances have been requested by the Government of the United States from the governments of the British and Italian partners to the JT-10D collaboration agreement with respect to technical information to be made available to those partners. Upon receipt of the requested assurances from all of the concerned governments, the Government of the United States will inform the United States firm that the conditions imposed upon United States approval of the proposed export have been fulfilled, and that implementation of the contract, therefore, may commence.

If the foregoing is acceptable to the Government of the Federal Republic of Germany, I have the honor to propose that Your Excellency's reply to that effect and this note shall together constitute an agreement between our two governments which shall enter into force on the date of Your Excellency's reply.

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

For the Acting Secretary of State:

JAMES G LOWENSTEIN

His Excellency

BERNDT VON STADEN,

Ambassador of the Federal Republic of Germany.

Minister of the German Embassy to the Secretary of State

EMBASSY
OF THE
FEDERAL REPUBLIC OF GERMANY
WASHINGTON, D.C.

MARCH 18, 1977

EXCELLENCY:

In the absence of the Ambassador of the Federal Republic of Germany I have the honor to acknowledge receipt of your note of 24th February, 1977 by which you propose in the name of your Govern-

ment the conclusion of an agreement between the Government of the United States of America and the Government of the Federal Republic of Germany and which reads as follows:

"I have the honor to refer to recent discussions between representatives of the Government of the United States and the Government of the Federal Republic of Germany concerning commercial arrangements with respect to the design and development of a jet aircraft engine designated the "JT-10D" entered into by the Pratt and Whitney Aircraft Group, Commercial Products Division, United Technologies, Inc., a United States firm; Rolls Royce, Ltd., a British firm; Motoren- und Turbinen-Union GmbH, a German firm; and Fiat S.p.A., an Italian firm.

Under the aforementioned commercial arrangements, the United States firm has agreed, subject to approval by the Government of the United States, to make available to the German firm certain advanced technical data relating to aircraft engine design and manufacture. The Government of the United States desires to facilitate this cooperative endeavor by granting the necessary approval, so long as the information to be transferred will be adequately safeguarded against disclosure to third parties or uses other than those specified in the collaboration agreement entered into by the United States, British, German, and Italian firms. The United States firm has been advised that export from the United States of technical data under the collaboration agreement is authorized subject to several conditions precedent, one of which is the conclusion of "a satisfactory agreement with the governments of the JT-10D partners constraining all parties from divulging any technical information on JT-10D design and manufacturing technology to third parties."

Accordingly, I have the honor to request that the Government of the Federal Republic of Germany furnish to the Government of the United States its firm assurances that it will not, except as hereinafter provided, disclose or permit the disclosure of technical data made available to the German firm by the United States firm pursuant to the collaboration agreement, and as particularly identified in Appendices 4 and 6 thereof, including technology developed in the implementation of that agreement, to any third country or to a national of a third country, and, further, that it will take all practicable measures to prevent that information from being so disclosed. The foregoing assurances apply to information conveyed to the German firm in writing and identified as JT-10D restricted technology pursuant to the collaboration agreement, and only so far as practicable, to information conveyed orally or by other means. They do not apply to information in the public domain or to information which was already known to the German firm prior to its receipt from the United States firm, it being understood that nothing in this understanding authorizes the release to third countries or to nationals of third countries of information received

from the United States firm pursuant to the collaboration agreement that was not already releaseable to third countries or to nationals of third countries. They do not apply to transfers to the British and Italian partners, in accordance with the collaboration agreement, of technical information necessary for them to perform their respective roles under that agreement. The Government of the Federal Republic of Germany will also advise the Government of the United States promptly should any unauthorized disclosure occur.

I have the further honor to request that the Government of the Federal Republic of Germany request the German firm to insure that "confidential MTU technology" is initially transmitted in writing.

I have the honor to assure the Government of the Federal Republic of Germany that the Government of the United States will not, except as hereinafter provided, disclose or permit the disclosure of technical data made available to the United States firm by the German firm pursuant to the collaboration agreement, and as particularly identified in Appendices 4 and 6 thereof, including technology developed in the implementation of that agreement, to any third country or to a national of a third country, and, further, that it will take all practicable measures to prevent that information from being so disclosed. The foregoing assurances apply to information conveyed to the United States firm in writing and identified as "confidential MTU technology" pursuant to the collaboration agreement and, only so far as practicable, to information conveyed orally or by other means. They do not apply to information in the public domain or to information which was already known to the United States firm prior to its receipt from the German firm, it being understood that nothing in this understanding authorizes the release to third countries or to nationals of third countries of information received from the German firm pursuant to the collaboration agreement that was not already releaseable to third countries or to nationals of third countries. They do not apply to transfers to the British and Italian partners, in accordance with the collaboration agreement, of technical information necessary for them to perform their respective roles under that agreement. The Government of the Federal Republic of Germany promptly should any unauthorized disclosure occur.

I have the further honor to assure the Government of the Federal Republic of Germany that the Government of the United States has requested the United States firm to insure that "JT-10D restricted technology" is initially transmitted in writing.

Comparable assurances have been requested by the Government of the United States from the governments of the British and Italian partners to the JT-10D collaboration agreement with respect to technical information to be made available to those

partners. Upon receipt of the requested assurances from all of the concerned governments, the Government of the United States will inform the United States firm that the conditions imposed upon United States approval of the proposed export have been fulfilled, and that implementation of the contract, therefore, may commence.

If the foregoing is acceptable to the Government of the Federal Republic of Germany, I have the honor to propose that Your Excellency's reply to that effect and this note shall together constitute an agreement between our two governments which shall enter into force on the date of Your Excellency's reply."

I have the honor to inform your Excellency that the proposals are acceptable to the Government of the Federal Republic of Germany and to confirm that your note and this note in reply constitute an agreement between our two governments on this matter, which shall enter into force as from this date.

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

N. HANSEN

Dr. Niels Hansen
*Minister of the Embassy
of the Federal Republic of Germany*

The Honorable
CYRUS VANCE
*Secretary of State
Washington, D.C.*

PERU

Agricultural Commodities: Transfers Under Title II

Agreement signed at Lima and Washington July 21

and August 8, 1976;

Entered into force August 8, 1976.

And amending agreement

Signed at Lima December 14 and 20, 1976;

Entered into force December 20, 1976.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

School Feeding	AID No. 527-XXX-000-6652
Executive Vice President	Program Approval Date:
Commodity Credit Corporation	May 17, 1976
U.S. Department of Agriculture	Program Title: School Feeding
Washington, D.C.	Program

In accordance with the provisions of Title II, PL 480 (as amended), [¹] Section 2 of Executive Order 10900[²] and State Department Delegation Order No. 102 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver commodities listed below to Peru in an amount not to exceed \$2,629,080 pursuant to the following instructions:

1. Quantity – Metric tons not to exceed:

Previous Total	Increase	Decrease	Total to Date
	6,820		6,820

2. Commodities to be provided as follows:

Code No.	Commodity	Amount Metric Tons	CCC Value \$	Export Market Value \$
048.8440-----	Instant CSM-----	1,700	656,200	584,800
048.1110-----	S.F. Bulgur-----	1,300	291,200	260,000
046.0020-----	S.F. Flour-----	3,400	928,200	826,200
421.2040-----	Vegoil-----	420	753,480	671,160
Total-----		6,820	\$2,629,080	\$2,342,160

¹ 68 Stat. 457; 7 U.S.C. § 1691a *et seq.*

² 26 Fed. Reg. 143.

3. Estimated U.S. Government Ocean Transportation Costs:
\$325,000

All actual ocean transportation expenditures under this program, regardless of estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

- Wheat flour – Soy-Fortified Bread Flour, enriched and bleached, bagged 50 lbs.
- Bulgur – Soy-Fortified, bagged 50 lbs. net.
- Instant CSM – Blended food product, bagged 50 lbs. net.
- Vegetable Oil – Edible, salad type, in 1 gallon cans.

5. Shipping Instructions:

- A. Delivery Schedule: ASAP
- B. Ports of Discharge: To be advised.
- C. Consignee: Direccion de Alimentacion
 Ministerio de Salud
 OCECO/PAE
 Independencia 560
 Lima 17, Peru
- D. Inspection: Vessels shall be inspected prior to loading grain and/or grain products to assure that the stowage spaces to be used are clean, free from insect infestation, and suitable for the grain and/or grain products authorized herein.

6. Program Objectives and Use of Commodities:

- A. The commodities authorized herein are contributed by the United States to the Government of Peru in support of its efforts to continue the national primary school feeding program during the 1976 school year. The program approved herein covers all of the 1976 school year.
- B. The program approved herein shall be carried out under the direction and supervision of the Government of Peru through the School Feeding Program Division of the Ministry of Public Health and Social Welfare.
- C. The Government of Peru, through the School Feeding Program Division, shall be responsible for all internal costs entailed in the implementation of the program approved herein.
- D. The program will provide a breakfast or lunch to approximately 500,000 primary school students. The total commodity requirement for one school year is 10,950 metric tons. During FY 76 the Government of Peru is to provide 4,130 MT of commodities (38%) and 6,820 MT (62%) are provided

through Title II. It is planned that the Title II input will be reduced to 4,320 MT (39%) in 1977 and 1,640 MT (15 percent) in 1978—with corresponding increases in Government of Peru inputs to a point where they accept full responsibility beginning in 1979.

- E. The commodities authorized herein shall not be used as payment-in-kind to processor(s) for services rendered and the total quantity of Title II commodities supplied to the processor(s) shall be returned in the end product to be distributed to recipients eligible under the program approved herein.
- F. In implementing the program approved herein, the Government of Peru, through the School Feeding Program Division, agrees to:
 - 1) provide an adequate budget for the effective administration and supervision of the program at the national, provincial and individual school level;
 - 2) offer guidance and training to teachers, food supervisors, cooks, and volunteer workers in food preparation and serving, nutrition education, school lunch administration and logistics, and related subjects;
 - 3) arrange for processing the Title II commodities supplied herein into different end products only on the basis of written agreements with such processors and subject to the prior approval of the agreements by USAID/Peru;
 - 4) develop and maintain a monitoring system which shall ensure that the operations of the program are under continuous review from the point at which the Title II commodities authorized hereunder enter the country until consumed by the eligible recipients;
 - 5) carry out in each Department participating in the program an effective and uniform monthly reporting system on (a) inventories, distribution and utilization of the Title II commodities authorized herein; and (b) numbers of recipients by schools receiving such commodities;
 - 6) provide the necessary funds to Departmental Coordinators to ensure periodic end-use inspections at the provincial and individual school levels as part of 4) and 5) above;
 - 7) conduct at least one comprehensive internal audit annually, or a series of audit examinations which, when combined, will represent a complete examination of the Title II program;
 - 8) submit quarterly reports to USAID/Peru, in a format prescribed by USAID/Peru, on the operation of the program, showing for each Department or Coordination

- (a) kinds and quantities of Title II commodities received and utilized, and inventories on hand; (b) the actual number of recipients served during the reporting period; and (c) the sale of containers and proceeds therefrom per paragraph G below;
 - 9) make available to USAID/Peru for its review copies of internal audit reports and end-use inspections per 6) and 7) above;
 - 10) provide USAID/Peru with copies of the executed agreements for processing of any of the Title II commodities supplied hereunder per 3) above.
 - G. It is agreed that proceeds from the sale of containers in which Title II commodities authorized hereunder are received shall be deposited in a Special Account established by the School Feeding Program Division specifically for this purpose. It is further agreed that such funds and any funds generated from charges made to recipients on the basis of ability to pay shall be used in accordance with AID Regulation 11, section 211.5 (i).
 - H. It is agreed that in the event of temporary shortages of commodities authorized herein, borrowing of same or similar commodities from local sources, including commercial stocks and/or other Title II programs, shall not take place without prior written authorization from USAID/Peru. It is further agreed that if such a transaction does occur without USAID/Peru authorization, the USG is not obligated to replace the commodities borrowed.
 - I. Anything herein contained to the contrary notwithstanding, it is understood and agreed that continuation of the program beyond the period approved herein shall be dependent upon (1) commodity availability from the United States; (2) continued existence in both countries of legal authority and/or appropriations for this type of activity; (3) satisfactory program operation; and (4) development of a scheduled phase-up of the Peruvian contribution, including food, and a proposed phase-down of the U.S. Title II food contribution.
 - J. None of the commodities authorized herein may be shipped after December 31, 1976.
7. Transportation:
- A. The U.S. Government (USG) will be responsible for all costs incurred in the procurement, inspection and delivery of the commodities authorized herein F.A.S. vessel at designated U.S. ports.
 - B. The USG will be responsible for arranging ocean transportation and payment of freight for 50 percent of the commodities required to be shipped on U.S. flag vessels to comply with P.L. 664 (Cargo Preference Act).¹ The Government of Peru

¹ 68 Stat. 832; 46 U.S.C. §1241.

(GOP) will be responsible for arranging ocean transportation and payment of freight for the balance of the commodities (USG would be agreeable to book and to perform forwarding services for any such cargo). The USG will prior approve as to vessel name, loading date (laydays in the case of charters) and loading rate (where applicable) for all bookings by the GOP.

C. Dispatch and demurrage:

- 1) At loading ports: Dispatch and demurrage for U.S. financed vessels is for the account of the USG. Dispatch and demurrage for GOP financed vessels is for the account of the GOP except demurrage incurred as a result of USG failure to position cargo so that the vessel can commence loading within its laydays and load continuously is for the account of the USG.
- 2) At discharge ports: Dispatch earned on USG financed vessels is to be retained by the USG. Dispatch earned on GOP financed vessels is for the account of the GOP. Demurrage for all vessels is for the account of the GOP.

- D. General Average: The USG will respond in general average and process and retain proceeds of ocean freight claims on USG financed vessels. The GOP will respond in general average on GOP financed vessels and will process and retain proceeds of ocean freight claims arising on such vessels.
- E. Pursuant to Regulation 11, Section 211.9(c), the GOP will arrange for an independent cargo discharge survey and will furnish to the USAID/Peru, within 30 days after discharge a copy of all such discharge survey and outturn reports.

8. Port Charges: The GOP, with respect to that portion of the commodities carriage cost financed by the USG, shall open an irrevocable letter of credit within fifteen days of the date on which it signs this Transfer Authorization, in favor of and acceptable to the Commodity Credit Corporation (CCC) of the U.S. Department of Agriculture in an amount no less than ten percent of anticipated freight costs under berth terms. The credit shall be payable upon presentation by CCC to the U.S. bank which issued or confirmed such letter of credit of a draft(s) accompanied by a copy(ies) of the applicable Public Voucher for Transportation Charges (Standard Form 1113) and a written statement that the amount is due CCC for ocean freight costs under the provisions of Transfer Authorization 527-XXX-000-6652 such amount to be ten percent of the ocean freight charges under berth terms shown on the accompanying

respective applicable charter party(ies). The letter of credit will be available for drawings by CCC for at least 180 days after the date of the last shipment of the commodity authorized herein.

ROBERT R SPITZER

AUGUST 8, 1976
Date

Robert R. Spitzer, *Coordinator,
FFP*

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR3368), except as otherwise specifically provided herein are hereby accepted.

JULIO 21, 1976
Date

J PUENTE

FOR THE GOVERNMENT
OF PERU

[AMENDING AGREEMENT]

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

School Feeding	Amendment No. 1
Executive Vice President	AID No. 527-XXX-000-6652
Commodity Credit Corporation	Program Approval Date:
U.S. Department of Agriculture	May 17, 1976
Washington, D.C.	Program Title: School Feeding Program

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 102 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver commodities listed below to PERU in an amount not to exceed \$2,629,080 pursuant to the following instructions:

PURPOSE OF AMENDMENT: To extend shipping date limitation from December 31, 1976 to December 31, 1977. The following paragraphs 6A and 6J are amended:

6. PROGRAM OBJECTIVES AND USE OF COMMODITIES:
(AMENDMENT)

- A. The commodities authorized herein are contributed by the United States to the Government of Peru in support of its efforts to continue the national primary school feeding program during the 1976 and 1977 school years. The program approved herein covers all of the 1976 school year and all of the 1977 school year.
- J. None of the commodities authorized herein may be shipped after December 31, 1977.

7. ALL OTHER PROVISIONS REMAIN UNCHANGED.

ROBERT W DEAN

DECEMBER 20, 1976
 Date

FOR THE GOVERNMENT OF
 THE UNITED STATES

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

J PUENTE

LIMA, 14 de diciembre de 1976
 Date

FOR THE GOVERNMENT OF
 PERU
 Jose de la Puente Radbill
Ministro de Relaciones Exteriores

DEPARTAMENTO DE ESTADO
 AGENCIA PARA EL DESARROLLO INTERNACIONAL
 WASHINGTON, D.C. 20523

AUTORIZACION DE TRANSFERENCIA

Alimentación Escolar	Enmienda N° 1
Vice Presidente Ejecutivo	AID N° 527-XXX-000-6652
Commodity Credit Corporation	Fecha de Aprobación del Pro-
Departamento de Agricultura,	grama: Mayo 17, 1976
U.S.A.	Título del Programa: Programa
Washington, D.C.	de Alimentación Escolar

De conformidad con las disposiciones del Título II, LP 480 (enmendado), de la Sección 2 de la Orden Ejecutiva 10900 y de la Orden de Delegación del Departamento de Estado N° 102 vigente a partir

del 30 de setiembre de 1961, la Corporación de Crédito de Artículos de Consumo queda autorizada por la presente para transferir y despachar los artículos de consumo abajo enumerados al PERU por un monto que no excederá los \$2,629,080 de acuerdo con las siguientes instrucciones:

PROPOSITO DE LA ENMIENDA: Extender la fecha límite de embarque del 31 de diciembre de 1976 al 31 de diciembre de 1977. Los párrafos 6A y 6J se enmiendan como sigue:

6. OBJETIVOS DEL PROGRAMA Y UTILIZACION DE LOS ALIMENTOS: (ENMIENDA)

- A. Los alimentos autorizados por la presente son una contribución de los Estados Unidos al Gobierno del Perú en apoyo a sus esfuerzos por continuar el programa nacional de alimentación escolar durante los años escolares de 1976 y 1977. El programa aprobado por la presente cubre todo el año escolar de 1976 y todo el año escolar de 1977.
- J. Ninguno de los alimentos autorizados por la presente pueden ser embarcados después del 31 de diciembre de 1977.

7. TODAS LAS OTRAS DISPOSICIONES PERMANECEN INALTERABLES.

ROBERT W DEAN

20 DE DICIEMBRE DE 1976 Fecha POR EL GOBIERNO DE LOS ESTADOS UNDOS

SOLICITUD Y ACEPTACION: La ayuda descrita en esta autorización de transferencia es solicitada por la presente y los términos y condiciones de este acuerdo y de la Regulación de AID 11, 33FR2918, 1968, enmendada el 19 de setiembre de 1974 (39FR33668), exceptuando lo establecido específicamente en la presente, son aceptadas.

J PUENTE

LIMA, 14 de diciembre de 1976
Fecha POR EL GOBIERNO DEL PERU
Jose de la Puente Radbill
Ministro de Relaciones Exteriores

PAKISTAN

Agricultural Commodities: Transfers Under Title II

*Agreement signed at Islamabad September 9, 1976;
Entered into force September 9, 1976.
With minutes.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

Program Classification: Disaster Relief AID No. 391-041.0020-000-6632
Executive Vice President Program Approval Date:
Commodity Credit Corporation September 3, 1976
U.S. Department of Agriculture Program Title: Emergency Flood
Washington, D.C. Relief

In accordance with the provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900,^[2] State Department Delegation Order No. 104 effective September 30, 1961, and A.I.D. Program Authorization dated September 3, 1976, the Commodity Credit Corporation is hereby authorized to transfer and deliver Wheat to Pakistan in an amount not to exceed \$7,700,000 pursuant to the following instructions:

1. Quantity (Metric tons not to exceed)

<u>Previous Total</u>	<u>Increase</u>	<u>Decrease</u>	<u>Total to Date</u>
			50,000

2. Commodity Authorized:

<u>Code</u>	<u>Commodity</u>	<u>Amount</u> <u>Metric</u> <u>Tons</u>	<u>CCC Value \$</u>	<u>Export</u> <u>Market</u> <u>Value \$</u>
041.0020-----	Wheat-----	50,000	\$7,700,000	\$7,550,000
	Total-----	50,000	\$7,700,000	\$7,550,000

¹ 68 Stat. 457; 7 U.S.C. § 1691a *et seq.*

² 26 Fed. Reg. 143.

3. Estimated U.S. Government Ocean Transportation Costs:
\$2,125,000

All actual ocean transportation expenditures under this program, regardless of estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Commodity Specifications:

Wheat, hard red winter.

5. Shipping Instructions:

- A. Delivery Schedule: To be advised
- B. Discharge Port: Karachi
- C. Consignee: Government of Pakistan
Cabinet Division, Disaster Relief Cell
Islamabad
- D. Copies of Bills of Lading to be sent as follows:
 - (1) First original and one copy by international airmail to Consignee.
 - (2) After ship's loading, second original and one copy of Consignee accompanying cargo.
 - (3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, ATT: R. E. James.
 - (4) Original and one copy to USAID/Pakistan, Islamabad/ID, State Department, Washington, D.C. 20520.

E. Transportation:

- (1) The U.S. Government will be responsible for all costs incurred in the procurement, inspection and delivery of the commodity authorized herein F.A.S. vessel at designated U.S. ports and will be responsible for arranging ocean transportation and payment of ocean freight.
- (2) The wheat will be shipped from the U.S. in bulk without accompanying bags. To the extent possible, the wheat will be consolidated with other PL 480 wheat shipments from the U.S.

6. Program Objectives, Use of Commodity and Conditions of Transfer:

The wheat authorized herein is donated by the United States in response to an appeal from the Government of Pakistan to replace wheat used by the Government of Pakistan to alleviate hunger and malnutrition in flood-affected areas.

- A. The wheat authorized herein will be used primarily to replace GOP grains distributed to needy recipients in the flood-affected areas.

- B. Delivery shall be construed as meaning at the end of ship's tackle or discharge spout in Pakistan ports, at which time the GOP will be fully responsible for maintenance, use and disposal of this commodity and all related costs.
- C. This Transfer Authorization is subject to the following conditions:
 - (1) The Government of Pakistan will furnish to the U.S. Mission reports on the receipt, both in quantity and quality, of the wheat provided herein by means of outturn and cargo survey reports described in Section 211.9C of AID Regulation 11.
 - (2) The Government of Pakistan will furnish to the U.S. Mission a report based on the provisions of Section 211.10b of AID Regulation 11 which will describe the quantity of grains distributed in the disaster zone for which the wheat provided herein shall replace. This report will detail the geographic areas and numbers of victims receiving assistance.
 - (3) The Government of Pakistan agrees to give reasonable assistance to U.S. Government representatives to enable them to review compliance with this Transfer Authorization.

HENRY A. BYROADE

SEPTEMBER 9, 1976

Date

FOR THE GOVERNMENT
OF THE
UNITED STATES
OF AMERICA

Henry A. Byroade
Ambassador

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement are hereby accepted.

AFTAB AHMAD KHAN

SEPTEMBER 9, 1976

Date

FOR THE GOVERNMENT
OF PAKISTAN

Aftab Ahmad Khan
*Secretary, Economic Affairs
Division*

**Minutes of the meeting held September 7, 1976
regarding the grant of 50,000 MT of
wheat under Title II of U.S. Public Law 480
Signed on September 9, 1976**

1. The Government of Pakistan ("Pakistan") and the United States Government ("USG") representatives agreed that the Transfer Authorization dated September 9, 1976 is the legal and binding agreement between the two governments concerning the grant of 50,000 MT of wheat under Title II of PL 480.

2. The USG representatives advised the Pakistan representatives that the wheat was being granted to replace Pakistan wheat previously used for flood relief and that, as a result, many of the regulations usually applying to PL 480 Title II grants would not be applied in this case. The USG representatives noted that under the terms of the Transfer Agreement, the Government of Pakistan would be required to:

- a) Provide a report to USAID describing the amounts of Pakistan grain previously distributed in the disaster area, the numbers of people fed and the general locations of these relief efforts;
- b) Provide both an independent cargo survey report (with the surveyor to be employed by the Government of Pakistan) and a vessel outturn report to USAID. These reports will certify the quantity and quality of the wheat received;
- c) Provide reasonable assistance to USG representatives who may wish to review compliance with the terms of the Transfer Agreement authorization.

3. The USG representatives advised the Pakistan representatives that the wheat would be shipped in a manner similar to Title I shipments, on the basis of "berth terms discharge", which means that the vessels delivering the wheat would be responsible for any necessary lighterage and the hiring of stevedores when the vessel reaches the berth. This method also provides that the receiver (the Government of Pakistan) then becomes fully responsible for the wheat including the provision of bags at the end of ship's tackle or discharge spout. The USG representatives noted that the USG will pay ocean freight expenses.

4. The Pakistan representatives agreed that two 25,000 MT shipments on full berth terms was acceptable and within the handling capacity of the Karachi port. However, the Pakistan representative pointed out that in selecting the ships, AID should consider the ship's draft and channel limits of the Karachi port at the time of arrival. Also, in case the ship requires lighterage arrangements will be made by the shipper. The USG representatives advised the Pakistan representatives that it was the USG intention to initiate these shipments in September. The Pakistan representatives expressed some concern over the timing of the shipments because they also have a requirement

to ship 150,000 MT of Title I wheat by September 30 and they have some commercial shipments due in the same time frame. This combination puts a strain on Karachi port as well as storage capacity in the Karachi area. The USG representatives agreed to monitor the situation and to the maximum extent possible, the shipments will be staggered or delayed in routing so as to avoid unusual hardships in handling the wheat arrivals.

5. It was agreed that the report described in paragraph 2(a) above would be provided by November 1, 1976. It was further agreed that the reports required in paragraph 2(b) above would be provided within 30 days after vessel discharge.

6. The USG representatives suggested that, to the extent feasible, currency proceeds accruing from any sale of the 50,000 MT of wheat be applied to housing or other suitable programs for flood-affected people. The USG representatives requested a report on such currency uses should they occur. The Pakistan representatives pointed out since this wheat is replacing Government stocks already used for disaster relief, there will be no supplemental currency generation unless the Government has not used 50,000 MT in which case there may be a small differential of additional currency generation. Although this likelihood is very small, the Pakistan representatives agreed to report on the use of such currency if in fact it is available.

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

FOR THE GOVERNMENT OF
PAKISTAN

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

By: AFTAB AHMAD KHAN

By: HENRY A. BYROADE

Name: Aftab Ahmad Khan

Name: Henry A. Byroade

Title: *Secretary, Economic
Affairs Division*

Title: *The Ambassador of the
United States of America*

MOZAMBIQUE

Agricultural Commodities: Transfers Under Title II

*Agreement signed at Maputo September 14, 1976;
Entered into force September 14, 1976.
With related note.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:
Emergency Food Assistance
Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

AID No. 656-041.0020-000-7601
Program Approval Dated:
June 16, 1976
Program Title:
Emergency Food Assistance -
Mozambique

In accordance with the provisions of Title II, PL480 (as amended), [1] Section 2 of Executive Order 10900[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver agricultural commodities to Mozambique in an amount not to exceed dollars 3,684,200 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

Previous Total	Increase	Decrease	Total to Date
---	21,800	--	21,800

2. Commodities to be shipped:

Code	Commodity	Amount Metric Tons	CCC Value\$	Export Market Value\$
041.0020	Wheat	21,800	3,684,200	3,270,000

¹ 68 Stat. 457; 7 U.S.C. § 1691a *et seq.*

² 26 Fed. Reg. 143.

3. Estimated ocean transportation costs: dollars 1,199,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to the blanket freight transfer authorization No. 935-9500-000-6899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Wheat (hard red winter No. 2): Bulk (no bags or needles accompanying)

5. Shipping instructions:

A. Delivery schedule -- as soon as possible

B. Port of discharge -

13,000 metric tons to Maputo

5,300 metric tons to Beira

3,500 metric tons to Nacala

C. Consignee -

In Maputo - Direcção Nacional de Comércio Interno-Maputo

In Beira - Delegação da Direcção Nacional do Comércio Interno-Beira

In Nacala - Delegação da Direcção Nacional do Comércio Interno-Nacala

D. Send copies of bills of lading to:

1. First original and one copy to consignee via airmail

2. After ships loading; second original and one copy to consignee accompanying cargo

3. Third original and two copies to: A.I.D., Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523 (ATTN: Mr. R. E. James)

4. Original and one copy to U.S. Embassy Maputo

5. One copy to REDSO, American Embassy Nairobi, Kenya

6. Program objectives. Use of commodity and conditions of transfer:

Commodities provided herein may be sold and currencies generated used to:

A. Help offset inland handling costs and,

B. Promote the Government of the Peoples Republic of Mozambique's food production and nutrition programs mutually agreed upon with U.S. Embassy Maputo.

7. The Government of the Peoples Republic of Mozambique agrees to provide documentation as set forth in A.I.D. Regulation 11 as follows:

A. Section 211.9C(1). To provide outturn/cargo survey reports at the time of ships discharge.

B. Section 211.10.

- (a) to maintain records/documents that will accurately reflect all transactions pertaining to receipt/sale of the donated commodities.
- (b) provide summary reports on receipts generated from sales.
- (c) provide reports every four months to the U.S. Embassy on deposit/release of funds generated from commodity sales.

C. Special attention is called to Section 211.11: This provides for the termination of the program if the provisions of this transfer authorization are not met.

WILLARD A DE PREE

14th SEPTEMBER 1976
Date

Willard A. De Pree
Ambassador
American Embassy Maputo

Request and acceptance: The assistance described in this authorization is hereby requested and the terms and conditions of this amendment and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668) except as otherwise specifically provided herein are hereby accepted.

J B COSME

14th SEPTEMBER 1976
Date

João Baptista Cosme

FOR THE GOVERNMENT OF
THE PEOPLES REPUBLIC
OF MOZAMBIQUE

[RELATED NOTE]

REPÚBLICA POPULAR DE MOÇAMBIQUE
MINISTÉRIO DO DESENVOLVIMENTO
E PLANIFICAÇÃO ECONÓMICA
DIRECÇÃO NACIONAL DE COOPERAÇÃO INTERNACIONAL

His Excellency
The Ambassador of the
United States of America
Maputo

NOSSA REFERÊNCIA
1008/DNCI/76

MAPUTO, 14th September, 1976

EXCELLENCY,

Subject: TRANSFER AUTHORIZATION.
Emergency Food Assistance

TIAS 8711

Further to the talks which you had with our Messers Abdul Magid Ossman and Lourenço Mutaca, we beg to give you the following information:

- the shipment of 21,800 metric tons of wheat should be consigned to the DIRECÇÃO NACIONAL DO COMÉRCIO INTERNO in Maputo, DELEGAÇÃO DA DIRECÇÃO NACIONAL DO COMÉRCIO INTERNO in Beira and DELEGAÇÃO DA DIRECÇÃO NACIONAL DO COMÉRCIO INTERNO in Nacala. We should be very grateful if the delivery could take place by the end of November.
- the quantities to be sent to each port are the following:

Maputo - 60%
Beira - 24%
Nacala - 16%

- our Government accepts the cargo survey at the time of ships discharge.
- the wheat will be sold at prices not lower than the ones practiced in Mozambique. The currencies generated from the sale of the wheat plus the value of the subsidy will be deposited in a special account which will be used to promote food production and nutrition programmes.
- Mr. João Baptista Cosme will be signing the Transfer authorization on behalf of our Government.

Sincerely Yours,

For the National Directorate

J B COSME [SEAL]

João Baptista Cosme

LM/F.R.

MEXICO

Colorado River Waters: Emergency Deliveries to Tijuana

Agreement effected by minute no. 240 of the International Boundary and Water Commission, United States and Mexico

Adopted at Ciudad Juárez June 13, 1972;

Entered into force June 22, 1972.

And amending and extending agreements

Effectuated by minute no. 243

Adopted at El Paso September 25, 1973;

Entered into force October 24, 1973.

And minute no. 245

Adopted at El Paso May 15, 1974;

Entered into force June 28, 1974.

And minute no. 252

Adopted at Ciudad Juárez August 31, 1976;

Entered into force September 29, 1976.

And minute no. 256

Adopted at Ciudad Juárez February 22, 1977;

Entered into force July 15, 1977.

INTERNATIONAL BOUNDARY
AND WATER COMMISSION
UNITED STATES AND MEXICO

COMISION INTERNACIONAL DE
LIMITES Y AGUAS
ENTRE MEXICO Y ESTADOS
UNIDOS

CIUDAD JUAREZ, CHIH.,
June 13, 1972.

CIUDAD JUÁREZ, CHIH.,
13 de junio de 1972.

Minute No. 240

Acta Num. 240

Emergency Deliveries of Colorado River Waters for use in Tijuana

Entregas de Emergencia de Aguas del Rio Colorado Para su uso en Tijuana

The Commission met at the offices of the Mexican Section in Ciudad Juarez, Chihuahua, Mexico, on June 13, 1972, at 10:00 a.m., to recommend, pursuant to

La Comisión se reunió en las oficinas de la Sección Mexicana en Ciudad Juárez, Chihuahua, México, a las 10:00 horas del 13 de junio de 1972, para reco-

the request of Mexico and the instructions by the two Governments, an agreement for emergency deliveries to a point on the international boundary near the City of Tijuana, Baja California, Mexico, for use by that city, of a portion of the waters of the Colorado River allotted to Mexico by Article 10(a) of the Water Treaty of 1944. [1]

The Commissioners reviewed the need for making the above mentioned emergency deliveries. They noted that drought conditions have continued to prevail over the watershed of the Tijuana River and confirmed the advice given by Mexican authorities that the city's existing sources of water supply are now insufficient and that unless such emergency deliveries are made, the city, which now has a population of about 400,000, will suffer serious shortages of water. They considered the advice furnished by the agencies in the United States owning the conveyance facilities required in the United States, that although such works are now being utilized near their capacity to meet the needs in their country, the agencies would be willing, in view of the emergency and under certain conditions, to make the necessary arrangements for a period not to exceed five years to deliver certain volumes of water to a point on the international boundary near the City of Tijuana. The Commissioners noted the assurances given by the Mexican

mendar, de acuerdo con la solicitud de México y con las instrucciones de los dos Gobiernos, un convenio para las entregas de emergencia de una parte de las aguas del Río Colorado asignadas a México por el Artículo 10(a) del Tratado de Aguas de 1944, en un punto de la línea divisoria internacional cercano a la ciudad de Tijuana, Baja California, México, para su uso en esta ciudad.

Los Comisionados revisaron la necesidad de que se hagan las entregas de emergencia arriba citadas. Advirtieron que persisten las condiciones de sequía en la cuenca del Río Tijuana y confirmaron la información dada por las autoridades mexicanas de que las fuentes existentes para el abastecimiento de agua de la ciudad, que tiene ahora una población de 400,000 habitantes aproximadamente, ya no son suficientes, y que a menos que se hagan esas entregas de emergencia, la ciudad sufrirá severas escaseces de agua. Consideraron la información proporcionada por las dependencias de los Estados Unidos, propietarias de las obras de conducción en los Estados Unidos, de que aunque ahora están utilizando casi toda la capacidad de esas obras para satisfacer las necesidades de su país, en vista de la emergencia y bajo ciertas condiciones, estarian dispuestas a hacer los arreglos necesarios para entregar ciertos volúmenes de agua en un punto de la línea divisoria internacional cercano a la ciudad de Tijuana, durante un período que no exceda

¹ TS 994; 59 Stat. 1237.

Government that it will not request use of the conveyance works in the United States after said five-year period, during which Mexico will provide permanent works necessary to fulfill its water requirements for the City of Tijuana.

The Commissioners then considered that in order to make such emergency deliveries, which require the conveyance of the water a distance of approximately 323 miles (520 kilometers), arrangements need to be made for use of the following named existing conveyance works in the State of California, as shown on the map, Exhibit 1 of this Minute: the diversion works from Lake Havasu above Parker Dam and the Colorado River Aqueduct, owned by the Metropolitan Water District of Southern California; the San Diego Aqueducts owned partly by that District and partly by the San Diego County Water Authority; the Otay Reservoir owned by the City of San Diego, and some of the existing facilities owned by the Otay Municipal Water District. They observed that, in addition, arrangements need to be made for construction by the Otay District of certain new connecting works, to deliver the water to a point on the international boundary near the City of Tijuana.

They noted that as an effect of such emergency deliveries the

de cinco años. Los Comisionados tomaron nota de las seguridades dadas por el Gobierno de México de que no solicitará el uso de las obras de conducción de los Estados Unidos después de dicho período de cinco años, durante el cual México construirá las obras permanentes que se requieran para satisfacer las demandas de agua de la ciudad de Tijuana.

Los Comisionados consideraron entonces que a fin de hacer dichas entregas de emergencia, que requieren la conducción del agua en una distancia de 520 kilómetros (323 millas) aproximadamente, necesitan hacerse arreglos para el uso de las siguientes obras de conducción existentes en el Estado de California, que se muestran en el plano del Anexo I de la presente Acta: las obras de derivación del Lago Havasu, aguas arriba de la Presa Parker y el Acueducto del Río Colorado, pertenecientes al Distrito Metropolitano de Aguas del Sur de California; los Acueductos de San Diego, pertenecientes en parte a ese Distrito y en parte a la Autoridad de Aguas del Condado de San Diego; el vaso de Otay, perteneciente a la ciudad de San Diego, y algunas de las obras existentes pertenecientes al Distrito Municipal de Aguas de Otay. Observaron, además, que se necesitan hacer arreglos para que el Distrito de Otay construya ciertas nuevas obras de conexión, a fin de entregar el agua en un punto de la línea divisoria internacional cercano a la ciudad de Tijuana.

Advirtieron que como efecto de dichas entregas de emergencia

salinity of waters made available to Mexico in the limitrophe section of the Colorado River pursuant to the 1944 Water Treaty would be increased by from 5 to 10 parts per million. They also considered that an increase in water supply for the City of Tijuana would produce an increase in the discharge of sewage waters to the Pacific Ocean, which might require corrective measures additional to those heretofore taken in order to continue to avoid pollution problems along the beaches in the United States and in Mexico.

After discussion of the foregoing and the conditions under which the above named California agencies would be willing to make emergency deliveries of Colorado River waters for the City of Tijuana, the Commission adopted the following resolution subject to the approval of the two Governments:

1. That the Government of the United States undertake negotiations and endeavor to conclude an agreement with the Metropolitan Water District of Southern California, the San Diego County Water Authority, the City of San Diego, and the Otay Municipal Water District, hereinafter referred to as the California agencies, which would provide that, for a period not to exceed five years, emergency deliveries be made to Mexico, at a point on the international boundary in the vicinity of the Tijuana Air-

aumentaría de 5 a 10 partes por millón la salinidad de las aguas que, de conformidad con el Tratado de Aguas de 1944, se ponen a disposición de México en el tramo limítrofe del Río Colorado. También consideraron que un aumento en el abastecimiento de agua de la ciudad de Tijuana produciría un aumento en la descarga de sus aguas negras al Océano Pacífico, que podría requerir medidas correctivas adicionales a las que actualmente se toman para continuar evitando problemas de contaminación a lo largo de las playas de México y de los Estados Unidos.

Después de discutir lo anterior y las condiciones bajo las cuales las dependencias de California arriba citadas estarían dispuestas a hacer entregas de emergencia de aguas del Río Colorado para la ciudad de Tijuana, la Comisión adoptó la resolución siguiente, sujeta a la aprobación de los dos Gobiernos:

1. Que el Gobierno de los Estados Unidos emprenda negociaciones y procure celebrar un convenio con el Distrito Metropolitano de Aguas del Sur de California, con la Autoridad de Aguas del Condado de San Diego, con la ciudad de San Diego y con el Distrito Municipal de Aguas de Otay, las que en adelante se mencionarán como las dependencias de California, que proveería que durante un período no mayor de cinco años se hagan entregas de emergencia a México de una parte de las aguas del Río Colorado

- port, of a portion of the waters of the Colorado River allotted to Mexico by Article 10(a) of the Water Treaty of 1944, in accordance with this Minute.
2. That the emergency deliveries be started by the California agencies as soon as practical, in volumes per month no greater than those which can be conveyed with the capacities available in the conveyance works in the United States for such deliveries, as follows:
- (a) That following completion by the Otay District of construction of Phase I of the new connecting works described below in paragraph 5(a) of this resolution, and prior to January 1, 1973, the monthly volumes of the emergency deliveries be no greater than those which can be conveyed with the available capacity in the conveyance works, of approximately 660 acre-feet (814,000 cubic meters); that after January 1, 1973, the annual volumes of the emergency deliveries be no greater than those which can be conveyed with the available capacity in the conveyance works, of approximately 14,500 acre-feet (17,- que le asigna el Artículo 10(a) del Tratado de Aguas de 1944 en un punto de la línea divisoria internacional cercano al aeropuerto de Tijuana, de conformidad con esta Acta.
2. Que las entregas de emergencia se inicien, por las dependencias de California, tan pronto como sea práctico, con volúmenes mensuales no mayores que los que puedan conducirse en las capacidades disponibles para esas entregas en las obras de conducción de los Estados Unidos, como sigue:
- (a) Que al terminarse la construcción, por el Distrito de Otay, de la Etapa I de las nuevas obras de conexión descrita adelante en el apartado 5(a) de la presente resolución y antes del lo. de enero de 1973, los volúmenes mensuales de las entregas de emergencia no sean mayores que los que puedan conducirse por la capacidad disponible en las obras de conducción, de 814,000 metros cúbicos (660 acres-pies) aproximadamente; que después del lo. de enero de 1973 los volúmenes anuales de las entregas de emergencia no sean mayores que los que puedan conducirse por la capacidad disponible en las obras de

886,000 cubic meters), and the monthly volumes no greater than those indicated in Schedule No. 1 in Exhibit 2 of this Minute.

- (b) That if pursuant to Mexico's request the construction of Phase II of the new connecting works described in paragraph 5(b) of this resolution is carried out by the Otay District, upon their completion, but not before January 1, 1973, the annual volumes of the emergency deliveries be no greater than those which can be conveyed with the available capacity in the conveyance works, of approximately 20,600 acre-feet (25,410,000 cubic meters), and the monthly volumes not exceed those indicated in Schedule No. 2 of Exhibit 2 of this Minute.

That the emergency deliveries described herein may be decreased or suspended temporarily at any time, either in the event of an accident to the conveyance works, or if for other reasons any of the California agencies is temporarily unable to supply in its works the capacity necessary for

conducción de 17,886,-000 metros cúbicos (14,500 acres-pies) aproximadamente, y los volúmenes mensuales no sean mayores que los que se indican en la Tabla Núm. 1 del Anexo 2 de esta Acta.

- (b) Que si a solicitud de México se ejecuta la construcción, por el Distrito de Otay, de la Etapa II de las nuevas obras de conexión, descrita en el apartado 5(b) de la presente resolución, al terminarse, pero no antes del 1.º de enero de 1973, los volúmenes anuales de las entregas de emergencia no sean mayores que los que puedan conducirse por la capacidad disponible en las obras de conducción, de 25,410,000 metros cúbicos (20,600 acres-pies) aproximadamente, y los volúmenes mensuales no sean mayores que los que se indican en la Tabla Núm. 2 del Anexo 2 de esta Acta.

Que las entregas de emergencia aquí descritas puedan ser disminuidas o suspendidas temporalmente en cualquier momento, ya sea en caso de accidente a las obras de conducción o en caso de que por otras razones cualquiera de las dependencias de California se encuentre incapacitada tem-

the conveyance of Mexican waters.

That in the event the California agencies determine that the available capacity of their conveyance works can be increased for the emergency deliveries, they will advise the Commission through the San Diego County Water Authority, and the maximum permissible volumes may be adjusted accordingly.

3. That there be charged as a part of Mexico's allotment of Colorado River waters provided for in Article 10(a) of the 1944 Water Treaty, the daily volumes that are delivered at the international boundary near Tijuana, plus 12 percent of those volumes which would cover the increased conveyance losses which occur in conveying the emergency deliveries of waters from the point of diversion on the Colorado River above Parker Dam to the international boundary near Tijuana over the conveyance losses which would occur if the same volumes of water were delivered in the limitrophe section of the Colorado River.
4. That the requests for emergency deliveries at the international boundary near Tijuana be formulated by the Mexican Section with

poralmente para disponer en sus obras de la capacidad necesaria para conducir las aguas mexicanas.

Que en caso de que las dependencias de California determinen que las capacidades disponibles en sus obras de conducción permitan aumentar las entregas de emergencia, lo notifiquen a la Comisión por conducto de la Autoridad de Aguas del Condado de San Diego, y se ajusten de conformidad los volúmenes máximos permitidos de las entregas.

3. Que se carguen a las aguas del Río Colorado asignadas a México por el Artículo 10(a) del Tratado de Aguas de 1944 los volúmenes diarios que se entreguen en la línea divisoria internacional, cerca de Tijuana, más el 12 poriento de esos volúmenes, que cubrirían el aumento de las pérdidas de conducción que se tengan al conducir el agua de las entregas de emergencia desde el punto de derivación en el Río Colorado, arriba de la Presa Parker, hasta la línea divisoria internacional, cerca de Tijuana, sobre las pérdidas de conducción que se tendrían si los mismos volúmenes de agua se entregaran en el tramo limítrofe del Río Colorado.
4. Que los pedidos para las entregas de emergencia de agua en la línea divisoria internacional, cerca de Tijuana, se formulen por la

volumes no larger than those referred to in paragraph 2 of this resolution, and be presented to the United States Section as a part of Mexico's annual schedules of deliveries, by months, of waters of the Colorado River pursuant to the 1944 Water Treaty; that in addition to the total deliveries, the schedules show the deliveries to be made in the limitrophe section of the Colorado River, the emergency deliveries to be made at the international boundary near Tijuana, and the sum of such emergency deliveries at the international boundary plus 12 percent thereof, to reflect the charge against Mexico's allotment pursuant to preceding paragraph 3; that the initial schedule which covers emergency deliveries in 1972, following completion of the construction of Phase I of the new connecting works be presented thirty days before the beginning of those emergency deliveries; that the succeeding schedules be presented before the beginning of each calendar year, as provided in the Water Treaty of 1944, with the understanding that a separate advance schedule covering only the emergency deliveries be presented thirty days before the beginning of each calendar year. That Mexico have the right, upon thirty days notice in advance to the

Sección Mexicana con volúmenes no mayores a los que se indican en el apartado 2 de esta resolución, y se presenten a la Sección de los Estados Unidos como parte de las tablas anuales de entregas mensuales a México de aguas del Río Colorado, estipuladas en el Tratado de Aguas de 1944; que además de las entregas totales, las tablas indiquen las entregas por hacer en el tramo limítrofe del Río Colorado, las entregas de emergencia por hacer en la línea divisoria internacional, cerca de Tijuana y la suma de esas entregas de emergencia en la línea divisoria internacional más el 12 porciento de las mismas, para indicar el cargo contra la asignación de México de acuerdo con el apartado 3 anterior; que la primera tabla que incluya las entregas de emergencia en 1972, posteriores a la terminación de la construcción de la Etapa I de las nuevas obras de conexión, se presente treinta días antes de que se inicien esas entregas de emergencia; que las siguientes tablas se presenten antes del principio de cada año civil, como se estipula en el Tratado de Aguas de 1944, entendido que treinta días antes de principiar cada año civil se presentaría otra tabla que únicamente indique las entregas de emergencia. Que México tenga el derecho de aumentar o disminuir, med-

United States Section, to increase or decrease any of monthly volumes established in the schedule of emergency deliveries at the international boundary near Tijuana subject to:

- (a) The total annual volume of emergency deliveries at the international boundary near Tijuana established in the corresponding annual schedule of deliveries presented by Mexico, not be increased.
- (b) The monthly volumes of emergency deliveries not exceeding the maximums referred to in paragraph 2 of this resolution.
- (c) The limitation of 20 percent in increases or decreases in the total monthly volumes of Colorado River waters delivered to Mexico as provided in Article 15F of the 1944 Water Treaty.
5. That Mexico pay the actual costs of construction of the new connecting works, shown on Exhibit 3 of this Minute, required to make the emergency deliveries, including all costs of planning, engineering and surveying, as well as the costs iante avisos dados a la Sección de los Estados Unidos con treinta días de anticipación, cualesquiera de los volúmenes mensuales establecidos en la tabla de entregas de emergencia en la línea divisoria internacional cerca de Tijuana, con sujeción a:
- (a) Que no se aumente el volumen total anual de las entregas de emergencia en la línea divisoria internacional cerca de Tijuana, establecido en la correspondiente tabla anual de entregas presentada por México.
- (b) Que los volúmenes mensuales de las entregas de emergencia noexcedan los máximos que se indican en el apartado 2 de la presente resolución.
- (c) La limitación del 20 poriento en los aumentos o disminuciones de los volúmenes totales mensuales de entregas de agua del Río Colorado a México, estipulada en el Artículo 15F del Tratado de Aguas de 1944.
5. Que México pague los costos reales de construcción de las nueva obras de conexión, que se muestran en el Anexo 3 de esta Acta, requeridas para hacer las entregas de emergencia, incluyendo todos los costos de planeación, ingeniería

of rights-of-way, as follows:

- (a) That for the construction of Phase I of the new connecting works, which include installation of approximately 5,800 feet (1,768 meters) of asbestos-cement pipe 24 inches (0.61 meters) in diameter, with valves, accessories, and measuring devices, as well as new pumping facilities, Mexico establish, within a period of sixty days from the date of approval of this Minute, an irrevocable credit in the amount of \$403,000 (four hundred three thousand dollars), United States currency, in the name of the San Diego County Water Authority in a bank in the City of El Paso, Texas, to be designated by the United States Commissioner.
- (b) That for the construction of Phase II of the new connecting works, which would include installation of approximately 5,200 feet (1,585 meters) of asbestos-cement pipe 24 inches (0.61 meters) in diameter, with valves, accessories, as well as additional new pumping facilities, if it is requested by Mexico, Mexico es-

y topografía, así como los costos de los derechos de vía, como sigue:

- (a) Que para la construcción de la Etapa I de las nuevas obras de conexión, que incluye la instalación de 1,768 metros (5,800 pies) aproximadamente, de tubería de asbesto-cemento de 0.61 metros (24 pulgadas) de diámetro, con válvulas, accesorios y dispositivos de medición, así como nuevas instalaciones de bombeo, México establezca en un plazo de sesenta días a partir de la fecha de aprobación de la presente Acta, un crédito irrevocable por Dls. 403,000 (cuatrocientos tres mil dólares) moneda de los Estados Unidos, a favor de la Autoridad de Aguas del Condado de San Diego, en el banco de la ciudad de El Paso, Texas, que señale el Comisionado de los Estados Unidos.
- (b) Que para la construcción de la Etapa II de las nuevas obras de conexión, que incluye la instalación de 1,585 metros (5,200 pies) aproximadamente, de tubería de asbesto-cemento de 0.61 metros (24 pulgadas) de diámetro, con válvulas, accesorios, así como nuevas instalaciones adicionales de bombeo, si es solicitada por

tablish prior to initiation of construction another irrevocable credit in the amount of \$465,000 (four hundred sixty-five thousand dollars), United States currency, in the name of the San Diego County Water Authority in a bank in the City of El Paso, Texas, to be designated by the United States Commissioner.

That the San Diego County Water Authority make withdrawals against each one of the above credits, subject to the countersignatures of the two Commissioners, as is necessary to carry out construction works of the corresponding phase of the new connecting works, including advance payments as are needed. That at the conclusion of construction of each of the two phases of the new connecting works, the Commission make final settlement of the actual construction costs of each phase and make a liquidation of the corresponding irrevocable credit established for its payment.

6. That Mexico pay the charges for the emergency deliveries which would include:
 - (a) The charge for the use of the existing diversion and conveyance works from the Colo-

México, México establezca, antes de la iniciación de su construcción, otro crédito irrevocable por Dls. 465,-000 (cuatrocientos sesenta y cinco mil dólares), moneda de los Estados Unidos, a favor de la Autoridad de Aguas del Condado de San Diego, en el banco de la ciudad de El Paso, Texas, que señale el Comisionado de los Estados Unidos.

Que la Autoridad de Aguas del Condado de San Diego gire contra cada uno de dichos créditos, con los reprendos de los dos Comisionados, como sea necesario para ejecutar los trabajos de construcción de la etapa correspondiente de las nuevas obras de conexión, incluyendo los pagos anticipados que se requieran. Que al concluirse la construcción de cada una de las dos etapas de las nuevas obras de conexión, la Comisión haga el finiquito de los costos reales de construcción de cada etapa y la liquidación del correspondiente crédito irrevocable establecido para su pago.

6. Que México pague los cargos de las entregas de emergencia, que incluirían:
 - (a) El cargo por el uso de las obras de derivación y de conducción existentes desde el Río

- rado River to the end of the San Diego Aqueduct at Otay Reservoir, at the rate of \$86.13 (eighty-six dollars and thirteen cents), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana.
- (b) The charge for the use of the existing conveyance facilities of Otay Municipal Water District used to make emergency deliveries from the San Diego Aqueduct and for operation and maintenance of new connecting facilities at the rate of \$20.60 (twenty dollars and sixty cents), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana, with the understanding that said charge is subject to change in accordance with changes in the costs of operation and maintenance, and that the annual total charge for this item not be less than \$4,000 (four thousand dollars), United States currency.
- (c) The actual cost of repairs of the new
- Colorado hasta el fin del Acueducto de San Diego, en el vaso de Otay, a razón de Dls. 86.13 (ochenta y seis dólares trece centavos), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria internacional cerca de Tijuana.
- (b) El cargo por el uso de las obras de conducción existentes del Distrito Municipal de Aguas de Otay que se utilicen para hacer las entregas de emergencia del Acueducto de San Diego y por la operación y mantenimiento de las nuevas obras de conexión, a razón de Dls. 20.60 (veinte dólares sesenta centavos), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria internacional cerca de Tijuana, entendido que este cargo estaría sujeto a variación de acuerdo con las variaciones en los costos de operación y mantenimiento, y que el cargo anual total por este concepto no sería menor de Dls. 4,000 (cuatro mil dólares), moneda de los Estados Unidos.
- (c) El costo real de las reparaciones de las

connecting works, including new pumping facilities, estimated at \$2.00 (two dollars), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana.

- (d) The charge for the energy not generated at the hydroelectric plants at Parker Dam and downstream therefrom as a consequence of the diversions of Mexican water from the Colorado River above Parker Dam, at the rate of \$0.38 (thirty-eight cents), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana.

That to pay these charges, Mexico establish separate irrevocable credits in the name of the San Diego County Water Authority, in a bank in the City of El Paso, Texas, to be designated by the United States Commissioner, for each of the calendar years in which the present Minute is in force. That the irrevocable credit corresponding to the year 1972 be established prior to the initiation of the

nuevas obras de conexión, incluyendo las nuevas instalaciones de bombeo, estimado en Dls. 2.00 (dos dólares), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria internacional cerca de Tijuana.

- (d) El cargo por la energía que deje de generarse en las plantas hidroeléctricas de la Presa Parker y de aguas abajo, como consecuencia de las derivaciones de agua mexicana del Río Colorado aguas arriba de la Presa Parker, a razón de Dls. 0.38 (treinta y ocho centavos) moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria internacional cerca de Tijuana.

Que para pagar estos cargos, México establezca créditos irrevocables separados a favor de la Autoridad de Aguas del Condado de San Diego en el banco de la ciudad de El Paso, Texas, que señale el Comisionado de los Estados Unidos, para cada uno de los años civiles en que esté en vigor la presente Acta. Que el crédito irrevocable correspondiente al año de 1972 se establezca antes de iniciarse

- emergency deliveries, and those corresponding to the following calendar years prior to January 1 of each. That the amount for each annual credit be equal to the preliminary estimated total charge of the emergency deliveries requested by Mexico for the corresponding calendar year, determined by the volume, at a rate of \$109.11 (one hundred nine dollars and eleven cents), United States currency, per acre-foot (1,233.5 cubic meters). That the San Diego County Water Authority draw against such credits, with the countersignature of the two Commissioners, as soon as practical after the end of each month, an amount determined by the volume delivered and the above stated rate per acre-foot (1,233.5 cubic meters). That upon the completion of each calendar year's emergency deliveries, the Commission shall make a final settlement for the charges of said emergency deliveries and make a liquidation of the corresponding irrevocable credit established for its payment.
7. That upon the termination of the period during which this Minute is in effect, for any of the reasons set out in paragraph 9 of this resolution, there be removed the materials and equipment comprising the new connecting works constructed under this Minute,

las entregas de emergencia, y los correspondientes a los siguientes años civiles antes del los de enero de cada uno de ellos. Que el monto de cada crédito anual sea igual a la estimación preliminar del cargo total de las entregas de emergencia solicitadas por México para el año civil correspondiente, determinada por su volumen, a razón de Dls. 109.11 (ciento nueve dólares once centavos), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos). Que la Autoridad de Aguas del Condado de San Diego gire contra dichos créditos, con los refrendos de los dos Comisionados, tan pronto como sea práctico después de que termine cada mes, una cantidad determinada por el volumen entregado y la tasa arriba establecida por acre-pie (1,233.5 metros cúbicos). Que al concluirse las entregas de emergencia de cada año civil, la Comisión haga el finiquito de los cargos de dichas entregas de emergencia y la liquidación del correspondiente crédito irrevocable establecido para su pago.

7. Que al terminar la vigencia de la presente Acta por cualquiera de los motivos expresados en el apartado 9 de esta resolución, se remuevan los materiales y equipos que comprendan las nuevas obras de conexión construidas de acuerdo con la presente Acta,

including new pumping facilities, and that they be delivered to Mexico at the international boundary, subject to payment in advance by Mexico of the contract costs for removal and delivery, including the cost of supervision of these works and the estimated cost of restoring Otay Municipal Water District's pumping facilities to the condition which would exist, if the new connecting works had not been constructed, with the understanding that, subject to approval of the Governments of the United States and Mexico, through the Commission, the local authorities in the two countries would have the authority to agree upon and effect a different arrangement for the disposition of such materials and equipment.

8. That it be understood and agreed:
 - (a) That deliveries of Mexican waters to the international boundary in the vicinity of the City of Tijuana as contemplated in this Minute would be of an emergency nature, and would be limited to a period which would not exceed five years from the date on which the first emergency deliveries are initiated.
 - (b) That neither the Gov-

incluyendo las nuevas instalaciones de bombeo, y se entreguen a México en la línea divisoria internacional, mediante el pago anticipado por México de los costos para la remoción y entrega por contrato y de los costos de la supervisión de estos trabajos, así como el del costo estimado para restaurar las instalaciones de bombeo del Distrito Municipal de Aguas de Otay a las condiciones en que estuvieran si las nuevas obras de conexión no hubieran sido construidas, entendido que, sujeto a la aprobación de los Gobiernos de México y de los Estados Unidos por conducto de la Comisión, las autoridades locales de los dos países estarían facultadas para convenir y llevar a cabo un acuerdo diferente sobre el destino de esos materiales y equipos.

8. Que quede entendido y convenido:
 - (a) Que las entregas de agua mexicana en la línea divisoria internacional, cerca de la ciudad de Tijuana, como se consideran en la presente Acta, serían de carácter de emergencia y estarían limitadas a un período cuya duración no excedería de cinco años contados desde la fecha en que se inicien las entregas de emergencia.
 - (b) Que ni el Gobierno de

- ernment of Mexico would request that said emergency deliveries continue after the aforementioned five-year period, nor would the California agencies be able to continue them.
- (c) That the obligation of the United States to fulfill the provisions of this Minute, and of State and local agencies of the United States to fulfill the provisions of the agreement referred to in paragraph 1, shall not be the basis for financial responsibility on the part of the United States or such State and local agencies to the Government of Mexico.
9. That this Minute terminate and be no longer effective for any purpose, except as provided in paragraph 7 of this resolution, and except for final payment for emergency deliveries of Colorado River water at the international boundary for Tijuana, and final liquidations of the irrevocable credits, upon the occurrence of any one of the following conditions:
- (a) Upon the expiration of five years from the date of the first emergency delivery pursuant to this Minute.
- México solicitaría que dichas entregas de emergencia continúen después del antes mencionado período de cinco años, ni las dependencias de California estarían en condiciones de continuárlas.
- (c) Que la obligación de los Estados Unidos de cumplir con las estipulaciones de esta Acta y la de las dependencias estatales y locales de los Estados Unidos para cumplir las disposiciones del convenio a que se refiere el apartado 1, no serán fundamento de responsabilidad económica de parte de los Estados Unidos ni de esas dependencias estatales y locales al Gobierno de México.
9. Que la vigencia de la presente Acta termine y no tenga efecto para ningún propósito, excepto lo provisto en el apartado 7 de esta resolución y del pago final de las entregas de emergencia de aguas del Río Colorado en la línea divisoria internacional, para Tijuana, y la liquidación final de los créditos irrevocables, por cualquiera de los siguientes motivos:
- (a) Al expirar el período de cinco años contados desde la fecha de la primera entrega de emergencia a que se refiere esta Acta.

- (b) Within thirty days after the International Boundary and Water Commission has been informed by the Mexican Government that works required in Mexican territory to fulfill the water requirements of the City of Tijuana have been completed.
- (c) Whenever any of the credits provided for in paragraphs 5 and 6 of this resolution has not been established by Mexico on the dates indicated for its establishment in the same paragraphs.
10. That considering that the Mexican Government recognizes that as a consequence of the emergency deliveries to which this Minute refers there would be a slight increase in the salinity of the waters made available to Mexico in the limittrophe reach of the Colorado River and that it accepts the responsibility for this increase in salinity, it is hereby understood that for the purpose of comparing salinities recorded in waters made available to Mexcio at the northerly boundary during the operation of this Minute with the salinities obtained in former years and those which may be reached in later years, the salinities at the northerly boundary would be adjusted to indicate the
- (b) Dentro de treinta días después de que la Comisión Internacio-nal de Límites y Aguas haya sido informada por el Gobierno de México que las obras en territorio mexicano requeridas para sa-tisfacer las demandas de agua de la ciudad de Tijuana han sido terminadas.
- (c) Cuando Mexico no es-tablezca cualquiera de los créditos provistos en los apartados 5 y 6 de esta resolución, en las fechas indicadas para su establecimi-ento en los mismos apartados.
10. Que considerando que el Gobierno de México reconoce que como consecuencia de las entregas de emer-gencia a que se refiere esta Acta, habría un ligero au-mento en la salinidad de las aguas que se pongan a disposición de México en el tramo limítrofe del Río Colorado, y que aceptala responsabilidad por este au-mento de salinidad, que quede entendido que para propósito de comparación de los registros de la salini-dad de las aguas que se pongan a disposición de México en el Lindero Norte durante la vigencia de esta Acta con las salinidades alcanzadas en años ante-riores y las que se alcancen en años posteriores, las salin-iidades en el Lindero Norte se ajustarían para indicar

- salinities which would be obtained if the waters diverted to Mexico at Parker Dam were delivered in the limitrophe reach of the Colorado River at the northerly boundary.
11. That in view of the increase in the water supply for the City of Tijuana there would be a consequent increase in its sewage discharge to the Pacific Ocean at the present discharge site, approximately 5.6 miles (9 kilometers) south of the international boundary, that it also be hereby understood that during the operation of this Minute Mexico would take the additional measures required to continue the prevention of the contamination which such increased discharges might occasion to the beaches of the United States and Mexico.

The Commission agrees that this Minute requires the specific approval of the two Governments.^[1]

The meeting then adjourned.

J. F. FRIEDKIN

Commissioner of the United States

D HERRERA J

Commissioner of Mexico

FRANK P. FULLERTON

Acting Secretary of the United States Section

FERNANDO RIVAS S

Secretary of the Mexican Section

las que se tendrían si las aguas que se deriven para México en la Presa Parker se entregaran el en tramo limítrofe del Río Colorado, en el Lindero Norte.

11. Que en vista de que como consecuencia del aumento del abastecimiento de agua de la ciudad de Tijuana habría un aumento en la descarga de sus aguas negras al Océano Pacífico en el actual sitio de descarga, a 9 kilómetros (5.6 millas) aproximadamente al sur del límite internacional, que también quede entendido que durante la vigencia de esta Acta México tomaría las medidas adicionales que se requieran para seguir evitando la contaminación que pudieran ocasionar dichas descargas aumentadas en las playas de México y de los Estados Unidos.

La Comisión conviene que esta Acta requiere la aprobación específica de los dos Gobiernos.

Se levantó la sesión.

D HERRERA J

Comisionado de México

J. F. FRIEDKIN

Comisionado de los Estados Unidos

FERNANDO RIVAS S

Secretario de la Sección de México

FRANK P. FULLERTON

Secretario en Funciones de la Sección de los Estados Unidos

¹ June 22, 1972.

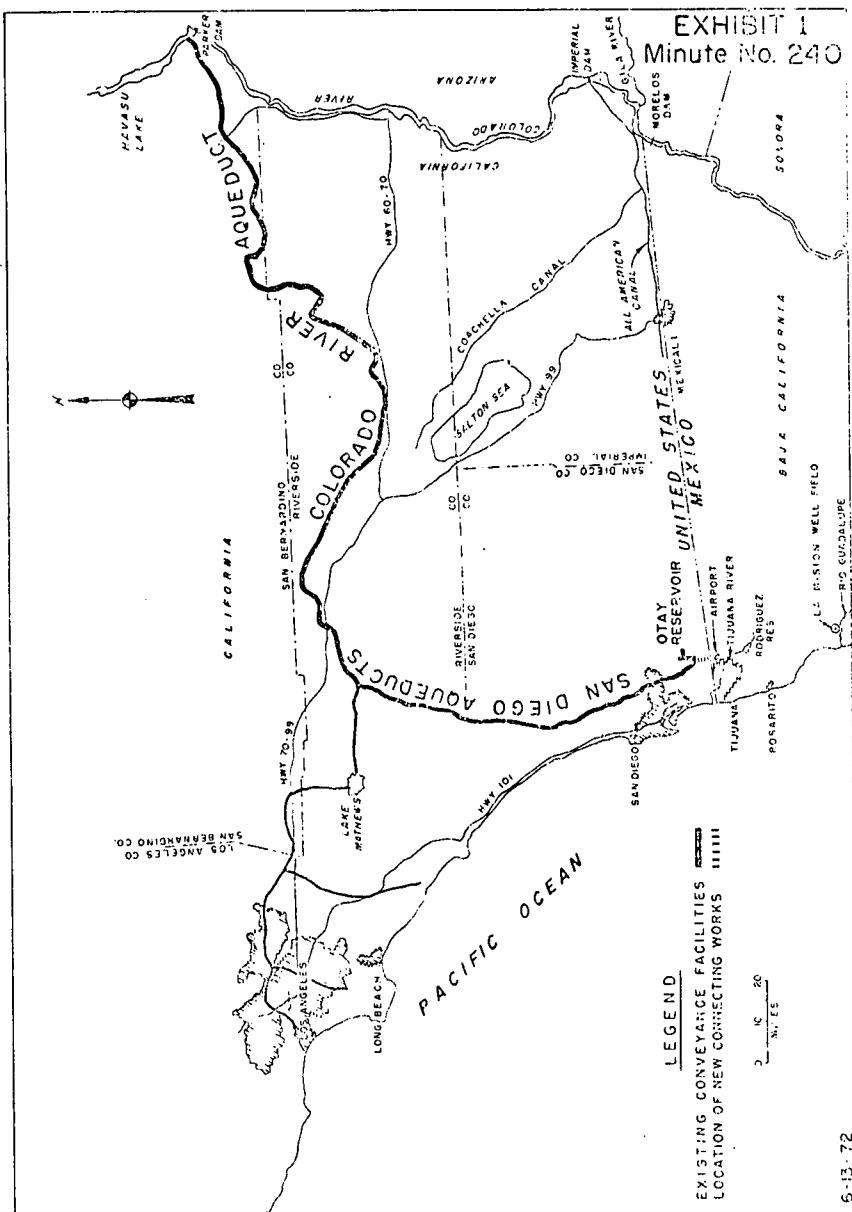


EXHIBIT 2**Estimated**

**Available Capacities in United States Conveyance Facilities for
Emergency Deliveries to Tijuana, Baja California
as Measured at the Boundary Near Tijuana**

SCHEDULE No. 1

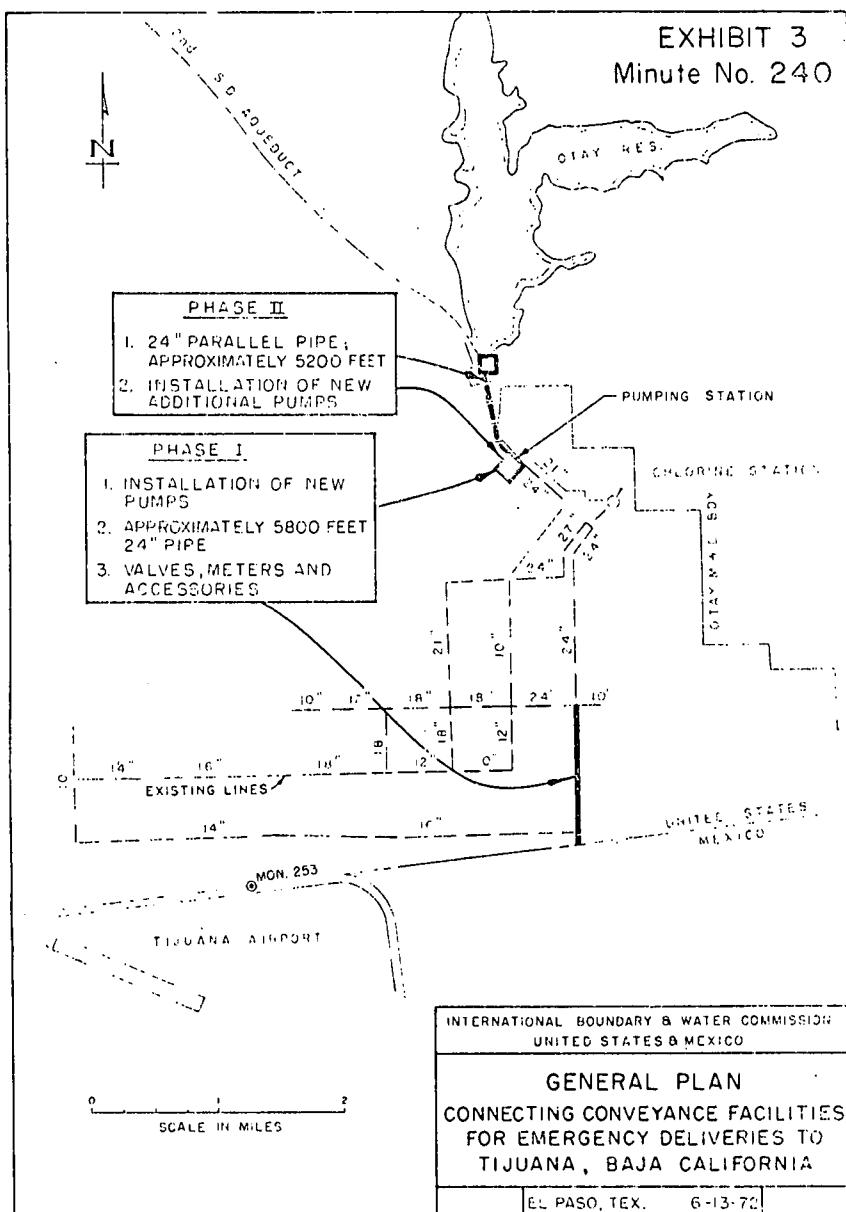
**After Phase I Construction of New Connecting Facilities and After
January 1, 1973—Approximate Volumes**

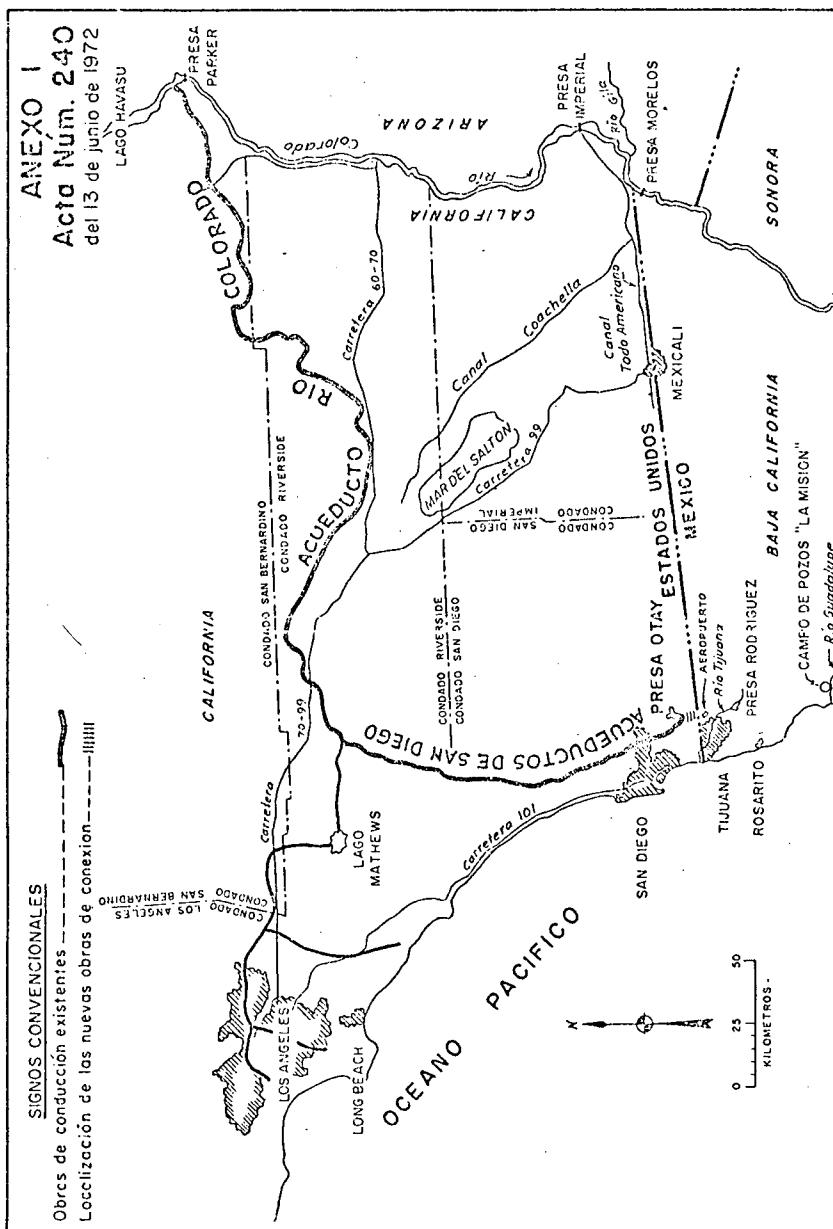
	In Acre-Feet	In 1000s of cubic meters
January-----	1, 700	2, 097
February-----	1, 500	1, 850
March-----	1, 700	2, 097
April-----	1, 400	1, 727
May-----	1, 200	1, 480
June-----	1, 100	1, 357
July-----	1, 000	1, 234
August-----	900	1, 110
September-----	700	863
October-----	900	1, 110
November-----	1, 000	1, 234
December-----	1, 400	1, 727
Annual Volume-----	<u>14, 500</u>	<u>17, 886</u>

SCHEDULE No. 2

**After Phase II Construction of New Connecting Facilities
Approximate Volumes**

	In Acre-Feet	In 1000s of cubic meters
January-----	2, 000	2, 467
February-----	1, 900	2, 344
March-----	2, 000	2, 467
April-----	1, 900	2, 344
May-----	1, 900	2, 344
June-----	1, 700	2, 097
July-----	1, 600	1, 973
August-----	1, 400	1, 727
September-----	1, 200	1, 480
October-----	1, 400	1, 727
November-----	1, 600	1, 973
December-----	<u>2, 000</u>	<u>2, 467</u>
Annual Volume-----	<u>20, 600</u>	<u>25, 410</u>





ANEXO 2**Acta Núm. 240****DEL 13 DE JUNIO DE 1972**

**Capacidades Disponibles Estimadas en las Obras de Conducción
de los Estados Unidos Para las Entregas de Emergencia a
Tijuana, Baja California,
Medidas en la Línea Divisoria Internacional Cerca de Tijuana**

TABLA NUM. 1

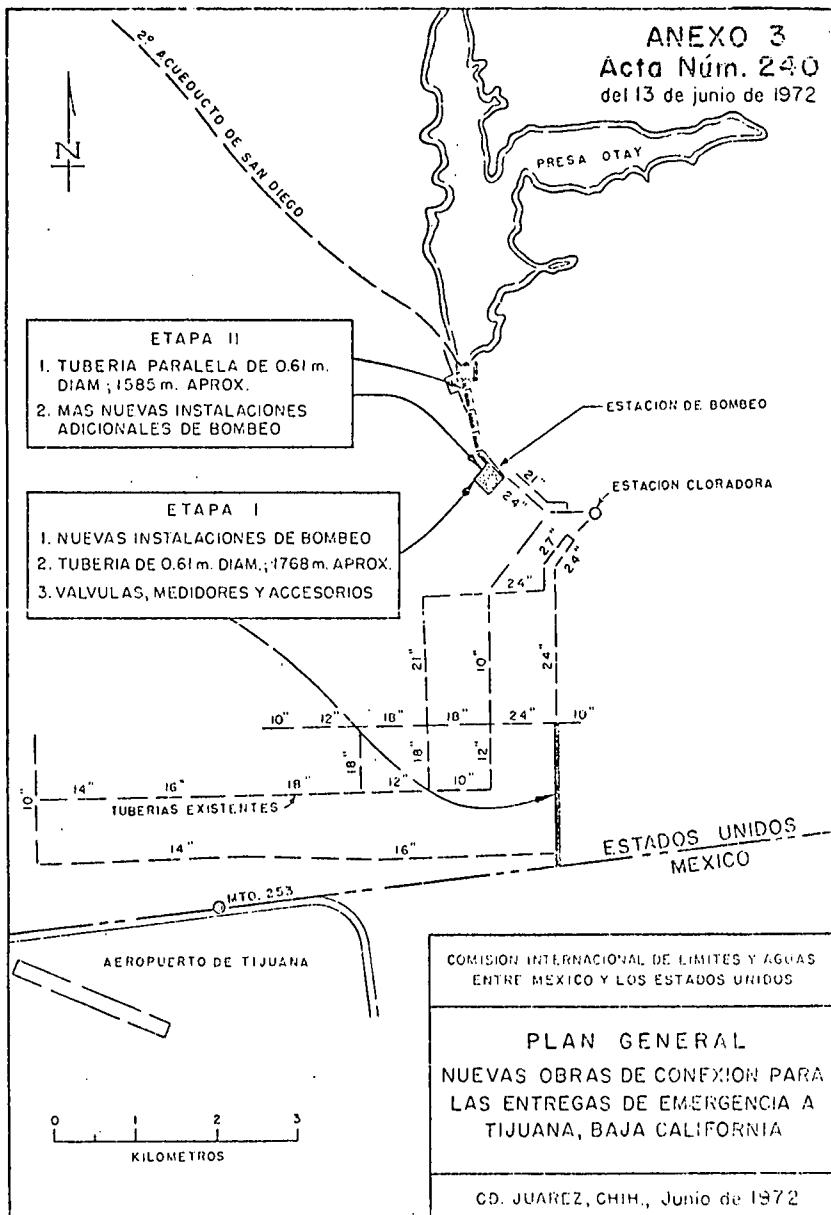
Después de la Construcción de la Etapa 1 de las Nuevas Obras de
Conexión y Despues del lo. de enero de 1973

	Volúmenes Aproximados En Millares de Metros Cúbicos	En Acres-pies
Enero-----	2,097	1,700
Febrero-----	1,850	1,500
Marzo-----	2,097	1,700
Abril-----	1,727	1,400
Mayo-----	1,480	1,200
Junio-----	1,357	1,100
Julio-----	1,234	1,000
Agosto-----	1,110	900
Septiembre-----	863	700
Octubre-----	1,110	900
Noviembre-----	1,234	1,000
Diciembre-----	1,727	1,400
Volumen Anual-----	17,886	14,500

TABLA NUM. 2

Después de la Construcción de la Etapa II de las Nuevas Obras de
Conexión

	Volúmenes Aproximados En Millares de Metros Cúbicos	En Acres-pies
Enero-----	2, 467	2, 000
Febrero-----	2, 344	1, 900
Marzo-----	2, 467	2, 000
Abril-----	2, 344	1, 900
Mayo-----	2, 344	1, 900
Junio-----	2, 097	1, 700
Julio-----	1, 973	1, 600
Agosto-----	1, 727	1, 400
Septiembre-----	1, 480	1, 200
Octubre-----	1, 727	1, 400
Noviembre-----	1, 973	1, 600
Diciembre-----	<u>2, 467</u>	<u>2, 000</u>
Volumen Anual-----	25, 410	20, 600



[AMENDING AND EXTENDING AGREEMENTS]

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO

Minute No. 243

EL PASO, TEXAS, September 25, 1973.

An Amendment to Minute No. 240 Relating to Emergency Deliveries of Colorado River Water for Use in Tijuana

The Commission met in the offices of the United States Section in El Paso, Texas, at 10:00 a.m., on September 25, 1973, in accordance with instructions which the two Governments issued to their respective Commissioners, to consider provisions to assure that the emergency delivery of Colorado River water for use in Tijuana, agreed to in Minute No. 240 of this Commission, not reduce the minimum rate of delivery of water to Mexico in the limitrophe reach of the Colorado River, stipulated in the Water Treaty of February 3, 1944.

The Commission reviewed the provisions of Minute No. 240 and of the Water Treaty and adopted the following Resolution which, subject to the approval of the two Governments, adds a Point 12 to the Resolution of Minute No. 240 as follows:

12. That, Mexico's requests for deliveries of water in the limitrophe reach of the Colorado River be not less than 900 cubic feet (25.5 cubic meters) per second, excluding the flows charged for the emergency deliveries made to the City of Tijuana as part of the volume of Colorado River water allotted to Mexico by the Water Treaty of February 3, 1944.

The Commission agrees that this Minute requires the specific approval of the two Governments, inasmuch as it is an amendment to Minute No. 240, which required the specific approval of the two Governments.^[1]

The meeting then adjourned.

J. F. FRIEDKIN

D HERRERA J

Commissioner of the United States

Commissioner of Mexico

F H SACKSTEDER JR.

FERNANDO RIVAS S

Secretary of the United States
Section

Secretary of the Mexican Section

¹ Oct. 24, 1973.

**COMISION INTERNACIONAL DE LIMITES Y AGUAS
ENTRE MEXICO Y LOS ESTADOS UNIDOS**

Acta Num. 243

EL PASO, TEXAS, 25 de septiembre de 1973.

**Adicion al Acta Num. 240 Relativa a las Entregas de Emergencia
de Aguas del Rio Colorado Para su Uso en Tijuana.**

La Comisión se reunió en las oficinas de la Sección de los Estados Unidos en El Paso, Texas, a las 10:00 horas del 25 de septiembre de 1973, en cumplimiento de las instrucciones giradas por los dos Gobiernos a sus respectivos Comisionados, para considerar las disposiciones que aseguren que las entregas de emergencia de agua del Río Colorado para su uso en Tijuana, convenidas en el Acta Núm. 240 de esta Comisión, no reduzcan el gasto mínimo de las entregas de agua a México en el tramo limítrofe del Río Colorado, estipulado en el Tratado de Aguas del 3 de febrero de 1944.

La Comisión revisó las disposiciones del Acta Núm. 240 y del Tratado de Aguas y adoptó la siguiente Resolución que, sujeta a la aprobación de los dos Gobiernos, agrega un punto 12 a la Resolución del Acta Núm. 240, como sigue:

12. Que los pedidos de agua de México en el tramo limítrofe del Río Colorado no sean menores de 25.5 metros cúbicos (900 pies cúbicos) por segundo, excluyendo los gastos que se carguen por las entregas de emergencia que se hagan a la ciudad de Tijuana como parte del volumen de agua del Río Colorado asignado a México por el Tratado de Aguas del 3 de febrero de 1944.

La Comisión conviene que esta Acta requiere la aprobación específica de los dos Gobiernos, en vista de que es una adición al Acta Núm. 240, que requirió la aprobación específica de los dos Gobiernos.

Se levantó la sesión.

D HERRERA J

J. F. FRIEDKIN

Comisionado de México

*Comisionado de los Estados
Unidos*

FERNANDO RIVAS S

F H SACKSTEDE JR

Secretario de la Sección Mexicana

*Secretario de la Sección de los
Estados Unidos*

**INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO**

Minute No. 245

EL PASO, TEXAS, May 15, 1974.

Additions and Modifications to Minute No. 240 Entitled "Emergency Deliveries of Colorado River Water for Use in Tijuana"

The Commission met in the offices of the United States Section in El Paso, Texas, on May 15, 1974, at 2:00 o'clock, to recommend certain additions and modifications to Minute No. 240 entitled "Emergency Deliveries of Colorado River Water for Use in Tijuana", of June 13, 1972.

The United States Commissioner referred to the energy problem in the United States and the resultant shortages in electrical energy in the southern part of the State of California, which create difficulties for the Metropolitan Water District of Southern California to continue the required pumping for the emergency deliveries of Colorado River waters for use in the City of Tijuana, Baja California, provided for in Minute No. 240.

The Commissioners reviewed the feasibility of Mexico furnishing to the United States at the international boundary line near San Luis, Arizona, and San Luis, R.C., Sonora, the electrical energy necessary to continue the emergency delivery of water at the boundary line near the City of Tijuana, currently estimated at approximately 10,500 acre-feet (13,000,000 cubic meters) per year. They noted that the energy which would be required for transfer at the international boundary near San Luis amounts to 2,307 KWH per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana which includes 2,000 KWH per acre-foot pumped, plus 60 KWH (3 percent) for power transmission losses from the point of transfer to the point of replacement of the energy, plus 247 KWH (12 percent of 2,060) for the pumping of the additional water necessary to be diverted from the Colorado River to cover the conveyance losses of the water delivered to Tijuana. They also noted that the annual volume of water delivered to Tijuana may vary, subject to the provisions of Minute No. 240 and to the limitation of the facilities for the transfer and receiving of electrical energy at the boundary, presently about 24,200,000 KWH annually.

They recognized that by Mexico furnishing the electrical energy needed by the Metropolitan Water District, there would be a reduction in the charge to Mexico for the deliveries of water for Tijuana of \$19.00 (nineteen dollars), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary. They also observed that the transfer of electrical energy would require the installation of certain connection and regulation facilities in the electrical network in the Yuma area owned by the United States Bureau of Reclamation, which is operated and maintained by the

Yuma County Water Users' Association, and that contractual agreements would have to be concluded to make the installation and for the use of the said electrical network.

The cost of installation and removal upon the termination of Minute No. 240 is estimated at \$20,000 (twenty thousand dollars), United States currency, approximately, and the cost for the use, operation and maintenance of the electrical network in the United States is calculated at \$2.91 (two and 91/100 dollars), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered to Tijuana. They further noted the need for Mexico to provide assurances that it would make reimbursement for damages to the electrical network in the United States which might result from the transfer of electrical energy.

After considering the foregoing, the Commissioners adopted the following Resolution, subject to the approval of the two Governments:

1. That the Government of the United States undertake negotiations and endeavor to conclude the necessary agreements with the Metropolitan Water District of Southern California, the United States Bureau of Reclamation, and the Yuma County Water Users' Association, which would provide that for the remainder of the life of Minute No. 240, Mexico would transfer to the United States Bureau of Reclamation for its transfer to the Metropolitan Water District of Southern California the electrical energy necessary to pump the water for the emergency deliveries to Tijuana, Baja California, pursuant to Minute No. 240, subject to the limitations of the facilities for transfer and receiving of electrical energy at the boundary of approximately 24,200,000 KWH annually.
2. That for the installation of the required connection and regulation facilities, owned by the United States Bureau of Reclamation, in the electrical network in the Yuma area for the transfer from Mexico to the United States of the electrical energy required to pump the waters of the Colorado River delivered to Mexico at the international boundary near Tijuana, and for the subsequent removal of the installed facilities, Mexico shall establish within a period of 30 days from the date of approval of this Minute an irrevocable credit in the amount of \$20,000 (twenty thousand dollars), United States currency, in the name of the San Diego County Water Authority in a bank in the City of El Paso, Texas, to be designated by the United States Commissioner.
3. That the San Diego County Water Authority make withdrawals against the said credit, with the countersignatures of the two Commissioners, for advances to the Bureau of Reclamation, as necessary to install the connection and regulation facilities referred to in point 2 of this Resolution. That upon completion of the installation and subsequent removal of the facilities which belong to the United States Bureau of Reclamation, the Com-

- mission make final settlement of the actual installation and removal costs and liquidate the irrevocable credit established for its payment.
4. That beginning on the date of initiation of Mexico's electrical energy supply to the United States, Minute No. 240 be modified as follows:
- The text of subparagraph (a) of point 6 is substituted for by the following:

"The charge for the use of the existing water diversion and conveyance works from the Colorado River to the end of the San Diego Aqueduct at Otay Reservoir, at the rate of \$67.13 (sixty-seven and 13/100 dollars), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana."
 - A new subparagraph (e) is added to point 6 as follows:

"The charge for the use of certain electrical transmission facilities of the United States Bureau of Reclamation and for the operation and maintenance of a part of those facilities by the Yuma County Water Users' Association, at the rate of \$2.91 (two and 91/100 dollars), United States currency, per acre-foot (1,233.5 cubic meters) of water delivered at the international boundary near Tijuana."
 - The text of the final paragraph of point 6 is substituted for by the following:

"That to pay these charges, Mexico establish separate irrevocable credits payable to the San Diego County Water Authority, in a bank in the City of El Paso, Texas, to be designated by the United States Commissioner, for each of the calendar years in which the present Minute is in force. That the irrevocable credit established for the year 1974 not be modified, and those corresponding to the following calendar years be established prior to January 1 of each year. That the amount for each annual credit be equal to the preliminary estimated total charge of the emergency deliveries requested by Mexico for the corresponding calendar year, determined by the volume, at a rate of \$93.02 (ninety-three and 02/100 dollars), United States currency, per acre-foot (1,233.5 cubic meters). That the San Diego County Water Authority draw against such credits, with the countersignature of the two Commissioners, as soon as practical after the end of each month, an amount determined by the volume delivered and the above established rate per acre-foot (1,233.5 cubic meters). That upon the completion of each calendar

year's emergency deliveries, the Commission shall make a final settlement for the charges of said emergency deliveries and liquidate the corresponding irrevocable credit established for its payment."

- (d) A new subparagraph (d) is added to point 8 as follows:

"That the Government of Mexico agrees to pay to the United States the value of the damages to the electrical distribution system which could occur because of the transfer of electrical energy from Mexico."

5. That all the provisions of Minute No. 240 which are not specifically amended by the provisions of this Minute shall remain valid and in full force until the expiration of the said Minute No. 240 in accordance with the provisions of point 9 of its Resolution.
6. That Mexico begin the delivery of energy to the United States at a point on the boundary near San Luis, Arizona, and San Luis, R.C., Sonora, within the five days following notification by the United States, in writing, through the Commission, that the necessary agreements have been reached with the United States agencies, and that the installation of the connection and regulation facilities has been completed.
7. That Mexico deliver the electrical energy at a point on the boundary near San Luis, Arizona, and San Luis, R.C., Sonora, to the electrical network in the Yuma area in the United States at a nominal voltage of 34.5 KV and in the monthly amounts of 2,000,000 KWH approximately, until it is determined by the Commission that for each calendar year, or lesser period as agreed upon, the annual quantity of electrical energy received corresponds to the volume of Colorado River water scheduled to be delivered at the international boundary near Tijuana in that period, calculated at the rate of 2,307 KWH per acre-foot (1,233.5 cubic meters). Adjustments for the over or under-delivery of electrical energy with respect to the volumes of Colorado River water delivered at the international boundary near Tijuana, shall be made as soon as practical, as determined by the Commission.
8. That the monthly quantities of energy delivered to the United States be determined by meter readings made at the boundary by representatives of the Commission at the end of each month.
9. That temporary suspensions of the transfer of energy due to short-term system emergencies may be required by either country, and in such cases advance notice to system operators in the other country will be given when possible. That if experience demonstrates that the electrical systems of the two countries are not compatible, and that irreparable damages may be caused either country, as determined by either Com-

missioner for his country, the transmission of electrical energy from Mexico at San Luis may be permanently discontinued, with the proviso that emergency deliveries of Colorado River water to the international boundary near Tijuana shall be continued in accordance with the provisions of Minute No. 240 as signed June 13, 1972, exclusive of the amendments herein.

The Commission agrees that this Minute requires the specific approval of the two Governments.^[1]

The meeting then adjourned.

J. F. FRIEDKIN

Commissioner of the United States

D HERRERA J

Commissioner of Mexico

F H SACKSTEDER JR

Secretary of the United States *Secretary of the Mexican Section
Section*

FERNANDO RIVAS S

COMISION INTERNACIONAL DE LIMITES Y AGUAS ENTRE MEXICO Y
LOS ESTADOS UNIDOS

Acta Num. 245

EL PASO, TEXAS, 15 de mayo de 1974.

Adiciones y Modificaciones al Acta Num. 240 Titulada "Entregas de Emergencia de Aguas del Rio Colorado Para su Uso en Tijuana".

La Comisión se reunió en las oficinas de la Sección de los Estados Unidos en El Paso, Texas, el 15 de mayo de 1974 a las 14:00 horas, para recomendar ciertas adiciones y modificaciones al Acta Núm. 240 titulada "Entregas de Emergencia de Aguas del Río Colorado para su uso en Tijuana", del 13 de junio de 1972.

El Comisionado de los Estados Unidos se refirió al problema de energía en los Estados Unidos y a la escasez resultante de energía eléctrica en la parte sur del Estado de California, que dificulta al Distrito Metropolitano de Agua del sur de California continuar los bombeos que se requieren para las entregas de emergencia de aguas del Río Colorado para su uso en la Ciudad de Tijuana, Baja California, que se establecen en el Acta Núm. 240.

Los Comisionados revisaron la factibilidad de que México proporcione a los Estados Unidos, en la línea divisoria internacional cerca de San Luis, R. C., Sonora y San Luis, Arizona, la energía eléctrica necesaria para continuar las entregas de emergencia de agua

¹ June 28, 1974.

en la línea divisoria cerca de la ciudad de Tijuana, estimadas actualmente en 13 000 000 metros cúbicos (10,500 acres-pies) por año, aproximadamente. Consideraron que la energía que se requeriría traspasar en la línea divisoria internacional cerca de San Luis asciende a 2,307 KWH por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria cerca de Tijuana, la cual incluye 2,000 KWH por acre-pie bombeado más 60 KWH (3 porciento) para las pérdidas de transmisión de energía desde el punto de traspaso hasta el punto de reposición de la energía, más 247 KWH (12 porciento de 2,060) para el bombeo del volumen adicional de agua que necesita derivarse del Río Colorado para cubrir las pérdidas de conducción del agua entregada a Tijuana. También advirtieron que el volumen anula de las entregas de agua a Tijuana podrá variar, sujeto a las disposiciones del Acta Núm. 240 y a la limitación de las instalaciones para el traspaso y recepción de energía eléctrica en la línea divisoria, que actualmente es de 24'200,000 KWH anuales, aproximadamente.

Reconocieron que al proporcionar México la energía que necesita el Distrito Metropolitano de Agua, habría una reducción en el cargo a México por las entregas de agua a Tijuana de dólares 19.00 (diecinueve dólares) moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregado en la línea divisoria. Asimismo, observaron que el traspaso de energía requeriría la instalación de ciertos dispositivos de conexión y de regulación en la red eléctrica en el área de Yuma que pertenece al Bureau of Reclamation de los Estados Unidos, la cual es operada y mantenida por la Asociación de Usuarios de Aguas del Condado de Yuma, y que tendrían que celebrarse acuerdos contractuales para hacer dicha instalación y para usar esa red eléctrica.

El costo de la instalación y de su posterior remoción, al terminarse la vigencia del Acta Núm. 240, se estima en Dls. 20,000.00 (veinte mil dólares) moneda de los Estados Unidos, aproximadamente, y el costo por el uso, operación y mantenimiento de la red eléctrica en los Estados Unidos se calcula en Dls. 2.91 (dos dólares 91/100) moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada a Tijuana. Advirtieron, además, que México necesitará proporcionar la seguridad de que cubrirá los años que pudieran resultar en la red eléctrica en los Estados Unidos como consecuencia del traspaso de energía.

Después de considerar lo anterior, los Comisionados adoptaron la siguiente Resolución, sujeta a la aprobación de los dos Gobiernos:

1. Que el Gobierno de los Estados Unidos emprenda negociaciones y procure celebrar los convenios necesarios con el Distrito Metropolitano de Agua del Sur de California, con el Bureau of Reclamation de los Estados Unidos y con la Asociación de Usuarios de Agua del Condado de Yuma, en los cuales se proveería que durante el resto de la vigencia del Acta Núm. 240, México transferiría al Bureau of Reclamation de los Estados Unidos, para su traspaso al Distrito Metropolitano de Agua del Sur de California, la energía eléctrica necesaria para bombear el

agua de las entregas de emergencia a Tijuana, Baja California, que se hacen de acuerdo con el Acta Núm. 240, sujeto a las limitaciones en las instalaciones de traspaso y recepción de energía eléctrica en la línea divisoria, de 24'200,000 KWH anuales, aproximadamente.

2. Que para la instalación de los dispositivos de conexión y de regulación, de propiedad del Bureau of Reclamation de los Estados Unidos, requeridos en la red eléctrica en el área de Yuma para el traspaso de México a los Estados Unidos de la energía necesaria para bombear las aguas del Río Colorado que se entreguen a México en la línea divisoria internacional, cerca de Tijuana, y para la posterior remoción de los dispositivos instalados, México establecerá, dentro de un período de 30 días de la fecha de aprobación de esta Acta, un crédito irrevocable por la cantidad de Dls. 20,000.00 (veinte mil dólares), moneda de los Estados Unidos, a favor de la Autoridad de Aguas del Condado de San Diego, en el banco de la ciudad de El Paso, Texas, que señale el Comisionado de los Estados Unidos.
3. Que la Autoridad de Aguas del Condado de San Diego gire contra dicho crédito, con los refrendos de los dos Comisionados, para anticipar al Bureau of Reclamation los pagos que sean necesarios para instalar los dispositivos de conexión y de regulación a que se refiere el apartado 2 de la presente Resolución. Que al concluirse la instalación y la posterior remoción de estos dispositivos, pertenecientes al Bureau of Reclamation de los Estados Unidos, la Comisión haga el finiquito de sus costos reales de instalación y de remoción y la liquidación del crédito irrevocable establecido para su pago.
4. Que a partir de la fecha en que se inicie el suministro de energía eléctrica de México a los Estados Unidos, el Acta Núm. 240 se modifique como sigue:
 - (a) El texto del inciso (a) del apartado 6 se sustituye por el siguiente:

“El cargo para el uso de las obras existentes de derivación y de conducción de aguas desde el Río Colorado al fin del Acueducto de San Diego en el Vaso de Otay, a razón de Dls. 67.13 (sesenta y siete dólares 13/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria cerca de Tijuana”.
 - (b) Se agrega al apartado 6 un nuevo inciso (e), como sigue:

“El cargo por el uso de ciertas instalaciones de transmisión eléctrica del Bureau of Reclamation de los Estados Unidos y por la operación y mantenimiento que de parte de ellas hace la Asociación de Usuarios de Aguas del Condado de Yuma, a razón de Dls. 2.91 (dos dólares 91/100), moneda

de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) de agua entregada en la línea divisoria internacional cerca de Tijuana".

- (c) El texto del párrafo final del apartado 6 se sustituye por el siguiente:

"Que para pagar estos cargos, México establezca créditos irrevocables separados a favor de la Autoridad de Aguas del Condado de San Diego, en el banco de la ciudad de El Paso, Texas, que señale el Comisionado de los Estados Unidos, para cada uno de los años civiles en que esté en vigor la presente Acta. Que el crédito irrevocable establecido para el año de 1974 no se modifique y los correspondientes a los siguientes años civiles se establezcan antes del 1º de enero de cada uno. Que el monto de cada crédito anual sea igual a la estimación preliminar del cargo total de las entregas de emergencia solicitadas pro México para el año civil correspondiente, determinada por su volumen, a razón de Dls. 93.02 (noventa y tres dólares 02/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos). Que la Autoridad de Aguas del Condado de San Diego gire contra dichos créditos, con los refrendos de los dos Comisionados, tan pronto como sea práctico después de que termine cada mes, una cantidad determinada por el volumen entregado y la tasa arriba establecida por acre pie (1,233.5 metros cúbicos). Que al concluirse las entregas de emergencia de cada año civil, la Comisión haga el finiquito de los cargos de dichas entregas de emergencia y la liquidación del correspondiente crédito irrevocable establecido para su pago".

- (d) Se agrega al apartado 8 un nuevo inciso (d), como sigue:

"Que el Gobierno de México conviene en pagar al de los Estados Unidos el valor de los daños que pudieran producirse en su sistema de distribución eléctrica a causa del traspaso de la energía eléctrica de México".

5. Que todas las disposiciones del Acta Núm. 240 que no estén modificadas expresamente por las disposiciones de la presente Acta, continúen válidas y en plena vigencia hasta la expiración del Acta Núm. 240 citada, conforme a lo previsto en el apartado 9 de su Resolución.
6. Que México inicie la entrega de energía a los Estados Unidos, en un punto de la línea divisoria cercano a San Luis, R. C., Sonora y San Luis, Arizona, dentro de los cinco días siguientes a la notificación que hagan de los Estados Unidos por escrito, por conducto de la Comisión, que han sido concluidos los convenios necesarios con las dependencias de los Estados

Unidos y de que ha sido terminada la instalación de los dispositivos de conexión y de regulación.

7. Que México entregue la energía eléctrica en un punto de la línea divisoria cercano a San Luis, R. C., Sonora y San Luis, Arizona, a la red eléctrica en el área de Yuma, en los Estados Unidos, con un voltaje nominal de 34.5 KV y en cantidades mensuales de 2,000,000 KWH, aproximadamente, hasta que determine la Comisión que por cada año civil, o por un período menor convenido, la cantidad de energía eléctrica recibida por los Estados Unidos corresponda al volumen de agua del Río Colorado entregado en la línea divisoria internacional, cerca de Tijuana, en ese período, calculada a razón de 2,307 KWH por acre-pie (1,233.5 metros cúbicos). Los ajustes de los excedentes o deficiencias en las entregas de energía eléctrica con respecto a los volúmenes de agua del Río Colorado entregados en la línea divisoria, cerca de Tijuana, se harán tan pronto como sea práctico, como lo determine la Comisión.
8. Que las cantidades mensuales de energía entregadas a los Estados Unidos se determinen por lecturas de medidores en la línea divisoria, hechas por representantes de la Comisión al terminar cada mes.
9. Que cualquiera de los dos países podrá requerir la suspensión temporal del traspaso de energía a causa de emergencias de corta duración y en tales casos se dará aviso anticipado a los operadores del sistema del otro país, cuando sea posible. Que si la experiencia demuestra que los sistemas eléctricos de los dos países no son compatibles y que el traspaso de energía puede causar daños irreparables a alguno de ellos, como lo determine el Comisionado de su país, el traspaso de energía eléctrica de México en San Luis será suspendido permanentemente y las entregas de emergencia de aguas del Río Colorado en la línea divisoria internacional cerca de Tijuana, se continuarán de conformidad con las disposiciones del Acta Núm. 240, tal como fue firmada el 13 de junio de 1972, excluyendo las enmiendas dispuestas en la presente Acta.

La Comisión conviene en que esta Acta requiere la aprobación específica de los dos Gobiernos.

Se levantó la sesión.

D HERRERA J

J. F. FRIEDKIN

Comisionado de México.

Comisionado de los Estados Unidos.

FERNANDO RIVAS S

F H SACKSTEDER JR

Secretario de la Sección Mexicana

Secretario de la Sección de los Estados Unidos.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO

Minute No. 252

CIUDAD JUAREZ, CHIHUAHUA, *August 31, 1976.***An Amendment to Minutes Nos. 240 and 245 Relating to Emergency Deliveries of Colorado River Waters for Use in Tijuana**

The Commission met in the offices of the Mexican Section in Ciudad Juarez, Chihuahua at 10:00 A.M. on August 31, 1976, to consider the proposal by authorities of the State of California for payment by Mexico of a charge for the treatment of the waters of the Colorado River which are delivered for use in the City of Tijuana, pursuant to Minutes Nos. 240 and 245.

The Commission reviewed the advise of the California authorities that to meet United States health standards for potable waters, a plant will soon be completed in California for treatment of the waters of the Colorado River for the southern part of San Diego County which include waters for emergency delivery to Tijuana. The Commissioners noted that the treatment of the waters will be complete, including coagulation, sedimentation, filtration and chlorination.

The two Commissioners considered the proposal of the California authorities that, for the treatment of the water, Mexico pay a charge per acre-foot (1,233.5 cubic meters) of water which is delivered to Tijuana equal to that which will be paid by United States users in San Diego County; this charge would be \$13.00 (Thirteen dollars 00/100) United States Currency per acre-foot (1,233.5 cubic meters), beginning with the deliveries of treated water to Tijuana about October 1, 1976, and would increase to \$17.00 (Seventeen dollars 00/100) United States Currency per acre-foot (1,233.5 cubic meters) effective July 1, 1977. This charge would be in addition to the charges to Mexico for the emergency deliveries to Tijuana established in Point 6 of the Resolution of Minute No. 240 and modified by Point 4 of the Resolution of Minute No. 245.

The Mexican Commissioner advised that the competent authorities of his Government agree to pay this additional charge.

The Commissioners expressed accord that, inasmuch as a charge for this purpose is not provided for in Minutes Nos. 240 and 245, the present amending Minute is required.

The Commission then adopted the following Resolution:

1. That in addition to the charges to Mexico for the emergency deliveries to Tijuana, established in Point 6 of the Resolution of Minute No. 240 and modified by Point 4 of the Resolution of Minute No. 245, Mexico pay a charge for the treatment of the water which is delivered to Mexico at the international boundary near Tijuana of \$13.00 (Thirteen dollars 00/100), United States Currency per acre-foot (1,233.5 cubic meters) beginning with the deliveries of treated

waters to Tijuana about October 1, 1976, and of \$17.00 (Seventeen dollars 00/100) United States Currency per acre-foot (1,233.5 cubic meters) beginning July 1, 1977.

2. That Mexico adjust the requests for the deliveries of water at the international boundary near Tijuana in the present year of 1976, so that the irrevocable credit already established by Mexico to pay the charges of the deliveries of 1976 will be sufficient to pay for the total charges for said deliveries, including the charge for the treatment of the water described in Point 1 of this Resolution; and that the irrevocable credit that Mexico establishes to pay the charges of the deliveries of 1977 be sufficient to pay the total charges for said deliveries, including the charge for the treatment of the water described in Point 1 of the present Resolution.

3. The Commission agrees that this Minute requires the specific approval of the two Governments, inasmuch as it is an amendment to Minute No. 240 which required the specific approval of the two Governments.^[1]

The meeting then adjourned.

J. F. FRIEDKIN

Commissioner of the United States

D HERRERA J

Commissioner of Mexico

WM. H. MILLS

*Secretary of the United States
Section*

FERNANDO RIVAS S

Secretary of the Mexican Section

COMISION INTERNACIONAL DE LIMITES Y AGUAS
ENTRE MEXICO Y LOS ESTADOS UNIDOS

Acta Num. 252

CIUDAD JUÁREZ, CHIH., 31 de agosto de 1976.

Enmienda a Las Actas Nums. 240 Y 245, Referentes a las Entregas de Emergencia de Aguas del Rio Colorado Para su Uso en Tijuana.

La Comisión se reunió en las oficinas de la Sección Mexicana, en Ciudad Juárez, Chihuahua, a las 10:00 horas del 31 de agosto de 1976, para considerar la proposición de las autoridades del Estado de California para el pago por México de un cargo por el tratamiento de las aguas del Río Colorado que se entregan para su uso en la ciudad de Tijuana, de acuerdo con las Actas Núms. 240 y 245.

¹ Sept. 29, 1976.

La Comisión revisó la información de las autoridades de California, de que, para satisfacer las normas canitarias de los Estados Unidos para aguas potables, pronto será terminada en California una planta para el tratamiento de las aguas del Río Colorado destinadas a la parte sur del Condado de San Diego, las cuales incluyen las aguas para las entregas de emergencia a Tijuana. Los Comisionados advirtieron que el tratamiento de las aguas será completo, incluyendo la coagulación, sedimentación, filtración y cloración de ellas.

Los dos Comisionados consideraron la proposición de las autoridades de California de que, por el tratamiento del agua, México pague un cargo por acre-pie (1,233.5 metros cúbicos) de agua que se entregue a Tijuana igual al que pagarán los usuarios de los Estados Unidos en el Condado de San Diego; este cargo sería de Dls. 13.00 (trece dólares 00/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos), comenzando con las entregas de agua tratada a Tijuana, alrededor del lo. de octubre de 1976, y aumentaría a Dls. 17.00 (diecisiete dólares 00/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos) a partir del lo. de julio de 1977. Este cargo sería adicional a los cargos a México por las entregas de emergencia a Tijuana establecidos en el Punto 6 de la Resolución del Acta Núm. 240 y modificados por el Punto 4 de la Resolución del Acta Núm. 245.

El Comisionado Mexicano informó que las autoridades competentes de su Gobierno aceptan pagar este cargo adicional.

Los Comisionados expresaron su acuerdo que, puesto que en las Actas Núms. 240 y 245 no se provee un cargo para este propósito, se requiere la presente Acta de enmienda.

A continuación, la Comisión adoptó la Resolución siguiente:

1. Que además de los cargos a México por las entregas de emergencia a Tijuana, establecidos en el Punto 6 de la Resolución del Acta Núm. 240 y modificados por el Punto 4 de la Resolución del Acta Núm. 245, México pague un cargo por el tratamiento del agua que se entregue a México en la línea divisoria internacional, cerca de Tijuana, de Dls. 13.00 (trece dólares 00/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos), principiando con las entregas de aguas tratadas a Tijuana, alrededor del lo. de octubre de 1976, y de Dls. 17.00 (diecisiete dólares 00/100), moneda de los Estados Unidos, por acre-pie (1,233.5 metros cúbicos), comenzando el lo. de julio de 1977.
2. Que México ajuste los pedidos para las entregas de agua en la línea divisoria internacional, cerca de Tijuana, en el presente año de 1976, a fin de que el crédito irrevocable ya establecido por México para pagar los cargos de las entregas de 1976, sea suficiente para pagar los cargos totales de dichas entregas, incluyendo el cargo por el tratamiento del agua, descrito en la Punto 1 de la presente Resolución; y que el crédito irrevocable que establezca México para pagar los cargos de las entregas de 1977, sea suficiente para pagar los cargos totales de dichas

entregas, incluyendo el cargo por el tratamiento del agua, descrito en el Punto 1 de la presente Resolución.

3. La Comisión conviene que la presente Acta requiere la aprobación específica de los dos Gobiernos, en vista de que es una enmienda al Acta Núm. 240, que requirió la aprobación específica de los dos Gobiernos.

Se levantó la sesión.

D HERRERA J

J. F. FRIEDKIN

Comisionado de México

Comisionado de los Estados Unidos

FERNANDO RIVAS S

W.M. H. MILLS

Secretario de la Sección Mexicana

Secretario de la Sección de los Estados Unidos

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO

Minute No. 256

Ciudad Juarez, Chihuahua, February 22, 1977.

Extension of Minutes Nos. 240, 243, 245 and 252 Regarding Emergency Deliveries of Colorado River Waters for Use in Tijuana

The Commission met in the offices of the Mexican Section in Ciudad Juarez, Chihuahua at 10:00 A.M. on February 22, 1977, to consider the need to extend for one year the emergency deliveries by the United States to Mexico of a portion of the waters of the Colorado River allotted to Mexico by the 1944 Water Treaty, at a point on the international boundary near the City of Tijuana, Baja California Norte, Mexico, pursuant to Minutes Nos. 240, 243, 245 and 252, which provide that those deliveries be made for a period of five years which would terminate August 14, 1977.

The Commission noted that Mexico is actively constructing permanent works to supply water to the City of Tijuana, which consist of an aqueduct of 141 cubic feet (four cubic meters) per second capacity and 78.3 miles (126 km) long, to carry the waters from the westernmost part of the Mexicali Valley to a treatment plant located 8.7 miles (14 km) east of Tijuana. Forming part of the aqueduct are six pumping plants each of 70.6 cubic feet (two cubic meters) per second, initial capacity, to lift the water 3,770 feet (1,150 meters), a tunnel 2.4 miles (3.8 km) long and another 4.2 miles (6.8 km) long, and a dam to form a reservoir of 27,560 acre-feet (34 million cubic

meters) capacity, to store waters pumped, which would be used during emergencies which may occur in the pumping plants and in the part of the aqueduct located upstream from the dam.

The two Commissioners considered the progress of the construction of the permanent works to supply water to Tijuana which they observed on a visit in July 1976 to the site of the works, and the information furnished to them during the visit concerning the measures that Mexico is taking so that the operation of the works may begin in July 1977. They agreed that in spite of those measures, there is a possibility that the completion of the works may be delayed by difficulties inherent in the excavation and lining of the 4.2 miles (6.8 km) of tunnel and in the manufacture, transportation and installation of the equipment necessary for the initial pumping of 70.6 cubic feet (2 cubic meters) per second.

The Commission considered that if the completion of the permanent works should be delayed until after termination of the five-year period for the deliveries of water to Tijuana provided for in Minute No. 240, Mexico would have to begin strict rationing of potable water in the City of Tijuana, which would have a grave economic impact on its inhabitants and would risk the health of that community and neighboring U.S. communities. The Commission therefore considered that it would be in the interest of the two countries to extend for one year the period of deliveries stated in Minute No. 240.

The Commission then considered the information provided by the United States Commissioner that the agencies of his country that own and operate the hydraulic facilities used to make the emergency deliveries of Colorado River waters to Mexico are willing and able to extend the period of said deliveries for one year, until August 14, 1978, under the conditions established in Minutes Nos. 240, 243, 245 and 252, provided that Mexico actively continue the construction of the permanent works for the supply of potable water for the City of Tijuana to put them into operation as soon as possible, and with the following further conditions:

a) In the event that during the one-year extension, it is not practical to continue the transfer from Mexico to the United States of the electrical energy required to pump the waters of the Colorado River which are delivered to Mexico at the international boundary near Tijuana, as provided for in Minute No. 245, Mexico will suspend that transfer and will pay the additional charge for the energy required for the same purpose.

b) During the one-year extension, Mexico will pay increases in the charge for treatment of waters which are delivered to Mexico at the international boundary near Tijuana, equal to increases imposed by agencies of the United States on water users in San Diego County, over the charge of \$17.00 per acre-foot, which will begin July 1, 1977, in accordance with Minute No. 252.

Based on the foregoing considerations, the Commission adopted the following Resolution:

1. That the emergency deliveries by the United States to Mexico of a portion of the waters of the Colorado River allotted to Mexico by the 1944 Water Treaty at a point on the international boundary near the City of Tijuana, Baja California Norte, pursuant to Minutes Nos. 240, 243, 245 and 252, be extended for one year, until August 14, 1978, with the additional conditions stated in preceding paragraphs a) and b).
2. That Mexico actively pursue the construction of the permanent works to supply potable water to the City of Tijuana, with the objective of putting them in operation as soon as possible.
3. That this Minute requires the specific approval of the two Governments.^[1]

The meeting was adjourned.

J. F. FRIEDKIN

Commissioner of the United States

D HERRERA J

Commissioner of Mexico

W.M. H. MILLS

*Secretary of the United States
Section*

LORENZO PADILLA S P

Secretary of the Mexican Section

COMISION INTERNACIONAL DE LIMITES Y AGUAS ENTRE MEXICO Y
LOS ESTADOS UNIDOS

Acta Num. 256

CIUDAD JUÁREZ, CHIH., 22 de febrero de 1977.

**Prorroga de las Actas Nums. 240, 243, 245 Y 252, Referentes a las
Entregas de Emergencia de Aguas del Rio Colorado Para su
Uso en Tijuana.**

La Comisión se reunió en las oficinas de la Sección Mexicana en Ciudad Juárez, Chihuahua, a las 10:00 horas del 22 febrero de 1977, para considerar la necesidad de prorrogar por un año las entregas de emergencia que hacen los Estados Unidos a México de una parte de las aguas del Río Colorado asignadas a México por el Tratado de Aguas de 1944, en un punto de la línea divisoria internacional cercano a la ciudad de Tijuana, Baja California Norte, México, de acuerdo con las Actas Núms. 240, 243, 245 y 252, que disponen que esas

¹ July 15, 1977.

entregas se hagan durante un período de cinco años, que terminaría el 14 de agosto de 1977.

La Comisión observó que México construye activamente las obras permanentes para abastecer de agua a la ciudad de Tijuana, que consisten en un acueducto de cuatro metros cúbicos (141 pies cúbicos) por segundo de capacidad, y de 126 kilómetros (78.3 millas) de longitud, para conducir las aguas desde el extremo occidental del valle de Mexicali hasta una planta de tratamiento situada a 14 kilómetros (8.7 millas) al oriente de Tijuana. Forman parte del acueducto seis plantas de bombeo, cada una de dos metros cúbicos (70.6 pies cúbicos) pro segundo de capacidad inicial, para elevar el agua 1,150 metros (3,770 pies), un túnel de 3.8 kilómetros (2.4 millas) de longitud y otro de 6.8 kilómetros (4.2 millas) de longitud, y una presa para formar un vaso de 34 millones de metros cúbicos (27,560 acres-pies) de capacidad, para almacenar aguas bombeadas, que se utilizarían durante las emergencias que ocurrieran en las plantas de bombeo y en la parte del acueducto situada aguas arriba de la presa.

Los dos Comisionados consideraron el adelanto de la construcción de las obras permanentes para abastecer de agua a Tijuana que observaron en la visita que hicieron al sitio de las obras en julio de 1976, y la información que les fue proporcionada durante la visita sobre las medidas que está tomando México para que la operación de las obras pueda iniciarse en julio de 1977. Estuvieron de acuerdo en que, a pesar de esas medidas, existe la posibilidad de que la terminación de las obras se demore por dificultades inherentes a la excavación y revestimiento del túnel de 6.8 kilómetros (4.2 millas), y a la fabricación, transporte e instalación de los equipos necesarios para el bombeo inicial de dos metros cúbicos (70.6 pies cúbicos) por segundo.

La Comisión consideró que si la terminación de las obras permanentes se demora hasta después de que termine el período de cinco años que provee el Acta Núm. 240 para las entregas de agua a Tijuana, México tendría que iniciar un estricto racionamiento del agua potable en la ciudad de Tijuana, que ocasionaría un grave impacto económico a sus habitantes y riesgos a la salud en esa comunidad y en las comunidades vecinas de los Estados Unidos. Por tanto, la Comisión consideró que sería en interés de los dos países prorrogar por un año el período de entregas establecido en el Acta Núm. 240.

La Comisión consideró enseguida la información proporcionada por el Comisionado de los Estados Unidos, de que las dependencias de su país son propietarias y operan las instalaciones hidráulicas para hacer las entregas de emergencia de aguas del Río Colorado a México están dispuestas y en condición de prorrogar el período de dichas entregas por un año, hasta el 14 de agosto de 1978, bajo las condiciones establecidas en las Actas Núms. 240, 243, 245 y 252, a condición de que México continúe activamente la construcción de las obras permanentes para abastecer de agua potable a la ciudad de

Tijuana, para ponerlas en operación a la brevedad posible, y con las siguientes condiciones adicionales:

a) En la eventualidad de que durante el año de prórroga no sea práctico continuar la transferencia de México a los Estados Unidos de la energía eléctrica requerida para bombear las aguas del Río Colorado que se entreguen a México en la línea divisoria internacional cerca de Tijuana, como se establece en el Acta Núm. 245, México suspenderá esa transferencia y pagará el cargo adicional por la energía que se requiera para el mismo objeto.

b) Durante el año de prórroga, México pagará los aumentos en el cargo del tratamiento de las aguas que se entreguen a México en la línea divisoria internacional cerca de Tijuana, igual a los aumentos que implanten las dependencias de los Estado Unidos a los usuarios de agua del Condado de San Diego, sobre el cargo de dls. 17.00 por acre-pie que principiará el lo. de julio de 1977, de acuerdo con el Acta Núm. 252.

Basada en las consideraciones anteriores, la Comisión adoptó la siguiente Resolución:

1. Que las entregas de emergencia que hacen los Estados Unidos a México de una parte de las aguas del Río Colorado asignadas a México por el Tratado de Aguas de 1944, en un punto de la línea divisoria internacional cercano a la ciudad de Tijuana, Baja California Norte, de acuerdo con las Actas Núms. 240, 243, 245 y 252, se prorroguen por un año, hasta el 14 de agosto de 1978, con las condiciones adicionales que se establecen en los precedentes párrafos a) y b).
2. Que México prosiga activamente la construcción de las obras permanentes para abastecer de agua potable a la ciudad de Tijuana, con el propósito de ponerlas en operación a la brevedad posible.
3. Que la presente Acta requiere la aprobación específica de los dos Gobiernos.

Se levantó la sesión.

D HERRERA J

Comisionado de México

J. F. FRIEDKIN

Comisionado de los Estados Unidos

LORENZO PADILLA S P

Secretario de la Sección de México

W.M. H. MILLS

Secretario de la Sección de los Estados Unidos

GUATEMALA
Municipal Earthquake Recovery

*Agreement signed at Guatemala September 20, 1976;
Entered into force September 20, 1976.*

ALLIANCE FOR PROGRESS
Alianza para el Progreso

LOAN AGREEMENT
Convenio de Préstamo

BETWEEN
Entre

THE GOVERNMENT OF THE REPUBLIC OF GUATEMALA
El Gobierno de la República de Guatemala

AND THE
y los

UNITED STATES OF AMERICA
Estados Unidos de América

FOR
Para

MUNICIPAL EARTHQUAKE RECOVERY
Reconstrucción Municipal

LOAN 520-W-027
Préstamo 520-W-027

September 20, 1976
20 de Septiembre de 1976

CONVENIO DE PRESTAMO celebrado dentro de los objetivos de la Alianza para el Progreso, fechado el dia 20 de Septiembre de 1976 entre el Gobierno de la Republica de Guatemala ("Prcs-tatario") y los Estados Unidos de America, actuando por intermedio de la AGENCIA PARA EL DESARROLLO INTERNACIONAL ("AID").

LOAN AGREEMENT, in furtherance of the Alliance for Progress, dated the twentieth day of September 1976 between the Government of the Republic of Guatemala ("Borrower") and the United States of America, acting through the Agency for International Development ("A.I.D.").

ARTICULO I

El Préstamo

SECCION 1.01. El Préstamo. La AID conviene en otorgar al Prestatario un préstamo dentro de los objetivos de la Alianza para el Progreso, en base a la Ley de Asistencia al Exterior de los Estados Unidos de América emitida en 1961 y sus enmiendas, por una cantidad que no excederá de OCHO MILLONES de dólares (\$8,000,000) ("El Préstamo") para asistir al Prestatario en la ejecución del Proyecto referido en la Sección 1.02 de este Convenio ("El Proyecto"). Los fondos provenientes del Préstamo se canalizarán para las cuatro actividades siguientes en los montos indicados, salvo que AID acuerde posteriormente y por escrito modificar dichos montos:

(1) Fondo para Reconstrucción Municipal, incluyendo bienes y servicios que se adquirirán para la administración del Fondo: \$7,060,000;

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign [1] Assistance Act of 1961, as amended, an amount not to exceed EIGHT MILLION United States dollars (\$8,000,000) ("Loan") to assist Borrower in carrying out the Project referred to in Section 1.02 ("Project"). Except as A.I.D. agrees otherwise in writing, Loan funds shall be allocated among the four Project components as follows:

(1) Municipal Reconstruction Fund, including related goods and services to be procured for Borrower's Account - \$7,060,000;

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

(2) Fondo de Promoción de Empresas Municipales, incluyendo bienes y servicios que se adquirirán para la administración del Fondo: \$210,000;

(2) Municipal Enterprise Fund, including related goods and services to be procured for Borrower's account - \$210,000;

(3) Programa de Fortalecimiento Institucional del Instituto de Fomento Municipal (INFOM): \$310,000; y

(3) Instituto de Fomento Municipal ("INFOM") Institutional Development - \$310,000; and

(4) Programa de Fortalecimiento Institucional de las Municipalidades: \$420,000.

(4) Municipal Institutional Development - \$420,000.

Los fondos provenientes del Préstamo se utilizarán exclusivamente para financiar los costos en moneda de los Estados Unidos ("Costos en Dólares") y los costos en moneda local del Mercado Común Centroamericano ("Costos en Moneda Local"), de bienes y servicios requeridos para el Proyecto. El monto acumulado de desembolsos de fondos provenientes del Préstamo se denominará de aquí y en adelante "Principal".

The Loan shall be used exclusively to finance the United States dollar costs ("Dollar Costs") and Central American Common Market local currency costs ("Local Currency Costs") of goods and services required for the Project. The aggregate amount of disbursements under the Loan is herein-after referred to as "Principal".

SECCION 1.02. El Proyecto. El proyecto ha sido diseñado para asistir al Prestatario en la ejecución de un Proyecto de Reconstrucción Municipal en la República de Guatemala. La Institución que ejecutará y

SECTION 1.02. The Project. The Project is designed to assist the Borrower in carrying out a Project for Municipal Earthquake Recovery within the Republic of Guatemala. The administrative

administrará este Proyecto será el Instituto de Fomento Municipal (INFOM).

and implementing agency for the Project will be the Guatemalan Municipal Development Institute (INFOM).

El contenido del Proyecto se amplía en el Anexo I, adjunto a este Convenio, y el cual podrá ser modificado por escrito dentro del alcance del Proyecto especificado en esta Sección, en base a iniciativa de cualquiera de las partes que suscriben este Convenio, por medio de Cartas de Ejecución emitidas por los representantes autorizados de AID y aprobadas por escrito por cualquier representante autorizado del Prestatario.

The Project is more fully described in Annex I, attached hereto, which annex may be modified in writing within the scope of the Project as set forth in this Section by Implementation Letters issued by the authorized representatives of AID on its own accord or following AID approval of requests for such modifications received from the Borrower or the implementing agency, and approved in writing by any authorized representative of Borrower.

ARTICULO II

Amortizaciones, Intereses y procedimientos de Pago

SECCION 2.01. Intereses. El Prestatario pagará a la AID en concepto de intereses el dos por ciento (2%) anual durante los diez años siguientes a la fecha del primer desembolso; y subsiguientemente el tres por ciento (3%) anual sobre el saldo del Principal y de intereses vencidos. Los intereses sobre saldos adeudados se calcularán desde la fecha de cada desembolso de conformidad con la Sección 7.04 y serán pagaderos semestralmente. Los intereses sobre interés vencido se calcularán a partir de la fecha de vencimiento de dichos intereses. Los intereses se calcularán en base a un año de 365 días. El primer pago será pagadero

ARTICLE II

Terms of Repayment, Interest and Payment Procedures

SECTION 2.01. Interest. Borrower shall pay to A. I. D. interest which shall 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 of Principal shall accrue from the date of each respective disbursement as such date is defined in Section 7.04, and shall be payable semi-annually. Interest on any due and unpaid interest

a los seis (6) meses posteriores del primer desembolso y la fecha exacta será determinada por A.I.D.

shall accrue from the date when such interest became due and payable. Interest shall be computed on the basis of a 365-day year. 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.

SECCION 2.02. Amortizaciones. El Prestatario pagará a la AID el Principal dentro de un término de cuarenta (40) años a partir de la fecha del primer desembolso en sesenta y un (61) pagos semestrales aproximadamente iguales que incluirán principal e intereses. La primera amortización del Principal será pagadera nueve años y medio después de la fecha en que venza el primer pago de intereses, de acuerdo con la Sección 2.01. AID proporcionará al Prestatario un calendario de amortizaciones calculado de acuerdo con lo estipulado en esta Sección después de que se haya efectuado el desembolso final del Préstamo.

SECTION 2.02. Repayment. Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder in sixty-one 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 Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECCION 2.03. Aplicación, Moneda y Lugar de Pago. Todos los pagos de Principal e intereses derivados de este Préstamo se harán en dólares de los Estados Unidos y serán abonados primero al pago de intereses vencidos y luego a la amortización del Principal. Salvo que AID determine por

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

escrito lo contrario, los pagos se harán a la Agencia para el Desarrollo Internacional, AID, Washington, D.C. 20523, EE.UU., Atención: Cajero, y se considerarán efectuados cuando sean recibidos por la Oficina del Cajero.

A.I.D. may otherwise specify in writing, all such payments shall be made to the Agency for International Development, Washington, D.C. 20523, U.S.A. - Attention: Cashier, and shall be deemed made when received by the Office of the Cashier.

SECCION 2.04. Pagos Anticipados. Al estar pagados los intereses vencidos y efectuados los reembolsos también vencidos, el Prestatario podrá pagar anticipadamente, sin recargo, todo o parte del Principal. Cualquier pago anticipado será abonado a la amortización del Principal en función inversa a la fecha de su vencimiento.

SECTION 2.04. Prepayment. Upon payment of all interests and re funds then due, 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.

SECCION 2.05. Renegociación del Préstamo. De conformidad con los compromisos contraídos por los Estados Unidos de América y los otros signatarios de la Carta de Bogotá y de la Carta de Punta del Este con el objeto de coadyuvar a la Alianza para el Progreso, el Prestatario acuerda en negociar con AID, cuando AID determine conveniente, que se acelere la amortización del Préstamo, en caso de que se produzca una mejora significativa en la posición y perspectivas financieras y económicas internas y externas del Prestatario, tomando en consideración las necesidades de capital de la República de Guatemala y de los otros

SECTION 2.05. Renegotiation of the Terms of the Loan. In light of the undertakings of the United States of America and the other [1] signatories of the Act of Bogotá and the Charter of Punta del Este [2] to forge an Alliance for Progress, Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of 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 the country of the Borrower, taking into consideration the relative capital requirements of

¹ Department of State Bulletin, Oct. 3, 1960, p. 537.

² Department of State Bulletin, Sept. 11, 1961, p. 463.

signatarios de la Carta de Bogotá
y de la Carta de Punta del Este.

of the Republic of Guatemala and
of the other signatories of the
Act of Bogotá and the Charter of
Punta del Este.

ARTICULO III

Condiciones Previas para Desembolsar Fondos del Préstamo

SECCION 3.01. Condiciones Previas
al Primer Desembolso. Previo al pri-
mer desembolso o a la emisión de
cualquier Documento de Compromiso de
los fondos provenientes del Préstamo,
el Prestatario presentará o garanti-
zará que se presente en forma y sus-
tancia satisfactorias a la AID, lo
siguiente:

(a) Dictamen extendido por el Pro-
curador General de la República de
Guatemala, o por otro funcionario
gubernamental aceptable a la AID,
de que este Convenio ha sido debi-
damente autorizado y/o ratificado y
ejecutado, por el Prestatario y que
el mismo constituye una obligación
legal del Prestatario de acuerdo con
todos sus términos;

ARTICLE III

Conditions Precedent to Disburse- ment

SECTION 3.01. Conditions Prece-
dent to Initial Disbursement.
Prior to the first disbursement
or the issuance of any Commitment
Document under the Loan the Bor-
rower shall submit or cause to be
submitted to A.I.D., in form and
substance satisfactory to A.I.D.:

(a) An opinion of the Attorney
General of Guatemala 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 Borrower
and that it constitutes a valid
and legally binding obligation of
Borrower in accordance with all of
its terms;

(b) Notificación oficial de los

(b) A statement of the names of

nombres de las personas autorizadas que representarán al Prestatario de conformidad con la Sección 9.02 así como ejemplares auténticos de sus respectivas firmas;

the persons holding or acting in the offices of Borrower specified in Section 9.02 and a specimen signature of each person specified in such statement;

(c) Un convenio celebrado entre el Ministerio de Finanzas y el INFOM, en el cual se establezcan las responsabilidades de las partes, así:

(c) An Agreement executed between the Ministry of Finance and INFOM which agreement provides inter alia:

(i) que todos los fondos proporcionados al INFOM por el Prestatario y AID serán considerados por el Prestatario como una transferencia de capital no reembolsable al INFOM;

(i) that all funds disbursed by Borrower and A. I. D. to INFOM shall be considered by the Borrower as a capital transfer to INFOM;

(ii) los términos y condiciones que regirán el uso de los fondos del Proyecto por parte de INFOM; y

(ii) the terms and conditions which shall govern the use of Project funds by INFOM; and

(iii) las responsabilidades y obligaciones del INFOM en la ejecución del Proyecto; y

(iii) the duties and obligations of INFOM in the implementation of the Project; and

(d) Arreglos efectuados por INFOM para la obtención de servicios de consultoría de ingeniería para el Proyecto.

(d) The arrangements made by INFOM to obtain engineering consultant services for the Project.

SECCION 3.02. Condiciones Previas para Desembolsar Fondos del Préstamo, Exceptuando Fondos Destinados para Servicios Técnicos. Previo al primer desembolso o a la emisión de cualquier Documento de Compromiso contra fondos provenientes del Préstamo exceptuando fondos destinados para Servicios Técnicos, el Prestatario presentará o garantizará que se presente en forma y sustancia satisfactoria a la AID, lo siguiente:

SECTION 3.02. Conditions Precedent to Disbursement for Other Than Technical Assistance. Prior to the first disbursement or the issuance of any commitment document under the Loan for other than technical assistance, Borrower shall submit or cause to be submitted to A.I.D., in form and substance satisfactory to A.I.D.:

(a) Un Plan Financiero detallado que especifique los fondos de contrapartida anual que proporcionará el Prestatario en apoyo a este Proyecto;

(a) A detailed Financial Plan setting forth the Borrower's annual counterpart contributions to be made in support of the Project;

(b) Un programa detallado de tiempos/actividades de Ejecución que especifique todas las actividades que se realizarán durante la vida del Proyecto;

(b) A detailed time-phased plan setting forth all activities to be completed during the life of the Project;

(c) Programación para la obtención de servicios técnicos necesarios para la ejecución del Proyecto, excepto servicios de ingeniería; y

(d) Resolución de la Junta Directiva del INFOM que contenga la Programación de las municipalidades que recibirán asistencia con fondos provenientes del Fondo de Reconstrucción. Esta programación se sustentará en una investigación exhaustiva que practicará el INFOM de las municipalidades cuya infraestructura y servicios públicos sufrieron daños del terremoto. Dicha programación incluirá la política de crédito que se seguirá y especificará los términos del financiamiento, destinos y elegibilidad de los sub-préstamos que se otorgarán a cada municipalidad y el orden en que estos serán atendidos.

SECCION 3.03. Condiciones Previas para Desembolsar Recursos del Préstamo para el Fondo de Promoción de Empresas Municipales. Previo a cualquier desembolso o a la emisión de cualquier Documento de Compromiso de fondos provenientes del Préstamo con el objeto de financiar cualquier gasto o adquisición bajo esta actividad, excepto Servicios Técnicos, el Prestatario presentará o garantizará que se presente en forma y sustancia satisfactorias a la AID la política de crédito y procedimientos que utilizará INFOM en el financiamiento de sub-proyectos con fondos provenientes de este Proyecto.

(c) Arrangements to obtain non-engineering technical services required for Project Implementation; and

(d) A schedule of municipalities to be benefited by the Project which schedule shall set forth the assignment of resource transfer categories and subproject lending terms for each such municipality.

SECTION 3.03. Conditions Precedent to Disbursement for the Municipal Enterprise Fund Component. Prior to any disbursement or to the issuance of any Commitment Document under the Loan, for the purpose of financing any activity (other than technical assistance) under the Municipal Enterprise Fund Component, Borrower shall submit or cause to be submitted, to A.I.D. in form and substance satisfactory to A.I.D., the credit policies and procedures to be used by INFOM in financing subprojects with Project funds.

SECCION 3.04. Fecha Final para Satisfacer Condiciones Previas. La fecha final para satisfacer las condiciones especificadas en la Sección 3.01 será a los ciento veinte (120) días siguientes a la fecha de firma de este Convenio, o a una fecha posterior si A.I.D lo acuerda por escrito. Si las condiciones de la Sección 3.01 no han sido satisfechas dentro de los ciento veinte (120) días, o antes de la fecha posterior que A.I.D acuerde, A.I.D podrá cancelar el Préstamo unilateralmente dando aviso por escrito al Prestatario. Entregado el aviso, este Convenio y todas las obligaciones que se deriven del mismo quedarán sin efecto.

SECTION 3.04. Terminal Date for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have 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 giving written notice to the Borrower. Upon the giving of such notice this Agreement and all obligations of the parties hereunder shall terminate.

SECCION 3.05. Notificación de Satisfacción de las Condiciones Previas. A.I.D. después de determinar su cumplimiento, notificará al Prestatario que las condiciones previas de desembolso especificadas en las Secciones 3.01, 3.02 y 3.03 han sido satisfechas.

SECTION 3.05. Notification of Meeting of Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions specified in Sections 3.01, 3.02 and 3.03 have been met.

ARTICULO IV

Compromisos Generales y Garantías

SECCION 4.01. Ejecución del Proyecto.

(a) El Prestatario garantizará que el Proyecto se ejecute con la debida diligencia y eficiencia, y de conformidad con sanas prácticas administrativas, financieras y técnicas. Para dicho fin, el Prestatario garantizará que se contrate con

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) Borrower shall cause the Project to be carried out with due diligence and efficiency, and in conformity with sound financial, administrative and technical practices. In this connection, Borrower shall cause to be employed

fondos provenientes del préstamo y de contrapartida, el personal necesario y calificado para asistir en la planificación y ejecución del Proyecto, y de la misma forma servicios de ingeniería y construcción de comprobada capacidad para la ejecución del proyecto.

with counterpart funds and with loan funds the necessary and qualified personnel to assist in planning and executing the Project and suitably qualified and competent engineering and constructing services to carry out the Project.

(b) El Prestatario garantizará que el proyecto se ejecute de conformidad con todos los planos, contratos, calendarios de trabajo y demás documentos relacionados con el proyecto y sus modificaciones, aprobados por AID, de conformidad con este Convenio de Préstamo.

(b) Borrower shall cause the Project to be carried out in conformity with all of the plans, contracts, schedules, and other project documents and modifications thereto, approved by A.I.D. pursuant to this Agreement.

SECCION 4.02. Fondos y Otros Recursos que serán Proporcionados por el Prestatario. El Prestatario proporcionará tan pronto sea necesario fondos adicionales a los previstos en el Préstamo, y los recursos que sean necesarios para llevar a cabo el Proyecto en una forma puntual y efectiva.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower. Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective carrying out of the Project.

SECCION 4.03. Consultas Periódicas. El Prestatario y AID cooperarán para garantizar que los objetivos de este Préstamo sean logrados. Para dicho fin, el Prestatario y la AID y a solicitud de cualquiera de las partes periódicamente

SECTION 4.03. Continuing Consultation. Borrower and A.I.D. shall cooperate fully to assure the purposes of the Loan will be accomplished. To this end, Borrower and A.I.D. shall from time to time at the request of either

intercambiarán opiniones por medio de sus representantes con respecto al progreso del Proyecto, el cumplimiento de las partes de sus respectivas obligaciones establecidas en este Convenio, el trabajo de los consultores y de los contratistas, proveedores involucrados en el Proyecto y demás asuntos vinculados con el mismo. El impacto del Proyecto sobre el medio ambiente natural merecerá consideración previa y durante la ejecución del mismo AID y el Prestatario cooperarán para reducir al mínimo los efectos dañinos sobre el medio ambiente natural.

party, exchange views through their representatives with regard to the progress of the Project, the performance of the parties of their obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project. The effect of the Project upon the natural environment shall be taken into consideration prior to and during the implementation of the Project, and A.I.D. and Borrower shall cooperate to minimize any harmful effects upon the natural environment.

SECCION 4.04. Administración. El Prestatario proporcionará o garantizará que se proporcione personal calificado y con suficiente capacidad en administración de proyectos, y a la satisfacción de AID; y adiestrará o garantizará que se adiestre al personal que sea necesario para la ejecución del Proyecto.

SECTION 4.04. Management. Borrower shall provide or cause to be provided qualified and experienced management for the Project acceptable to A.I.D., and it shall train or cause to be trained such staff as may be appropriate for the execution of the Project.

SECCION 4.05. Operación y Mantenimiento. El Prestatario garantizará que se mantengan, reparen y operen las instalaciones vinculadas con el Proyecto de conformidad con buenas prácticas de ingeniería, finanzas y administración; y de tal manera que se asegure la continuidad y logre exitosamente los objetivos del Proyecto.

SECTION 4.05. Operation and Maintenance. The Borrower shall cause to be operated, maintained and repaired facilities relating to the Project in conformity with sound engineering, financial, and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the

Project.

SECCION 4.06. Impuestos. El financiamiento proveniente de este Convenio, el Préstamo y cualquier evidencia de endeudamiento vinculada con el mismo estarán exonerados, y el principal e intereses se pagará sin deducción alguna y libre de impuestos o gravámenes estipulados en las leyes de Guatemala. En cuanto a contratos financiados bajo este Convenio, cualquier impuesto, derecho o gravamen identificable que no sea exonerado será pagado en la manera que AID estipula en Cartas de Ejecución por el Prestatario con fondos adicionales a los fondos de contrapartida de conformidad con la Sección 4.02 de este Convenio. Los contratos a que se refiere incluyen contratos para la adquisición de bienes y servicios y se aplicará este requisito al personal de los contratistas y a las transacciones efectuadas por los contratistas siempre que tales transacciones sean relacionada con el cumplimiento de dichos contratos.

SECTION 4.06. Taxation. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Guatemala. To the extent that (a) any contractor, including any personal services contractor or consulting firm, or any personnel of such a contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not otherwise exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Guatemala, Borrower shall to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan, and from funds other than those already committed to the Project by Borrower.

SECCION 4.07. Utilización de Bienes y Servicios.

(a) Los bienes y servicios financiados

SECTION 4.07. Utilization of Goods and Services.

(a) Goods and services financed

con fondos provenientes del préstamo deberán ser utilizados exclusivamente para el Proyecto, salvo que AID convenga lo contrario por escrito. Al finalizar el Proyecto, o en cualquier momento en que los bienes financiados con fondos provenientes del Préstamo no sean de utilidad para el Proyecto, el Prestatario o el INFOM podrán vender, ceder o transferir dichos bienes o utilizarlos para otros propósitos siempre y cuando se disponga de la autorización por escrito de AID.

under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Loan can no longer usefully be employed for the Project, the Borrower or INFOM may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Excepto que AID convenga lo contrario por escrito, ningún bien o servicio financiado con fondos provenientes de este Préstamo podrá usarse para promover o asistir en un proyecto de asistencia externa o actividad asociada con, o financiada por cualquier país que no esté incluido en el Código 935 de la Guía de Códigos Geográficos de AID en vigor en la fecha de su utilización.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECCION 4.08. Divulgación de Actos Materiales y Circunstanciales. El Prestatario hace constar y garantiza que todos los hechos y circunstancias sobre los cuales ha informado o ha hecho que se informe a AID en el proceso de obtención de este Préstamo, son exactos y completos, y que ha informado con exactitud y completamente sobre todos los hechos y circunstancias que puedan afectar materialmente al Proyecto y el

SECTION 4.08. Disclosure of Material Facts and Circumstances. Borrower represents and warrants that all facts and circumstances which it has disclosed to A.I.D. or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete and that it has disclosed to A.I.D. accurately and completely, all facts and circumstances that might materially affect the Project and

cumplimiento de sus obligaciones bajo este Convenio. El Prestatario informará inmediatamente a la A.I.D de cualesquiera hechos y circunstancias que puedan surgir en adelante y que puedan afectar materialmente o que sea razonable creer que podrían afectar materialmente al Proyecto o al cumplimiento de las obligaciones del Prestatario dentro de este Convenio.

the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise which might materially affect, or which it is reasonable to believe might materially affect the Project or the discharge of the Borrower's obligations under this Agreement.

SECCION 4.09. Comisiones, Honorarios y Otros Pagos.

(a) El Prestatario y el Prestamista garantizan y convienen que en relación a la obtención de este Préstamo, o al tomar cualquier medida bajo este Convenio o con respecto al mismo, no han pagado, no pagarán, no convendrán en pagar, y de acuerdo con su mejor saber y entender, ninguna otra persona o entidad ha pagado, pagará o convendrá en pagar, comisiones, honorarios, u otros pagos de cualquier clase, excepto la compensación regular a los funcionarios y empleados del Prestatario y del Prestamista o compensación por servicios profesionales, técnicos o servicios profesionales, comparables, bona fide. El Prestatario y el Prestamista informarán inmediatamente a la otra parte sobre cualquier pago o convenio de pagar tales servicios profesionales, técnicos o servicios similares, bona fide, de los cuales son parte o tienen conocimiento (indicando si tal pago ha sido efectuado o se efectuará sobre una base contingente), y, si el monto de tal pago fuera considerado como irrazonable por cualquiera de las partes, el mismo será ajustado en

SECTION 4.09. Commissions, Fees, and Other Payments.

(a) Borrower and Lender warrant and covenant that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, they have not paid, and will not pay or agree to pay, nor to the best of their knowledge has there been paid nor 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 and Lender's full time officers and employees or as compensation for bona fide professional, technical or comparable services. Borrower and Lender shall promptly report to the other any payment or agreement to pay for such bona fide professional technical, or comparable services to which they are parties or of which they have knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by either party, the same shall be adjusted

forma satisfactoria a ambas partes.

in a manner satisfactory to both parties.

(b) El Prestatario y el Prestamista garantizan y convienen en que ni ellos ni sus funcionarios han recibido, ni recibirán pago en relación a la adquisición de bienes y servicios financiados con fondos de este Préstamo, excepto pagos de honorarios, impuestos o pagos similares legalmente establecidos en Guatemala.

(b) Borrower and Lender warrant and covenant that no payments have been or will be received by Borrower or Lender or any official of Borrower or Lender in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Guatemala.

SECCION 4.10. Mantenimiento y Auditoría de Registros. El Prestatario mantendrá o garantizará que se mantenga, de acuerdo con sanas prácticas y técnicas contables, libros y registros en relación con este Proyecto y Convenio. Tales libros y registros deberán, sin limitación, ser adecuados y reflejar:

SECTION 4.10. Maintenance and Audit of Records. Borrower shall maintain or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

(a) El ingreso y uso de los bienes y servicios adquiridos con fondos provenientes de este Convenio;

(a) The receipt and use of goods and services acquired with funds disbursed pursuant to this Agreement;

(b) El contenido y alcance de licitaciones y/o cotizaciones de bienes y servicios;

(b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;

(c) El procedimiento seguido para la adjudicación de contratos y emisión de órdenes de compra a proveedores.

(c) The basis of the award of contracts and orders to successful bidders; and

(d) El progreso del Proyecto.

(d) The progress of the Project.

Estos libros y registros serán periódicamente sometidos a auditoría, de acuerdo con prácticas confiables de auditoría, durante los períodos y a los intervalos que la AID solicite, y deberán mantenerse durante cinco años después de la fecha del último desembolso efectuado por AID, o hasta que todas las cantidades adeudadas a la AID de acuerdo con este Convenio hayan sido pagadas, o lo que ocurra primero.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such periods and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECCION 4.11. Informes. El Prestatario proporcionará o garantizará que se proporcione a la AID la información e informes relativos al Préstamo y al Proyecto a medida que AID lo solicite.

SECTION 4.11. Reports. Borrower shall furnish or cause to be furnished to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

SECCION 4.12. Inspecciones. Los representantes autorizados de AID tendrán derecho en todo tiempo que sea razonable de inspeccionar el Proyecto, la utilización de todos los bienes y servicios financiados con fondos provenientes del Préstamo, libros y registros contables y otros documentos relacionados con el Proyecto y el Préstamo. El Prestatario cooperará con AID para facilitar tales inspecciones y permitirá a los representantes de la AID visitar cualquier parte de Guatemala para cualquier propósito relacionado con el Préstamo.

SECTION 4.12. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and all books, records, and other documents relating to the Project and the Loan. Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Guatemala for any purpose relating to the Loan.

SECCION 4.13. Asistencia Técnica. El Prestatario deberá obtener o garantizar que se obtenga o se proporcione de cualquier otro medio, en forma y sustancia satisfactorias a la AID y, continuamente durante la vigencia del Proyecto, la asistencia técnica a medida que sea necesaria para asegurar la ejecución satisfactoria de las actividades del Proyecto.

SECTION 4.13. Technical Assistance. Borrower shall retain or cause to be retained or otherwise provided, in form and substance satisfactory to A.I.D., for the duration of the Project, such technical assistance as may be necessary to ensure satisfactory implementation of the Project.

ARTICULO VConvenios Especiales

SECCION 5.01. Contribución del Prestatario al Proyecto. El Prestatario conviene proveer y utilizar o garantizar que se utilizará en el Proyecto, recursos financieros en una cantidad cuando menos del equivalente de \$3,500,000 Dólares de los Estados Unidos.

SECCION 5.02. Limitación en la Utilización de Recursos Provenientes del Proyecto para Fines de Reparación y/o Construcción de Edificios Municipales. El Prestatario conviene que no asignará o garantiza que no se asignará más del veinte por ciento (20%) de los fondos totales depositados en el Fondo para Reconstrucción Municipal para fines de construcción o reparación de edificios municipales.

SECCION 5.03. Cambios en el Convenio entre el Ministerio de Finanzas Públicas y el INFOM y en las Políticas de Crédito. El Prestatario acuerda no modificar, suspender o cancelar el Convenio entre el Ministerio de Finanzas y el INFOM suscrito en fundamento con la Sección 3.01 (c) de este Convenio de Préstamo, sin previa aprobación escrita de AID. Además, el Prestatario garantizará que las políticas de crédito de los subproyectos que regirán la utilización de fondos puestos a disposición dentro de los términos de este Proyecto no serán modificadas, suspendidas o canceladas sin previa aprobación por escrito de AID.

ARTICULO VICompras

SECCION 6.01. Compras de Países Seleccionados del Mundo Libre. Salvo

ARTICLE VSpecial Covenants

SECTION 5.01. Borrower's Contribution to the Project. Borrower covenants and agrees to provide and utilize or cause to be utilized for the Project financial resources in an amount of not less than the equivalent of \$3,500,000.

SECTION 5.02. Limitations on Use of Project Funds for Construction or Repair of Town Halls. Borrower covenants and agrees not to allocate or cause to be allocated more than twenty percent (20%) of total Project funds deposited into the Municipal Reconstruction Fund for the purpose of financing the construction or repair of town halls.

SECTION 5.03. Project Agreement and Subproject Financing Policies. Borrower covenants and agrees not to modify, suspend or cancel the agreement between the Ministry of Finance and INFOM executed in accordance with Section 3.01(c) of this Agreement without prior written approval of AID. Borrower further covenants and agrees to take measures to assure that the subproject financing policies governing the use of funds made available under this Project will not be modified, suspended or cancelled without prior written approval of AID.

ARTICLE VIProcurement

SECTION 6.01. Procurement from Selected Free World Countries.

que AID convenga en otra cosa por escrito, y exceptuando lo previsto en la Subsección 6.09 (c) referente a seguro marítimo, los desembolsos efectuados de conformidad con la Sección 7.01 serán utilizados exclusivamente para financiar la compra de bienes y servicios destinados al Proyecto y que sean fabricados y originen su embarque en países incluidos en el Código 941 de la Guía de Códigos Geográficos de AID en vigencia al momento de ordenar la compra o de suscribir contratos para dichos bienes y servicios, exceptuando los países de Centroamérica. Los bienes y servicios adquiridos de conformidad con esta Sección se denominarán "Bienes de Paises Selecciónados del Mundo Libre" y "Servicios de Paises Selecciónados del Mundo Libre" respectivamente. Todo el transporte marítimo financiado con fondos del préstamo tendrá su fuente y origen en países incluidos en el Código 941 de la Guía de Códigos Geográficos de AID en vigencia al momento de efectuar el embarque, exceptuando los países de Centroamérica.

Except as A.I.D. may otherwise agree in writing, and except as provided in subsection 6.09 (c) with respect to marine insurance, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of goods and services 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 are entered into for such goods and services except for the countries of Central America. Goods and services procured pursuant to this Section shall be referred to as "Selected Free World Goods" and "Selected Free World Services" respectively. All ocean shipping financed under the Loan shall have both its source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment, except for the countries of Central America.

SECCION 6.02. Compras en Centroamérica. Los desembolsos efectuados de conformidad con la Sección 7.02 serán utilizados exclusivamente para financiar la compra para el Proyecto de bienes y servicios que tengan su fuente y origen en los países de Centroamérica.

SECTION 6.02. Procurement from Central America. Disbursements made pursuant to Section 7.02 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in the countries of Central America.

SECCION 6.03. Fecha de Elegibilidad
Excepto que AID convenga lo contrario por escrito, no se financiarán con fondos provenientes del Préstamo los bienes y servicios que

SECTION 6.03. Eligibility Date.
Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant

sean adquiridos por medio de órdenes de compra o contratos ejecutados antes de la fecha de suscripción de este Convenio.

to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECCION 6.04. Bienes y Servicios no Financiados con Fondos Provenientes del Préstamo. Los bienes y servicios adquiridos para el Proyecto pero que no sean financiados con fondos provenientes de este Préstamo, deberán ser fabricados y originarse su embarque de cualesquiera de los países incluidos en el Código 935 de la Guía de Códigos Geográficos de AID, vigente en la fecha que se envíen las órdenes de compra para tales bienes y servicios.

SECTION 6.04. Goods and Services Not Financed Under the Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECCION 6.05. Aplicación de los Requisitos de Compra. Las definiciones aplicables a los requisitos de elegibilidad de las Secciones 6.01, 6.02 y 6.04 se establecerán en detalle por medio de Cartas de Ejecución.

SECTION 6.05. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 6.01, 6.02 and 6.04, will be set forth in detail in Implementation Letters.

SECCION 6.06. Planos, Especificaciones y Contratos.

(a) Excepto que AID pueda de otra forma convenir lo contrario por escrito, el Prestatario proporcionará o

SECTION 6.06. Plans, Specifications and Contracts.

(a) Except as A.I.D. may otherwise agree in writing, Borrower shall furnish or cause to be

garantizará que se proporcione a la AID después de su preparación, todos los planos, especificaciones, calendarios de trabajo, bases de licitación, contratos y demás documentos relacionados con el Proyecto, y las modificaciones a los mismos, tanto si los bienes o servicios a que se refieren sean financiados con fondos del Préstamo o de contrapartida.

furnished to A.I.D. promptly upon preparation, all plans, specifications, schedules, bid documents and contracts or other arrangements relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan.

(b) Excepto que AID pueda de otra forma convenir lo contrario por escrito, todos los planos y especificaciones proporcionados de acuerdo con la Subsección (a) anterior, requerirán la aprobación por escrito de AID.

(b) Except as A.I.D. may otherwise agree in writing, all of the plans and specifications furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.

(c) Todos los documentos de licitación, incluyendo planos, especificaciones técnicas y demás documentos relacionados con la invitación a licitación para la adquisición de bienes y servicios financiados con fondos provenientes del Préstamo requerirán la aprobación por escrito de AID, tanto en su alcance como en su contenido, previo a su publicación; a menos que AID autorice lo contrario por escrito.

(c) All bid documents including plans, technical specifications and other documents related to the solicitation of proposals concerning goods and services financed under the Loan shall in terms and measurements, be approved by A.I.D. in writing prior to their issuance, except as A.I.D. may otherwise agree in writing.

(d) Los tipos de contrato siguientes financiados con fondos provenientes del Préstamo requerirán la aprobación

(d) The following contracts financed under the Loan shall be approved by A.I.D. in writing

por escrito de AID, previo a su ejecución:

prior to their execution:

(i) contratos por consultoría de ingeniería y otros servicios profesionales;

(i) Contractors for engineering consultants and other professional services;

(ii) Contratos para otros servicios que AID pueda especificar; y

(ii) Contracts for such other services as A.I.D. may specify; and

(iii) Contratos para equipo y suministros.

(iii) Contracts for equipment and other commodities. ;

En caso de suscribirse contratos por cualquiera de los servicios indicados arriba, el contratista y el personal del contratista estarán sujetos a la aprobación escrita de AID. Modificaciones en cualquiera de los contratos y cambios de personal requerirán también la aprobación de AID por escrito previo a que cobren vigencia.

In the case of any of the above contracts for services, A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

(e) Deberán ser aceptables a la AID las firmas consultoras que sean utilizadas por el Prestatario para los fines previstos en el Proyecto, no obstante que no son financiados con fondos del Préstamo. La aceptación será en cuanto a los términos de referencia de los servicios que se contraten y el personal a su cargo en el Proyecto y así también los contratistas de construcción que se utilicen por el Prestatario dentro de los términos del Proyecto.

(e) Consulting firms engaged to work on the Project but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors engaged to work on the Project but not financed under the Loan shall be acceptable to A.I.D.

SECCION 6.07. Precio Razonable.
No deberán pagarse precios mayores que los razonables por la adquisición de cualesquier bienes o servicios financiados en su totalidad o en parte, con fondos de este Préstamo. Los mismos deberán ser adquiridos, exceptuando servicios profesionales, a base de competitividad, de acuerdo con los procedimientos prescritos en las Cartas de Ejecución.

SECTION 6.07. Reasonable Price.
No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan. Such items shall be procured on a fair end, except for professional services, on a competitive basis in accordance with procedures prescribed in Implementation Letters.

SECCION 6.08. Contratación de Ciudadanos de Países Excluidos del Mundo Libre bajo Contratos de Construcción. La contratación de personal para prestar servicios dentro de cualquier contrato de construcción financiado dentro del Préstamo estará sujeto a ciertos requisitos con respecto a ciudadanos de países que no sean de la República de Guatemala y países incluidos en el Código 941 de la Guía de Códigos Geográficos de AID vigente al momento de suscribir dicho contrato de construcción.

SECTION 6.08. Employment of Non-Selected Free World Nationals Under Construction Contracts.
The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than the Republic of Guatemala and countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time the construction contract is entered into.

Estos requisitos se prescriben por medio de Cartas de Ejecución.

These requirements are prescribed in Implementation Letters.

SECCION 6.09. Embarque y Seguro.

(a) Los bienes de Países Seleccionados del Mundo Libre financiados dentro del Préstamo deberán ser transportados a Guatemala únicamente en naves que ostenten bandera de un país incluido en el Código 935 de la Guía de Códigos Geográficos de AID vigente al momento de efectuar el embarque. Ninguno de estos suministros podrá ser transportado en ningún barco (o nave aérea) (i) el cual AID, por medio de notificación al Prestatario o al INFOM, haya designado como inelegible para transportar bienes financiados por AID; o (ii) el cual haya sido fletado para el transporte de bienes financiados por AID, a menos que dicho flete haya sido aprobado por AID.

SECTION 6.09. Shipping and Insurance.

(a) Selected Free World Goods financed under the Loan shall be transported to Guatemala only on flag carriers of a country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment. No such goods may be transported on any ocean vessel (or aircraft) (i) which A.I.D., in a notice to the Borrower or INFOM has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D. financed goods unless such charter has been approved by A.I.D.

(b) Salvo que AID determine que no se encuentran disponibles barcos privados de los Estados Unidos a precios justos y razonables, el embarque del suministro se efectuará así: (i) por lo menos un cincuenta por ciento (50%) del tonelaje bruto del suministro (computando separadamente el transporte global de carga en cargueros a granel, cargueros corrientes, y tanqueros, financiado con fondos proveedores del préstamo que puedan ser transportados por vía marítima,

(b) Unless A.I.D. shall determine that privately owned United States-flag commercial vessels are not available at fair and reasonable rates for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed under the Loan which may be transported on ocean vessels shall be transported on privately owned United States-flag

deberán ser transportados en barcos comerciales privados que ostenten bandera de Estados Unidos de América; y (ii) por lo menos un cincuenta por ciento (50%) de los ingresos brutos generados por todos los embarques financiados con fondos provenientes de este préstamo y transportados a Guatemala en barcos cargueros corrientes deberá ser pagado a/o para favorecer a los barcos comerciales privados que ostenten bandera de los Estados Unidos. Los requisitos estipulados (i) y (ii) serán aplicados separadamente a los dos tipos de embarque: embarques de puertos de los Estados Unidos; y embarques de otros países.

commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported to Guatemala on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

(c) El seguro marítimo de los Bienes de Paises Seleccionados del Mundo Libre podrá ser financiado con fondos provenientes del Préstamo, efectuando desembolsos de conformidad con lo estipulado en la Sección 7.01, siempre y cuando: (i) dicho seguro se obtenga al precio más bajo disponible en la República de Guatemala o en cualquier país incluido en el Código 941 de la Guía de Códigos Geográficos de A.I.D vigente al momento de obtener el seguro; y (ii) toda reclamación que se derive de ese seguro será pagadera en moneda de libre convertibilidad. Si el Prestatario o el INFOM por ley, decreto, acuer, do, reglamento o práctica discrimina en lo que respecta a las compras financieradas con fondos provenientes

(c) Marine insurance on Selected Free World Goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate in the Republic of Guatemala or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (ii) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Borrower or INFOM by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the Republic of Guatemala financed under the Loan shall be insured against marine risks and such insurance shall be placed in the United States with a

de AID contra cualquier compañía de seguro marítimo autorizada para trabajar en cualquier estado de los Estados Unidos de América, entonces las mercaderías elegibles financiadas con el Préstamo transportadas a la República de Guatemala deberán asegurarse contra riesgo marítimo en los Estados Unidos de América con una compañía o compañías autorizadas para efectuar transacciones de seguros marítimos de cualquier estado de los Estados Unidos de América.

(d) El Prestatario asegurará o garantizará que se aseguren todos los bienes de Países Seleccionados del Mundo Libre financiados con fondos de este Préstamo contra riesgo posible durante el tránsito al lugar de utilización en el Proyecto. Dicho seguro será emitido de acuerdo a términos y condiciones consistentes con prácticas comerciales sanas y asegurará el valor total del suministro. Cualquier pago recibido por el Prestatario proveniente del seguro será utilizado por el Prestatario para reemplazar o reparar la pérdida o daño material de las mercaderías aseguradas, o será utilizado para reembolsar al Prestatario por el reemplazo o reparación de dichas mercaderías. Cualquier reemplazo que se haga será fabricado y tendrá su origen de embarque en países de Centroamérica o en países incluidos en el Código 941 de la Guía de Códigos Geográficos de AID vigente al momento de emitir la orden de compra o de suscribir el contrato de compra para dichos reemplazos, y estarán en todo momento sujetas a las especificaciones de este Convenio.

SECCION 6.10. Notificación a Proveedores Potenciales. Con el fin de

company or companies authorized to do a marine insurance business in a State of the United States.

(d) The Borrower shall insure, or cause to be insured, all Selected Free World Goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and shall insure the full value of the goods. Any indemnification received by the Borrower or INFOM under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower or INFOM for the replacement or repair of such goods. Any such replacement shall have their source and origin in countries of Central America and countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such replacements, and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.10. Notification to Potential Suppliers. In order that United States firms shall

que compañías de Estados Unidos tengan oportunidad de participar en el suministro de bienes y servicios financiados con el Préstamo, el Prestatario proporcionará o garantizará que se proporcione a AID la información respectiva en las épocas y fechas que se determine en las Cartas de Ejecución.

have the opportunity to participate in furnishing goods and services to be financed under the Loan, Borrower shall furnish or cause to be furnished to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECCION 6.11. Suministro de Equipo, Maquinaria y Materiales Declarado Excedente por el Gobierno de los Estados Unidos. El Prestatario utilizará o garantizará que se utilicen bienes financiados con fondos del Préstamo sobre los cuales el Prestatario y/o el INFOM toman posesión en el acto de compra, suministro declarado excedente por el Gobierno de los Estados Unidos, a medida que sea necesario para el proyecto y se encuentre disponible en un período razonable de tiempo. Para dicho fin, el Prestatario solicitará asistencia o garantizará que se solicite asistencia a la AID y ésta reciprocamente asistirá al Prestatario y/o al INFOM en la identificación y disponibilidad de materiales, equipo y maquinaria excedente. Además, AID hará los arreglos que sean necesarios con el objeto de que el Prestatario o INFOM y/o sus representantes, practiquen la inspección de dicho suministro. Los costos incurridos en la inspección y compra y demás recargos vinculados con la transferencia de posesión del suministro, podrá financiarse con fondos provenientes del Préstamo. Previo a la compra de cualquier bien que no sea suministro excedente y que sea financiado con fondos provenientes del Préstamo, y después de haber

SECTION 6.11. United States Government-Owned Excess Property. Borrower shall utilize, or cause to be utilized, with respect to goods financed under the Loan to which Borrower or INFOM takes title at the time of procurement, such reconditioned United States Government-Owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time. Borrower shall seek assistance or cause assistance to be sought from A.I.D. and A.I.D. will assist Borrower and/or INFOM in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection of such property by the Borrower or INFOM or its or their representative. The costs of inspection and of acquisition, and all charges incident to the transfer to the Borrower or INFOM of such excess property may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan, and after having sought such A.I.D. assistance, Borrower shall indicate or cause to be indicated to A.I.D., in writing, on the basis of

solicitado la asistencia de AID, el Prestatario indicará o garantizará que se indique por escrito a la AID, que en base a la información disponible en AID, que dicho suministro no se encuentra disponible dentro del Programa de Suministro Excedente Propiedad del Gobierno de los Estados Unidos dentro del tiempo previsto o bien que el suministro de que se pude disponer no reune las especificaciones técnicas del suministro requeridas en el Proyecto.

SECCION 6.12. Información y Marcas.
 El Prestatario dará publicidad o garantizará que se otorgue publicidad al Préstamo y al Proyecto como un programa de asistencia de los Estados Unidos, dentro de los objetivos de la Alianza para el Progreso; por lo que identificará o garantizará que se identifique la localización del Proyecto y marcará las mercaderías finanziadas con el Préstamo de acuerdo con lo prescrito en las Cartas de Ejecución.

information then available to it, either that such goods cannot be made available from reconditioned United States Government-Owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

SECTION 6.12. Information and Marking. Borrower shall give publicity or cause publicity to be given to the Loan and the Project as a program of United States aid in furtherance of the Alliance for Progress, shall identify or cause to be identified the Project site, and shall mark or cause to be marked goods financed under the Loan, as prescribed in Implementation Letters.

ARTICULO VII

Desembolsos

SECCION 7.01. Desembolsos para Cubrir Costos en Dólares de los Estados Unidos - Cartas de Compromiso para Bancos de los Estados Unidos. Después de satisfacer las condiciones previas, el Prestatario o el INFOM podrán solicitar a AID que emita Cartas de Compromiso por cantidades específicas contra uno o más bancos de los Estados Unidos satisfactorios a AID,

ARTICLE VII

Disbursements

SECTION 7.01. Disbursements for United States Dollar Costs - Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, Borrower and/or INFOM may, from time to time request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D.,

en las que AID se compromete a reembolsar a tales bancos por los pagos en dólares que hagan por medio de Cartas de Crédito u otros documentos a contratistas o proveedores de bienes o servicios adquiridos para el Proyecto de acuerdo con los términos y condiciones de este Convenio. El pago a un contratista o proveedor por el banco o por los bancos será efectuado contra la presentación de los comprobantes que AID determine en las Cartas de Compromiso y en las Cartas de Ejecución. Los gastos bancarios en relación a las Cartas de Compromiso y a las Cartas de Crédito serán por cuenta del Prestatario y se podrán financiar con fondos provenientes del Préstamo.

committing A.I.D. to reimburse such bank for payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a Bank to a contractor or supplier will be made by the Bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of Borrower and may be financed under the Loan.

SECCION 7.02. Desembolsos para Costos en Moneda Local. Satisfechas las condiciones previas, el Prestatario y/o el INFOM podrán, periódicamente, solicitar desembolsos de AID de moneda local para cubrir los costos en moneda local de bienes y servicios adquiridos para el Proyecto de acuerdo con los términos y condiciones de este Convenio, presentando a AID aquellos comprobantes que ésta prescriba en las Cartas de Ejecución. La cantidad total de Dólares que AID tiene que gastar para adquirir moneda local para desembolsos bajo esta Sección determinará el monto que se registrará como desembolso.

SECTION 7.02. Disbursement for Local Currency Costs. Upon satisfaction of conditions precedent, Borrower and/or INFOM may, from time to time request disbursement by A.I.D. or local currency for Local Currency Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters. A.I.D. shall make such disbursements from local currency owned by the United States Government and that obtained by A.I.D. with United States dollars. The United States dollar equivalent of the local currency made available hereunder will be the amount of United States dollars required.

by A.I.D. to obtain the local currency.

SECCION 7.03. Otras Modalidades de Desembolso. Para los efectos del Préstamo también podrán hacerse desembolsos por otros medios que el Prestatario y AID convengan por escrito.

SECTION 7.03. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as Borrower and A.I.D. may agree to in writing.

SECCION 7.04. Fecha de Desembolsos. Los desembolsos se considerarán efectuados por AID: (a) en el caso especificado en la Sección 7.01, tomando como fecha el día en que AID haga un desembolso a favor del Prestatario o al INFOM, su designado o a una institución bancaria de conformidad con una Carta de Compromiso; y (b) en el caso que se efectúe un desembolso de conformidad con la Sección 7.02, y en la fecha que AID desembolse moneda local a favor del Prestatario o del INFOM o de su designado.

SECTION 7.04. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to Borrower or INFOM or its or their designee, or a banking institution pursuant to a Letter of Commitment and (b) in the case of disbursement pursuant to Section 7.02, on the date on which A.I.D. disburses the local currency to the Borrower or INFOM or its or their designee.

SECCION 7.05. Fecha Final para Efectuar Desembolsos. Excepto que AID convenga lo contrario por escrito, no se emitirá ninguna Carta de Compromiso u otro tipo de documentos que constituyan obligatoriedad de fondos

SECTION 7.05. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement

para fines de desembolso de acuerdo a lo previsto en la Sección 7.03, o se harán modificaciones en base a solicitudes que se presenten después de los cuatro (4) años de la fecha de firma de este Convenio por las partes, ni tampoco podrá efectuarse ningún desembolso contra documentación que se reciba en A.I.D o en cualquier banco de acuerdo a la Sección 7.01, después de cuatro (4) años y medio a partir de la fecha de la firma de este Convenio por las partes. A.I.D a su conveniencia, en cualquier momento después de cuatro (4) años a partir de la fecha de la firma de este Convenio por las partes podrá reducir parte o la totalidad de los fondos del Préstamo no comprometidos de conformidad con las secciones anteriores de este Artículo.

under Section 7.03, or amendment thereto shall be issued in response to requests received by A.I.D. after four (4) years from the date of signature of this Agreement by the parties, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 after four (4) years and six (6) months from the date of signature of this Agreement by the parties. A.I.D., at its option, may at any time after four (4) years from the date of signature hereof by the parties reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICULO VIII

Cancelación y Suspensión

SECCION 8.01. Cancelación por Parte del Prestatario. El Prestatario podrá, previo consentimiento por escrito de la A.I.D, dar por terminada cualquier parte del Préstamo que: (i) previamente a la notificación, A.I.D no ha desembolsado o se ha comprometido a desembolsar; y (ii) no haya sido utilizada para la emisión de Cartas de Crédito irrevocables.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by Borrower. Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit.

SECCION 8.02. Casos de Incumplimiento y Anticipos: Si ocurrieren cualesquiera de los casos siguientes de incumplimiento, así:

(a) Si el Prestatario dejare de pagar a su vencimiento cualquier interés o amortización del Principal previsto en este Convenio; o

(b) Si el Prestatario dejare de cumplir con cualquier otra obligación derivada de este Convenio, incluyéndo, pero no limitándose a garantizar la ejecución del proyecto con la debida diligencia y eficiencia; ó

(c) Si el Prestatario dejare de pagar a su vencimiento los intereses o amortizaciones del Principal o cualquier otro pago de otro Convenio, y de cualquier Convenio de Garantía u otro Convenio entre el Prestatario o cualesquiera de sus agencias y AID o cualesquiera de sus Agencias antecesoras;

SECTION 8.02. Events of Default, Acceleration. If any one or more of the following events ("Events of Default") shall occur:

(a) Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement; or

(b) Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to cause the Project to be carried out with due diligence and efficiency; or

(c) Borrower shall have failed to pay when due any interest or any instalment of Principal or any other payment required under any other loan agreement, any guarantee agreement, or any other agreement between Borrower or any of its agencies and A.I.D. or any of its predecessor agencies;

AID puede, a su elección, comunicar al Prestatario que todo o parte del Principal que no ha sido amortizado vencerá y será pagadero dentro de sesenta (60) días, y, a menos que el Caso de Incumplimiento se corrija dentro de los sesenta días indicados:

(i) el Principal pendiente de pago y los intereses acumulados se considerarán vencidos y pagaderos inmediatamente; y

(ii) cualquier desembolso efectuado del remanente del Préstamo se considerará vencido y pagadero cuando sea efectuado.

Then A.I.D. may, at its option, give to Borrower 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 any accrued interest hereunder shall be due and payable immediately, and

(ii) the amount of any further disbursements made under the outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

SECCION 8.03. Suspensión de Desembolsos. AID podrá suspender desembolsos si sucediere:

SECTION 8.03. Suspension of Disbursement. In the event that at any time:

- | | |
|---|---|
| (a) Un Caso de Incumplimiento; o | (a) An Event of Default has occurred; or |
| (b) Si ocurre un evento y que AID determine como extraordinario y que haga improbable que se logre el propósito del Préstamo o que el Prestatario pueda cumplir con las obligaciones que se deriven de este Convenio; o | (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 Borrower will be able to perform its obligations under this Agreement; or |
| (c) Si se efectúa un desembolso por parte de AID que contravenga sus reglamentos; o | (c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or |
| (d) Si el Prestatario o cualesquiera de sus entidades ha dejado de efectuar a su vencimiento cualquier pago por concepto de intereses y/o principal, o cualquier otro pago requerido por cualquier otro Convenio de Préstamo, Convenio de Garantía, o cualquier otro convenio entre el Prestatario y el Gobierno de los Estados Unidos o cualquiera de sus entidades; o | (d) Borrower or any of its agencies shall have failed to pay when due any interest or any installment of Principal or any other payment required under any loan agreement, any guaranty agreement or any other agreement between Borrower or any of its agencies and the Government of the United States or any of its agencies; or |

(e) Si no se lleva a cabo un progreso satisfactorio en la ejecución total o parte del Proyecto de acuerdo con los términos de este Convenio;

(e) Satisfactory progress is not being made in carrying out all or part of the Project according to the terms of this Agreement;

En base a lo anterior AID a su conveniencia, podrá:

(i) Suspender o dejar sin efecto los documentos de compromiso pendientes que no hayan sido utilizados por medio de la emisión de Cartas de Crédito irrevocables o por medio de pagos bancarios efectuados por otros medios que no sean Cartas de Crédito irrevocables, en cuyo caso AID notificará inmediatamente al Prestatario;

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 the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event, A.I.D. shall give notice to Borrower promptly thereafter;

(ii) negarse a efectuar desembolsos que no estén incluidos en documentos de compromiso vigentes;

(ii) decline to make disbursements other than under outstanding commitment documents;

(iii) negarse a emitir documentos adicionales de compromiso;

(iii) decline to issue additional commitment documents;

(iv) a cuenta de A.I.D., hacer que el título de propiedad de los bienes financiados con fondos del Préstamo sean traspasados a A.I.D. si estos provienen fuera de Guatemala, y si se encuentran en estado de ser enviados y no han sido descargados en puertos de entrada a Guatemala. Cualquier desembolso que se haya efectuado para el traspaso de tales bienes será deducido del Principal.

(iv) at A.I.D. 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 Guatemala, are in a deliverable state and have not been offloaded in ports of entry of Guatemala. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECCION 8.04. Cancelación por Parte de la A.I.D. Despues de cualquier suspensión de desembolsos de conformidad con la Sección 8.03, y si la causa o causas de tal suspensión no han sido eliminadas o corregidas dentro de los sesenta (60) días a partir de la fecha de suspensión; A.I.D. podrá, a su conveniencia, y en cualquier momento, cancelar la totalidad o parte del préstamo que no haya sido desembolsado o que se encuentre comprometida por medio de Cartas de Crédito irrevocables.

SECTION 8.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 8.03, if the cause or causes for such suspension of disbursement 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.

SECCION 8.05. Vigencia Continua del Convenio. No obstante cualquier cancelación, suspensión de desembolso, o anticipo de pagos, las disposiciones de este Convenio continuarán en plena vigencia y efecto hasta el pago total de todo el Principal e intereses acumulados.

SECTION 8.05. 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 until the payment in full of all Principal and any accrued interest hereunder.

SECCION 8.06. Devoluciones.

(a) En caso de que se efectúe un desembolso que no esté respaldado por documentación válida de acuerdo a este Convenio o si no se efectúa un desembolso o no se utilizare de conformidad con los términos de este Convenio; A.I.D., a pesar de tener a su disposición el ejercicio de cualesquier de las medidas indicadas en este Convenio, podrá requerir al Prestatario que le reembolse la cantidad respectiva en Dólares de los Estados Unidos, dentro de los treinta (30) días siguientes al recibo de la solicitud respectiva. Dicha cantidad deberá ser aplicada primero para cubrir el costo de los bienes y servicios adquiridos para el Proyecto, siempre que esté justificado; y el saldo, si lo hubiere, será aplicado a amortizar el Principal en orden inverso a su vencimiento, y la suma total del Préstamo será reducida por el equivalente de dicho saldo. No obstante cualquier otra estipulación indicada en este Convenio, el derecho de A.I.D. de exigir la devolución de un desembolso efectuado con fondos del Préstamo estará vigente durante cinco años después de la fecha en que se efectuó dicho desembolso.

SECTION 8.06. Refunds.

(a) In case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require Borrower to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) En caso de que AID perciba una devolución de cualquier contratista, proveedor, institución bancaria o de cualquier otra tercera persona vinculada con el Préstamo, con respecto a bienes o servicios financierados con el mismo, y que tal devolución se relacione con el cobro de precios irrazonables de bienes y/o servicios, o de bienes que no llenaron las especificaciones técnicas, o de servicios que resultaron inadecuados, AID, proporcionará primero los fondos del reembolso para cubrir el costo de bienes y servicios adquiridos para el Proyecto, siempre que esté justificado. El saldo de dichas devoluciones lo aplicará a las amortizaciones del Principal en orden inverso a su vencimiento y el monto del Préstamo será reducido por el monto equivalente de dicho saldo.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D., shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECCION 8.07. Gastos de Cobro. Todos los gastos razonables incurridos por AID, excluyendo sueldos de su personal a cobrar por cualquier devolución o cualquier cantidad que se le adeude en base en los casos especificados en la Sección 8.02, podrán ser cargados al Prestatario y reembolsados a la AID a medida que ésta determine.

SECTION 8.07. 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 8.02 may be charged to Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECCION 8.08. NO DISPENSACION DE SOLUCIONES. Ningún atraso en ejercer u omisión en el ejercicio de cualquier derecho, poder o solución atribuible a AID dentro de los términos de este Convenio será considerado como dispensa de esos derechos, poderes o soluciones.

SECTION 8.08. 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 such rights, powers, or remedies.

ARTICULO IX

Varios

SECCION 9.01. Comunicaciones. Cualquier notificación, solicitud, documento o comunicación dada, hecha o enviada por el Prestatario, el INFOM, o por AID de acuerdo con este Convenio, se hará por escrito o por telegrama, cable, o radiograma y se considerará como bien dada, hecha o enviada a la otra parte cuando sea entregada personalmente o por correspondencia, telegrama, cable o radiograma en las siguientes direcciones:

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document or other communications given, made or sent by Borrower, INFOM or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable or radiogram 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 to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

AL PRESTATARIO:

Dirección Postal:

Ministerio de Finanzas Públicas
Palacio Nacional
Guatemala, C.A.

TO BORROWER:

Mail Address:

Ministerio de Finanzas Públicas
Palacio Nacional
Guatemala, C.A.

Dirección Cablegráfica:

MINFINANZAS
Guatemala, C. A.

Cable Address:

MINFINANZAS
Guatemala, C. A.

ENTIDAD EJECUTORA:

Instituto de Fomento
Municipal
8a. calle 1-66, zona 9
Guatemala, C. A.

IMPLEMENTING AGENCY:

Instituto de Fomento
Municipal
8a. calle 1-66, zona 9
Guatemala City, C. A.

Dirección Cablegráfica:

INFOM
Guatemala, C. A.

Cable address:

INFOM
Guatemala, C. A.

A LA A.I.D.:Dirección Postal:

Oficina del Director
Misión AID en Guatemala
a/c Embajada Americana
Ciudad Guatemala, Guatemala, C.A.

TO A.I.D.:Mail Address:

Office of the Director
USAID Mission to Guatemala
c/o. U. S. Embassy
Guatemala City, Guatemala, C.A.

Dirección Cablegráfica:

USAID, Amembassy
Guatemala, C. A.

Cable Address:

USAID, American Embassy
Guatemala City, Guatemala

Las direcciones indicadas podrán sustituirse por otras, dando aviso a la otra parte. Excepto que la AID convenga otra cosa por escrito, todas las notificaciones, solicitudes, comunicaciones y documentos presentados a la AID relacionados con este Convenio se harán en Español y/o Inglés.

Other addresses may be substituted for the above upon giving of notice. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be Spanish and/or English except as A.I.D. may otherwise agree in writing.

SECCION 9.02. Representantes.
Para todo lo relacionado con este Convenio, el Prestatario estará representado por la persona que ocupe el cargo del Despacho del Ministerio de Finanzas Públicas.

SECTION 9.02. Representatives.
For all purposes relative to this Agreement, Borrower will be represented by the individuals holding or acting in the office of the Minister of Finance.

La AID estará representada por el Director de la Misión en Guatemala o por el Director Interino.

A.I.D. shall be represented by the individual holding or acting in the office of the Director, USAID Mission to Guatemala.

Estas personas tendrán la facultad de nombrar representantes adicionales por medio de notificación escrita a la otra parte. En caso de sustitución, o designación de otro representante, el Prestatario notificará el nombre y enviará una muestra original de la firma del representante, en forma satisfactoria a la AID. Hasta que AID reciba una notificación escrita de la cancelación de autoridad de cualquier representante autorizado del Prestatario designado de conformidad con esta Sección, podrá aceptar la firma de dicho representante o representantes en cualquier documento, como prueba evidente de que cualquier acción efectuada por dicho documento está debidamente autorizada.

Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representatives' name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives or any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECCION 9.03. Cartas de Ejecución. Períódicamente, AID emitirá Cartas de Ejecución que especificarán los procedimientos a seguir en la ejecución de este Convenio.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECCION 9.04. Notas de Pago. A medida que AID lo solicite, el Prestatario emitirá notas de pago o cualquier otra evidencia de endeudamiento derivado del Préstamo conteniendo los términos y respaldado por las opiniones legales que AID pueda solicitar en forma razonable.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECCION 9.05. Terminación al Efectuarse el Pago Total. Al estar totalmente pagado el Principal y los intereses acumulados, este Convenio y todas las obligaciones del Prestatario y AID que se deriven del mismo se darán por terminadas.

SECTION 9.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of Borrower and A.I.D. under this Loan Agreement shall terminate.

SECCION 9.06. Idioma. Este Convenio se ejecuta en los idiomas inglés y español. En caso de diferencias entre la versión en Inglés y la versión en Español, la versión en Inglés prevalecerá.

SECTION 9.06. Language of Agreement. This Agreement is signed in both Spanish and English in two versions; however, for purposes of resolution of differences in interpretation the English version shall prevail.

SECCION 9.07. Fecha de Vigencia.
Este convenio entrará en vigor en
la fecha y año indicados al prin-
cipio de este Convenio.

SECTION 9.07. Effective Date.
This Agreement shall enter into
effect on the date and year indi-
cated at the beginning of this
Agreement.

EN FE DE LO CUAL, los Gobiernos de la
República de Guatemala y de los Esta-
dos Unidos de América, actuando por
medio de sus respectivos representan-
tes autorizados, suscriben este Con-
venio, en la fecha indicada en su in-
troducción.

IN WITNESS WHEREOF, Borrower, and
the United States of America, each
acting through its respective duly
authorized representatives, have
caused this Agreement to be signed
in their names and delivered as of
the date and year first above writ-
ten.

REPUBLICA DE GUATEMALA

Arturo Aroch
Lic. Arturo Aroch
Viceministro de Finanzas
Encargado del Despacho

Fernando Cabrera Arroyo
Fernando Cabrera Arroyo, Gerente
Instituto de Fomento Municipal

THE UNITED STATES OF AMERICA

George Andrews
George Andrews
Charge d'Affaires a.i.

Edward W. Coy
Edward W. Coy, Director
USAID Mission to Guatemala

BOLIVIA
Rural Access Roads

*Agreement signed at La Paz September 20, 1976;
Entered into force September 20, 1976.*

(7259)

TIAS 8714

A.I.D. Loan N° 511-T-056

ALLIANCE FOR PROGRESS

LOAN AGREEMENT

BETWEEN

THE REPUBLIC OF BOLIVIA

AND

THE UNITED STATES OF AMERICA

RURAL ACCESS ROADS

DATE: September 20, 1976

LOAN AGREEMENT dated September 20, 1976 between the Government of Bolivia ("Borrower") and the United States of America, acting through the Agency for International Development ("A.I.D."),

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, and the Agreement for Technical Cooperation dated March 14, 1951, as amended by a subsequent exchange of diplomatic notes, an amount not to exceed EIGHT MILLION FIVE HUNDRED THOUSAND UNITED STATES DOLLARS (US\$8,500,000) ("Loan") to assist the Borrower in carrying out the Project referred to in Section 1.02 ("Project"). The Loan will be used exclusively to finance United States dollar costs ("Dollar Costs") and Pesos Boliviano costs ("Peso Costs") for procuring goods and services required for the Project. The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 1.02. The Project. The Project consists of making funds available to finance technical assistance, goods, and services in support of a newly established Rural Roads Department ("Gerencia") in the National Roads Service ("SNC") to improve, construct and maintain, 1,200 kilometers of rural access roads.

The Project is more fully described in Annex I attached hereto, which Annex may be modified in writing by agreement between the Borrower and A.I.D.

¹ 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. The Borrower will also pay to A.I.D. a penalty on any due and unpaid interest at the rate of three percent (3%) per annum computed on the basis of a 365-day year. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 7.05) and shall be computed on the basis of 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 the Principal to A.I.D. 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 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 Agency for International Development, Washington, D. C. 20523, Attention Cashier SA-12 and shall be deemed made when received.

SECTION 2.04. Prepayment. Upon payment of all interest and refunds then due, the Borrower may prepay, without any other charges, all or any part of 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 agrees 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 the Government of Bolivia.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Disbursement. Prior to disbursement or to the issuance of commitment documents under the Loan, the Borrower shall, 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 the Fiscal de Gobierno de Bolivia or 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;
- (b) A statement of the name of the person holding or acting in the office of the Borrower, specified in Section 9.02, and a specimen signature of the person specified in that statement, appropriately certified as to its authenticity;
- (c) A plan for the establishment of a Rural Roads Department within SNC including a proposed staffing pattern;
- (d) A list of equipment and hand tools to be procured with loan funds including specifications.

SECTION 3.02. Conditions Precedent to Disbursement for the Purchase of Equipment. Prior to any disbursement under the Loan for the purchase of equipment, the Borrower shall submit to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) Evidence of the establishment of a Rural Roads Department within SNC:

- (b) Evidence of the appointment of a Rural Roads Department Chief;
- (c) A financial plan for the Project detailing the amount and timing of the GOB's contribution during the life of the Project;
- (d) Detailed time-phased implementation and evaluation plans for the life of the Project;
- (e) Signed agreements between SNC and (i) the Ministry of Campesino Affairs and Agriculture (MACAG) and (ii) the National Community Development Service (SNDC) which detail their responsibilities in carrying out the Project including the covenants set forth in Section 5.02;
- (f) A description of the system whereby individual sub-projects will be screened and assigned a priority including the role of the Sub-Project Selection Committee;
- (g) Evidence of the appointment of one individual each from (i) the Agricultural Extension Service (AES) of MACAG; (ii) SNDC and (iii) SNC to serve on the Sub-Project Selection Committee;
- (h) A plan for the utilization of technical assistance to be financed with loan funds;
- (i) A description of how environmental considerations will be taken into account in implementation of the Project;
- (j) A plan for the maintenance of equipment to be procured with loan funds; and
- (k) A plan for the maintenance of roads to be improved or constructed with loan funds.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent to Disbursements. If all the conditions specified in Section 3.01 shall not have been met within 75 days or the conditions specified in Section 3.02 shall not have been met within 150 days from the date of this Agreement or

such later date as Borrower and A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to the Borrower. In the event of termination, upon the giving of notice, the Borrower shall immediately repay the Principal then outstanding and shall pay any accrued interest and, upon receipt of such payment in full, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower in writing when the conditions precedent to disbursement specified in Section 3.01 and 3.02 have been met.

ARTICLE-IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project. Except as A.I.D. shall otherwise agree in writing:

(a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction, financial, administrative, technical and management practices;

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to the Agreement;

(c) The Borrower shall seek to minimize any harmful effects upon the natural environment which might be caused by any proposed activity under the Project.

SECTION 4.02. Funds and Other Resources to be Provided by the Borrower.

Besides the contribution of the Borrower stated in Section 5.01 hereof, the Borrower shall provide promptly as needed all funds, in addition to the Loan, and all resources required for the punctual and effective carrying out and maintenance of the Project including the funds necessary to carry out the covenant set forth in Section 5.02 (b).

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purposes of the Loan will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the parties to this

Agreement of their obligations under this Agreement, and other matters relating to the Project.

SECTION 4.04. Management. The Borrower, through the participating agencies, shall cause to be provided qualified and experienced management for the Project and shall cause to be trained such staff as may be appropriate for the successful implementation of the Project.

SECTION 4.05. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and Interest shall be paid without deduction for and free from, any taxation and fees imposed under the laws in effect within the Republic of Bolivia. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transaction relating to such contractor and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Bolivia, Borrower shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

SECTION 4.06. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as Borrower and A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 4.07. Disclosure of Material Facts and Circumstances. The parties represent and warrant that they have disclosed all facts and circumstances that might materially affect the Project and the discharge of their obligations under this Agreement. The parties agree to advise each other of any facts and circumstances that to their knowledge may hereinafter arise that might materially affect, or that it is reasonable to believe might materially affect the Project or the discharge of their obligations under this Agreement.

SECTION 4.08. Commissions, Fees and Other Payments.

(a) The Parties warrant and covenant that in connection with obtaining the Loan, or taking any section under or with respect to this Agreement, they have not paid, and will not pay or agree to pay, nor to the best of their 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 the Borrower's full time officers and employees or as compensation for bona fide professional, technical, or comparable services. The parties agree to advise each other of any payment or agreement to pay for such bona fide professional, technical, or comparable services to which they are a party and/or of which they have knowledge (indicating whether such payment has been made or it to be made on a contingent basis). If the amount of any such payment is deemed unreasonable by A.I.D. the same shall be adjusted in a manner satisfactory to the Borrower and A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except: fees, taxes, or similar payments legally established in the Republic of Bolivia.

SECTION 4.09. Maintenance and Audit of Records. The Borrower shall maintain or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitation of prospective supplies of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidder; and
- (d) The progress of the Project.

Such books and records shall be regularly audited by auditors acceptable to A.I.D. in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.10. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and the Project as A.I.D. may request.

SECTION 4.11. Inspection. The authorized representative of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the books, records, and other documents of the Borrower or any of its constituent agencies relating to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the Republic of Bolivia for any purpose relating to the Loan.

ARTICLE V

Special Covenants

SECTION 5.01. Borrower's Contribution. Borrower agrees to provide as its contribution to the Project resources of at least equivalent value to the Borrower Contribution shown in Annex I of this Loan Agreement.

SECTION 5.02. Implementation Covenants. Unless A.I.D. shall otherwise agree in writing, the Borrower covenants to carry out, or cause to be carried out, the following actions:

- (a) That the Borrower will ensure that funds for the operating costs of the Rural Roads Department are shown as a separate line item in the SNC budget;
- (b) That the Borrower will assure that all roads improved or constructed with loan funds will generally be open for regular public use;
- (c) That the Borrower will use its best efforts to ensure that, prior to the commencement of construction of each individual sub-project, the community road committee concerned agrees to limit the area planted in coca within the area of influence of the road to the area already in production at that time or to such areas as may have been approved by the Borrower pursuant to its program to control the production of coca;
- (d) That the Borrower will continue the improvement and construction of rural access roads using the Rural Roads Department as implementing agency in the geographic focus of the Project as defined in Annex I of the Loan Agreement for a minimum of five years, after Project completion;
- (e) That SNC will utilize the equipment obtained with loan funds only for purposes of the Project during the life of the Project and only

for the continuation of the construction and maintenance of rural access roads for the duration of the life of the equipment;

(f) That the Borrower periodically will review its policy on permitting the collection of tolls on public roads to ascertain whether these tolls are continuing to have a negligible effect on the price of agricultural products for internal consumption;

(g) That the Borrower will use its best efforts to ensure that the construction of Highways 1 and 4, which was financed under a previous A.I.D. loan, is completed in accordance with the schedule to be submitted by SNC.

(h) That the Borrower will operate, maintain and repair each sun-project, when completed, in conformity with sound engineering, financial and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

ARTICLE VI

Procurement

SECTION 6.01. Procurement from Selected Free World Countries. Except as the Borrower and A.I.D. may otherwise agree in writing, and except as provided in Subsection 6.10 (c) with respect to marine insurance, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of goods and services 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 are entered into for such goods and services ("Selected Free World Goods and Services"). Notwithstanding any other provisions hereunder, when motor vehicles are to be procured with loan funds they must have been manufactured in the United States. All ocean shipping financed under the Loan shall have both its source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

SECTION 6.02. Procurement from the Republic of Bolivia. Except as A.I.D. may otherwise agree in writing, Peso Boliviano disbursements made pursuant to Section 7.02 and Section 7.04 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in the Republic of Bolivia.

SECTION 6.03. Applicability of Publication Requirements of Bolivian Procurement Regulations. Since this Loan Agreement is an international agreement, procurement from foreign sources under the Loan is not subject to the publication requirements of the procurement laws and regulations of the Republic of Bolivia; however, solicitation in Bolivia may also be undertaken at the discretion of the Borrower.

SECTION 6.04. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Loan Agreement.

SECTION 6.05. Goods and Services not Financed under the Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.06. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 6.01, 6.02 and 6.04 will be set forth in detail in Implementation Letters.

SECTION 6.07. Consulting Services. Consulting firms used by the Borrower for the Project, the scope of their services, and such of the firms' personnel assigned to the Project as A.I.D. may specify, shall all be acceptable to A.I.D.

SECTION 6.08. Plans, Specifications and Contracts. A.I.D. reserves the right to review and/or approve, upon written request from A.I.D.:

(a) Any plans, specifications, construction schedules, bid documents, and contracts relating to the Project, (and any modifications therein), relating to activities which are to be financed by A.I.D., together with such documentation for any goods or services which, though not financed by A.I.D., are of critical importance to the Project. Aspects of the Project involving matters under this subsection will be identified in Implementation Letters.

- (b) Bid documents and documents related to the solicitation of proposals for goods and services financed under the Loan;
- (c) Contracts financed by A.I.D. for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Implementation Letters, together with any contracts or contractors identified under subsection (a) above. Material modifications in such contracts are subject to this provision.

SECTION 6.09. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefore prescribed in Implementation Letters.

SECTION 6.10. Third Country Nationals on Construction Contracts. The employment of personnel to perform services under construction contracts financed by A.I.D. is subject to certain requirements, which will be described in Implementation Letters as necessary, with respect to nationals of countries other than Bolivia and countries included in Code 941 of the A.I.D. Geographic Code Book as in effect when the contract is entered into.

SECTION 6.11. Shipping and Insurance

(a) Selected Free World Goods financed under the Loan shall be transported to the Republic of Bolivia on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) Unless A.I.D. shall determine that privately owned United States flag commercial vessels are not available at fair and reasonable rates for such vessels:

(i) at least fifty percent (50%) of the gross tonnage of Selected Free World goods financed under the Loan and transported on ocean vessels from United States ports (computed separately for dry bulk carriers, dry cargo liners, and tankers) shall be transported on privately owned United States flag commercial vessels; and at least fifty percent (50%) of the gross freight revenue generated by ocean shipments of Selected Free World goods financed under the Loan and transported on dry cargo liners from United States ports shall be paid to or for the benefit of privately-owned United States flag commercial vessels; and

(ii) at least fifty percent (50%) of the gross tonnage of all Selected Free World good financed under the Loan and transported on ocean vessels from non-United States ports (computed separately for dry bulk carriers, dry cargo liners and tankers) shall be transported on privately owned United States flag commercial vessels, and at least fifty percent (50%) of the gross freight revenue generated by ocean shipments of Selected Free World goods financed under the Loan and transported on dry cargo liners from non-United States ports shall be paid to or for the benefit of privately owned United States flag commercial vessels. No such goods may be transported on any ocean vessel (or aircraft) which (i) A.I.D., in a notice to the Borrower, had designated as ineligible to carry A.I.D. financed goods or (ii) has been chartered for the carriage of A.I.D. financed goods unless such charter has been approved by A.I.D.

(c) Marine insurance on Selected Free World goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate in the Republic of Bolivia or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (ii) claims thereunder are payable in freely convertible currency. If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the Republic of Bolivia, by statute, decree, rule or regulation favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, Selected Free World goods financed under the Loan, shall during the continuance of such discrimination be insured against marine risks in the United States of America with a company or companies authorized to do marine insurance business in any state of the United States of America.

(d) The Borrower shall insure, or cause to be insured, all Selected Free World goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed or in any freely convertible currency. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower for the replacement or repair of such goods. Any such replacement shall have 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 are entered into for such replacements, and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.12. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters. Borrower may also simultaneously provide such procurement data to firms in other eligible countries.

SECTION 6.13. Information and Marking. Borrower shall give publicity to the Loan and the Project as a joint Republic of Bolivia-United States undertaking in furtherance of the Alliance for Progress and shall identify the Project sites and mark goods and construction financed under the Loan as prescribed in Implementation Letters.

SECTION 6.14. U. S. Government-owned Excess Property. The Borrower will consider using for the Project new or reconditioned United States Government-owned excess property which is suitable for the Project and available on a timely basis. Funds under the Loan may be used to finance the costs of obtaining such property for the Project.

ARTICLE VII

Disbursements

SECTION 7.01. Disbursement for United States Dollar Costs. Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States 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 the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or suppliers will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. United States banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 7.02. Disbursements for Peso Boliviano Costs. Upon satisfaction of conditions precedent, the Borrower may, from time to time, request disbursement by A.I.D. of Pesos Bolivianos for Peso Boliviano costs of goods and services (including sub-lending) procured for the Project in accordance with the terms and conditions of this Agreement by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters. A.I.D. shall make such disbursements from Pesos Bolivianos owned by the U. S. Government and obtained by A.I.D. with United States Dollars. The United States dollar equivalent of the Pesos Bolivianos made

available hereunder will be the amount of United States dollars required by A.I.D. to obtain the Pesos Bolivianos.

SECTION 7.03. Exchange Rate. The rate of exchange to be used hereunder in any instance where conversion of United States dollars to Pesos Bolivianos is required shall be that official rate of exchange which on the date of such conversion yields the largest number of pesos per dollar.

SECTION 7.04. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

SECTION 7.05. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, 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, (b) in the case of disbursements pursuant to Section 7.02, on the date on which A.I.D. disburses the Pesos Bolivianos to the Borrower or its designee, and (c) in the case of disbursements pursuant to Section 7.04, on the date value is transferred to the Borrower by A.I.D.

SECTION 7.06. Terminal Date for Disbursement. Except as Borrower and A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.04, or amendment thereto, shall be issued in response to requests received by A.I.D. after 42 months from the date the conditions precedent to initial disbursement are met and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 after 48 months from the date the conditions precedent to initial disbursement are met. A.I.D. at its option, may, at any time, or times

after 48 months from the date the conditions precedent to initial disbursement are met, reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII.

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D. cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under Irrevocable Letters of Credit.

SECTION 8.02. 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 or any of its constituent agencies or entities 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 efficiency;
- (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 agreement, or any other agreement between the Borrower 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 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 further disbursements made under outstanding irrevocable letters of credit or otherwise shall become due and payable as soon as made.

SECTION 8.03. Suspension of Disbursements. In the event that at any time:

(a) An event of Default has occurred;

(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 or any of its constituent agencies or entities will be able to perform its obligation under this Agreement;

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

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

(e) The Borrower shall have failed to comply with the Agreement for Technical Cooperation dated March 14, 1951, as amended [¹] 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 the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable

¹ TIAS 2221, 2625; 2 UST 671; 3 UST 4686.

Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;

(ii) Decline to make disbursement other than under 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 shall be transferred to A.I.D. if the goods are from a source outside the Republic of Bolivia, are in deliverable state and have not been off loaded in the Republic of Bolivia or in such ports outside of Bolivia, where, pursuant to international agreement, such goods became Bolivian property.

Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 8.04. Cancellation by A.I.D. Following any suspension of disbursement pursuant to Section 8.03, 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 8.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension or 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 8.06 Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding

standing the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D., within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five (5) years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECTION 8.07. 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 reasons of the concurrence of any of the events specified in Section 8.02 may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

SECTION 8.08. Non-waiver 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 IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document, or other communications given, made, or sent by the Borrower or by A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable or radiogram, 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 to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

TO BORROWER:

Mail Address: Ministry of Finance
Calle Bolivar No. 688
La Paz, Bolivia

Cable Address: MINFIN
La Paz, Bolivia

With copies to: National Road Service
Av. 20 de Octubre No. 1829
Cajón Postal 4797
Casilla 1485
La Paz, Bolivia

TO A.I.D.:

Mail Address: United States A.I.D.Mission to Bolivia
c/o United States Embassy
La Paz, Bolivia

Cable Address: USAID, AmEmbassy
La Paz, Bolivia

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications and documents submitted to A.I.D. hereunder, shall be in English except as A.I.D. may otherwise agree in the first Implementation Letter.

SECTION 9.02. Representatives. For all purposes relative to this Agreement the Borrower will be represented by the individual holding or acting in the office of the Minister of Finance, the executing agency by the individual holding or acting in the office of the Director of the National Road Service, and A.I.D. will be represented by the individual holding or acting in the office of the Director USAID/Bolivia. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, the Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. or Borrower of written notice of revocation of the authority of any of the duly authorized representative designated pursuant to this Section, the signature of any such representative or representatives on any instrument may be accepted as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall, from time to time, issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidence of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. English Language Controls. In cases of ambiguity or conflict between the English and the Spanish versions of this Loan Agreement, the English version shall control.

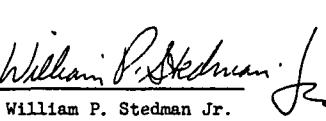
SECTION 9.06. Termination Upon Full Payment. Upon payment in full of the Principal, and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

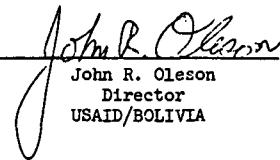
IN WITNESS WHEREOF, Borrower and the United States of America each acting through its respective duly authorized representatives have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

THE GOVERNMENT OF BOLIVIA

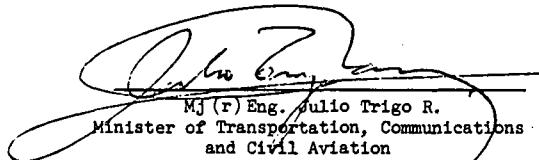
UNITED STATES OF AMERICA


Lic. Carlos Calvo
Minister of Finance


William P. Stedman Jr.
Ambassador


John R. Oleson
Director
USAID/BOLIVIA

PARTICIPANT OF THE GOVERNMENT OF BOLIVIA


M.J. (r) Eng. Julio Trigo R.
Minister of Transportation, Communications
and Civil Aviation

ANNEX I

PROJECT DESCRIPTIONA. Introduction

The expenditure of Project monies will focus on improving the relative welfare of the rural poor. In order to achieve this goal monies will be used to: (i) increase agriculture production and off farm sales of agriculture/livestock production through the provision of all-weather access roads in target areas; (ii) establish within the National Road Service (SNC) the capability to develop an effective access roads program; and (iii) establish within beneficiary rural communities a rural road maintenance capability.

The Project will consist of the construction of approximately 1,200 kilometers of all-weather rural access roads in selected provinces of Chuquisaca, Santa Cruz, Cochabamba and the La Paz Departments.

The following table indicates the approximate number of kilometers of road to be improved in each Department as well as the provinces where most road improvement will take place:

<u>Department</u>	<u>Provinces</u>	<u>Approximate No. of Kms. to be improved</u>
La Paz	Nor Yungas, Sud Yungas	170
Cochabamba	Campero, Mizque, Arque, Tapacari, Capinota, Arce, Jordan, Carrasco, Ayopaya, Chapare	530
Chuquisaca	Oropeza, Zudafiez, Boeto, Yamparaes, Tomina	310
Santa Cruz	Santiesteban, Sara, Warnes, Ibafiez Florida, Vallegrande, Ichilo Caballero	190

Roads to be improved will generally follow existing primitive roads or trails and will make areas of high agricultural potential more accessible to markets. The roads will be designed according to simple but acceptable standards, the principal objective being the provision of one-lane all-weather access. The Project will apply an optimum mix of voluntary hand labor and heavy equipment for the construction of the maximum number of all-weather roads at the lowest possible costs. By the end of the Project it is expected that 15,000 small farm families will be linked to market centers on a year-round basis. In addition, the SNC will have developed the capacity to continue an effective rural access roads program within the Project's target area. This capacity will include a capability for road and equipment maintenance.

The SNC, through the newly created Department of Rural Roads, is the Project's principal executing agency and will have primary responsibility for overseeing the selection of sub-projects, road construction, and major road maintenance.

SNC, together with the National Community Development Service (SNDC) and the Ministry of Agriculture and Campesino Affairs (MACA), will select roads to be improved using the criteria submitted to satisfy Section 3.02 (e).

All community proposals, whether received by SNC or SNDC, will be initially reviewed by SNC prior to the eligibility screening test. Thereafter, a National Road Selection Committee will be created to determine the final selection and priority of roads to be built under this project. The Committee will consist of one voting member each from the SNC, the SNDC and the MACA. Other members will be included on a permanent or ad-hoc basis as the Committee may determine. The Committee will be under the general direction of the SNC,

but both the SNDC and the MACA will provide information to assist in the selection of sub-projects. Each sub-project to be included in the project must have the unanimous approval of the three voting Committee members. The selection process will be based on a three tier testing system which will subject all proposals to an ascending level of analysis. The first test will include but not be limited to the following criteria: (i) the road proposed for improvement must connect to an all-weather road, which in turn leads to a marketing center; (ii) the distance requiring improvement should not exceed sections of 20 kilometers; (iii) the proposed route must serve an average farm density of four farms per kilometer; (iv) the proposed route should serve a zone of influence which has significant agricultural potential and (v) communities must exhibit a strong indication of community interest. The second test will evaluate all sub-projects which have passed the initial screening on the basis of the project's financial feasibility, economic rate of return and the community's commitment to participating in road construction.

Finally, to reach the maximum feasible number of small farmers and increase agricultural production in order to improve the level of welfare among rural inhabitants, roads will be rank-ordered for construction purposes on the basis of a weighting scheme which should consider but not be limited to the project's economic viability, number of farmers to be served by this project, current average farm family income in the project area, and average number of hectares under cultivation.

One additional factor will be taken into consideration once the aforementioned process is complete. Sub-projects will be grouped as much as possible into aggregate "priority groups". Therefore, rather than move

all of the equipment from the highest priority sub-project to the next highest priority sub-project, the equipment brigade would undertake to construct all ranked roads in the "priority group" that are easily accessible from the highest ranked road and only then move the equipment to the next highest "priority group" of projects.

SNC will coordinate the work of the sub-project selection committee, and will be wholly responsible for the decision concerning the technical feasibility of each sub-project as well as for sub-project grouping. In addition, the economic analysis of each individual sub-project will be performed by the SNC.

In coordination with village-level committees, the Rural Roads Department will be responsible for road construction and the supervision of voluntary labor. The SNC will provide equipment operators and assume the financial responsibility for equipment operation and maintenance costs.

Although the communities will assume most minor maintenance tasks, through local monitors and road committees, major maintenance will be the responsibility of the SNC residencia which will be contacted for assistance by community road monitors. SNDC will provide project support responsibilities related to: (i) assisting in sub-project site identification and selection; (ii) organizing the community project committee, which will be the formal body representing the community during sub-project construction; (iii) giving promotional assistance to the recipient community to ensure that the required voluntary labor force is provided during the construction phase; and (iv) maintaining the Project committee so that it is capable of mobilizing the work groups needed to undertake minor road maintenance.

The major SNDC element for mobilizing community resources and guaranteeing a labor force for Project implementation will be the community development supervisors (CDS). SNDC will make available eight full-time CDS staffers to work with communities.

The Ministry of Agriculture's principal role in the Project will be to provide the necessary agronomic data to aid in sub-project selection. Its extension agents will assist the SNC economist in obtaining such information as types and quantities of crops, population density, and quantity and quality of arable land.

B. Project Components

In order to achieve the purposes of the loan as stated above, the following components will be financed from the A.I.D. Loan:

(1). Equipment and Spare Parts. A major portion of loan funds will be used to finance equipment for the construction of access roads. In addition to the equipment, approximately 18% of the acquisition price of the equipment will be used to procure selected spare parts, which will permit the continuous operation of the equipment during the loan period.

(2). Hand Tools. Loan funds will be used to buy hand tools to be distributed by SNC for use by the communities which are providing voluntary labor to the Project. The hand tools will for the most part consist of shovels, picks, rakes, and wheelbarrows, but will also include such special items as masons' and carpenters' tools which will be used in the construction of culverts. A portion of these tools will be left in charge of the community committee for other sub-projects including those which will be carried on after the four-year life of the Project.

(3). Local and Imported Materials. Loan funds will be used for the acquisition of certain local and/or imported materials, such as explosives, cement and culvert pipe.

(4). Technical Assistance. Loan funded technical assistance will provide for two persons for 36 worker-months each. One will assist the Director of the Rural Roads Department in the organization and monitoring of the sub-projects. He will have extensive experience in the design, construction and maintenance of low volume roads, and will serve as an ex-oficio member of the Sub-projects Road Selection Committee, functioning in an advisory capacity only. The second member of the technical assistance team will have an extensive background in maintenance of heavy equipment and in spare parts control.. He will instruct operators and mechanics in maintenance procedures at all locations where the equipment is being used.

(5). Training. Loan funds will be used to pay per diem costs of training equipment operators, mechanics and truck drivers. Personnel will be trained at SNC's facilities at Patacamaya. SNC will absorb all costs of training, other than per diem costs.

(6). Local Contracts. Funds will be reserved for the construction of small structures by local contractors, such as concrete slabs for culverts.

(7). Experimental Program. Funds will be used to carry out an experimental program of road construction and maintenance using labor-intensive techniques and adaptations of construction equipment and machinery.

C. Summary of the Financial Plan and GOB Contribution
 (Approximate - in US\$ 000)

	AID FX	LOAN LC	Local Contrib.	GOB Contrib.	TOTAL
Equipment and Spare Parts	5,800			5,800	
Hand Tools	150			150	
Labor (unskilled)		3,000		3,000	
Personnel (SNC)			2,900	2,900	
Personnel (SNDC)			40	40	
Personnel (MACAG)			20	20	
Materials	790	1,060		320	2,170
Contract (Small Struct.)	290			290	
Fuel and Lube			660	660	
R/W Access		100		100	
Training		10	30	40	
Technical Assistance	200			200	
Research		200		200	
T O T A L S	6,940	1,560	3,100	3,970	15,570
TOTAL LOAN		8,500			
TOTAL GOB & LOCAL			7,070		

D. Timing of GOB Direct Contribution

	<u>1977</u> (CY)	<u>1978</u> (CY)	<u>1979</u> (CY)	<u>1980</u> (CY)	<u>Total</u>
<u>Cash Contributions</u>					
Salaries					
Engineering	44	125	126	177	472
Skilled Labor	172	668	668	718	2,226
Support Labor	19	36	36	36	127
Operating Expenses	10	20	23	22	75
Total	245	849	853	953	2,900
<u>SNC Project Costs</u>					
Fuel and Lube	-	220	220	220	660
Training	16	7	5	2	30
Aggregate	-	105	105	110	320
Total Cash Contribution	261	1,181	1,183	1,285	3,910

	<u>1977</u> (CY)	<u>1978</u> (CY)	<u>1979</u> (CY)	<u>1980</u> (CY)	<u>Total</u>
<u>S N D C Project Costs</u>					
Cash Contribution					
Salaries, Travel	7	11	11	11	40
Total Cash	7	11	11	11	40
<u>M A C A Project Costs</u>					
Cash Contribution					
Salaries 1/	3	6	6	5	20
Total Cash	3	6	6	5	20
Total GOB Contribution	271	1,198	1,197	1,299	3,970

1/ People already working for MACA. [Footnote in the original.]

E. Components of GOB Contribution

1. The SNC will assume all costs of engineering, surveying, economic analysis, equipment operations, and maintenance and a portion of local materials. In addition the SNC will provide the following:

- (a) Construction personnel. The salaries and other expenses of all technical operating personnel will be provided by SNC.
- (b) Professional and Support Personnel. SNC will provide such engineers, draftsmen, soils technicians, surveyors, and construction superintendents as required for the successful completion of the Project.
- (c) Operating Costs of Equipment. SNC will provide all fuel, lubrication and such spare parts not included in the loan funded portion of the project.
- (d) Training. SNC will provide all funds necessary for the training of equipment operators and mechanics for the Project, except for the per diem of these trainees which will be financed by loan funds.

(e) Materials. SNC will provide crushed rock from its quarries for road surfacing where a natural local source is not available. An estimated ten percent of all surfacing materials will be provided from the SNC inventory.

2. The SNDC will fund the necessary personnel to promote and mobilize the local labor contribution to the Project.

3. The MACA will provide the necessary personnel to gather the agricultural and economic data necessary for the Selection Committee. This data will serve as the baseline data required to provide future evaluations.

4. The local communities will be required to provide the following:

- (a) Labor. Each community or population cluster which is benefited by the construction of a road will be required to provide the hand labor necessary.

to complete the sub-project. The quantity of hand labor will be determined by SNDC.

(b) Right of Way. Communities will contribute right-of-way access for the road projects.

Préstamo A.I.D. N°511-T-056

ALIANZA PARA EL PROGRESO

CONVENIO DE PRESTAMO

ENTRE

LA REPUBLICA DE BOLIVIA

Y

LOS ESTADOS UNIDOS DE AMERICA

CAMINOS DE ACCESO RURALES

FECHA: 20 de septiembre de 1976

TIAS 8714

CONVENIO DE PRESTAMO fechado el 20 de septiembre de 1976 entre el GOBIERNO DE BOLIVIA ("Prestatario") y los Estados Unidos de Norteamérica, actuando a través de la Agencia para el Desarrollo Internacional ("A.I.D.").

ARTICULO I

El Préstamo

SECCION 1.01. El Préstamo. A.I.D. está de acuerdo en prestar al Prestatario, dentro del programa de la Alianza para el Progreso y de acuerdo con la Ley de Asistencia al Extranjero de 1961 y sus enmiendas, y el Convenio de Cooperación Técnica de 14 de marzo de 1951, enmendado por subsiguientes cambios de notas diplomáticas, una suma que no exceda los ocho millones quinientos mil dólares americanos (\$8,500,000) ("Préstamo") para asistir al Prestatario a llevar a cabo el Proyecto referido en la Sección 1.02 ("Proyecto").

El Préstamo será utilizado exclusivamente para financiar los costos en dólares americanos ("Costos en Dólares") y los costos en pesos bolivianos ("Costos en Pesos") para la adquisición de bienes y servicios para el Proyecto. La suma total de los desembolsos del Préstamo es referida de aquí en adelante como "Capital".

SECCION 1.02. El Proyecto. El Proyecto consiste en proporcionar fondos para financiar la asistencia técnica, bienes y servicios en respaldo de la Gerencia de Caminos Vecinales recientemente establecida en el Servicio Nacional de Caminos (SNC) para mejorar, construir y mantener 1,200 kilómetros de caminos de acceso rural.

El Proyecto está descrito más ampliamente en el Anexo I adjunto, el mismo que puede ser modificado por acuerdo escrito entre el Prestatario y A.I.D.

ARTICULO II

Términos del Préstamo

SECCION 2.01. Intereses. El Prestatario pagará a A.I.D intereses a la tasa del dos por ciento (2%) por año, por los diez años que sigan a la fecha del primer desembolso del Préstamo y a la tasa del tres por ciento (3%) por año, de ahí en adelante, sobre el saldo adeudado de Capital. El Prestatario pagará, además, a A.I.D. una multa sobre cualquier interés no pagado y adeudado a una tasa del tres por ciento (3%) por año, computando sobre la base del año de 365 días. Los intereses del saldo adeudado, se devengarán desde la fecha de cada desembolso respectivo (dicha fecha está definida en la Sección 7.05) y serán computados sobre la base del año de 365 días. Los intereses se pagarán semestralmente. El primer pago de interés vencerá y será pagadero no después de los seis (6) meses posteriores al primer desembolso del Préstamo, en una fecha que será especificada por A.I.D.

SECCION 2.02. Amortización del Préstamo. El Prestatario 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 cual vence el primer pago de intereses de acuerdo a la Sección 2.01. A.I.D. proveerá al Prestatario con un plan de amortizaciones, de acuerdo con esta Sección, después del desembolso final del Préstamo.

SECCION 2.03. Aplicación, Moneda y Lugar de Pago. Todos los pagos de intereses y Capital del Préstamo, deberán ser hechos en Dólares Americanos y serán aplicados primero al pago de los intereses adeudados y después

a la amortización del Capital. Con excepción de aquello especificado de otra manera, por escrito, por A.I.D., todos esos pagos deberán ser hechos a la Agencia para el Desarrollo Internacional, Washington, D.C. 20523, Atención del Cajero SAI2 y se considerarán efectuados a su recepción.

SECCION 2.04. Pago Adelantado. Al pago de todos los intereses y reintegros entonces vencidos, el Prestatario puede pagar por adelantado, sin ningún otro cargo, todo o parte del Capital. Dichos pagos adelantados serán aplicados a las cuotas de Capital en orden inverso de su vencimiento.

SECCION 2.05. Renegociación de los Términos del Préstamo. El Prestatario está de acuerdo en negociar con A.I.D. en el tiempo o fechas que A.I.D. pudiera requerir, una aceleración de la amortización del Préstamo, en el caso de que hubiese cualquier mejora significativa en las perspectivas y posición financiera y económica, externa e interna, del Gobierno de Bolivia.

ARTICULO III

Condiciones Previas al Desembolso

SECCION 3.01. Condiciones Previas al Desembolso. Con anterioridad al primer desembolso o a la emisión de cualquier documento de compromiso bajo el Préstamo, el Prestatario, con excepción de aquello que A.I.D. acordara de diferente modo por escrito, deberá proporcionar a A.I.D. en la forma y sustancia que sean satisfactorias a esta última institución:

- (a) Una opinión del Fiscal del Gobierno de Bolivia o de otro asesor legal aceptable a A.I.D., en sentido de que este Convenio ha sido debidamente autorizado y/o ratificado por el Prestatario y celebrado en su nombre y que constituye una obligación válida y legalmente exigible del Prestatario en conformidad con todos sus términos;
- (b) Una declaración del nombre de la persona que actúa en la oficina del Prestatario, según se especifica en la Sección 9.02, y el facsímil de la firma de la persona especificada en esta declaración, apropiadamente certificada en cuanto a su autenticidad;
- (c) Un plan para el establecimiento de la Gerencia de Caminos Vecinales dentro del SNC incluyendo el molde propuesto para el reclutamiento de personal;
- (d) Una lista del equipo y herramientas por adquirirse con los fondos del préstamo, incluyendo sus especificaciones.

SECCION 3.02. Condiciones Previas a los Desembolsos para la Compra de Equipo. Con anterioridad a los desembolsos del Préstamo para la compra de equipo, el Prestatario presentará a A.I.D., en forma y substancia satisfactorias a esta entidad:

- (a) Constancia del Establecimiento de la Gerencia de Caminos Vecinales dentro del SNC;
- (b) Constancia del nombramiento del Jefe de la Gerencia de Caminos Vecinales;
- (c) Un plan financiero para el Proyecto detallando las cantidades y épocas de la contribución del Gobierno durante la vida del Proyecto;
- (d) Un plan cronológico detallado de implementación por eventos y un plan de evaluación por la vida del Proyecto;
- (e) Acuerdos firmados entre el SNDC y (i) el Ministerio de Asuntos Campesinos y Agricultura (MACAG) y (ii) el Servicio Nacional de Desarrollo de la Comunidad (SNDC) con el detalle de sus responsabilidades para llevar a cabo el Proyecto incluyendo las estipulaciones establecidas en la Sección 5.02;
- (f) Una descripción del sistema por el cual los sub-proyectos individuales serán seleccionados y se les asignará una prioridad incluyendo el rol del Comité de Selección del Sub-proyecto;
- (g) Constancia del nombramiento de una persona de cada una de las siguientes entidades: (i) Servicio de Extensión Agrícola (SEA) del MACAG, (ii) SNDC y (iii) SNC para prestar servicios en el Comité de Selección de Sub-Proyectos;
- (h) Un plan para la utilización de la asistencia técnica a finanziarse con los fondos del préstamo;
- (i) Una descripción de cómo se han de tomar en cuenta consideraciones ambientales en la implementación del Proyecto;
- (j) Un plan para el mantenimiento del equipo a adquirirse con los fondos del préstamo; y

(k) Un plan para el mantenimiento de caminos que serán mejorados o construidos con los fondos del préstamo.

SECCION 3.03. Plazo para Cumplir con las Condiciones Previas a los Desembolsos. Si no se han cumplido todas las condiciones especificadas en la Sección 3.01 dentro de los 75 días, o las condiciones especificadas en la Sección 3.02 dentro de los 150 días de la fecha de este Convenio o una fecha posterior que el Prestatario y A.I.D. convinieran por escrito, A.I.D. podrá, a su opción, dar por terminado este Convenio dando aviso escrito al Prestatario. En el caso de terminación, una vez que haya sido dado este aviso, el Prestatario amortizará inmediatamente el capital pendiente de pago y pagará todo el interés devengado, y luego de recibir dichos pagos en su integridad, este Convenio y todas las obligaciones de las partes contratantes terminarán.

SECCION 3.04. Notificación de Cumplimiento de las Condiciones Previas al Desembolso. A.I.D. notificará al Prestatario por escrito cuando las condiciones previas al desembolso especificadas en las Secciones 3.01, y 3.02 se han cumplido.

ARTICULO IV

Convenios Generales y Garantías

SECCION 4.01. Ejecución del Proyecto. Excepto aquello que A.I.D. accordase de otro modo por escrito:

- (a) El Prestatario llevará a cabo el Proyecto con la debida diligencia y eficacia, y de conformidad con buenas prácticas de ingeniería, construcción, financieras, administrativas, técnicas y de gerencia;
- (b) El Prestatario hará que el Proyecto sea llevado a cabo en conformidad con todos los planes, especificaciones, contratos, planes y otros arreglos y con las modificaciones de ellos, aprobados por A.I.D. de acuerdo a este Convenio;
- (c) El Prestatario verá la forma de disminuir cualquier efecto nocivo al ambiente natural que pueda causarse con cualquiera de las actividades propuestas en este Proyecto.

SECCION 4.02. Fondos y otros recursos a ser Provistos por el Prestatario. Además de las contribuciones del Prestatario, expuestas en la Sección 5.01, el Prestatario deberá proveer prontamente, y a medida que fuese necesario, todos los fondos, además del Préstamo, y todos los recursos requeridos para la ejecución puntual y efectiva y mantenimiento del Proyecto, incluyendo los fondos necesarios para llevar a cabo la estipulación establecida en la Sección 5.02 (b).

SECCION 4.03. Consultas Continuas. El Prestario y A.I.D. deberán cooperar totalmente para asegurar que el propósito del Préstamo sea logrado. Para este fin, el Prestatario y A.I.D. deberán, de cuando en cuando, a pedido de cualquiera de las partes, intercambiar puntos de vista a través de sus representantes en lo que se refiere al progreso del Proyecto, al cumplimiento por las partes de este Convenio de sus obligaciones bajo el mismo, y a otros asuntos relativos al Proyecto.

SECCION 4.04. Administración. El Prestatario, a través de las agencias participantes, hará que se provea de administración experimentada y calificada al Proyecto y hará que ese personal se capacite apropiadamente para la exitosa ejecución del Proyecto.

SECCION 4.05. Impuestos. Este Convenio, el Préstamo y cualquier evidencia de deuda en relación a éste, será libre de, y el capital y los intereses serán pagados sin deducción y libres de cualquier impuesto o gravámen que impusieran las leyes vigentes dentro de la República de Bolivia. Hasta el punto en que (a) cualquier contratista, incluyendo cualquier firma consultora, cualquier personal de dicho contratista financiado bajo este Convenio, y cualquier bien o transacción relacionada a dicho contratista y (b) cualquier transacción para adquisición de bienes financiados bajo este Convenio, no estén exentos de impuestos, aranceles y otras cargas impositivas identificables de acuerdo a las leyes vigentes en Bolivia, el Prestatario deberá pagar o reembolsar los mismos, según la Sección 4.02 de este Convenio con fondos que no sean los provistos por el Préstamo.

SECCION 4.06. Utilización de Bienes y Servicios.

(a) Los bienes y servicios financiados bajo este Préstamo deberán ser utilizados exclusivamente para el Proyecto, excepto si el Prestatario y A.I.D. acordaran de otra manera por escrito.

(b) Excepto aquello que A.I.D. acordara de otro modo por escrito, ninguno de los bienes o servicios financiados bajo el Préstamo deberá ser utilizado para promover o asistir cualquier proyecto de ayuda extranjera o actividad asociada o financiada por cualquier país no incluido en la clave 935 del Libro de Claves Geográficas de A.I.D. que esté vigente en la fecha de su uso.

SECCION 4.07. Revelación de Hechos y Materiales y Circunstancias. Las partes declaran y garantizan que han revelado todos los hechos y circunstan-

cias que pudiesen afectar materialmente al Proyecto y al descargo de sus obligaciones bajo este Convenio. Las partes acuerdan darse mutuo aviso sobre todo hecho o circunstancia que en su conocimiento pudiera surgir en lo futuro y que pudiese afectar materialmente, o que fuese razonable creer que pudiera afectar materialmente al Proyecto o al cumplimiento de sus obligaciones según este Convenio.

SECCION 4.08. Comisiones, Honorarios y Otros Pagos.

(a) Las partes garantizan y acuerdan que en relación a la obtención del Préstamo, o al tomar cualquier medida bajo o con respecto a este Convenio, no han pagado; ni pagarán, o aceptarán pagar, ni tampoco hasta donde ellos saben, se ha pagado, ni se pagará, o acceptará pagar, por otra persona o entidad, comisiones, honorarios, u otros pagos de ningún tipo, excepto la compensación regular a los funcionarios y empleados del Prestatario a tiempo completo o la compensación por servicios bona fide profesionales, técnicos u otros análogos. Las partes convienen en darse aviso mutuo sobre cualquier pago o acuerdo de pago por dichos servicios bona fide profesionales, técnicos o análogos, en los que ellos tengan parte, y/o sean de su conocimiento (indicando si dicho pago ha sido efectuado, o será efectuado sobre una base eventual). Si la cantidad de dicho pago es considerada irrazonable por A.I.D. la misma será ajustada de una manera satisfactoria al Prestatario y a A.I.D.

(b) El Prestatario garantiza y acuerda que ningún pago ha sido recibido o será recibido por el Prestatario, o cualquier funcionario del Prestatario, en relación con la adquisición de bienes y servicios financiados bajo este Convenio, a excepción de honorarios, impuestos o pagos similares legalmente establecidos en la República de Bolivia.

SECCION 4.09. Mantenimiento y Auditoria de Registros. El Prestatario deberá mantener o hacer que se mantengan de acuerdo a principios y prácticas sólidas de contabilidad, aplicadas consistentemente, libros y registros relativos tanto al Proyecto como a este Convenio. Dichos libros y registros, deberán ser adecuados para mostrar, sin limitaciones:

- (a) La recepción y uso que se hizo de bienes y servicios adquiridos con fondos desembolsados de acuerdo a este Convenio;
- (b) La naturaleza y extensión de las convocatorias a probables proveedores de bienes y servicios adquiridos;
- (c) Las bases para la adjudicación de contratos y órdenes a poseedores elegidos; y
- (d) El progreso del Proyecto.

Dichos libros y registros deberán ser regularmente auditados por auditores aceptables a A.I.D., de acuerdo con buenas normas de auditoría, en los períodos y a los intervalos que A.I.D. requiera y deberán ser mantenidos por cinco años después de la fecha del último desembolso por A.I.D. o hasta que todas las sumas adeudadas a A.I.D. bajo este Convenio, hayan sido pagadas, cualquiera de las dos fechas que ocurra antes.

SECCION 4.10. Informes. El Prestatario dará a A.I.D. los datos e informes relacionados al Préstamo y el Proyecto que A.I.D. requiera.

SECCION 4.11. Inspección. El representante autorizado de A.I.D. tendrá el derecho, cuando juzgue razonable, de inspeccionar el Proyecto, la utilización de todos los bienes y servicios financiados bajo

el Préstamo, y los libros, registros y otros documentos del Prestatario o de cualquiera de sus agencias componentes relacionados al Proyecto y al Préstamo. El Prestatario deberá cooperar con A.I.D. para facilitar dichas inspecciones, permitiendo que representantes de A.I.D. visiten cualquier parte de la República de Bolivia, para cualquier propósito relacionado con el Préstamo.

ARTICULO V

Acuerdos Especiales

SECCION 5.01 Contribución del Prestatario. El Prestatario se compromete en proporcionar como su contribución al Proyecto, recursos por un valor equivalente a por lo menos la contribución señalada para el Prestatario en el Anexo No. I de este Convenio de Préstamo.

SECCION 5.02. Implementación de los Acuerdos. A menos que A.I.D. acordase lo contrario por escrito, el Prestatario se compromete a realizar, o hacer que se realicen las siguientes acciones:

- (a) Que el Prestatario garantizará que los fondos destinados a los costos de operación de la Gerencia de Caminos Vecinales, sean consignados como un ítem separado dentro del presupuesto del SNC;
- (b) Que el Prestatario asegurará que todos los caminos mejorados o construidos con los fondos del préstamo serán generalmente abiertos para uso regular del público;
- (c) Que el Prestatario pondrá todo su esfuerzo para garantizar que, con anterioridad al inicio de la construcción de cada sub-proyecto individual, el Comité de caminos de la comunidad respectiva estará de acuerdo con limitar el área de cultivo de la coca dentro del área de influencia del camino al área que ya está en producción a esa fecha, o bien a aquellas áreas que hayan sido aprobadas por el Prestatario conforme a su programa de control de producción de la coca;
- (d) Que el Prestatario continuará con el mejoramiento y construcción de los caminos de acceso rural, utilizando la Gerencia de Caminos Vecinales como una agencia de implementación en el centro

geográfico del Proyecto, como se define en el Anexo I del presente Convenio de Préstamo, por un mínimo de 5 años, después de la finalización del Proyecto;

(e) Que el SNC utilizará el equipo obtenido con los fondos del préstamo sólo para los propósitos del Proyecto durante la vida del mismo y sólo para la continuación de la construcción y mantenimiento de los caminos de acceso rural durante la vida útil del equipo.

(f) Que el Prestatario periódicamente revisará su política de permitir el cobro de peajes en caminos públicos para determinar si estos peajes siguen teniendo un efecto negativo en el precio de los productos agrícolas de consumo interno; y

(g) Que el Prestatario pondrá todo su esfuerzo para garantizar que la construcción de las carreteras 1 y 4, que fueron financiadas por un anterior préstamo de A.I.D., sea concluida de acuerdo con el programa que el SNC proporcionará;

(h) Que el Prestatario operará, mantendrá y reparará cada subproyecto, cuando esté concluido, en conformidad con buenas prácticas de ingeniería, financieras y administrativas, de tal manera que garanticen la continuación y el logro exitoso de los propósitos del Proyecto.

ARTICULO VI

AdquisicionesSECCION 6.01. Adquisiciones de Países del Mundo Libre Seleccionados.

Excepto aquello que el Prestatario y A.I.D. acordaran de otro modo por escrito, y excepto lo dispuesto en la Sub-Sección 6.10 (c), en lo que respecta a seguro marítimo, los desembolsos hechos de acuerdo a la Sección 7.01 deberán ser usados exclusivamente para financiar la adquisición para el proyecto de bienes y servicios que tengan su fuente y origen en países incluidos en la Clave 941 del Libro de Claves Geográficas de A.I.D. que estuviese vigente en la fecha en que los pedidos sean hechos o los contratos suscritos para dichos bienes y servicios ("Bienes y Servicios del Mundo Libre Seleccionado"). No obstante cualquier otra disposición de este convenio cuando se tengan que adquirir vehículos motorizados con los fondos del Préstamo, éstos deberán haber sido manufacturados en los Estados Unidos. Todos los embarques marítimos financiados por el Préstamo, deberán tener tanto su fuente como su origen en países incluidos en la Clave 941 del Libro de Claves Geográficas que estuviera vigente en la fecha del embarque.

SECCION 6.02. Adquisiciones de la República de Bolivia. Excepto aquello que A.I.D. acordare de otro modo por escrito, los desembolsos en Pesos Bolivianos, hechos de acuerdo a la Sección 7.02 y la Sección 7.04, deberán ser usados exclusivamente para financiar la adquisición para el Proyecto de bienes y servicios, que tengan tanto su fuente como su origen en la República de Bolivia.

SECCION 6.03. Aplicabilidad de los Requisitos de Publicación de las

Disposiciones Legales Bolivianas sobre Adquisiciones. Puesto que el Convenio de Préstamo es un convenio internacional, la adquisición de fuentes extraídas bajo el Préstamo no está sujeta a los requisitos de publicación de las leyes y otras disposiciones sobre adquisiciones de la República de Bolivia; sin embargo, la convocatoria en Bolivia también puede hacerse a discreción del Prestatario.

SECCION 6.04. Fecha de Aceptación. Excepto aquello que A.I.D. acordare por escrito, no se podrá financiar mediante el Préstamo, bienes o servicios que se adquieran conforme a pedidos o contratos firmes colocados o celebrados antes de la fecha de este Convenio de Préstamo.

SECCION 6.05. Bienes y Servicios no Financiados por el Préstamo. Los bienes y servicios adquiridos para el Proyecto, pero no financiados por el Préstamo, tendrán su fuente y origen en países incluidos en la Clave 935 del Libro de Claves Geográficas de A.I.D. que estuviese vigente en la fecha en que las órdenes sean colocadas, para dichos bienes y servicios.

SECCION 6.06. Implementación de los Requisitos de Adquisición. Las definiciones aplicables a los requisitos de elegibilidad de las Secciones 6.01, 6.02 y 6.04 serán indicadas en detalle en Cartas de Implementación.

SECCION 6.07. Servicios de Consultoría. Las firmas consultoras usadas por el Prestatario para el Proyecto, el alcance de sus servicios, y el personal de la firma asignado al Proyecto que A.I.D. especificare, deberán ser aceptables a A.I.D.

SECCION 6.08. Planes, Especificaciones y Contratos. A.I.D. se reserva el derecho de revisar y/o aprobar, a pedido escrito de A.I.D.:

(a) Cualquier plan, especificación, programa de construcción, documento de licitación y contrato relacionado al Proyecto, (y cualquier modificación de ellos), relacionado con las actividades que deberán ser financiadas por A.I.D., junto con la documentación para cualquier bien o servicio, que ,

aunque no sea financiado por A. I. D., fuese de importancia crítica para el Proyecto. Los aspectos del Proyecto referentes a materiales bajo esta sub-sección serán identificados en Cartas de Implementación.

(b) Los documentos de licitación y los documentos relacionados con la convocatoria a licitaciones para bienes y servicios financiados por el Préstamo; y

(c) Los contratos financiados por A.I.D. para servicios de ingeniería y otros servicios profesionales, para servicios de construcción y para aquellos otros servicios, equipo o material que pudieran ser especificados en Cartas de Implementación, junto con los contratos o contratistas identificados bajo la subsección (a) anterior. Las modificaciones en dichos contratos están sujetas a esta disposición.

SECCION 6.09. Precios Razonables. No se pagará más del precio razonable por cualquier bien o servicio financiado, en todo o en parte, por el Préstamo, según se describirá más detalladamente en las Cartas de Implementación. Dichos artículos serán adquiridos, excepto los servicios profesionales, sobre una base justa y de competencia, de acuerdo a los procedimientos que se prescriben en Cartas de Implementación.

SECCION 6.10. Ciudadanos de Terceros Países en Contratos de Construcción. El empleo de personal para prestar servicios bajo los contratos de construcción financiados por A.I.D., está sujeto a ciertos requisitos que serán descritos en Cartas de Implementación, cuando fuese necesario, con respecto a ciudadanos que no sean bolivianos ni de países incluidos en la Clave 941 del Libro de Claves Geográficas de A.I.D., que esté vigente a la fecha de firma del contrato.

SECCION 6.11. Embarques y Seguros.

(a) Los Bienes de Países del Mundo Libre Seleccionado financiados

bajo el Préstamo deberán ser transportados a la República de Bolivia en transportes de bandera de cualquier país incluido en la Clave 935 del Libro de Claves Geográficas de A.I.D. vigente en la fecha del embarque.

(b) A menos que A.I.D. determine que no hubiera disponibilidad de los barcos comerciales de bandera de los Estados Unidos de propiedad privada, que ofrecieran tarifas justas y razonables para dichos barcos:

(i) Por lo menos un cincuenta por ciento (50%) del tonelaje bruto de bienes de países del Mundo Libre Seleccionado financiados por el Préstamo y transportados en barcos desde puertos norteamericanos (computados separadamente para cargueros de carga seca, buques de línea de carga seca y buques cisterna) deberán ser transportados en barcos comerciales de bandera de los Estados Unidos de propiedad privada; y por lo menos un cincuenta por ciento (50%) de los ingresos brutos generados por fletes de embarques oceánicos de bienes del Mundo Libre Seleccionado, financiados por el Préstamo y transportados en barcos de carga seca desde puertos de los Estados Unidos, deberá ser pagado a o en beneficio de barcos comerciales de propiedad privada, de bandera de los Estados Unidos; y

(ii) Por lo menos cincuenta por ciento (50%) del tonelaje bruto de todos los bienes de países del Mundo Libre Seleccionado financiados por el Préstamo y transportados en barcos de puertos no-estadounidenses (computados separadamente para cargueros de carga seca, buques de línea de carga seca y barcos cisterna) deberán ser transportados en barcos comerciales de bandera de los Estados Unidos de propiedad privada; y por lo menos un cincuenta por ciento (50%) de los ingresos brutos generados por fletes de embarques oceánicos de bienes del Mundo Libre Seleccionado financiados por el Préstamo y transportados en barcos de carga seca desde puertos no-estadounidenses, deberán ser pagados a o para beneficio de barcos comerciales de

propiedad privada de bandera de los Estados Unidos. Dichos bienes no podrán ser transportados en ningún barco (o avión) que: (i) A.I.D., en un aviso al Prestatario, haya señalado como no elegible para transportar bienes financiados por A.I.D. o (ii) haya sido fletado para transportar bienes financiados por A.I.D., a menos que dicho flete haya sido aprobado por A.I.D.

(c) El seguro marítimo sobre bienes de países del Mundo Libre Seleccionado podrá ser financiado por el Préstamo con desembolsos efectuados de acuerdo a la Sección 7.01 siempre que (i) dicho seguro sea colocado á la tasa competitiva más baja disponible en la República de Bolivia, o en un país incluido en la Clave 941 del Libro de Clave Geográficas de A.I.D. que estuviese en vigencia en la fecha de colocación del seguro, y que (ii) los reclamos bajo este seguro sean pagaderos en moneda de libre convertibilidad. Si en relación con la colocación de seguros marítimos a embarques financierados según la legislación de los Estados Unidos que autoriza la asistencia a otras naciones, la República de Bolivia, por ley, decreto, norma o regulación, favorece a una compañía de seguros marítimos de cualquier país sobre una compañía de seguros marítimos autorizada a negociar en cualquier estado de los Estados Unidos de América, los bienes de países del Mundo Libre Seleccionado, financiados por el Préstamo, deberán, durante la continuación de dicha discriminación, asegurarse contra riesgos marítimos en los Estados Unidos, con una compañía o compañías autorizadas a negociar en seguros marítimos en cualquier estado de los Estados Unidos de América.

(d) El Prestatario deberá asegurar, o hará que se aseguren todos los bienes del Mundo Libre Seleccionado financiados por el Préstamo, contra riesgos que puedan ocurrir en su tránsito al punto de su uso en el Proyecto. Dicho seguro deberá ser emitido bajo términos y condiciones compatibles con

buenas prácticas comerciales, deberá asegurar el valor total de los bienes y deberá ser pagadero en la moneda en que dichos bienes fueron financiados o en cualquier moneda de libre convertibilidad. Cualquier indemnización recibida por el Prestatario, bajo dicho seguro, deberá ser usada para reemplazar o reparar cualquier daño material o pérdida de los bienes asegurados o deberá ser usada para reembolsar al Prestatario por el reemplazo o reparación de dichos bienes. Cualquier reemplazo deberá tener su fuente y origen en países que estén incluidos en la Clave 941 del Libro de Claves Geográficas de A.I.D. que esté en vigencia en la fecha que se ordenen o contraten dichos reemplazos, y deberá, en otros respectos, sujetarse a las cláusulas de este Convenio.

SECCION 6.12. Notificación a Proveedores Potenciales. A fin de que todas las firmas de los Estados Unidos tengan la oportunidad de participar en la provisión de bienes y servicios a finanziarse por el Préstamo, el Prestatario deberá suministrar a A.I.D., la información con referencia a esos bienes y servicios y en el momento en que A.I.D. lo solicite en Cartas de Implementación. El Prestatario podrá, también, simultáneamente suministrar aquellos datos de adquisición a firmas en otros países elegibles.

SECCION 6.13. Información y Marcas. El Prestatario deberá dar a publicidad al Préstamo y al Proyecto como a un programa conjunto de la República de Bolivia y los Estados Unidos emprendido dentro de la Alianza para el Progreso, y deberá identificar los sitios del Proyecto y marcará los bienes y las construcciones financiadas por el Préstamo como se prescribe en las Cartas de Implementación.

SECCION 6.14. Bienes Excedentes de Propiedad del Gobierno de los Estados Unidos. El Prestatario deberá considerar la utilización para el Proyecto de bienes excedentes nuevos o reacondicionados del Gobierno de los Estados Unidos, que sean apropiados para el Proyecto y estén disponibles oportunamente. Los fondos del Préstamo, podrán ser utilizados para financiar los costos de adquisición de dichos bienes para el Proyecto.

ARTICULO VII

DesembolsosSECCION 7.01. Desembolsos para Costos en Dólares Americanos.

Cartas de Compromiso a Bancos de los Estados Unidos. Cuando las condiciones previas hayan sido cumplidas, el Prestatario podrá, con la frecuencia necesaria, solicitar de A.I.D. que emita Cartas de Compromiso por montos especificados, a uno o más bancos de los Estados Unidos, aceptados por A.I.D., y que A.I.D. se comprometa a reembolsar a dicho banco o bancos por pagos efectuados por ellos a contratistas o proveedores, mediante el empleo de Cartas de Crédito o de otro modo por los Costos en Dólares de bienes y servicios adquiridos para el Proyecto, de acuerdo con los términos y condiciones del presente Convenio. El pago por un banco a un contratista o proveedor se hará por el banco contra la presentación de la documentación de respaldo que A.I.D. pueda prescribir en las Cartas de Compromiso y en las Cartas de Implementación. Los costos bancarios estadounidenses en los que se incurra en relación con las Cartas de Compromiso y las Cartas de Crédito serán por cuenta del Prestatario y podrán ser financiados por el Préstamo.

SECCION 7.02. Desembolsos para Costos en Pesos Bolivianos. Cuando se haya cumplido las condiciones previas, el Prestatario podrá, con la frecuencia necesaria, solicitar desembolsos de A.I.D. en pesos bolivianos para costos en la misma moneda de bienes y servicios (incluyendo los sub-préstamos) adquiridos para el Proyecto de acuerdo con los términos y condiciones del presente Convenio, remitiendo a A.I.D. la documentación de respaldo que A.I.D. pueda prescribir en las Cartas de Implementación. A.I.D. hará tales desembolsos en pesos bolivianos que sean de propiedad del

Gobierno de los Estados Unidos y obtenidos por A.I.D. con dólares americanos.

El equivalente en dólares americanos de los pesos bolivianos puestos a disposición bajo el Convenio será la cantidad de dólares americanos requerida por A.I.D. para obtener los pesos bolivianos.

SECCION 7.03. Tipo de Cambio. El tipo de cambio que se empleará bajo este Préstamo en cualquier caso en que se requiera la conversión de dólares americanos a pesos bolivianos será aquel tipo oficial de cambio que produzca la mayor cantidad de pesos por dólar en la fecha de dicha conversión.

SECCION 7.04. Otras Formas de Desembolso. Los desembolsos del Préstamo podrán también ser efectuados a través de aquellos otros medios que el Prestatario y A.I.D. pudieran convenir por escrito.

SECCION 7.05. Fecha de los Desembolsos. Los desembolsos por parte de A.I.D. se considerarán efectuados (a) en el caso de desembolsos de acuerdo a la Sección 7.01, en la fecha en que A.I.D. realice un desembolso al Prestatario, o a su delegado, o a una institución bancaria de acuerdo a una Carta de Compromiso, (b) en el caso de desembolsos de acuerdo a la Sección 7.02, en la fecha en que A.I.D. desembolse los pesos bolivianos al Prestatario o a su delegado y (c) en el caso de desembolsos de acuerdo a la Sección 7.04, en la fecha en que el valor sea transferido al Prestatario por A.I.D.

SECCION 7.06. Plazo para los Desembolsos. Con excepción de aquello que el Prestatario y A.I.D. convinieran de otro modo por escrito, ninguna Carta de Compromiso u otros documentos de compromiso que pudieran ser exigidos para otra forma de desembolso según la Sección 7.04, o enmienda de ellos, serán emitidos en respuesta a solicitudes recibidas por A.I.D. después de 12 meses de la fecha en que las condiciones precedentes al desembolso

inicial se han cumplido y no se efectuará desembolso alguno contra documentación recibida por A.I.D. o por cualquier banco descrito en la Sección 7.01 después de 48 meses de la fecha en que las condiciones precedentes al desembolso inicial se han cumplido. A.I.D. a su opción puede en cualquier tiempo posterior a los 48 meses de la fecha en que las condiciones precedentes al desembolso inicial se han cumplido, reducir el Préstamo por toda o aquella parte para la cuál no se hubiera recibido documentación hasta dicha fecha.

ARTICULO VIII

Anulación y Suspensión

SECCION 8.01. Anulación por el Prestatario. El Prestatario puede, con el previo consentimiento por escrito de A.I.D., mediante aviso por escrito a A.I.D. anular cualquier parte del Préstamo (i) que, antes del mencionado aviso, A.I.D. no hubiera desembolsado o se hubiera comprometido a desembolsar, o (ii) que no hubiera sido utilizada mediante la emisión de Cartas de Crédito irrevocables o mediante pagos bancarios efectuados en otra forma que no sea por Cartas de Crédito Irrevocables.

SECCION 8.02. Casos de Incumplimiento; Aceleración. Si ocurriesen uno o más de los siguientes casos ("Casos de Incumplimiento"):

- (a) Que el Prestatario no haya pagado a su vencimiento cualquier interés devengado o no haya efectuado una amortización de capital requerida por el presente Convenio;
 - (b) Que el Prestatario o cualesquier de sus agencias o entidades constitutivas hayan dejado de cumplir con cualquier otra disposición del presente Convenio, incluyendo, sin limitación, la obligación de llevar a cabo el Proyecto con la debida eficiencia;
 - (c) Que el Prestatario no haya pagado a su vencimiento cualquier interés o no haya efectuado una amortización del Capital o cualquier otro pago requerido por cualquier otro convenio de préstamo, o cualquier otro convenio entre el Prestatario o cualquiera de sus agencias y A.I.D. o cualquiera de sus agencias predecesoras;
- entonces A.I.D. podrá, a opción suya, dar aviso al Prestatario de que todo o parte del Capital pendiente de pago vencerá y será pagadero sesenta (60) días más tarde, y, a menos que el Caso de Incumplimiento sea subsanado dentro

de dichos sesenta (60) días:

(i) dicho Capital impago y todos los intereses devengados vencerán y serán pagaderos inmediatamente; y

(ii) el monto de desembolsos ulteriores efectuados de acuerdo con Cartas de Crédito irrevocables entonces pendientes o de otro modo, vencerá y será pagadero tan pronto como se efectúen los desembolsos.

SECCION 8.03. Suspensión de los Desembolsos. En caso de que en cualquier momento:

(a) Ocurriese un Caso de Incumplimiento;

(b) Ocurriese un caso que A.I.D. determine que es una situación extraordinaria que hiciere improbable que se llegue a cumplir al propósito del Préstamo o improbable que el Prestatario o cualesquiera de sus agencias o entidades constitutivas sea capaz de cumplir con las obligaciones que tiene de acuerdo con el presente Convenio;

(c) Cualquier desembolso de A.I.D. sea contrario a la legislación que rige a A.I.D.; o

(d) El Prestatario no hubiese pagado a su vencimiento cualquier interés o cuota de amortización de Capital o no hubiese cumplido con cualquier otro pago requerido por este o cualquier otro convenio de préstamo, o cualquier otro convenio entre el Prestatario o cualquiera de sus agencias y el Gobierno de los Estados Unidos o cualquiera de sus agencias; o

(e) El Prestatario no haya cumplido con el Convenio de Cooperación Técnica de fecha 14 de marzo de 1951 y sus enmiendas; entonces A.I.D., a su opción, podrá:

(i) Suspender o anular los documentos de compromiso pendientes hasta el punto en que no hayan sido utilizados mediante la emisión de Cartas de Crédito irrevocables o mediante pagos bancarios efectuados por otros medios que no sean Cartas de Crédito irrevocables, en cuyo caso A.I.D. dará aviso al Prestatario inmediatamente después;

- (ii) Declinar a efectuar desembolsos que no estén ya comprometidos por documentos de compromiso pendientes;
- (iii) Declinar a emitir documentos de compromiso adicionales;
- (iv) A expensas de A.I.D., disponer que el derecho de propiedad sobre los bienes financiados por el Préstamo se transfiera a A.I.D. si los bienes provienen de un país fuera de la República de Bolivia, se encuentran en estado de poder ser entregados y no han sido descargados en la República de Bolivia o en aquellos puertos fuera de Bolivia, donde, de acuerdo a convenios internacionales, dichos bienes llegan a ser de propiedad boliviana. Los desembolsos hechos o por hacerse según el Préstamo con respecto a los bienes transferidos se deducirán del Capital.

SECCION 8.04. Anulación por A.I.D. Luego de una suspensión de desembolsos conforme a la Sección 8.03, si la causa o causas para dicha suspensión de desembolsos no han sido eliminadas o subsanadas dentro de los sesenta (60) días desde la fecha de dicha suspensión, A.I.D. podrá, a su opción, en cualquier tiempo posterior, anular todo o cualquier parte del Préstamo que hasta entonces no se hubiera desembolsado o estuviera sujeta a Cartas de Crédito irrevocables.

SECCION 8.05. Efectividad Continuada del Convenio. A pesar de cualquier anulación, suspensión de desembolsos o aceleración del pago del Préstamo, las disposiciones del presente Convenio continuarán en pleno vigor y efecto hasta el pago integral de todo el Capital y los intereses devengados en virtud del presente Convenio.

SECCION 8.06. Reembolsos.

- (a) En caso de un desembolso no respaldado por documentación válida de acuerdo a los términos del presente Convenio, o de cualquier desembolso

no efectuado o empleado de acuerdo con los términos del presente Convenio, A.I.D., a pesar de la disponibilidad o ejercicio de cualquier otro recurso estipulado mediante el presente Convenio, podrá exigir al Prestatario el reembolso a A.I.D. del monto mencionado en dólares estadounidenses, dentro de los treinta (30) días desde la recepción de una solicitud para hacerlo. Dicha suma se aplicará primeramente al costo de los bienes y servicios adquiridos para el Proyecto bajo este Convenio, hasta una medida justificada; y el saldo, si hubiera, se aplicará a las amortizaciones de Capital en orden inverso al de su vencimiento, y el monto del Préstamo se reducirá en el monto de dicho saldo. A pesar de cualesquier otras estipulaciones del presente Convenio, el derecho de A.I.D. a exigir un reembolso con respecto a todo desembolso según el Préstamo continuará por los cinco (5) años siguientes a la fecha de dicho desembolso;

(b) En caso de que A.I.D. reciba un reembolso de un contratista, proveedor o institución bancaria, o de un tercero relacionado con el Préstamo, con respecto a bienes o servicios financiados por el Préstamo, y dicho reembolso se relacione con un precio que no sea razonable por bienes o servicios, o a bienes que no estuvieran de acuerdo con las especificaciones, o a servicios que fueran inadecuados, A.I.D. primeramente aplicará dicho reembolso al costo de los bienes y servicios adquiridos para el Proyecto bajo el Convenio, hasta donde sea justificado; el saldo se aplicará a las amortizaciones de Capital en orden inverso a su vencimiento, y el monto del Préstamo se reducirá en el monto de dicho saldo.

SECCION 8.07. Gastos por Cobranza. Todos los gastos razonables en los que incurriera A.I.D., fuera de los haberes a su personal, relacionados con la cobranza de cualquier reembolso o en relación con las sumas adeuda-

das a A.I.D. por razón de haber ocurrido alguno de los casos especificados en la Sección 8.02, podrán cargarse al Prestatario y reembolsarse a A.I.D. en la forma en que A.I.D. indique.

SECCION 8.08. Recursos Irrenunciables. Ninguna demora u omisión en el ejercicio de un derecho, poder o recurso que favorezca a A.I.D. según el presente Convenio podrá ser interpretada como una renuncia a dichos derechos, poderes o recursos.

ARTICULO IX

Varios

SECCION 9.01. Comunicaciones. Cualquier aviso, solicitud, documento u otra comunicación dada, hecha o enviada por el Prestatario o por A.I.D. en relación con el presente Convenio, deberá ser por escrito o por telegrama, cable o radiograma y se la considerará como debidamente dada, hecha, o enviada a la parte a quién haya sido dirigida cuando haya sido entregada a ella personalmente o por correo, telegrama, cable o radiograma a las siguientes direcciones:

AL PRESTATARIO:

Dirección Postal: Ministerio de Finanzas
Calle Bolívar No. 688
La Paz, Bolivia

Dirección Cablegráfica: MINFINANZAS
La Paz, Bolivia

Con copias a: Servicio Nacional de Caminos
Av. 20 de Octubre No. 1829
Cajón Postal 4797
Casilla 1485
La Paz, Bolivia

A A.I.D.:

Dirección Postal: Misión Económica de los Estados Unidos en Bolivia
Embajada de los Estados Unidos
La Paz, Bolivia

Dirección Cablegráfica: USAID, AmEmbassy
La Paz, Bolivia

Las direcciones que aparecen arriba podrán ser sustituidas por otras, dando aviso anticipado. Todos los avisos, solicitudes y comunicaciones y documentos remitidos a A.I.D. en relación con el Convenio serán en inglés, con excepción de aquello que A.I.D. acordara de modo diferente en la primera carta de Implementación.

SECCION 9.02. Representantes. Para todos los propósitos relativos a este Convenio, el Prestatario estará representado por la persona que desempeñe el cargo, titular o interinamente, de Ministro de Finanzas, el organismo ejecutor por la persona que desempeñe el cargo, titular o interinamente, de Director del Servicio Nacional de Caminos y A.I.D. estará representada por la persona que desempeñe, titular o interinamente, el cargo de Director de USAID/Bolivia. Estos representantes podrán designar representantes adicionales mediante aviso por escrito. En caso de reemplazo u otra designación de un representante según este Convenio, el Prestatario presentará una declaración haciendo constar el nombre del representante y el facsímil de la firma del mismo, satisfactoria a A.I.D. en la forma y el fondo. Hasta que A.I.D. no reciba aviso escrito de la revocación de la autoridad del representante debidamente autorizado del Prestatario, designado conforme a esta Sección, podrá aceptar la firma de dicho representante o representantes en cualquier instrumento como evidencia concluyente de que cualquier acción tomada por dicho instrumento está debidamente autorizada.

SECCION 9.03. Cartas de Implementación. A.I.D. emitirá, de tiempo en tiempo, Cartas de Implementación que prescribirán los procedimientos aplicables en este instrumento en relación con la implementación del presente Convenio.

SECCION 9.04. Pagarés. Cuando A.I.D. lo solicite, el Prestatario emitirá pagarés u otras evidencias de adeudo con respecto al Préstamo, en tal forma, conteniendo tales términos y respaldados por tales dictámenes legales que A.I.D. pudiera razonablemente solicitar.

SECCION 9.05. Idioma Predominante. En aquellos casos de ambigüedad o conflicto entre las versiones en idioma inglés y español del presente Convenio de Préstamo, predominará la versión inglesa.

SECCION 9.06. Terminación Luego de Pago Total. Al pagarse completamente el Capital y cualesquier intereses devengados, el presente Convenio y todas las obligaciones del Prestatario y de A.I.D., de acuerdo con el presente Convenio, terminarán.

EN TESTIMONIO DE LO CUAL, el Prestatario y los Estados Unidos de América, actuando cada cual por medio de sus respectivos representantes, debidamente autorizados, han suscrito el presente Convenio en sus nombres y lo han otorgado en el día y año mencionados en el encabezamiento.

REPUBLICA DE BOLIVIA

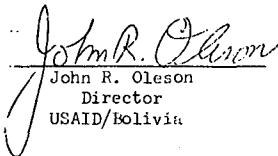
ESTADOS UNIDOS DE AMERICA



Lic. Carlos Calvo
Ministro de Finanzas

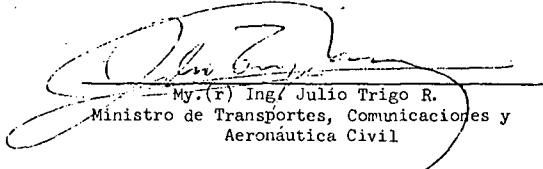


William P. Stedman Jr.
Embajador



John R. Oleson
Director
USAID/Bolivia

PARTICIPANTE POR PARTE DEL GOBIERNO DE BOLIVIA



My. (r) Ing. Julio Trigo R.
Ministro de Transportes, Comunicaciones y
Aeronáutica Civil

ANEXO 1

DESCRIPCION DEL PROYECTOA. Introducción

El gasto de los fondos del proyecto se concentrará en el mejoramiento del relativo bienestar de los campesinos pobres. Para alcanzar este fin los fondos serán utilizados en (i) aumentar la producción agrícola y las ventas exteriores a la granja de la producción agrícola o ganadera a través de la provisión de caminos de acceso útiles en toda estación a regiones claves; (ii) establecer dentro del Servicio Nacional de Caminos (SNC) la capacidad de desarrollar un programa efectivo de caminos de acceso; y (iii) establecer dentro de las comunidades rurales beneficiarias una capacidad de mantenimiento de caminos rurales.

El Proyecto consistirá en la construcción de aproximadamente 1,200 kilómetros de caminos de acceso rurales útiles en toda estación dentro de provincias seleccionadas en los Departamentos de Chuquisaca, Santa Cruz, Cochabamba y La Paz.

El cuadro siguiente indica el número aproximado de kilómetros de caminos a ser mejorados en cada departamento, así como también las provincias donde la mayor parte del mejoramiento caminero tendrá lugar:

<u>Departamento</u>	<u>Provincias</u>	<u>No. aprox. de Kms. a ser mejorados</u>
La Paz	Nor Yungas, Sud Yungas	170
Cochabamba	Campero, Mizque, Arque, Tapacari, Capinota, Arce, Jordán, Carrasco, Ayopaya, Chapare	530
Chuquisaca	Oropeza, Zudañez, Boeto, Yamparaes, Tomina	310
Santa Cruz	Santiesteban, Sara, Warnes, Ibañez, Florida, Vallegrande, Ichilo, Caballero	190

Los caminos a ser mejorados seguirán generalmente los caminos o senderos primitivos existentes, y harán que las áreas de alto potencial agrícola sean más accesibles a los mercados. Los caminos serán proyectados según normas simples pero aceptables, siendo el objetivo principal la provisión de accesos de una vía útiles en toda estación. El Proyecto aplicará una combinación óptima de trabajo manual voluntario y maquinaria pesada para la construcción de un número máximo de caminos útiles en toda estación a los costos más bajos posibles. Al terminar el Proyecto se espera que 15,000 familias de pequeñas granjas estén vinculadas a los centros de mercado durante todo el año. Además el SNC habrá desarrollado la capacidad para continuar un programa efectivo de caminos de acceso rurales dentro del área del Proyecto. Esta capacidad incluirá una capacidad para el mantenimiento de caminos y equipo.

El SNC, a través de la Gerencia de Caminos Vecinales recientemente creada, es la agencia ejecutora principal del Proyecto, y tendrá responsabilidad principal de supervisar la selección de sub-proyectos, construcción de caminos, y el mantenimiento de caminos principales.

El SNC, junto con el Servicio Nacional de Desarrollo de la Comunidad (SNDC) y el Ministerio de Asuntos Campesinos y Agricultura (MACAG), seleccionarán los caminos a ser mejorados utilizando los criterios presentados para satisfacer la Sección 3.02(e).

Todas las proposiciones de la comunidad recibidas por el SNC o SNDC serán revisadas inicialmente por el SNC antes de la prueba de selección de eligibilidad. Después, un Comité Nacional de Selección de Caminos será creado para determinar la selección final y la prioridad de los caminos a ser construidos dentro de este proyecto. El Comité consistirá

de un miembro, cada uno con voto, del SNC, del SNDc y del MACAG. Otros miembros serán incluidos en forma permanente o ad-hoc según determine el Comité. El Comité estará bajo la dirección general del SNC, pero el SNDc y MACAG juntos proveerán información para asistir en la selección de los sub-proyectos. Cada sub-proyecto a ser incluido en el proyecto deberá tener la aprobación unánime de los 3 miembros con voto del Comité.

El proceso de selección estará basado en un sistema de prueba de triple nivel, que someterá todas las proposiciones a un nivel ascendente de análisis. La primera prueba incluirá pero no se limitará a los siguientes criterios: (i) el camino propuesto para mejoramiento deberá conectarse a un camino útil en toda estación, que a su vez conduce a un centro de mercado; (ii) la distancia que requiere mejoramiento no deberá exceder secciones de 20 kilómetros; (iii) el camino propuesto deberá servir a una densidad granjera promedio de cuatro granjas por kilómetro; (iv) el camino propuesto deberá servir a una zona de influencia que tiene un potencial agrícola significativo; y (v) las comunidades deberán exhibir una fuerte indicación de interés comunitario. La segunda prueba evaluará todos los sub-proyectos que han pasado la selección inicial sobre la base de factibilidad financiera del proyecto, tasa de rendimiento económico y el compromiso de la comunidad de participar en la construcción del camino.

Finalmente, para llegar al número máximo factible de pequeños agricultores e incrementar la producción agrícola para mejorar el nivel de bienestar entre los habitantes rurales, los caminos serán clasificados en orden para los fines de la construcción y las bases de un plan de ponderación que deberá considerar pero no limitarse a la viabilidad económica del proyecto, al número de agricultores que serán servidos por el proyecto, el

ingreso promedio corriente de una familia agricultora en el área del proyecto, y el número de hectáreas promedio de cultivo.

Un factor adicional será tomado en consideración una vez que el proceso antes referido esté terminado. Los sub-proyectos serán agrupados en lo posible en conjuntos de "grupos prioritarios". Por consiguiente, en vez de trasladar todo el equipo del sub-proyecto de más alta prioridad al de siguiente alta prioridad, la brigada del equipo se comprometería a construir todos los caminos clasificados dentro del "grupo prioritario" que son fácilmente accesibles desde el camino clasificado como de más importancia, y solamente entonces trasladar el equipo al próximo más alto "grupo prioritario" de proyectos.

El SNC coordinará el trabajo del comité de selección de sub-proyectos, y será enteramente responsable de la decisión referente a la factibilidad técnica de cada sub-proyecto, así como del agrupamiento de los sub-proyectos. También, el análisis económico de cada sub-proyecto individual será hecho por el SNC.

En coordinación con los comités de nivel de los pueblos la Gerencia de Caminos Vecinales será responsable de la construcción de caminos y la supervisión del trabajo voluntario. El SNC proveerá operadores del equipo y asumirá la responsabilidad financiera de los costos de operación y mantenimiento del equipo.

Aunque las comunidades asumirán la mayoría de las tareas de mantenimiento menor, a través de supervisores y comités de caminos locales, el mantenimiento de más importancia será la responsabilidad de la residencia del SNC que será contactado para asistencia por los supervisores de las vías comunales. EL SNDC sumirá responsabilidades de Apoyo al Proyecto en relación a: (i) asistir en la identificación de sitios para sub-proyectos

y su selección; (ii) organizar el comité para el proyecto comunal, que será el cuerpo oficial que representa a la comunidad mientras dura la construcción del sub-proyecto; (iii) dar asistencia de promoción a la comunidad receptora para asegurar que los trabajadores voluntarios requeridos sean provistos durante la fase de construcción; y (iv) mantener el Comité del Proyecto para que sea capaz de movilizar los grupos de trabajadores necesarios para emprender tareas menores de mantenimiento de caminos.

Los principales elementos del SNDc para movilizar los recursos comunales y garantizar mano de obra para la implementación del Proyecto serán los supervisores del desarrollo comunal (SDC). El SNDc pondrá a disposición ocho personas del SDC a tiempo completo para trabajar con las comunidades.

El principal rol del Ministerio de Agricultura (MACAG) en el Proyecto será el de proveer los informes agronómicos necesarios para ayuda en la selección del sub-proyecto. Sus agentes de extensión asistirán al economista del SNC obteniendo aquellas informaciones tales como tipos y cantidades de granos, densidad de población y cantidad y calidad de tierras arables.

B. Componentes del Proyecto

Para alcanzar los propósitos del préstamo según se indica anteriormente, los siguientes componentes serán financiados con el Préstamo A.I.D.:

(1) Equipo y Repuestos. Una mayor parte de los fondos del préstamo será utilizada para financiar equipo para la construcción de caminos de acceso. Además del equipo, aproximadamente 18% del precio de adquisición del equipo será utilizado para adquirir repuestos seleccionados que permitirán la operación continua del equipo durante el periodo del préstamo.

(2) Herramientas: Los fondos del préstamo serán utilizados para comprar herramientas a ser distribuidas por el SNC para el uso de las comunidades, las cuales están prestando trabajo voluntario al Proyecto. Las herramientas en su mayor parte consistirán de palas, picotas, rastrillos y carretillas, pero incluirán también objetos especiales tales como: herramientas de albañilería o carpintería, los cuales serán empleados en la construcción de alcantarillado. Una parte de estas herramientas serán dejadas a cargo del comité comunal para otros sub-proyectos, incluyendo aquellos que serán ejecutados después de los cuatro años de vida del Proyecto.

(3) Materiales locales e importados. Los fondos de préstamo serán utilizados para la adquisición de algunos materiales locales y/o importados tales como: explosivos, cemento y tubos de alcantarillado.

(4) Asistencia técnica. La asistencia técnica provista por el préstamo será prestada por dos personas durante 36 meses hábiles cada una de ellas. Una asesorará a la Gerencia de Caminos Vecinales en la organización y supervisión de los sub-proyectos y tendrá amplia experiencia en el diseño, construcción y mantenimiento de caminos de poco tráfico, servirá también como miembro ex-oficio del Comité de Sub-proyectos de Selección de Caminos, funcionando en capacidad de asesoramiento únicamente. El segundo miembro del equipo de Asistencia Técnica tendrá una amplia experiencia en el mantenimiento de equipo pesado y en control de repuestos, instruirá a los operadores y mecánicos en procedimientos de mantenimiento en todos los lugares donde el equipo está siendo usado.

(5) Adiestramiento. Los fondos de préstamo serán utilizados para pagar los costos de viáticos de adiestramiento de los operadores del equipo, mecánicos y choferes de camiones. El personal será adiestrado en las ins-

talaciones del SNC en Patacamaya. El SNC correrá con todos los gastos de entrenamiento, además de los costos por viáticos.

(6) Contratos locales. Algunos fondos serán reservados para la construcción de pequeñas estructuras por parte de contratistas locales, tales como losas de concreto.

(7) Programa Experimental. Algunos fondos serán utilizados para llevar a cabo un programa experimental de construcción de caminos y mantenimiento usando técnicas intensivas de trabajo y adaptaciones de equipos de construcción y maquinaria.

TIAS 8714

C. Lista del Plan Financiero y de la Contribución GOB
 (Aproximadamente - en miles de dólares)

	<u>AYUDA</u> FY.	<u>PRESTAMO</u> LC	<u>Contrib.</u> <u>Local</u>	<u>Contrib.</u> <u>GOB</u>	<u>Total</u>
Equipo y respuestos	5,800				5,800
Herramientas	150				150
Trabajo (no calificado)			3,000		3,000
Personal (SNC)				2,900	2,900
Personal (SNDC)				40	40
Personal (MACAG)				20	20
Materiales	790	1,060		320	2,170
Contratos (pequeñas estruct.)		290			290
Gasolina y aceites				660	660
Acceso a derechos de vía			100		100
Adiestramiento		10		30	40
Asistencia técnica	200				200
Investigación		200			200
TOTALES	6,940	1,560	3,100	3,970	15,570
TOTAL PRESTAMO		8,500			
TOTAL GOB & LOCAL			7,070		

D. Horario de la Contribución Directa del GOB

	1977 (CY)	1978 (CY)	1979 (CY)	1980 (CY)	Total
<u>Contribuciones en efectivo</u>					
Salarios					
Ingeniería	44	125	126	177	472
Trabajo calificado	172	668	668	718	2,226
Trabajo no calificado	19	36	36	36	127
Gastos de Operación	10	20	23	22	75
<u>Costos del Proyecto del SNC</u>	245	849	853	953	2,900
Casolina y aceites	-	220	220	220	660
Adiestramiento	16	7	5	2	30
Agregados	-	105	105	110	320
Total de la contrib. en efectivo	261	1,181	1,183	1,285	3,910

	1977 (CY)	1978 (CY)	1979 (CY)	1980 (CY)	Total
<u>Costos del Proyecto SNDC</u>					
<u>Contribuciones al contado</u>					
Salarios, viajes	7	11	11	11	40
Total en efectivo	7	11	11	11	40
<u>Costos del Proyecto MACAG</u>					
<u>Contribuciones al contado</u>					
Salarios 1/	3	6	6	5	20
Total en efectivo	3	6	6	5	20
Total Contribución GOB	271	1,198	1,197	1,299	3,970

1/ Gente trabajando ya para el MACAG.

E. Componentes de la Contribución del GOB

El SNC correrá con todos los gastos de ingeniería, topografía, análisis económico, operaciones del equipo y mantenimiento, y una parte de los materiales locales. Además, el SNC proveerá lo siguiente:

(a) Personal de Construcción. Los salarios y otros gastos de todo el personal técnico de operación será provisto por el SNC.

(b) Personal Profesional y no calificado. El SNC proveerá ingenieros, dibujantes, técnicos en suelos, topógrafos y superintendentes de construcción requeridos para la exitosa terminación del Proyecto.

(c) Costos de operación del Equipo. El SNC proveerá toda la gasolina, lubricación y aquellos repuestos no incluidos en la parte del proyecto financiada por el préstamo.

(d) Adiestramiento. El SNC proveerá todos los fondos necesarios para el adiestramiento de los operadores del equipo y de los mecánicos para el proyecto, excepto los viáticos de los que se adiestran, los cuales serán financiados con los fondos del préstamo.

(e) Materiales:

1. El SNC proveerá piedras picadas de sus canteras para el terminado del camino donde una fuente local no sea disponible. Un 10% estimado de todos los materiales para la capa de rodadura será provista por el inventario del SNC.

2. El SNC pagará el personal necesario para promover y movilizar la contribución local de trabajo para el Proyecto.

3. El MACAG proveerá el personal necesario para recoger las informaciones agrícolas y económicas necesarias para el Comité de Selección.

Esta información servirá como datos básicos requeridos para proveer

a futuras evaluaciones.

4. Las comunidades locales serán requeridas para proveer lo siguiente:

(i) Trabajo. A cada comunidad o agrupación que es beneficiada con la construcción de un camino, se le exigirá proveer la mano de obra necesaria para completar el sub-proyecto. La cantidad de mano de obra será determinada por el SNDC (ver Sección III.A.1).

(ii) Derecho de Paso. Las comunidades contribuirán con los derechos de paso para los proyectos camineros.

ETHIOPIA

Agricultural Commodities

*Agreement signed at Addis Ababa June 15, 1976;
Entered into force June 15, 1976.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE PROVISIONAL MILITARY GOVERNMENT OF
SOCIALIST ETHIOPIA
FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the
Provisional Military Government of Socialist Ethiopia.

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and Socialist Ethiopia (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understanding that will govern the sales of agricultural commodities to the importing country pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended [¹] (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

PART I - GENERAL PROVISIONS

ARTICLE I

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this agreement.

B. The financing of the agricultural commodities listed in Part II of this agreement will be subject to:

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

1. the issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and
2. the availability of the specified commodities at the time of exportation.

C. Application for purchase authorizations will be made within 90 days after the effective date of this agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days after the effective date of such supplementary agreement. Purchase authorizations shall include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this agreement shall be made within the supply periods specified in the commodity table in Part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this agreement shall not exceed the

maximum export market values specified for that commodity and type of financing in Part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in Part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

ARTICLE II

A. Initial Payment

The Government of the importing country shall pay, or cause to be paid, such initial payment as may be specified in Part II of this agreement. The amount of this payment shall be that portion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in

Part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. Currency Use Payment

The Government of the importing country shall pay, or cause to be paid, upon demand by the Government of the exporting country in amounts as it may determine, but in any event no later than one year after the final disbursement by the Commodity Credit Corporation under this agreement, or the end of the supply period, whichever is later, such payment as may be specified in Part II of this agreement pursuant to Section 103(b) of the Act (hereinafter referred to as the Currency Use Payment). The currency use payment shall be that portion of the amount financed by the exporting country equal to the percentage specified for currency use payment in Part II. Payment shall be made in accordance with paragraph H and for purposes specified in sub-section 104(a), (b), (e) and (h) of the Act, as set forth in Part II of this agreement. Such payment shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until the value of the currency use payment has been offset. Unless otherwise specified in Part

II, no requests for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation of the exporting country under this agreement.

C. Type of Financing

Sales of the commodities specified in Part II shall be financed in accordance with the type of financing indicated therein. Special provisions relating to the sale are also set forth in Part II.

D. Credit Provisions

1. With respect to commodities delivered in each calendar year under this agreement, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country.

The principal shall be paid in accordance with the payment schedule in Part II of this agreement.

The first installment payment shall be due and payable on the date specified in Part II of this

agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

2. Interest on the unpaid balance of the principal due the Government of the exporting country for the commodities delivered in each calendar year shall be paid as follows:

a. In the case of Dollar Credit, interest shall begin to accrue on the date of last delivery of these commodities in each calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of last delivery and thereafter payment of interest shall be made annually and not later than the due date of each installment payment of principal.

b. In the case of Convertible Local Currency Credit, interest shall begin to accrue on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in each calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments.

3. For the period of time from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

E. Deposit of Payments

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates provided for in this agreement as follows:

1. Dollar Payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, unless another method of payment is agreed upon by the two Governments.
2. Payments in the local currency of the importing country (hereinafter referred to as local currency), shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

F. Sales Proceeds

The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement, to be applied to the economic development purposes set forth

in Part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided however, that the sales proceeds to be so applied shall be reduced by the currency use payment, if any, made by the Government of the importing country. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish in accordance with its fiscal year budget reporting procedure, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the Ministry of Finance of the Government of the importing country, and in case of expenditures the budget sector in which they were used.

G. Computations

The computation of the initial payment, currency use payment and all payments of principal and interest under this agreement shall be made in United States dollars.

H. Payments

All payments shall be in United States dollars or, if the Government of the exporting country so elects;

1. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligation or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement; or
2. The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same

rate, or used by the Government of the exporting country for payment of its obligations or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement in the importing country.

ARTICLE III

A. World Trade

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. insure that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantities of agricultural commodities as may

be specified in the usual marketing table set forth in Part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each import period shall be in addition to purchases financed under _____ this agreement.

2. take steps to assure that the exporting country obtains a fair share of any increase in commercial purchases of agricultural commodities by the importing country.
3. take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America).

4. take all possible measures to prevent the export of any commodity of either domestic or foreign origin, which is defined in Part II of this agreement, during the export limitation period specified in the export limitation table in Part II (except as may be specified in Part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. Private Trade

Consistent with the Economic Declaration of the Government of Ethiopia, in carrying out the provisions of this agreement, the two Governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. Self-Help Measures

Part II, Item V, describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government

of the importing country is making in carrying out such self-help measures.

D. Reporting

In addition to any other reports agreed upon by the two Governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in Part II, Item I of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized.

1. the following information in connection with each shipment of commodities under the agreement; the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; and the condition in which received;
2. a statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. a statement of the measures it has taken to implement the provisions of Section A 2 and 3 of this Article; and

4. statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. Procedures for Reconciliation and Adjustment of Accounts

The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records on the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

F. Definitions

For the purposes of this agreement:

1. delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier,
2. import shall be deemed to have occurred when the commodity has entered the country, and passed

- through customs, if any, of the importing country
and
3. utilization shall be deemed to have occurred when
the commodity is sold to the trade within the
importing country without restriction on its use
within the country or otherwise distributed to
the consumer within the country.

G. Applicable Exchange Rate

For the purposes of this agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate in effect on the date of payment by the importing country which is not less favorable to the Government of the exporting country than the highest exchange rate legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest exchange rate obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority

of the importing country, or its authorized agent, sells foreign exchange for local currency.

2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this section G.

H. Consultation

The two Governments shall, upon request of either of them, consult regarding any matter arising under this agreement, including the operation of arrangements carried out pursuant to this agreement.

I. Identification and Publicity

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity in the same manner as provided for in Sub-section 103 (l) of the Act.

PART II - PARTICULAR PROVISIONSI. Commodity Table

Commodity	Supply Period (US Fiscal Yr.)	Approximate Maximum Qty. (Metric Tons)	Maximum Export Market Value (\$ Millions)
Wheat/Wheat Flour (Grain 1 through Sept.. Basis)	1976 plus July 30, 1976	25,000	3.6

II. Payment Terms

U.S. Dollar Credit

1. Initial payment - 5 percent.
2. Currency Use Payment - 10 percent - for 104(A) purposes.
3. Number of installment payments - 19.
4. Amount of each installment payment - approximately equal annual installments.
5. Due date of first installment payment - two years from date of last delivery in each calendar year.
6. Initial interest rate - 2 percent.
7. Continuing interest rate - 3 percent.

III. Usual Marketing Table

<u>Commodity</u>	<u>Import Period (US Fiscal Year)</u>	<u>Usual Marketing Requirement (MT)</u>
Wheat/Wheat Flour (Grain Equivalent Basis).	1976 plus July 1 through Sept. 30, 1976	25,000

IV. Export Limitations

- A. The export limitation period shall be United States fiscal year 1976 plus July 1 through September 30, 1976 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 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 bulgar (or the same product under a different name).

C. Permissible Export(s)

<u>Commodity</u>	<u>Quantity</u>	<u>Period During which such Exports are Permitted</u>
wheat, including Durum wheat or wheat products including semolina or pasta products.	Amounts tradi- tionally supp- lied to Terri- tory of Afars and Issas and adjacent areas.	For United States fiscal year 1976 plus July 1 through Sept. 30, 1976 and any subsequent U.S. fiscal year during which above men- tioned commodities are being imported and utilized.

V. Self-Help Measures

A. The Government of Ethiopia agrees to undertake programs in the following critical areas of rural development in the effort to improve production and incomes of the rural population:

1. Agricultural Marketing - the development of a rational marketing structure to protect farmers from severe seasonal price fluctuation. This should include expansion of farm storage and drying facilities, provision of credit for farm inputs and appropriate pricing policies.

2. Agricultural Research - find methods of improving production efficiency and diversifying crops.
 3. Extension Services - extension will be expanded in connection with the Ministry of Agriculture's extension program consistent with the Government of Ethiopia's policies and programs.
 4. Transportation - to improve rural infrastructure, especially feeder roads, farm-to-market roads, and maintenance programs.
- B. In implementing these self-help measures specific emphasis will be placed on contributing directly to development progress in rural areas and on enabling the low income farmers to participate actively in increasing their agricultural production.

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 for self-

help measures set forth in item V, and
for the following economic development
sector: Agriculture.

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

PART III - FINAL PROVISIONS

A. This agreement may be terminated by either Govern-
ment by notice of termination to the other Government for any
reason, and by the Government of the exporting country if it
should determine that the self-help program described in the
agreement is not being adequately developed. Such termination
will not reduce any financial obligations the Government of
the importing country has incurred as of the date of termination.

This agreement shall enter into force upon signature.

B. IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE at Addis Ababa, Ethiopia, in triplicate, this 15th day of June, 1976.

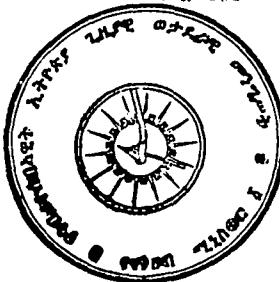
FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Arthur W. Hummel [1]

FOR THE PROVISIONAL MILITARY GOVERNMENT OF SOCIALIST ETHIOPIA

Teferra Wolde Semait [2]
PERMANENT SECRETARY

[SEAL]



¹ Arthur W. Hummel
² Teferra Wolde Semait

SYRIA
Agricultural Commodities

*Agreement signed at Damascus April 20, 1976;
Entered into force April 20, 1976.
With minutes of negotiations.
And amending agreements
Effectuated by exchange of letters
Signed at Damascus May 11 and 16, 1976;
Entered into force May 16, 1976.
And exchange of letters
Signed at Damascus June 2 and 3, 1976;
Entered into force June 3, 1976.
And exchange of letters
Signed at Damascus September 28 and 29, 1976;
Entered into force September 29, 1976.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE GOVERNMENT
OF THE SYRIAN ARAB REPUBLIC
FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Syrian Arab Republic 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 20, 1974, [¹] together with the following Part II:

Part II - PARTICULAR PROVISIONS

Item I. Commodity Table:

Commodity	Supply Period	Approximate Maximum Quantity (U. S. Fiscal Year)	Maximum Export Market Value (Millions)
Rice	1976	50,000	\$11.9

Item II: Payment Terms

Dollar Credit

- A. Initial payment - five percent.
- B. Currency Use Payment - two percent, to be used for Section 104 (A) purposes.
- C. Number of Installment Payments - 19.
- D. Amount of Each Installment Payment
Balance Payable - Approximately equal annual amounts.

¹TIAS 8119; 26 UST 1576.

E. Due Date of First Installment Payment -
Two years after date of last delivery
of commodities in each calendar year.

F. Initial Interest Rate - Two percent.

G. Continuing Interest Rate - Three percent.

Item III. Usual Marketing Table:

<u>Commodity</u>	<u>Import Period</u>	<u>Usual Marketing Requirements</u>
	(U. S. Fiscal Year)	(Metric Tons)
Rice	1976	30,000

Item IV. Export Limitations:

A. The export limitation period shall be United States Fiscal Year 1976 or any subsequent United States 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 rice-rice in the form of paddy brown or milled, except for aromatic (Basmati Type) rice.

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 Syrian Arab Republic agrees to:

1. Give high priority to the agricultural development portion of the annual budget with emphasis on increased production of food crops and livestock for domestic consumption.
2. Emphasize internal agricultural marketing and distribution systems to assure adequate supplies in all parts of the country.
3. Identify needs for increased storage facilities and develop plans to meet any needs.
4. Accelerate applied research on food crops and livestock, and disseminate information for better crop, livestock, and soil management practices.
5. Strengthen systems for collection, computation and analysis of agricultural statistics including import, export and other related trade data used in determining production and marketing policies.

6. Further strengthen its agricultural education and training institutions and to develop the administrative arrangements to channel graduates into agriculture.
7. Expand and improve the area under irrigation and to intensify the production of food crops on these lands.

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 agricultural and economic development purposes.
- 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

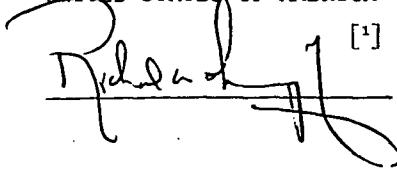
development of their country.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

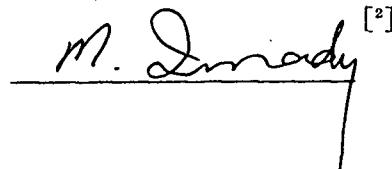
DONE at Damascus, in duplicate in the English and Arabic languages, each being equally authentic, this 20th day of April, 1976.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF THE
SYRIAN ARAB REPUBLIC



[¹]



[²]

[SEAL]

¹ Richard W. Murphy
² M. Imady

Minutes of Title I, P. L. 480 Negotiations
Between Representatives of
The Syrian Arab Republic and the United States Governments

Representatives of the Government of the
Syrian Arab Republic and of the Government of the
United States of America conducted negotiations leading
to the Agricultural Commodities Sales Agreement signed
April 20, 1976, in Damascus during three sessions on
March 30, April 1, and April 19, 1976.

The representative of the Government of the Syrian
Arab Republic was:

Mr. Salem Haddad, Director General, TAFCO

The representative of the Government of the United
States was:

Mr. Shackford Pitcher, Agricultural Attaché

The representatives of the two governments discussed in
detail the provisions of the proposed agreement. The
U. S. representative further indicated that:

1. Purchase authorizations issued under this
agreement will contain the requirement that invitations
for bids for both commodity and freight must be
submitted to the Foreign Agricultural Service, U. S.
Department of Agriculture, Washington, D. C., for review
and approval prior to their release to prospective
bidders.

2. The American representative acknowledged thanks
for the timely submission of reports required under the
first agreement, and advised the Syrian representative

of the responsibilities for continued submission of timely reports on compliance, arrival and shipping information, self-help and financial use of sales proceeds.

3. All purchasing of commodities under this agreement must be done by invitation for competitive bids conducted in the United States, with public opening of bids and awards to be made to the lowest bidders responsive to the terms of the tender. Freight tenders must also be conducted in the United States.

4. The American Representative notified the Syrian Representative that there is a shortfall in the Fiscal Year 1975 wheat usual marketing requirement (UMR) which must be fulfilled in order to prevent future Title I programming problems.

For the Government of the
United States of America

Shackford Pitcher
Shackford Pitcher
Agricultural Attaché

For the Government of the
Syrian Arab Republic

Salem Haddad
Salem Haddad
Director General, TAFCO

Damascus, April 20, 1976

النباتات

٢- ان جميع حالات الشراء للمواد بموجب هذه الاشغالية يجب ان تتم بموجب عرض للعروض المنافسة التي تتم في الولايات المتحدة والتنصي علىنا ومن ثم تحال على المقاولين ذوى الاسعار الادنى بما يتفق مع شروط المناقصة . اما مناقصات الشحن فيجب أن تتم أيضا في الولايات المتحدة .

٤- ان الممثل الاميركي يعلم الممثل السوري بأن هنا نقص في متطلبات التسويق الحادية للقمح في السنة المالية ١٩٧٥ والتي يجب أن تفозд من أجل الحيلولة دون مواجهة مشاكل البرمجة بموجب الفصل الاول .

عن حكومة الولايات المتحدة الاميركية — عن حكومة الجمهورية العربية السورية

سالم حداد ، المدير العام

المؤسسة نافكو

شاکورد بیتشر ،
Shakurd Bittner
المحلق الزناعی ، السکارا الامیرکیة

دمشق في ٢٠ نيسان ١٩٧٦

محضر اجتماع مفاوضات الاتفاق على القسم الاول

من القانون رقم ٤٨٠ / ١٩٧٦ بين ممثل حكومتي

الجمهورية العربية السورية والولايات المتحدة الاميركية

=====

أجرى ممثلو حكومة الجمهورية العربية السورية وحكومة الولايات المتحدة

الاميركية مفاوضات أدت الى اتفاق بيع المنتجات الزراعية الموقع في ٢٠ نيسان

١٩٧٦ في دمشق وذلك خلال ثلاثة اجتماعات عقدت في ٣٠ آذار و ١ نيسان

و ١٩ نيسان ١٩٧٦ وقد مثل حكومة الجمهورية العربية السورية :

السيد سالم حداد ، المدير العام لممسمسة التجارة الخارجية للمواد
الكيماوية والغذائية (تافتو)

وبمثل حكومة الولايات المتحدة الاميركية :

السيد شاكفورد بيتشر ، الملحق الزراعي في السفارة الاميركية

ان ممثلي الحكومتين نقاشوا بالتفصيل مواد الاتفاقية المقترحة ، وأشار المعطل

الاميركي الى ما يلي :

١ - ان تخويلاً الشراط المقدمة بموجب هذه الاتفاقية ستتضمن الطلب بأن تقدم
اعلانات طلب المرسون لكل من المواد والشحن الى مؤسسة شؤون الزراعية
الخارجية في وزارة الزراعة بواشنطن من أجل مراجعتها والموافقة عليها قبل
اعلانها على المناقصين .

٢ - ان المعطل الاميركي المعين بفضل تقديم التقارير في أوقاتها المطلوبة
في الاتفاقية الاولى أعلم الممثلين السوريين عن المسؤوليات من أجل مساعدة
التقديم المستمر للتقارير في أوقاتها بالنسبة للمعلومات حول التقييد والمسؤول

البند ٦ . هدف التنمية الاقتصادية التي من أجلها تستخدم الدولة
المستوردة العائدات المترابطة .

و قد ت في دمشق على نسختين باللغتين الانكليزية والمربيه المعتبرتين
اصليتين على حد سوى في اليوم ٢٠ من شهر نيسان عام ١٩٦٦ .

عن حكومة الولايات المتحدة الأمريكية وعن حكومة الجمهورية العربية السورية

الدكتور محمد العمادى
وزير الاقتصاد والتجارة الخارجية

ريشارد و. مسوري
سفير الولايات المتحدة الأمريكية

— *—* *—*

~~13-21~~

ان ۱۹۷۶

ل مشق

— — —

[SEAL]

لـ مشق في ٢٠ نيسان ١٩٧٦

[SEAL]

الفقيرة ولتكمين الفقراء من المساهمة بشكل فعال في زيادة

الإنتاج الزراعي عن طريق زراعة المزارع الصغيرة .

١- اعطاء افضلية قصوى لجزء التنمية الزراعية من الموازنة

السلوبية مع التأكيد على زيادة الابتهاج الغذائي

• والثروة الحيوانية للاستهلاك المحلي .

٢- الاعتمام بتنظيم التسويق الزراعي الداخلي والتوزيع

للهمنا وصول مواد تموينية كافية لجميع أنحاء البلاد .

٣ - تحديد الحاجة لتسهيلات التخزين المتزايدة ، وتطوير

الخطط الالزمة لمواجهة مثل هذه الحالات .

٤- تشجيع الابحاث التطبيقية على المحاصيل الغذائية

والثروة الحيوانية ونشر المعلومات حول تحسين المحاصيل

• والثروة الحيوانية وعمليات ادارة التربة .

٥- تعزيز نظم حجم وحساب وتحليل الاحماليات الزراعية

ما في ذلك بيانات الاستيراد والتغذية والملوّمات

التجارية الأخرى التي يمكن استخدامها في تحديد

• سياسات الانتاج والتسويق

٦) تعزيز أكثر لثقافتها الزراعية ومومسات التدريب في مسا

من أجل تطوير التربويات الادارية من أجل اقتضاب

للتغريجين نحو الزراعة •

٢ - توسيع وتحسين المناطق المرعوية وزيادة المحاصيل الشذائية

• هذه الارضي .

هـ - تاريخ دفع القسط الاول - بعد مرور
ستين على تاريخ تسليم آخر شحنة
من السلن في كل سنة ميلادية .

اثان ٢٪ بالمائة و - نسبة الفائدة الاولية

ثلاثة ٣٪ بالمائة ز - نسبة الفائدة المستمرة

البند ٢ . لائحة التسويق العادي :

السلعية	فترة الاستيراد	نسبة الماليية الامريكية ١٩٢٦	حاجة التسويق العادي
الارز	١٩٢٦	طن متري	٣٠٠٠
الارز	١٩٢٦	طن متري	٣٠٠٠

البند ٤ . تحديدات التصدير :

٢ - ان فترة تحديد التصدير ستكون السنة المالية ١٩٢٦ الامريكية
أو أية سنة مالية اميركية لاحقة تستورد خلالها أو تستحمل مواد
مملوقة بموجب هذه الاتفاقية .

بـ - من أجل القسم الاول ، المادة الثالثة (٢ - ٤) من الاتفاقية ،
فإن السلن التي لا يجوز تصديرها بالنسبة للارز - الارز قبل نوع
قصوره وفي حالة كونه بني اللون بعد ذلك ومن ثم قبل صفقه ،
ما عدا الارز ذو الرائحة (نوع باسماتي) .

البند ٥ . اجراءات مساعدة النفس :

٣ - روعي في تنفيذ اجراءات مساعدة النفس هذه التأكيد على
المشاركة المباشرة في تقدم التنمية في المناطق الريفية

اتفاقية بين حكومة الولايات المتحدة الاميركية

وحكومة الجمهورية العربية السورية

لبيع السلع الزراعية

ان حكومة الولايات المتحدة الاميركية وحكومة الجمهورية العربية السورية قد اتفقا على بيع السلع الزراعية المدرجة أدناه . تتألف هذه الاتفاقية من مقدمة والجزئين الاول والثالث من الفصل الاول من نص الاتفاقية الموقعة في ٢٠ تشرين الثاني ١٩٧٤ ، الى جانب الجزء الثاني المثبت فيما يلي :

الجزء الثاني : شروط خاصة :

البد ١ . لائحة السلع :

السلعة	فترة التسليم	السنة المالية الاميركية	طن متري	الكمية القصوى القيمة القصوى القريبة لسوق التصدير
الارز	١٩٧٦	٥٠٠٠	١١٩	مليون دولار

البد ٢ . شروط الدفع : رسيد الدولار

أ - الدفعة الاولى خمسة % بالمائة

ب - المدفوعات من أجل استعمال المال اثنان ٢ % بالمائة على أن تستعمل لاغراض البد ١٤ (٢)

ج - عدد الدفقات التقسيطية ١٩

د - مبلغ كل دفعة تقسيطية - ميزان الدفع -
أقساط سوية متساوية تقريبا .

[AMENDING AGREEMENTS]

The American Ambassador to the Syrian Minister of Economy and Foreign TradeEMBASSY OF THE
UNITED STATES OF AMERICA

Damascus, S. A. R.

May 11, 1976

His Excellency

Dr. Mohammad al-Imadi
Minister of Economy and
Foreign Trade
Damascus

Dear Mr. Minister:

I have the honor to refer to the Public Law, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, and to propose that the agreement be amended as follows:

(A) In Part II - Item I - Commodity Table, under column entitled "Supply Period" delete "1976" and insert "1976 plus July 1 through September 30, 1976."

(B) In Part II - Item III - Usual Marketing Table, under "Import Period" delete "1976" and insert "1976 plus July 1 through September 30, 1976."

(C) In Part II - Item IV - Export Limitations, after "Fiscal Year 1976" insert "plus July 1 through September 30, 1976."

Except as provided above, all other terms and conditions of the April 20, 1976, Title I Agreement remain unchanged.

I have the honor to propose that this letter and your letter in reply concurring therein constitute an agreement between our two governments, to be effective on the date of your letter in reply.

Accept, Mr. Minister, the renewed assurances of my highest consideration.

Sincerely,

Richard W. Murphy
Ambassador

The Syrian Minister of Economy and Foreign Trade to the American Ambassador

REPUBLIQUE ARABE SYRIENNE
MINISTERE DE L'ECONOMIE
ET DU COMMERCE EXTERIEUR

الجمهوريّة العربيّة السّوريّة
وزارة الاقتصاد والتّجارة الخارجيه

Ref.
Date

الرقم : ١٩١٥٤٩٧
التاريخ : ١٩٧٦/٥/١٦

May 16, 1976

H. E. Richard W. Murphy
Ambassador of the United States of America
Embassy of the United States of America
Damascus, Syrian Arab Republic

Dear Mr. Ambassador:

I have the honor to refer to the Public Law, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, and agree to the amendment of that agreement proposed in your letter of May 11, 1976, which is as follows :

(A) In Part II - Item I - Commodity Table, under column entitled "Supply Period" delete "1976" and insert "1976 plus July 1 through September 30, 1976."

(B) In Part II - Item III - Usual Marketing Table, under "Import Period" delete "1976" and insert "1976 plus July 1 through September 30, 1976."

(C) In Part II - Item IV - Export Limitations, after "Fiscal Year 1976" insert "plus July 1 through September 30, 1976."

Except as provided above, all other terms and conditions of the April 20, 1976, Title I Agreement remain unchanged.

I have the honor to reply to your letter and confirm that this reply constitutes an agreement between our two governments, to be effective on the date of my letter in reply to your letter.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

Sincerely,
Mohammed Al-Imady
Minister of Economy and Foreign Trade



TIAS 8716

The American Ambassador to the Syrian Minister of Economy and Foreign Trade



EMBASSY OF THE
UNITED STATES OF AMERICA
Damascus, S. A. R.

June 2, 1976

His Excellency
Dr. Mohammad al-Imadi
Minister of Economy and
Foreign Trade
Damascus

Dear Mr. Minister:

I have the honor to refer to the Public Law, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, and to propose that the agreement be amended as follows:

(A) In Part II - Item I - Commodity Table, under the appropriate columns add below rice "Tobacco and/or tobacco products, U. S. Fiscal Year 1976 plus July 1 through September 30, 1976, 1,200 and \$4.3"; insert "Soybean/cottonseed oil, U. S. Fiscal Year 1976 plus July 1 through September 30, 1976, 5,000 and \$3.0"; for the total value delete "\$11.9" and insert "\$19.2".

(B) In Part II - Item III - Usual Marketing Table, under the appropriate columns add below rice "Tobacco and/or tobacco products, U. S. Fiscal Year 1976 plus July 1 through September 30, 1976, 2040 (of which 1,200 shall be imported from the U. S. A.)"; and insert "edible vegetable oil and/or bearing seeds (oil equivalent basis), U. S. Fiscal Year 1976 plus July 1 through September 30, 1976, and 2,000."

(C) In Part II - Item IV - Export Limitations, delete the language in sub-paragraph (A):

"The export limitation period shall be United States Fiscal Year 1976 or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized.

and insert new sub-paragraph language as follows:

"The export limitation period for rice shall be United States Fiscal Year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized, and for soybean/cottonseed oil and tobacco and/or tobacco products shall begin on the date the agreement is signed and continue through United States Fiscal Year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized."

Under sub-paragraph B. add the following to the end of the paragraph by changing the period to a semicolon and adding:

"and for tobacco and/or tobacco products -- none; and for soybean/cottonseed oil -- all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, rapeseed oil, and any other edible oil-bearing seeds from which these oils are produced, except for sesame oil and for peanuts and sesame seed exports for use other than for crushing."

All other terms and conditions of the agreement of April 20, 1976, as amended, remain unchanged. I propose that this letter and your reply concurring therein constitute an agreement between our two governments to be effective on the date of your letter in reply.

Sincerely,


Richard W. Murphy
Ambassador

TIAS 8716

The Syrian Minister of Economy and Foreign Trade to the American Ambassador

REPUBLIQUE ARABE SYRIENNE
MINISTÈRE DE L'ECONOMIE
ET DU COMMERCE EXTERIEUR

الجامعة العربية
الوزير المختص بالتجارة والاقتصاد
وزارة الاقتصاد والتجارة الخارجية

Réf.

Date JUNE 3, 1976

الرقم :
التاريخ :

H.E. RICHARD W. MURPHY
Ambassador Of The United States Of America
Embassy Of The United States Of America
Damascus Syrian Arab Republic

DEAR MR. AMBASSADOR:

I have the honor to refer to the Public Law, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, as amended, and agree to the amendment of that agreement proposed in your letter dated June 2, 1976, which is as follows:

"(A) In Part II – Item I – Commodity Table, under the appropriate columns add below rice "Tobacco and/or tobacco products, U.S. Fiscal Year 1976 plus July 1 through September 30, 1976, 1,200 and \$4.3"; insert "Soybean/cottonseed oil, U.S. Fiscal Year 1976 plus July 1 through September 30, 1976, 5,000 and \$3.0"; for the total value delete "\$11.9" and insert "\$19.2."

(B) In Part II – Item III – Usual Marketing Table, under the appropriate columns add below rice "Tobacco and/or tobacco products, U.S. Fiscal Year 1976 plus July 1 through September 30, 1976, 2,040 (of which 1,200 shall be imported from U.S.A)"; and insert "edible vegetable oil and/or bearing seeds (oil equivalent basis), U.S. Fiscal Year 1976 plus July 1 through September 30, 1976, and 2,000."

(C) In Part II – Item IV – Export Limitations, delete the language in sub-paragraph (A):

"The export limitation period shall be United States Fiscal Year 1976 or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized."

and insert new sub-paragraph language as follows:

"The export limitation period for rice shall be United States Fiscal Year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized, and for soybean/cottonseed oil and tobacco and/or tobacco products shall begin on the date the agreement is signed and continue through

United States Fiscal Year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized."

Under sub-paragraph B. add the following to the end of the paragraph by changing the period to a semicolon and adding:

"and for tobacco and/or tobacco products—none; and for soybean/cottonseed oil—all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, rapeseed oil, and any other edible oil-bearing seeds from which these oils are produced, except for sesame oil; for peanuts and/or sesame seed exports for use other than for crushing."

All other terms and conditions of the agreement of April 20, 1976, as amended, remain unchanged."

It is my pleasure to confirm that this reply constitutes an agreement between our two governments, to be effective on the date of my letter in reply to your letter.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

Sincerely

Mohammad Al-Imady

M. IMADY

*Minister of Economy
& Foreign Trade*

[SEAL]

The American Ambassador to the Syrian Minister of Economy and Foreign Trade

DAMASCUS, S.A.R. September 28, 1976

His Excellency DR. MOHAMMAD AL-IMADI
Minister of Economy and Foreign Trade
Damascus, Syrian Arab Republic

DEAR MR. MINISTER:

I have the honor to refer to Public Law 480, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, as amended May 16 and June 3, 1976, respectively, and propose that the agreement be further amended as follows:

(A) Part II – Item I – Commodity Table – under supply period column for tobacco and rice, delete "FY 1976 plus July 1 through

September 30, 1976" and insert "FY 1976 plus July 1 through December 31, 1976";

(B) Part II - Item III - Usual Marketing Table - under import period column for tobacco and rice, delete "FY 1976 plus July 1 through September 30, 1976" and insert "FY 1976 plus July 1 through December 31, 1976"; and,

(C) Part II - Item IV - Export Limitation - delete sub-paragraph 4 in its entirety and insert "The export limitations period for tobacco and rice should be United States fiscal year 1976 plus July 1 through December 31, 1976, and for soybean/cottonseed oil should begin on the date the agreement is signed and continue through United States fiscal year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized".

All other terms and conditions of the Title I Agreement of April 20, 1976, as amended, would remain unchanged. I propose this letter and your reply concurring therein constitute an agreement between our two governments to be effective on the date of your letter in reply.

Sincerely,

RICHARD W. MURPHY

Richard W. Murphy
Ambassador

The Syrian Minister of Economy and Foreign Trade to the American Ambassador

الجُمهُورِيَّةُ الْعَرَبِيَّةُ السُّرِيِّونَ

وزارَةُ الْإِقْتَصَادِ وَالْجَارِيَةِ الْخَارِجِيَّةِ

REPUBLIQUE ARABE SYRIENNE
MINISTÈRE DE L'ECONOMIE
ET DU COMMERCE EXTERIEUR

Réf.
Date

الرقم : ٤٠٨٢
التاريخ : ١٩٧٧/٩/٢٩

DAMASCUS 29 September 1976

His E. RICHARD W. MURPHY
Ambassador of the United States of America
Damascus, Syrian Arab Republic

DEAR MR. AMBASSADOR:

I have the honor to refer to the Public Law 480, Title I Agricultural Sales Agreement signed by representatives of our two governments on April 20, 1976, as amended May 16 and June 3, 1976, respectively, and agree to the amendment of that agreement proposed in your letter of September 28, 1976, which is as follows:

(a) Part II - Item I - Commodity Table - under supply period column for tobacco and rice, delete "FY 1976 plus July 1 through

September 30, 1976" and insert "FY 1976 plus July 1 through December 31, 1976",

(b) Part II – Item IN – Usual Marketing Table – under import period column for tobacco and rice, delete "FY 1976 plus July 1 through September 30, 1976" and insert "FY 1976 plus July 1 through December 31, 1976", and,

(c) Part II – Item IV – Export Limitation – delete sub-paragraph A in its entirety and insert "The export limitations period for tobacco and rice should be United States fiscal year 1976 plus July 1 through December 31, 1976, and for soybean/cottonseed oil should begin on date the agreement is signed and continue through United States fiscal year 1976 plus July 1 through September 30, 1976, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized"

Except as provided above, all other terms and conditions of the April 20, 1976 Title I Agreement remain unchanged.

I have honor to reply to your letter and confirm that this reply constitutes an agreement between our two governments, to be effective on the date of my letter in reply to your letter.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

Sincerely

M. IMADY

[SEAL] Mohammad Al-Imady
Minister of Economy
& Foreign trade

SYRIA

Agricultural Commodities

*Agreement signed at Damascus March 3, 1977;
Entered into force March 3, 1977.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE GOVERNMENT
OF THE SYRIAN ARAB REPUBLIC
FOR THE SALE OF AGRICULTURAL COMMODITIES
UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the Syrian Arab Republic 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 on November 20, 1974, [1] 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> (Millions)
Rice	1977	35,000	\$ 9.7
Tobacco	1977	1,200	5.3
Ocean Transportation (Estimated Differential)			---
		Total	\$ 15.0

Item II. Payment Terms

Dollar Credit

- A. Initial payment - five percent
- B. Currency Use Payment - two percent, to be used for Section 104(A) purposes.
- C. Number of Installment Payments - 19
- D. Amount of Each Installment Payment - Approximately equal annual amounts.
- E. Due Date of First Installment Payment - Two years after date of last delivery of commodities in each calendar year.
- F. Initial Interest Rate - Two percent
- G. Continuing Interest Rate - Three percent

¹TIAS 8119; 26 UST 1576.

Item III. Usual Marketing Table:

<u>Commodity</u>	<u>Import Period</u> (U.S. Fiscal Year)	<u>Usual Marketing Requirements</u> (Metric Tons)
Rice	1977	30,000
Tobacco	1977	2,750 (of which 1,500 MT shall be imported from the U.S.A.)

Item IV. Export Limitations:

- A. The export limitation period shall be United States Fiscal Year 1977 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 rice--rice in the form of paddy, brown or milled, except for aromatic (Basmati type) rice; and for tobacco--none.

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 Syrian Arab Republic agrees to:
 - 1. Emphasize increased production of food grains and livestock by giving budgetary priority to these goals.
 - 2. Expand and improve its system of grain storage facilities in order to provide for orderly marketing and to prevent losses due to insects, rodents, etc.
 - 3. Strengthen its agricultural education and training institutions, including its extension service.
 - 4. Expand applied research on food crops and livestock. In the case of livestock, emphasis should be given to increasing production from arid lands while at the same time improving pasture conditions.

5. Continue to expand the area of irrigated agriculture, emphasizing those crops most needed by the Syrians.
6. Improve the agricultural infrastructure of the country, especially marketing facilities and farm-to-market roads.

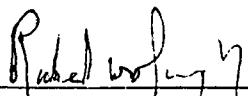
Item VI. Economic Development Purposes for Which Proceeds Accruing to Importing Country Are to be Used:

- 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: Agriculture.
- 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.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE at Damascus, in duplicate in the English and Arabic languages, each being equally authentic, this 2nd day of March, 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA


Richard W. Murphy
Ambassador of the United
States of America

FOR THE GOVERNMENT OF THE
SYRIAN ARAB REPUBLIC


Dr. Mohammad al-Imadi
Minister of Economy and
Foreign Trade

٦ - تحسين مرافق الزراعة في البلاد ، وخاصة مرافق التسويق والطرق التي تصل
الزارع بالأسواق .

البند ٦ . اهداف التنمية الاقتصادية التي من اجلها يستخدم البلد المستورد المائدات المتراءكة :

٦ - ان المائدات المتراءكة لبلد المستورد التي تنشأ عن بيع السلع الملوثة بموجب هذه الاتفاقية
سوف تستعمل في تمويل اجراءات معايدة النفس المنصوص عنها في الاتفاقية . ومن
اجل اغراض التنمية الزراعية الاقتصادية .

ب - عند استعمال المائدات لهذه الاغراض فان التأكيد سيكون مباشرة على تحسين حياة
اشد الناس فقرا في شعب البلد المستورد وتمكنهم من المشاركة في تطوير بلد هم .
واعزازا بما تقدم ، تم توقيع الاتفاقية الحالية من قبل ممثلين الجانبين المخولين رسميا بذلك .
وقدت في دمشق على نسختين باللغتين الانكليزية والعربيه المعترتين اصليتين على حد سواء .
في اليوم الثالث من شهر آذار عام ١٩٢٢ .

رسالة دعوة توقيع
من حكومة الولايات المتحدة الاميركية
الدكتور محمد المصاوي
وزير الاقتصاد والتجارة الخارجية
رسالة دعوة توقيع
من حكومة الجمهورية العربية السورية
ريشارد د . مورفيسى
سفير الولايات المتحدة الاميركية

ز - نسبة الفائدة المستمرة

ثلاثة % بالمائة

المند ٣ . لائحة التسويق العادي :

السلعة	فترة الاستيراد	حاجة التسويق العادي	نسبة الفائدة المستمرة
الارز	١٩٦٢	طن متري ٣٠,٠٠٠	٢٠%
اللبن	١٩٦٢	١٥٠٠ طن متري (منه ٢٧٥٠ مستورد من الولايات المتحدة الاميركية)	٢٠%
اللبن	١٩٦٣	١٥٠٠ طن متري (منه ٢٧٥٠ مستورد من الولايات المتحدة الاميركية)	٢٠%

المند ٤ . تحديدات التصدير :

- أ - ان فترة تحديد التصدير ستكون السنة المالية ١٩٧٢ الاميركية او اي سنة مالية اميركية لا حقة تستورد خلالها او تستعمل المواد المطلوبة بموجب هذه الاتفاقية .
- ب - من اجل القسم الاول ، المادة الثالثة (٤) من الاتفاقية ، فإن السلع التي لا يجوز تصديرها بالنسبة للارز - الارز الغير متشير «البني اللون » أو المنشور باستثناء «الارز والرائحة (نوع بأساتي) . وللنبع - لانى » .

المند ٥ . اجراءات مساعدة النفس :

- أ - يراعى في تنفيذ اجراءات مساعدة النفس هذه التأكيد على المساعدة المباشرة في تنمية التنمية في المناطق الريفية الفقيرة وتعkin الفقرا من المساعدة بشكل فعال في زيادة الانتاج الزراعي عن طريق زراعة المزارع الصغيرة .
- ب - ان حكومة الجمهورية العربية السورية توافق على :
 - ١ - التأكيد على زيادة انتاج الحبوب الغذائية والثروة الحيوانية « باعطاه » هذه الاهداف افضلية في موازتها .
 - ٢ - توسيع وتحسين اماكن خزن الحبوب وذلك لتسهيل التسويق المنظم « وتجنب الخسارة الناتجة عن المشرات والقوارض الخ ...
 - ٣ - تعزيز مؤسسات التعليم والتدريب الزراعي بما فيه الارشاد الزراعي .
 - ٤ - تشجيع الابحاث التطبيقية على المحاصيل الغذائية والثروة الحيوانية . وفيما خص الثروة الحيوانية التأكيد على زيادة الانتاج في الاراضي القاحلة والعمل على - تحسين حالة المراعي في نفس الوقت .
 - ٥ - الاستمرار في توسيع مساحة الاراضي الحروبة مع التأكيد على المحاصيل الأكثر احتياجا لدى السوريين .

اتفاقية بين حكومة الولايات المتحدة الاميركية
وحكومة الجمهورية العربية السورية
لبيع السلع الزراعية ضمن برنامج القانون الاميركي
العام رقم /٤٨٠/ - الفصل الاول

ان حكومة الولايات المتحدة الاميركية وحكومة الجمهورية العربية السورية قد اتفقا على
بيع السلع الزراعية المدرجة أدناه . وتتألف هذه الاتفاقية من المقدمة والخمسين الاول والثالث
من نص اتفاقية الفصل الاول الموقع في ٢٠ تشرين الثاني ١٩٧٤ اتفاقية الى القسم الثاني
الوارد أدناه :

القسم الثاني : شروط خاصة :

البند ١ . لائحة السلع :

السلعة	فترة التسلیم	الكمية القصوى التربيطة	القيمة القصوى لسوق التصدیر
(السنة المالية الاميركية)	١٩٢٢	(طن متري)	٣٥٠٠
الارز	١٩٢٢		٦٢
التبغ	١٩٢٢		١٢٠٠
النقل البحري (الفرق المقدر)			٣٥
المجموع:			١٠٠٠٠

البند ٢ . شروط الدفع :

الحساب بالدولار

- ٢ - الدفعة الاولى
 - ب - الدفعات من اجل استعمال المال
 - على ان تستعمل لغايات القسم ١٠٤ (٣)
 - ج - عدد الدفعات التقسيطية
 - د - مبلغ كل دفعة تقسيطية -
 - اقساط سنوية متساوية تقرباً
 - ه - تاريخ دفع القسط الاول - بعد مرور
 - ستين على تاريخ تسليم آخر شحنة من
 - السلع في كل سنة ميلادية .
 - و - نسبة الفائدة الاولية
- اثنان ٢ باللغة

MEXICO

Prisoner Transfer

*Treaty signed at México November 25, 1976;
Ratification advised by the Senate of the United States of America,
subject to a declaration,[¹] July 21, 1977,
Ratified by the President of the United States of America August 2,
1977,
Ratified by Mexico October 24, 1977,
Ratifications exchanged at Washington October 31, 1977,
Proclaimed by the President of the United States of America
November 12, 1977,
Entered into force November 30, 1977*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Treaty between the United States of America and the United Mexican States on the Execution of Penal Sentences was signed at Mexico City on November 25, 1976, the text of which Treaty, in the English and Spanish languages, is hereto annexed,

The Senate of the United States of America by its resolution of July 21, 1977, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Treaty;

The Treaty was ratified by the President of the United States of America on August 2, 1977, in pursuance of the advice and consent of the Senate, and was duly ratified on the part of the United Mexican States,

It is provided in Article X of the Treaty that the Treaty shall enter into force thirty days after the exchange of instruments of ratification,

The instruments of ratification of the Treaty were exchanged at Washington on October 31, 1977, and accordingly the Treaty will enter into force on November 30, 1977,

¹ The declaration reads: "That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article IV has been enacted."

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Treaty, to the end that it shall be observed and fulfilled with good faith on and after November 30, 1977, 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 twelfth day of November in the year of our Lord one thousand nine hundred [SEAL] seventy-seven and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

By the President:

CYRUS VANCE

Secretary of State

TREATY BETWEEN
THE UNITED STATES OF AMERICA AND
THE UNITED MEXICAN STATES
ON THE EXECUTION OF PENAL SENTENCES

The United States of America and the United Mexican States,
desiring to render mutual assistance in combating crime insofar
as the effects of such crime extend beyond their borders and to
provide better administration of justice by adopting methods
furthering the offender's social rehabilitation, have resolved
to conclude a Treaty on the execution of penal sentences and,
to that end, have named their plenipotentiaries
Joseph John Jova, Ambassador Extraordinary and Plenipotentiary
by the President of the United States of America and
Alfonso Garcia Robles, Secretary of Foreign Relations by the
President of the United Mexican States,

Who, having exchanged their full powers and having found
them in proper and due form, have agreed on the following
Articles:

Article I

(1) Sentences imposed in the United Mexican States on nationals of the United States of America may be served in penal institutions or subject to the supervision of the authorities of the United States of America in accordance with the provisions of this Treaty.

(2) Sentences imposed in the United States of America on nationals of the United Mexican States may be served in penal institutions or subject to the supervision of the authorities of the United Mexican States in accordance with the provisions of this Treaty.

Article II

This Treaty shall apply only subject to the following conditions:

- (1) That the offense for which the offender was convicted and sentenced is one which would also be generally punishable as a crime in the Receiving State, provided, however, that this condition shall not be interpreted so as to require that the crimes described in the laws of the two States be identical in such matters not affecting the character of the crimes such as the quantity of property or money taken or possessed or the presence of interstate commerce.
- (2) That the offender must be a national of the Receiving State.
- (3) That the offender not be a domiciliary of the Transferring State.

- (4) That the offense not be a political offense within the meaning of the Treaty of Extradition of 1899 ['] between the parties, nor an offense under the immigration or the purely military laws of a party.
- (5) That at least six months of the offender's sentence remains to be served at the time of petition; and
- (6) That no proceeding by way of appeal or of collateral attack upon the offender's conviction or sentence be pending in the Transferring State and that the prescribed time for appeal of the offender's conviction or sentence has expired.

Article III

Each State shall designate an authority to perform the functions provided in this Treaty.

Article IV

- (1) Every transfer under the Treaty shall be commenced by the Authority of the Transferring State. Nothing in this Treaty shall prevent an offender from submitting a request to the Transferring State for consideration of his transfer.
- (2) If the Authority of the Transferring State finds the transfer of an offender appropriate, and if the offender gives his express consent for his transfer, said Authority shall transmit a request for transfer, through diplomatic channels, to the Authority of the Receiving State.
- (3) If the Authority of the Receiving State approves the request, it shall promptly so inform the Transferring State and shall initiate the necessary procedures to effect the transfer of the offender. If it does not approve the request, it shall so notify promptly the Authority of the Transferring State.

¹ TS 242; 31 Stat. 1818.

(4) In deciding upon the transfer of an offender the Authority of each Party shall bear in mind all factors bearing upon the probability that the transfer will contribute to the social rehabilitation of the offender, including the nature and severity of his offense and his previous criminal record, if any, his medical condition, the strength of his connections by residence, presence in the territory, family relations and otherwise to the social life of the Transferring State and the Receiving State.

(5) If the offender was sentenced by the courts of a state of one of the Parties, the approval of the authorities of that state, as well as that of the Federal Authority, shall be required. The Federal Authority of the Receiving State shall, however, be responsible for the custody of the transferred offender.

(6) No offender shall be transferred unless either the sentence which he is serving has a specified duration, or such a duration has subsequently been fixed by the appropriate administrative authorities.

(7) The Transferring State shall furnish the Receiving State a statement showing the offense of which the offender was convicted, the duration of the sentence, the length of time already served by the prisoner and any credits to which the offender is entitled, such as, but not limited to, work done, good behavior or pretrial confinement. Such statement shall be translated into the language of the Receiving State and duly authenticated. The Transferring State shall also furnish the Receiving State a certified copy of the sentence handed down by the competent judicial authority and any modifications thereof. It shall also furnish additional information that might be useful to the Authority of the Receiving State in determining the treatment of the convict with a view to his social rehabilitation.

(8) If the Receiving State considers that the documents supplied by the Transferring State do not enable it to implement this Treaty, it may request additional information.

(9) Each Party shall take the necessary legislative measures and, where required, shall establish adequate procedures, to give for the purposes of this Treaty, legal effect, within its territory to sentences pronounced by courts of the other Party.

Article V

(1) Delivery of the offender by the authorities of the Transferring State to those of the Receiving State shall occur at a place agreed upon by both parties. The Transferring State shall afford an opportunity to the Receiving State, if it so desires, to verify, prior to the transfer, that the offender's consent to the transfer is given voluntarily and with full knowledge of the consequences thereof, through the officer designated by the laws of the Receiving State.

(2) Except as otherwise provided in this Treaty, the completion of a transferred offender's sentence shall be carried out according to the laws and procedures of the Receiving State, including the application of any provisions for reduction of the term of confinement by parole, conditional release or otherwise. The Transferring State shall, however, retain the power to pardon or grant amnesty to the offender and the Receiving State shall, upon being advised of such pardon or amnesty release the offender.

(3) No sentence of confinement shall be enforced by the Receiving State in such a way as to extend its duration beyond the date at which it would have terminated according to the sentence of the court of the Transferring State.

(4) The Receiving State shall not be entitled to any reimbursement for the expenses incurred by it in the completion of the offender's sentence.

(5) The Authorities of each party shall, every six months, exchange reports indicating the status of confinement of all offenders transferred under this Treaty, including in particular the parole or release of any offender. Either Party may, at any time, request a special report on the status of the execution of an individual sentence.

(6) The fact that an offender has been transferred under the provisions of this Treaty shall not prejudice his civil rights in the Receiving State in any way beyond those ways in which the fact of his conviction in the Transferring State by itself effects such prejudice under the laws of the Receiving State or any State thereof.

Article VI

The Transferring State shall have exclusive jurisdiction over any proceedings, regardless of their form, intended to challenge, modify or set aside sentences handed down by its courts. The Receiving State shall, upon being advised by the Transferring State of action affecting the sentence, take the appropriate action in accordance with such advice.

Article VII

An offender delivered for execution of a sentence under this Treaty may not be detained, tried or sentenced in the Receiving State for the same offense upon which the sentence to be executed is based. For purposes of this Article, the Receiving State will not prosecute for any offense the prosecution of which would have been barred under the law of that State, if the sentence had been imposed by one of its courts, federal or state.

Article VIII

(1) This Treaty may also be applicable to persons subject to supervision or other measures under the laws of one of the Parties relating to youthful offenders. The Parties shall, in accordance with their laws, agree to the type of treatment to be accorded such individuals upon transfer. Consent for the transfer shall be obtained from the legally authorized person.

(2) By special agreement between the Parties, persons accused of an offense but determined to be of unsound mental condition may be transferred for care in institutions in the country of nationality.

(3) Nothing in this Treaty shall be interpreted to limit the ability which the Parties may have, independent of the present Treaty, to grant or accept the transfer of youthful or other offenders.

Article IX

For the purposes of this Treaty, --

(1) "Transferring State" means the party from which the offender is to be transferred.

(2) "Receiving State" means the party to which the offender is to be transferred; and

(3) "Offender" means a person who, in the territory of one of the parties, has been convicted of a crime and sentenced either to imprisonment or to a term of probation, parole, suspended sentence, or any other form of supervision or conditional sentence without confinement.

(4) A "domiciliary" means a person who has been present in the territory of one of the parties for at least five years with an intent to remain permanently therein.

Article X

(1) This Treaty is subject to ratification. The exchange of ratifications shall take place in Washington.

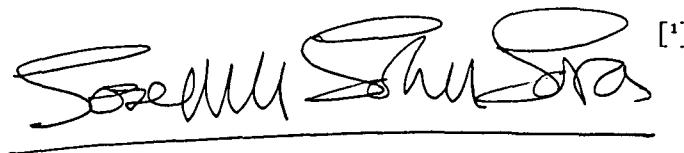
(2) This Treaty shall enter into force thirty days after the exchange of ratifications and shall remain in force for three years.^[1]

(3) Should neither contracting party have notified the other ninety days before the three-year period mentioned in the preceding paragraph has expired of its intention to let the Treaty terminate, the Treaty shall remain in force for another three years, and so on every three years.

¹ Nov. 30, 1977.

DONE at Mexico City in duplicate, this twenty-fifth day of November, one thousand nine hundred seventy six, in the English and Spanish languages, each text of which shall be equally authentic.

FOR THE UNITED STATES OF AMERICA:



[¹]

A handwritten signature in black ink, appearing to read "Joseph John Jova". The signature is written in a cursive style with a horizontal underline underneath it.

FOR THE UNITED MEXICAN STATES:



[²]

A handwritten signature in black ink, appearing to read "Alfonso García Robles". The signature is written in a cursive style.

¹ Joseph John Jova
² Alfonso García Robles

TRATADO ENTRE LOS ESTADOS UNIDOS DE AMERICA Y LOS
ESTADOS UNIDOS MEXICANOS SOBRE LA EJECUCION DE SENTENCIAS
PENALES

Los Estados Unidos de América y los Estados Unidos Mexicanos, animados por el deseo de prestarse mutuamente asistencia en la lucha contra la criminalidad en la medida en que los efectos de esta trascienden sus fronteras y de proveer a una mejor administración de la justicia mediante la adopción de métodos que faciliten la rehabilitación social del reo, han resuelto concluir un Tratado sobre la Ejecución de Sentencias Penales y, con tal fin, han nombrado sus plenipotenciarios:

El Presidente de los Estados Unidos de América, al señor Joseph John Jova, Embajador Extraordinario y Plenipotenciario de los Estados Unidos de América en México y

El Presidente de los Estados Unidos Mexicanos, al señor licenciado Alfonso García Robles, Secretario de Relaciones Exteriores quienes, después de haberse comunicado sus plenos poderes y haberlos encontrado en buena y debida forma, han convenido en los Artículos siguientes:

ARTICULO I

1. Las penas impuestas en los Estados Unidos Mexicanos a nacionales de los Estados Unidos de América podrán ser extinguidas en establecimientos penales de los Estados Unidos de América o bajo la vigilancia de sus autoridades, de conformidad con las disposiciones del presente Tratado.

2. Las penas impuestas en los Estados Unidos de América a nacionales de los Estados Unidos Mexicanos podrán ser extinguidas en establecimientos penales de los Estados Unidos Mexicanos o bajo la vigencia de sus autoridades, de conformidad con las disposiciones del presente Tratado.

ARTICULO II

El presente Tratado se aplicará únicamente bajo las siguentes condiciones:

- 1) Que el delito por el cual el reo fue declarado culpable y sentenciado sea también generalmente punible en el Estado Receptor, en la inteligencia que, sin embargo, esta condición no será interpretada en el sentido de requerir que los delitos tipificados en las leyes de ambos estados sean idénticos en aquellos aspectos que no afectan a la índole del delito como, por ejemplo, la cantidad de los bienes o del numerario sustraído o en posesión del reo, o la presencia de factores relativos al comercio interestatal.
- 2) Que el reo sea nacional del Estado Receptor.
- 3) Que el reo no esté domiciliado en el Estado Trasladante.
- 4) Que el delito no sea político en el sentido del Tratado de Extradición de 1899 entre las Partes, ni tampoco un delito previsto en las leyes de migración o las leyes puramente militares.

- 5) Que la parte de la sentencia del reo que quede por cumplirse en el momento de la solicitud sea de por lo menos seis meses.
- 6) Que ningún procedimiento de apelación, recurso o juicio en contra de la sentencia o de la pena esté pendiente de resolución en el Estado Trasladante y que el término prescrito para la apelación de la condena del reo haya vencido.

ARTICULO III

Cada Estado designará una autoridad que se encargará de ejercer las funciones previstas en el presente Tratado.

ARTICULO IV

- 1) Todo traslado conforme al presente Tratado se iniciará por la Autoridad del Estado Trasladante. Nada de lo dispuesto en el presente Tratado impedirá a un reo presentar una solicitud al Estado Trasladante para que considere su traslado.
- 2) Si la Autoridad del Estado Trasladante considera procedente el traslado de un reo y si éste da su consentimiento expreso para su traslado, dicha Autoridad transmitirá una solicitud en ese sentido, por los conductos diplomáticos, a la Autoridad del Estado Receptor.

- 3) Si la Autoridad del Estado Receptor acepta la solicitud, lo comunicará sin demora al Estado Trasladante e iniciará los procedimientos necesarios para efectuar el traslado del reo. Si no la acepta, lo hará saber sin demora a la Autoridad del Estado Trasladante.

4) Al decidir respecto del traslado de un reo, la Autoridad de cada una de las Partes tendrá en cuenta todos los factores pertinentes a la probabilidad de que el traslado contribuya a la rehabilitación social del reo, incluyendo la índole y gravedad del delito y los antecedentes penales del reo, si los tuviere; las condiciones de su salud; los vínculos que, por residencia, presencia en el territorio, relaciones familiares u otros motivos, pueda tener con la vida social del Estado Trasladante y del Estado Receptor.

5) Si el reo fue sentenciado por los tribunales de un Estado de una de las Partes, será necesario tanto la aprobación de las autoridades de dicho Estado, como la de la Autoridad Federal. No obstante, la Autoridad Federal del Estado Receptor será responsable de la custodia del reo.

6) No se llevará a cabo el traslado de reo alguno a menos que la pena que esté cumpliendo tenga una duración determinada o que las autoridades administrativas competentes hayan fijado posteriormente su duración.

7) El Estado Trasladante proporcionará al Estado Receptor una certificación que indique el delito por el cual fue sentenciado el reo, la duración de la pena, el tiempo ya cumplido por el reo y el tiempo que deba abonársele por motivos tales como, entre otros, trabajo, buena conducta o prisión preventiva. Dicha certificación será traducida al idioma del Estado Receptor y debidamente legalizada. El Estado Trasladante también proporcionará al Estado Receptor una copia certificada de la sentencia dictada por la Autoridad Judicial competente y de cualesquiera modificaciones que haya tenido. El Estado Trasladante también proporcionará toda información adicional que pueda ser útil a la Autoridad del Estado Receptor para determinar el tratamiento del reo con vistas a su rehabilitación social.

8) Si el Estado Receptor considera que los informes proporcione -

nados por el Estado Trasladante no son suficientes para permitirle la aplicación del presente Tratado, podrá solicitar información complementaria.

9) Cada una de las Partes tomará las medidas legislativas necesarias y, en su caso, establecerá los procedimientos adecuados, para que, para los fines del presente Tratado, surtan efectos legales en su territorio las sentencias dictadas por los tribunales de la otra Parte.

ARTICULO V

1) La entrega del reo por las autoridades del Estado Trasladante a las del Estado Receptor se efectuará en el lugar en que convengan ambas Partes. Antes del traslado, el Estado Trasladante dará al Estado Receptor la oportunidad, si éste la solicita, de verificar, por conducto del funcionario competente conforme a las leyes del Estado Receptor, que el consentimiento del reo para su traslado fue otorgado voluntariamente y con pleno conocimiento de las consecuencias inherentes.

2) Salvo disposición en contrario del presente Tratado, el cumplimiento de la sentencia de un reo trasladado se sujetará a las leyes y procedimientos del Estado Receptor, incluyendo la aplicación de toda disposición relativa a la condena condicional y a la reducción del período de prisión mediante libertad preparatoria o cualquier otra forma de preliberación. El Estado Trasladante conservará, sin embargo, la facultad de indultar al reo o concederle amnistía y el Estado Receptor, al recibir aviso de tal indulto o amnistía, pondrá al reo en libertad.

3) Ninguna sentencia de prisión será ejecutada por el Estado Receptor de manera a prolongar la duración de la pena más allá de la fecha en

que quedaría extinguida de acuerdo con la sentencia del tribunal del Estado Trasladante.

4) El Estado Receptor no podrá reclamar el reembolso de los gastos en que incurra con motivo de la ejecución de la sentencia del reo.

5) Las Autoridades de las Partes intercambiarán, cada seis meses, informes sobre el estado que guarde la ejecución de las sentencias de todos los reos trasladados conforme al presente Tratado, incluyendo en particular los relativos a la excarcelación (libertad preparatoria o libertad absoluta) de cualquier reo. Cualquiera de las Partes podrá solicitar, en cualquier momento, un informe especial sobre el estado que guarde la ejecución de una sentencia individual.

6) El hecho de que un reo haya sido trasladado conforme a las disposiciones del presente Tratado no afectará sus derechos civiles en el Estado Receptor más allá de lo que pueda afectarlos, conforme a las leyes del Estado Receptor o de cualquiera de sus entidades federativas, el hecho mismo de haber sido objeto de una condena en el Estado Trasladante.

ARTICULO VI

El Estado Trasladante tendrá jurisdicción exclusiva respecto de todo procedimiento, cualquiera que sea su índole, que tenga por objeto impugnar, modificar o dejar sin efectos las sentencias dictadas por sus tribunales. El Estado Receptor, al recibir aviso del Estado Trasladante de cualquier decisión que afecte a una sentencia, deberá adoptar las medidas que correspondan, conforme a dicho aviso.

ARTICULO VII

Un reo entregado para la ejecución de una sentencia conforme al presente Tratado no podrá ser detenido, procesado ni sentenciado en el Estado Receptor por el mismo delito que motivó la sentencia a ser ejecutada. Para los fines de este Artículo, el Estado Receptor no ejercitará acción penal en contra del reo por cualquier delito respecto del cual el ejercicio de la acción penal no sería posible conforme a las leyes de ese Estado, en el caso de que la sentencia hubiere sido impuesta por uno de sus tribunales, federal o estatal.

ARTICULO VIII

1) El presente Tratado podrá también aplicarse a personas sujetas a supervisión u otras medidas conforme a las leyes de una de las Partes relacionadas con menores infractores. Las Partes, de conformidad con sus leyes, acordarán el tipo de tratamiento que se aplicará a tales personas una vez trasladadas. Para el traslado se obtendrá el consentimiento de quien esté legalmente facultado para otorgarlo.

2) Por acuerdo especial entre las Partes, las personas acusadas de un delito, respecto de las cuales se haya comprobado que sufren una enfermedad o anomalía mental podrán ser trasladadas para ser atendidas en instituciones en el país de su nacionalidad.

3) Ninguna disposición de este Tratado se interpretará en el sentido de limitar la facultad que las Partes puedan tener, independientemente del presente Tratado, para conceder o aceptar el traslado de un menor infractor u otra clase de infractor.

ARTICULO IX

Para los fines del presente Tratado:

1) "Estado Trasladante" significa la Parte de la cual el reo
habrá de ser trasladado.

2) "Estado Receptor" significa la Parte a la que el reo habrá
de ser trasladado.

3) "Reo" significa una persona que, en el territorio de una de
las Partes ha sido declarada responsable de un delito y se encuentra suje -
ta, en virtud de una sentencia o de cualquier medida legal adoptada en eje-
cución de dicha sentencia, ya sea a prisión ya sea al régimen de condena
condicional, de libertad preparatoria o de cualquier otra forma de libertad
sujeta a vigilancia.

4) Un "domiciliado" significa una persona que ha radicado en el
territorio de una de las Partes por lo menos cinco años con el propósito de
permanecer en él.

ARTICULO X

1) El presente Tratado estará sujeto a ratificación. El Canje
de ratificaciones tendrá lugar en Washington.

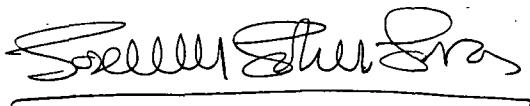
2) El presente Tratado entrará en vigor treinta días después
del canje de ratificaciones y tendrá una duración de tres años.

3) Si ninguna de las Partes Contratantes hubiere notificado a
la otra noventa días antes de la expiración del período de tres años a que

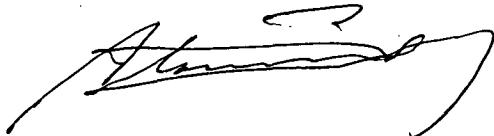
se refiere el Apartado anterior, su intención de dejar que el Tratado termine, éste continuará en vigor por otros tres años y así sucesivamente de tres en tres años.

Hecho en la Ciudad de México, en duplicado, a los veinticinco días del mes de noviembre del año mil novecientos setenta y seis, en los idiomas inglés y español, siendo cada uno de los textos igualmente auténticos.

Por los Estados Unidos de América:



Por los Estados Unidos Mexicanos:



PAKISTAN

Tarbela Dam Repairs

*Agreement signed at Islamabad September 22, 1976;
Entered into force September 22, 1976.*

(7419)

TIAS 8719

A.I.D. Loan No. 391-P-141F

LOAN AGREEMENT

BETWEEN THE

PRESIDENT OF PAKISTAN

AND THE

UNITED STATES OF AMERICA

FOR

TARBELA DAM REPAIRS

Dated: September 22, 1976

TABLE OF CONTENTS

<u>Section and Article Number</u>	<u>Title</u>	<u>Page</u>	<u>{Pages herein}</u>
ARTICLE I	The Loan		
SECTION 1.01	The Loan	6	7429
SECTION 1.02	Disbursements for the Project	6	7429
ARTICLE II	Loan Terms		
SECTION 2.01	Interest	7	7430
SECTION 2.02	Repayment	7	7430
SECTION 2.03	Application, Currency and Place of Payment	8	7431
SECTION 2.04	Prepayment	8	7431
SECTION 2.05	Renegotiation of the Terms of the Loan	9	7432
ARTICLE III	Conditions Precedent to Disbursement		
SECTION 3.01	Conditions Precedent to Any Disbursement	9	7432
SECTION 3.02	Terminal Dates for Meeting Conditions Precedent to Disbursements	10	7433
SECTION 3.03	Notification of Meeting of Conditions Precedent to Disbursement	10	7433
ARTICLE IV	Special Covenant and Warranty		
SECTION 4.01	Recoveries and Proceeds	10	7433

<u>Section and Article Number</u>	<u>Title</u>	<u>Page</u>	{ <u>Pages herein</u> }
ARTICLE V General Covenants and Warranties			
SECTION 5.01	Performance of Obligations	11	7434
SECTION 5.02	Taxation	11	7434
SECTION 5.03	Utilization of Goods and Services	12	7435
SECTION 5.04	Disclosure of Material Facts and Circumstances	12	7435
SECTION 5.05	Commissions, Fees and Other Payments	13	7436
SECTION 5.06	Maintenance and Audit of Records	14	7437
SECTION 5.07	Reports	15	7438
SECTION 5.08	Inspections	15	7438
ARTICLE VI Procurement			
SECTION 6.01	Goods and Services Not Financed Under Loan	16	7439
ARTICLE VII Cancellation and Suspension			
SECTION 7.01	Events of Default; Acceleration	16	7439
SECTION 7.02	Suspension of Disbursements	18	7441
SECTION 7.03	Cancellation by A.I.D.	19	7442
SECTION 7.04	Continued Effectiveness of Agreement	20	7443
SECTION 7.05	Refunds	20	7443
SECTION 7.06	Expenses of Collection	21	7444
SECTION 7.07	Non-Waiver of Remedies	22	7445

<u>Section and Article Number</u>	<u>Title</u>	<u>Page</u>	<i>[Pages herein]</i>
ARTICLE VIII	Miscellaneous		
SECTION 8.01	Communications	22	7445
SECTION 8.02	Representatives	23	7446
SECTION 8.03	Implementation Letters	24	7447
SECTION 8.04	Promissory Notes	24	7447
SECTION 8.05	Termination Upon Full Payment	25	7448

AGREEMENT, dated September 22, 1976, between the
PRESIDENT OF PAKISTAN (hereinafter called the "Borrower"),
and the UNITED STATES OF AMERICA, acting through the Agency
for International Development (hereinafter called "A.I.D.").

WITNESSETH:

WHEREAS the Borrower and the Government of India have signed the Indus Water Treaty 1960 [¹] (hereinafter called the "Treaty"), providing inter alia for the division and use of the waters of the Indus Basin;

WHEREAS the effective utilization by the Borrower of the water assigned to it by the Treaty will require the construction of a system of works in Pakistan;

WHEREAS the Borrower, the Governments of the Commonwealth of Australia, Canada, the Federal Republic of Germany, New Zealand, the United Kingdom of Great Britain and Northern Ireland and the United States of America and the International Bank for Reconstruction and Development (hereinafter called the "IBRD") have

¹ 419 UNTS 125.

² TIAS 4671; 12 UST 19.

(Supplemental) Agreement, 1964 [¹] (hereinafter called the "Supplemental Indus Fund Agreement");

WHEREAS the Indus Fund Agreement and Supplemental Indus Fund Agreement provide for the establishment of an Indus Basin Development Fund (hereinafter called the "Indus Fund"), the purpose of which is to assist in financing the construction by the Borrower of a system of works in Pakistan which will accomplish the replacement of water supplies for irrigation canals in Pakistan which hitherto have been dependent on water supplies from the waters to be assigned by the Treaty to India and which will provide for the development of Indus water uses in Pakistan;

WHEREAS the Tarbela Development Fund Agreement, 1968, [²] (hereinafter called the Tarbela Fund Agreement) provides for the transfer and use of monies from the Indus Basin Development Fund to the Tarbela Development Fund (hereinafter called the "Tarbela Fund"), both funds being administered by the IBRD, to meet the non-rupee costs of the Tarbela Project, an integral part of the Indus Basin system of works;

¹ TIAS 5570; 15 UST 396.

² TIAS 6492; 19 UST 4866.

WHEREAS the Tarbela Development Fund (Supplemental) Agreement, 1975 [¹] (hereinafter called the "Tarbela Supplemental Agreement") provides for special contributions to the Tarbela Development Fund for the purpose of meeting the cost of the repairs of the Tarbela dam and such additional remedial works thereto as determined to be required for the prompt and safe completion of the dam ("Project" described in Section 1.02 herein);

WHEREAS the IBRD will serve as Administrator of the Indus Fund and the Tarbela Fund (hereinafter jointly called the "Fund") and will administer the Fund in accordance with the terms of the respective Fund agreements;

WHEREAS in consideration of the foregoing, and in response to calls by the IBRD for loan contribution dollars from A.I.D., Borrower and A.I.D. executed a Loan Agreement in the principal amount of twelve million United States dollars (\$12,000,000), dated May 28, 1969 (hereinafter called the "1969 Loan Agreement"), a Loan Agreement in the principal amount of thirteen million nine hundred and sixty thousand dollars (\$13,960,000) dated May 27, 1971 and amended November 12, 1971 (hereinafter called the "1971 Loan Agreement"), a Loan Agreement in the principal amount of six million seven

¹ TIAS 8193; 26 UST 2751.

hundred and seventy thousand dollars (\$6,770,000) dated March 30, 1972 (hereinafter called the "March 1972 Loan Agreement"), a Loan Agreement in the principal amount of five million five hundred and sixty one thousand seven hundred and twenty two dollars (\$5,561,722) dated September 12, 1972 (hereinafter called the "September 1972 Loan Agreement"), a Loan Agreement in the principal amount of six million four hundred thirty eight thousand two hundred and seventy eight dollars (\$6,438,278) dated January 10, 1973 (hereinafter called the "January 1973 Loan Agreement"), a Loan Agreement in the principal amount of four million two hundred ninety thousand five hundred and seventy one dollars (\$4,290,571) dated February 28, 1973 and amended June 29, 1973 (hereinafter called the "February 1973 Loan Agreement"), a Loan Agreement in the principal amount of two million dollars (\$2,000,000) dated February 25, 1974 (hereinafter called the "February 1974 Loan Agreement"), and a Loan Agreement in the principal amount of one hundred ninety thousand four hundred and twenty nine dollars (199,429) dated April 29, 1975 (hereinafter called the "April 1975 Loan Agreement") providing for disbursement of dollars by A.I.D. to the Fund to be used for the purposes and in the manner specified in the Indus Fund Agreement and Supplemental Indus Fund Agreement;

WHEREAS under the Foreign Assistance and Related Programs Appropriations Act, 1976, [¹] the Congress of the United States has appropriated additional monies to A.I.D. to be loaned to the Fund for the purposes of Indus Basin Development and Tarbela Dam Repairs;

WHEREAS the Tarbela Supplemental Agreement calls for a loan contribution in dollars from A.I.D. which exceeds in amount the outstanding balance of funds available under the 1969, 1971, March 1972, September 1972, January 1973, February 1973, February 1974, and April 1975 Loan Agreements, such dollars to be disbursed directly to the Tarbela Fund and to be used for the purposes and in the manner specified in the Tarbela Supplemental Agreement;

WHEREAS the establishment of such a loan, in addition to the 1969, 1971, March 1972, September 1972, January 1973, February 1973, February 1974 and April 1975 Loan Agreements, will assist the development of the Indus Basin through a program of cooperation among South Asian and other nations of the free world in order to promote economic growth and political stability in South Asia and will assist, on the basis of self-help and mutual cooperation, the development of the

¹ 90 Stat. 771.

economic resources and productive capabilities of Pakistan; and

WHEREAS such a loan will be in furtherance of the purpose
and policies of the legislation governing A.I.D.:

NOW, THEREFORE, the Borrower and A.I.D. hereby
agree as follows:

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower, pursuant to Section 302 of the Foreign Assistance Act of 1961, as amended,^[1] and pursuant to Section 1.01 of the Tarbela Supplemental Agreement, an amount not to exceed Ten Million United States Dollars (\$10,000,000) (the "Loan") to assist in financing the project described in Section 1.02 of this Agreement.

SECTION 1.02. Disbursements for the Project. Disbursements under this Loan will be made directly to the Fund and will be made in the manner provided in the Tarbela Fund Agreement and in the amounts and at the times specified by the IBRD in notices made pursuant to the Tarbela Fund Agreement and Tarbela Supplemental Agreement. Such disbursements will be made in order to finance the

¹ 75 Stat. 433; 22 U.S.C. § 2222.

cost of equipment, supplies, other property and services required to repair the Tarbela dam and perform such remedial works thereto as the Administrator of the Fund had determined as of the date of the Tarbela Supplemental Agreement to be required for the prompt and safe completion of the dam (such repairs and remedial works herein-after called the "Project"). Such disbursements will be used in accordance with the requirements, standards, and procedures established by the Administrator pursuant to the respective Fund agreements.

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 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, 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 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 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 Controller, Agency for International Development, Washington, D.C., USA, and shall be deemed made when received by the Office of the Controller.

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 agrees 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 the country of the Borrower.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Any Disbursement.

Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, the Borrower shall, 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 the Minister of Law of Pakistan or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized 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 names of the persons holding or acting in the office of the Borrower specified in Section 8.02, and a specimen signature of each person specified in such statement.

SECTION 3.02. Terminal Dates for Meeting Conditions

Precedent to Disbursements. If the conditions specified in Section 3.01 shall not have been met within fifteen (15) 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 giving written notice to the Borrower. Upon giving of such notice, this Agreement and all obligations of the parties thereunder shall terminate.

SECTION 3.03. Notification of Meeting of Conditions

Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement have been met.

ARTICLE IVSpecial Covenant And Warranty

SECTION 4.01. Recoveries of Proceeds. Any amounts received by the Borrower (or its Agencies) from contractors, suppliers, insurers, sureties or others on account of expenditures incurred as a result of the damage to the Tarbela dam shall be paid by the Borrower to the Tarbela Fund to be credited in accordance with Section 1.08 of the Tarbela Supplemental Agreement.

ARTICLE VGeneral Covenants and WarrantiesSECTION 5.01. Performance of Obligations. The

Borrower shall duly and punctually perform all actions and obligations required of it under the Indus Fund Agreement, Supplemental Indus Fund Agreement, Tarbela Fund Agreement and Tarbela Supplemental Agreement. Without limitation of the foregoing, the Borrower, in the procurement of all equipment, material, supplies and services to be financed by the Fund shall comply with all of the requirements, standards and procedures established by the IBRD as Administrator of the Fund.

SECTION 5.02 Taxation. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and be free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. As, and to the extent that (a) any contractor including any consulting firm, financed hereunder, any personnel of such contractor and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder are not exempt from identifiable taxes, tariffs, duties and other levies imposed under laws in effect in the country of the Borrower, the Borrower, except as Borrower,

contractors and A.I.D. may otherwise agree, shall pay or reimburse the same with funds other than those provided under the Loan.

SECTION 5.03. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid 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 use.

SECTION 5.04. Disclosure of Material Facts and Circumstances. The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D. accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's obligations under this Agreement.

SECTION 5.05. Commissions, Fees and Other Payments.

(a) Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to 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 nor 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 for bona fide professional, technical or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreements to pay for such bona fide professional, technical or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis, and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.).

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes or similar payments legally established in the country of the Borrower.

(c) A.I.D. from time to time may issue binding instructions concerning the eligibility for financing hereunder of commissions,

including brokerage commissions and commissions paid to sales agents or suppliers, and allowances to purchasing agents or importers.

Borrower agrees to comply with such instructions, to promptly report to A.I.D. any payment or allowance, or agreement to pay or permit any commissions or allowances, covered by such instructions of which it has knowledge and to reimburse A.I.D. on request, in the amount of any payment or allowance made or permitted contrary to such instructions; provided, however, that this paragraph shall apply only to commissions or allowances arising from contracts or orders made or placed after the receipt by Borrower of notice of such instructions.

SECTION 5.06. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall without limitation, be adequate to show:

(a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;

(b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;

(c) the basis of the award of contracts and orders to successful bidders; and

(d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 5.07. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

SECTION 5.08. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records and other documents relating

to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Borrower for any purpose relating to the Loan.

ARTICLE VI

Procurement

SECTION 6.01. Goods and Services Not Financed Under Loan.

Goods and services procured for the Project but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

ARTICLE VII

Cancellation and Suspension

SECTION 7.01. 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 agreement, any guaranty agreement, or any other agreement between the Borrower 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 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 days:

- (i) such unpaid Principal and any accrued interest hereunder 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 7.02. Suspension of Disbursements. In the event
that at any time:

- (a) An Event of Default has occurred;
- (b) An event occurs that A.I.D. determines to be an extra-ordinary 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 would be in violation of the legislation governing A.I.D.;
- (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 agreement, any guaranty agreement or any other agreement between the Borrower or any of its agencies and the Government of the United States of America 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 the issuance of

irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;

(ii) Decline to make disbursements other than under outstanding commitment documents;

(iii) Decline to issue additional commitment documents, and

(iv) At A.I.D.'s expense, direct that title of goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been off-loaded in ports of entry of the country of the Borrower. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 7.03. Cancellation by A.I.D. Following any suspension of disbursement pursuant to Section 7.02, 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 7.04. 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 7.05. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within ninety days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in

the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or goods that did not conform with specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

SECTION 7.06. 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 amount 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 7.07 Non-Waiver 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 such rights, powers, or remedies.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Communications. Any notice, request, document or other communication given, made or sent by the Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable or radiogram 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 to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

Mail Address: Secretary to the Government of Pakistan
Economic Affairs Division
Ministry of Finance, Planning and Economic Affairs
Islamabad, Pakistan

Cable Address: ECONOMIC
Islamabad

TO A.I.D.:

Mail Address: United States Agency for International Development
Islamabad, Pakistan

Cable Address: USAIDPAK
Islamabad

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 8.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the offices of the Secretary, Joint Secretary and Deputy Secretary, Economic Affairs Division and A.I.D. will be represented by the individual holding or acting in the office of Director,

US AID Mission to Pakistan. Such individuals shall have the authority to designate by written notice additional representatives. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 8.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 8.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidence of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 8.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its respective 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 PAKISTAN

By: Aftab Ahmad Khan
Name: Aftab Ahmad Khan
Title: Secretary, Economic Affairs
Division

UNITED STATES OF AMERICA

By: Henry A. Byroade
Name: Henry A. Byroade
Title: The Ambassador of the
United States of America

CANADA
Transit Pipelines

*Agreement signed at Washington January 28, 1977,
Ratification advised by the Senate of the United States of America
August 3, 1977,
Ratified by the President of the United States of America Sep-
tember 15, 1977,
Ratified by Canada August 29, 1977,
Ratifications exchanged at Ottawa September 19, 1977,
Proclaimed by the President of the United States of America
September 30, 1977,
Entered into force October 1, 1977.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT

The Agreement between the Government of the United States of America and the Government of Canada Concerning Transit Pipelines was signed at Washington on January 28, 1977, the text of which Agreement, in the English and French languages, is hereto annexed,

The Senate of the United States of America by its resolution of August 3, 1977, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Agreement.

The Agreement was ratified by the President of the United States of America on September 15, 1977, in pursuance of the advice and consent of the Senate, and was duly ratified on the part of Canada,

It is provided in Article X of the Agreement that the Agreement shall enter into force on the first day of the month following the month in which the instruments of ratification are exchanged,

The instruments of ratification of the Agreement were exchanged at Ottawa on September 19, 1977, and accordingly the Agreement entered into force on October 1, 1977,

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Agreement, to the end that it shall be observed and fulfilled with good faith on and after October 1, 1977, 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 thirtieth day of September in [SEAL] the year of our Lord one thousand nine hundred seventy-seven and of the Independence of the United States of America the two hundred second.

JIMMY CARTER

By the President:

WARREN CHRISTOPHER

Acting Secretary of State

AGREEMENT BETWEEN THE GOVERNMENT
OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF CANADA CONCERNING
TRANSIT PIPELINES

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

Believing that pipelines can be an efficient, economical
and safe means of transporting hydrocarbons from producing
areas to consumers, in both the United States and Canada;

Noting the number of hydrocarbon pipelines which now
connect the United States and Canada and the important service
which they render in transporting hydrocarbons to consumers in
both countries; and

Convinced that measures to ensure the uninterrupted
transmission by pipeline through the territory of one Party of
hydrocarbons not originating in the territory of that Party,
for delivery to the territory of the other Party, are the
proper subject of an agreement between the two Governments;

Have agreed as follows:

TIAS 8720

ARTICLE I

For the purpose of this Agreement:

- (a) "Transit Pipeline" means a pipeline or any part thereof, including pipe, valves and other appurtenances attached to pipe, compressor or pumping units, metering stations, regulator stations, delivery stations, loading and unloading facilities, storage facilities, tanks, fabricated assemblies, reservoirs, racks, and all real and personal property and works connected therewith, used for the transmission of hydrocarbons in transit. "Transit Pipeline" shall not include any portion of a pipeline system not used for the transmission of hydrocarbons in transit.
- (b) "Hydrocarbons" means any chemical compounds composed primarily of carbon and hydrogen which are recovered from a natural reservoir in a solid, semi-solid, liquid or gaseous state, including crude oil, natural gas, natural gas liquids and bitumen, and their derivative products resulting from their production, processing or refining. In addition, "hydrocarbons" includes coal and feedstocks derived from crude oil, natural gas, natural gas liquids or coal used for the production of petro-chemicals.
- (c) "Hydrocarbons in transit" means hydrocarbons transmitted in a "Transit Pipeline" located within the territory of one Party, which hydrocarbons do not originate in the territory of that Party, for delivery to, or for storage before delivery to, the territory of the other Party.

ARTICLE II

1. No public authority in the territory of either Party shall institute any measures, other than those provided for in Article V, which are intended to, or which would have the effect of, impeding, diverting, redirecting or interfering with in any way the transmission of hydrocarbons in transit.

2. The provisions of paragraph 1 of this Article apply:

(a) In the case of Transit Pipelines carrying exclusively hydrocarbons in transit, to such volumes as may be transmitted to the Party of destination in the Transit Pipeline;

(b) In the case of Transit Pipelines in operation at the time of entry into force of this Agreement not carrying exclusively hydrocarbons in transit, to the average daily volume of hydrocarbons in transit transmitted to the Party of destination during the 12 month period immediately prior to the imposition of any measures described in paragraph 1;

(c) In the case of Transit Pipelines which come into operation subsequent to the entry into force of this Agreement not carrying exclusively hydrocarbons in transit, to such volumes of hydrocarbons in transit as may be authorized by the appropriate regulatory bodies; or

(d) To such other volumes of hydrocarbons in transit as may be agreed upon subsequently by the Parties.

3. Each Party undertakes to facilitate the expeditious issuance of such permits, licenses, or other authorizations as may be required from time to time for the import into, or export from, its territory through a Transit Pipeline of hydrocarbons in transit.

ARTICLE III

1. No public authority in the territory of either Party shall impose any fee, duty, tax or other monetary charge, either directly or indirectly, on or for the use of any Transit Pipeline unless such fee, duty, tax or other monetary charge would also be applicable to or for the use of similar pipelines located within the jurisdiction of that public authority.

2. No public authority in the territory of either Party shall impose upon hydrocarbons in transit any import, export or transit fee, duty, tax or other monetary charge. This paragraph shall not preclude the inclusion of hydrocarbon throughput as a factor in the calculation of taxes referred to in paragraph 1.

ARTICLE IV

1. Notwithstanding the provisions of Article II and paragraph 2 of Article III, a Transit Pipeline and the transmission of hydrocarbons through a Transit Pipeline shall be subject to regulations by the appropriate governmental authorities having jurisdiction over such Transit Pipeline in the same manner as for any other pipelines or the transmission of hydrocarbons by pipeline subject to the authority of such governmental authorities with respect to such matters as the following:

- a. Pipeline safety and technical pipeline construction and operation standards;
- b. environmental protection;
- c. rates, tolls, tariffs and financial regulations relating to pipelines;

- d. reporting requirements, statistical and financial information concerning pipeline operations and information concerning valuation of pipeline properties.
2. All regulations, requirements, terms and conditions imposed under paragraph 1 shall be just and reasonable, and shall always, under substantially similar circumstances with respect to all hydrocarbons transmitted in similar pipelines, other than intra-provincial and intra-state pipelines, be applied equally to all persons and in the same manner.

ARTICLE V

1. In the event of an actual or threatened natural disaster, an operating emergency, or other demonstrable need temporarily to reduce or stop for safety or technical reasons the normal operation of a Transit Pipeline, the flow of hydrocarbons through such Transit Pipeline may be temporarily reduced or stopped in the interest of sound pipeline management and operational efficiency by or with the approval of the appropriate regulatory authorities of the Party in whose territory such disaster, emergency or other demonstrable need occurs.
2. Whenever a temporary reduction of the flow of hydrocarbons through a Transit Pipeline occurs as provided in paragraph 1:
 - (a) In the case of a Transit Pipeline carrying exclusively hydrocarbons in transit, the Party for whose territory such hydrocarbons

are intended shall be entitled to receive the total amount of the reduced flow of hydrocarbons,

- (b) In the case of a Transit Pipeline not carrying exclusively hydrocarbons in transit, each Party shall be entitled to receive downstream of the point of interruption a proportion of the reduced flow of hydrocarbons equal to the proportion of its net inputs to the total inputs to the Transit Pipeline made upstream of the point of interruption. If the two Parties are able collectively to make inputs to the Transit Pipeline upstream of the point of interruption, for delivery downstream of the point of interruption, of a volume of hydrocarbons which exceeds the temporarily reduced capacity of such Transit Pipeline, each Party shall be entitled to transmit through such Transit Pipeline a proportion of the total reduced capacity equal to its authorized share of the flow of hydrocarbons through such Transit Pipeline prior to the reduction. If no share has been authorized, specified or agreed upon pursuant to Article II, paragraph 2, the share of the Parties in the reduced

flow of hydrocarbons shall be in proportion to the share of each Party's net inputs to the total flow of hydrocarbons through such Transit Pipeline during the 30 day period immediately preceding the reduction.

3. The Party in whose territory the disaster, emergency or other demonstrable need occurs resulting in a temporary reduction or stoppage of the flow of hydrocarbons shall not unnecessarily delay or cause delay in the expeditious restoration of normal pipeline operations.

ARTICLE VI

Nothing in this Agreement shall be considered as waiving the right of either Party to withhold consent, or to grant consent subject to such terms and conditions as it may establish consistent with the principles of uninterrupted transmission and of non-discrimination reflected in this Agreement, for the construction and operation on its territory of any Transit Pipeline construction of which commences subsequent to the entry into force of this Agreement, or to determine the route within its territory of such a Transit Pipeline.

ARTICLE VII

The Parties may, by mutual agreement, conclude a protocol or protocols to this Agreement concerning the application of this Agreement to a specific pipeline or pipelines.

ARTICLE VIII

The Parties may, by mutual agreement, amend this Agreement at any time.

ARTICLE IX

1. Any dispute between the Parties regarding the interpretation, application or operation of this Agreement shall, so far as possible, be settled by negotiation between them.
2. Any such dispute which is not settled by negotiation shall be submitted to arbitration at the request of either Party. Unless the Parties agree on a different procedure within a period of sixty days from the date of receipt by either Party from the other of a notice through diplomatic channels requesting arbitration of the dispute, the arbitration shall take place in accordance with the following provisions. Each Party shall nominate an arbitrator within a further period of sixty days. The two arbitrators nominated by the Parties shall within a further period of sixty days appoint a third arbitrator. If either Party fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, either Party may request the President of the International Court of Justice (or, if the President is a national of either Party, the member of the Court ranking next in order of precedence who is not a national of either Party) to appoint such arbitrator. The third arbitrator shall not be a national of either Party, shall act as Chairman and shall determine where the arbitration shall be held.

3. The arbitrators appointed under the preceding paragraph shall decide any dispute, including appropriate remedies, by majority. Their decision shall be binding on the Parties.

4. The costs of any arbitration shall be shared equally between the Parties.

ARTICLE X

1. This Agreement is subject to ratification. Instruments of Ratification shall be exchanged at Ottawa.

2. This Agreement shall enter into force on the first day of the month following the month in which Instruments of Ratification are exchanged. [¹]

3. This Agreement shall remain in force for an initial period of thirty-five years. It may be terminated at the end of the initial thirty-five year period by either Party giving written notice to the other Party, not less than ten years prior to the end of such initial period, of its intention to terminate this Agreement. If neither Party has given such notice of termination, this Agreement will thereafter continue in force automatically until ten years after either Party has given written notice to the other Party of its intention to terminate the Agreement.

¹ Oct. 1, 1977.

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

DONE in duplicate at Washington in the English and
French languages, both versions being equally authentic,
this twenty-eighth day of January 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

 [¹]

FOR THE GOVERNMENT OF CANADA:

 [²]

¹ Julius L. Katz

² J. H. Warren

ACCORD ENTRE LE GOUVERNEMENT DES ETATS-UNIS
D'AMÉRIQUE ET LE GOUVERNEMENT DU CANADA
CONCERNANT LES PIPE-LINES DE TRANSIT

Le Gouvernement des Etats-Unis d'Amérique et le Gouvernement du Canada;

Estimant que les pipe-lines peuvent être un moyen efficace, économique et sûr de transport des hydrocarbures à partir des régions de production jusqu'aux consommateurs, tant aux Etats-Unis qu'au Canada;

Constatant le nombre de pipe-lines à hydrocarbures qui relient présentement les Etats-Unis et le Canada ainsi que l'importance du service qu'ils rendent en transportant des hydrocarbures jusqu'aux consommateurs des deux pays;

Convaincus que des mesures visant à assurer l'acheminement ininterrompu au moyen de pipe-lines, par le territoire d'une Partie, d'hydrocarbures ne provenant pas du territoire de ladite Partie et destinés au territoire de l'autre Partie, sont de nature à faire l'objet d'un accord entre les deux Gouvernements;

Sont convenus de ce qui suit:

ARTICLE I

Aux fins du présent Accord,

- (a) "Pipe-line de transit" signifie un pipe-line ou toute partie de celui-ci, y compris la canalisation, les valves et autres accessoires rattachés à la canalisation, les stations de pompage ou de compression, les stations de comptage, de régulation et de livraison, les installations de chargement, de déchargement et de stockage, les citermes, les montages usinés, les réservoirs, les rampes de chargement, ainsi que les biens meubles et immeubles et les ouvrages connexes servant à l'acheminement d'hydrocarbures en transit. "Pipe-line de transit" ne s'applique à aucune partie d'un pipe-line qui ne sert pas à l'acheminement d'hydrocarbures en transit.
- (b) "Hydrocarbures" signifie tout composé chimique, contenant principalement du carbone et de l'hydrogène, que l'on récupère d'un réservoir naturel à l'état solide, semi-solide, liquide ou gazeux, notamment le pétrole brut, le gaz naturel, les produits liquides extraits du gaz naturel et le bitume, ainsi que les produits dérivés résultant de la production, du traitement ou du raffinage de ceux-ci. Le terme "hydrocarbures" s'applique en outre au charbon et aux stocks d'alimentation dérivés du pétrole brut, du gaz naturel, des produits liquides extraits du gaz naturel ou du charbon servant à produire des produits pétrochimiques.
- (c) "Hydrocarbures en transit" signifie les hydrocarbures qui sont acheminés au moyen d'un "pipe-line de transit" situé sur le territoire d'une des Parties, qui ne proviennent pas de son territoire et qui sont destinés à être livrés, ou à être stockés avant livraison, dans le territoire de l'autre Partie.

ARTICLE II

1. Aucune autorité publique du territoire de l'une ou l'autre des Parties n'adoptera de mesures, autres que celles prévues à l'Article V, qui ont pour but, ou qui auraient pour effet, d'empêcher, de dévier, de réorienter ou d'entraver de quelque manière que ce soit l'acheminement d'hydrocarbures en transit.

2. Les dispositions du paragraphe 1 du présent Article s'appliquent:

a) dans le cas des pipe-lines de transit servant exclusivement à l'acheminement d'hydrocarbures en transit, aux volumes qui peuvent être acheminés vers la Partie de destination au moyen du pipe-line de transit;

b) dans le cas des pipe-lines de transit en service à la date de l'entrée en vigueur du présent Accord et qui ne servent pas exclusivement à l'acheminement d'hydrocarbures en transit, aux volumes quotidiens moyens d'hydrocarbures en transit acheminés vers la Partie de destination au cours des 12 mois précédant immédiatement l'imposition de toute mesure décrite au paragraphe 1;

c) dans le cas des pipe-lines de transit mis en service après l'entrée en vigueur du présent Accord et qui ne servent pas exclusivement à l'acheminement d'hydrocarbures en transit, aux volumes d'hydrocarbures en transit qui peuvent être autorisés par les organismes de réglementation appropriés; ou

d) à tous autres volumes d'hydrocarbures en transit dont les deux Parties peuvent convenir par la suite.

3. Chacune des Parties s'engage à faciliter la prompte délivrance des permis, licences ou autres autorisations qui peuvent être nécessaires, de temps en temps, pour importer dans son territoire ou exporter hors de son territoire, au moyen d'une pipe-line de transit, des hydrocarbures en transit.

ARTICLE III

1. Aucune autorité publique du territoire de l'une ou l'autre des Parties n'imposera, directement ou indirectement de contributions, taxes, impôts ou autres charges monétaires sur un pipe-line de transit ou aux fins de l'utilisation d'un pipe-line de transit, autres que les contributions, taxes, impôts ou autres charges monétaires qui s'appliqueraient également à des pipe-lines semblables ou aux fins de l'utilisation de pipe-lines semblables relevant de la juridiction de ladite autorité publique.

2. Aucune autorité publique du territoire de l'une ou l'autre des Parties n'imposera, sur les hydrocarbures en transit, de contributions, taxes, impôts ou autres charges monétaires à l'importation, à l'exportation ou au transit. Le présent paragraphe n'empêchera pas de tenir compte du débit des hydrocarbures comme facteur dans le calcul des taxes visées au paragraphe 1.

ARTICLE IV

1. Nonobstant les dispositions de l'Article II et du paragraphe 2 de l'Article III, un pipe-line de transit et l'acheminement d'hydrocarbures au moyen d'un pipe-line de transit seront soumis à la réglementation des autorités gouvernementales appropriées de la juridiction desquelles un tel pipe-line de transit relève; de la même manière que tout autre pipe-line ou l'acheminement d'hydrocarbures au moyen de pipe-lines relevant de la juridiction desdites autorités gouvernementales en ce qui a trait à des matières telles que celles-ci:

- a. sécurité des pipe-lines et normes techniques de construction et d'exploitation des pipe-lines;
- b. protection de l'environnement;
- c. taux, droits, tarifs et règlements financiers ayant trait aux pipe-lines;
- d. rapports exigés, renseignements statistiques et financiers concernant les opérations des pipe-lines ainsi que renseignements relatifs à l'évaluation des biens afférents aux pipe-lines.

2. Tous les règlements, exigences, conditions et modalités imposés en vertu du paragraphe 1 doivent être justes et raisonnables et ils doivent toujours, dans des circonstances fondamentalement semblables en ce qui a trait à tous les hydrocarbures acheminés au moyen de pipe-lines semblables, autres que des pipe-lines limités à une province ou à un Etat, être appliqués également et uniformément à toutes les personnes.

ARTICLE V

1. Advenant un désastre naturel, l'éventualité d'un désastre naturel, une situation d'urgence dans l'exploitation ou toute autre situation qui, pour des raisons techniques ou de sécurité, nécessite manifestement la réduction ou l'interruption temporaire de l'exploitation normale d'un pipe-line de transit, le débit des hydrocarbures acheminés au moyen d'un tel pipe-line de transit peut être temporairement réduit ou arrêté dans l'intérêt d'une saine gestion et de l'efficacité opérationnelle du pipe-line, par décision ou moyennant l'approbation des autorités de réglementation appropriées de la Partie sur le territoire de laquelle survient le désastre, la situation d'urgence ou toute autre situation qui nécessite manifestement une action en ce sens.

2. Chaque fois que survient une réduction temporaire du débit des hydrocarbures acheminés au moyen d'un pipe-line de transit, tel que prévu au paragraphe 1.

- a) dans le cas d'un pipe-line de transit qui transporte exclusivement des hydrocarbures en transit, la Partie au territoire de laquelle les hydrocarbures sont destinés aura droit de recevoir la totalité du débit réduit des hydrocarbures;
- b) dans le cas d'un pipe-line de transit qui ne transporte pas exclusivement des hydrocarbures en transit, chacune des Parties aura droit de recevoir en aval du point d'interruption une proportion du débit réduit des hydrocarbures égales à la proportion de ses apports totaux fournis au pipe-line de transit en amont du point d'interruption. Si les deux Parties sont en mesure de fournir collectivement au pipe-line de transit en amont du point d'interruption, aux fins

de livraison en aval du point d'interruption, un volume d'hydrocarbures supérieur à la capacité temporairement réduite du pipe-line de transit, chacune des Parties aura droit d'acheminer au moyen dudit pipe-line de transit une proportion de la capacité réduite totale égale à la part du débit d'hydrocarbures qu'elle a été autorisée à acheminer, avant la réduction, au moyen du pipe-line de transit, Si aucun partage du débit n'a été autorisé, établi ou convenu conformément au paragraphe 2 de l'Article II, la part du débit réduit d'hydrocarbures qui reviendra à chacune des Parties sera proportionnelle à la part que représentent les apports nets de chacune des Parties par rapport au débit total d'hydrocarbures du pipe-line de transit au cours de la période de 30 jours précédent immédiatement la réduction.

3. La Partie sur le territoire de laquelle survient le désastre, la situation d'urgence ou toute autre situation qui nécessite manifestement une réduction ou une interruption temporaire du débit d'hydrocarbures, ne retardera pas ou ne fera pas en sorte que soit retardée sans nécessité la reprise rapide de l'exploitation normale du pipe-line.

TIAS 8720

ARTICLE VI

Aucune disposition du présent Accord ne doit être interprétée dans le sens où elle enlèverait à l'une ou l'autre des Parties le droit de refuser son assentiment, ou de donner son assentiment selon les conditions et les modalités qu'elle peut déterminer en respectant les principes de l'acheminement ininterrompu et de la non-discrimination exposés dans le présent Accord, à la construction et à l'exploitation sur son territoire d'un pipe-line de transit dont la construction débute après l'entrée en vigueur du présent Accord, ou le droit de déterminer le tracé d'un tel pipe-line de transit sur son territoire.

ARTICLE VII

Les Parties peuvent, d'un commun accord, conclure un ou des protocoles au présent Accord concernant l'application de ce dernier à un ou des pipe-lines particuliers.

ARTICLE VIII

Les Parties peuvent, d'un commun accord, modifier à n'importe quel moment le présent Accord.

ARTICLE IX

1. Si un différend survient entre les Parties relativement à l'interprétation, à l'application ou à la mise en oeuvre du présent Accord, elles s'efforceront, dans la mesure du possible, de le régler par voie de négociations.
2. Si les Parties ne parviennent pas à un règlement par voie de négociations, le différend sera, à la demande de l'une ou l'autre des Parties, soumis à l'arbitrage. A moins que les Parties ne conviennent d'une procédure différente dans un délai de soixante jours à compter de la date à laquelle l'une d'elles aura reçu de l'autre Partie, par voie diplomatique, un avis demandant l'arbitrage du différend, l'arbitrage aura lieu conformément aux modalités suivantes. Chacune des Parties nommera un arbitre dans un délai supplémentaire de soixante jours. Les deux arbitres nommés par les Parties désigneront un troisième arbitre dans un nouveau délai de soixante jours. Si l'une ou l'autre des Parties ne nomme pas d'arbitre dans le délai prescrit ou si le troisième arbitre n'est pas désigné dans le délai prévu, le président de la Cour internationale de justice (ou, si le président est un ressortissant de l'une ou l'autre des Parties, le premier membre de la Cour qui, par ordre de préséance, n'est pas un ressortissant de l'une ou l'autre des Parties) peut être invité par l'une ou l'autre des Parties à désigner cet arbitre. Le troisième arbitre ne sera pas un ressortissant de l'une ou l'autre des Parties; il agira en qualité de président et déterminera l'endroit où aura lieu l'arbitrage.
3. Les arbitres désignés en vertu du paragraphe précédent trancheront le différend et décideront de la réparation appropriée à la majorité des voix. Les Parties devront se conformer à leurs décisions.
4. Les frais d'arbitrage seront partagés également entre les Parties.

ARTICLE X

1. Le présent Accord doit être ratifié. Les instruments de ratification seront échangés à Ottawa.
2. Le présent Accord entrera en vigueur le premier jour du mois suivant le mois au cours duquel les instruments de ratification auront été échangés.
3. Le présent Accord demeurera en vigueur pendant une première période de trente-cinq ans. L'une ou l'autre des Parties pourra y mettre fin, au terme de ladite période de trente-cinq ans, en avisant par écrit l'autre Partie, au moins dix ans avant l'expiration de cette première période, de son intention de mettre fin au présent Accord. Si aucune des Parties ne donne un tel préavis, le présent Accord continuera d'être en vigueur automatiquement jusqu'à ce que l'une ou l'autre des Parties avise par écrit l'autre Partie de son intention de mettre fin au présent Accord, auquel cas celui-ci prendra fin au terme des dix années subséquentes.

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

FAIT en double exemplaire à Washington en français et en anglais, chaque version faisant également foi, ce
28ième jour de Janvier 1977.

POUR LE GOUVERNEMENT DES
ETATS-UNIS D'AMERIQUE

POUR LE GOUVERNEMENT DU CANADA

SINGAPORE

Air Transport Services

*Agreement effected by exchange of notes
Signed at Singapore October 18 and 31, 1977;
Entered into force October 31, 1977.
With memorandum of consultation
Signed at Washington September 23, 1977.*

*The American Chargé d'Affaires ad interim to the Singaporean Acting
Minister of Foreign Affairs*

No. 570/77

SINGAPORE, October 18, 1977

EXCELLENCY:

I have the honor to refer to the negotiations held between representatives of the Government of the United States of America and the Government of Singapore concerning air transport relations between the two countries and to propose, on behalf of my Government, that the attached Memorandum of Consultation govern the conduct of each Government with respect to the scheduled and charter passenger, cargo and combination air services of the respective United States and Singapore Airlines which are authorized to conduct operations between the two countries. The Memorandum of Consultation summarizes the understanding between the two delegations and is acceptable to my Government. In due course, we will submit the revised portions to the previously agreed-to Air Transport Agreement of July 5, 1974. These revised portions together with the other provisions will contain the final details governing air services between our two countries.

If your Government agrees to the foregoing proposal, I have the honor to propose that this note and your reply to that effect constitute an agreement between the two Governments which shall enter into effect on the date of your reply.

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

EDWARD C. INGRAHAM

Charge d'Affaires ad interim

Enclosure:

Memorandum of Consultation

His Excellency

LEE KHOON CHOY,

*Acting Minister of Foreign Affairs,
Singapore.*

Memorandum of Consultation

1. Delegations representing the Governments of Singapore and the United States of America met in Washington, D.C. from September 19 to 23, 1977 to discuss mutual civil aviation issues. Delegation lists are attached. The Delegations agreed to the following:

2. Rights:

A. For Singapore:

1. Route (Combination and All-Cargo):

Between Singapore, on the one hand, and Guam, Honolulu and San Francisco, on the other hand, via Hong Kong¹.

2. Frequencies:

a. Third and Fourth Freedom traffic (Combination and All-Cargo): Unrestricted as to frequency.

b1. Fifth Freedom traffic (Combination Only): At inauguration of service, three frequencies per week; from April, 1979, four frequencies per week; from April, 1980, five frequencies per week.

b2. Fifth Freedom traffic (All-Cargo Only)²: At inauguration of service, three frequencies per week; from April, 1979, four frequencies per week; from April, 1980, five frequencies per week.

B. For the United States:

1. Ground Handling in Singapore: Both Delegations agreed that designated U.S. airlines should, to the greatest extent possible, be permitted flexibility in ground handling. In

¹ If rights to Hong Kong are not obtained, discussions will take place within 30 days to determine a substitute point from the following: Thailand, Taiwan, the Philippines and Korea.

² All-cargo frequencies may not be converted to combination services.

accordance with this principle, airlines will be permitted to perform or to choose a contractor from authorized sources at the option of the airline to perform the functions of check-in passengers, maintenance, flight planning and operations, selection of fuel vendor, freight receipt, packing and unpacking, customs clearance and documentation preparation, and freight delivery. Other functions such as food service and ramp (apron) service may be continued by designated carriers if feasible, but, if selection is required, the choice of authorized vendors shall be at the option of the designated airlines.

With respect to ground services, there will be no discrimination as between carriers operating international flights and prices charged should be reasonable and related to the costs of providing the service.

2. Route (Combination and All-Cargo):

Between the United States and its territories, and Singapore, and, as either intermediates or beyonds at the airlines' discretion, Japan, Korea¹, Hong Kong, Taiwan, the Philippines, Thailand¹, Indonesia and Malaysia.

3. Frequencies:

- a. Third and Fourth Freedom traffic (Combination and All-Cargo): Unrestricted as to frequency.
- b1. Fifth Freedom traffic (Combination Only): At inauguration of service, three frequencies per week; from April, 1979, four frequencies per week; from April, 1980, five frequencies per week.
- b2. Fifth Freedom traffic (All-Cargo Only)²: At inauguration of service three frequencies per week; from April, 1979, four frequencies per week; from April, 1980, five frequencies per week.

3. Non-Scheduled Air Services:

Both Governments adopt the following provisions relating to passenger and cargo charter air services, whether performed by scheduled or supplemental airlines:

- A. Each Party may designate airlines to operate charter flights between the two countries and the other Party will grant licenses to such airlines authorizing charter air services consistent with the agreement;
- B. Each Party grants to the other Party rights necessary to conduct charter air services (1) without limitations on volume, frequency, or regularity of service; (2) without limitations on traffic access or movement; and (3) without the requirement

¹ All-cargo operations only.

² All-cargo frequencies may not be converted to combination services.

for prior approval of individual flights or series of flights. The charterworthiness of flights will be determined by the rules of the country of traffic origin and prices will be established by charterers under the surveillance of the country of traffic origin.

4. Flight Operations:

Rules and regulations governing the operation of scheduled and charter services performed by the designated airlines of both countries shall be applied on a nondiscriminatory basis.

5. Multiple Designation:

Both Governments have the right to designate an airline or airlines to operate the agreed services.

6. Equipment:

Selection of the type of aircraft to be utilized will be at the discretion of the designated airlines of each country.

7. Fares and Rates:

Both Governments are committed to expanding passenger and cargo air transportation opportunities between the two countries. This can best be achieved by implementing innovative low-fare services (scheduled and charter), which are beneficial to travelers and shippers. The Governments will encourage airlines to explore, propose and implement the lowest possible level of fares and rates which can be economically justified.

8. Review:

Consultations will be held at the request of either Government at a mutually convenient time and place after April, 1980, to review matters related to frequencies, routes and whether a change in destination from San Francisco to Los Angeles is possible. Both Delegations agreed that no commitments were made in regard to the outcome of the issues involved in future consultations. However, if a review of routes, frequencies and possible change of destination is requested, both Delegations agreed to recommend that their Governments submit, in advance, traffic data pertinent to the discussion.

9. Bilateral Agreement (July 1, 1974):

Both Delegations agreed to review the draft agreement and to present necessary modifications, such as the inclusion of a route schedule and a charter article, to the other Government as soon as possible. When agreement is reached between the Governments, an exchange of diplomatic notes will bring the bilateral agreement into effect.

10. Effectiveness:

The ad referendum agreements recorded in this Memorandum of Understanding will become effective upon an exchange of diplomatic notes.

ROBERT A. BROWN
Robert A. Brown
Chairman
United States Delegation

WASHINGTON, D.C.
September 23, 1977

SIM KEE BOON
Sim Kee Boon
Chairman
Singapore Delegation

Attachment A

Singapore Delegation

Chairman: Honorable Sim Kee Boon
Permanent Secretary
Ministry of Communications
Mr. Ho Beng Huat
Senior Assistant Director
Department of Civil Aviation
Mr. Joseph Tam
Operations Officer
Department of Civil Aviation
Mr. Lee Bian Tian
State Counsel
Attorney-General's Chambers
Mr. J. Y. M. Pillay
Chairman
Singapore International Airlines
Mr. Lim Chin Beng
Managing Director
Singapore International Airlines
Mr. Peter Lai
Director of Planning
Singapore International Airlines

Observers: Mr. P. K. Wee
Regional Director, Americas
Singapore International Airlines
Mr. Pau Chern Seow
International Relations Officer
Singapore International Airlines
Mr. Ram Chandra Nair
First Secretary
Singapore Embassy
Washington, D.C.

Attachment B**United States Delegation**

Chairman: Mr. Robert A. Brown
Chief, Aviation Negotiations Division
Office of Aviation
Department of State
Honorable Lee R. West
Member
Civil Aeronautics Board
Mr. John T. Golden
Assistant to Member
Civil Aeronautics Board
Mr. James S. Horneman
Chief, Pacific and Far East
Bureau of International Affairs
Civil Aeronautics Board
Mr. C. Robert Mallalieu
Pacific and Far East
Bureau of International Affairs
Civil Aeronautics Board
Mr. Mark Easton
Economic Desk Officer for Singapore
Department of State
Mr. Thomas J. Roesch
Office of Aviation
Department of State
Mr. John B. Flynn
Director, Air Transportation Policy Staff
Department of Transportation

Technical Advisers: Mr. Edward A. Dingivan
Vice President
National Air Carrier Association
Mr. Donald C. Comlish
Vice President, International Affairs Department
Air Transport Association of America

The Singaporean Acting Minister of Foreign Affairs to the American Ambassador

MAJULAH SINGAPURA [¹]

ACTING MINISTER FOR FOREIGN AFFAIRS, SINGAPORE

31 OCTOBER 1977

EXCELLENCY,

I have the honour to refer to the Note No. 570/77 dated 18th October 1977, which Mr Edward C Ingraham addressed to me when he was Charge d'Affaires ad interim, which reads as follows:—

“Excellency,

I have the honour to refer to the negotiations held between representatives of the Government of the United States of America and the Government of Singapore concerning air transport relations between the two countries and to propose, on behalf of my Government, that the attached Memorandum of Consultation govern the conduct of each Government with respect to the scheduled and charter passenger, cargo and combination air services of the respective United States and Singapore Airlines which are authorised to conduct operations between the two countries. The Memorandum of Consultation summarises the understanding between the two delegations and is acceptable to my Government. In due course, we will submit the revised portions to the previously agreed-to Air Transport Agreement of July 5, 1974. These revised portions together with the other provisions will contain the final details governing air services between our two countries.

If your Government agrees to the foregoing proposal, I have the honour to propose that this note and your reply to that effect constitute an agreement between the two Governments which shall enter into effect on the date of your reply.

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

Sgd

EDWARD C INGRAHAM

Charge d'Affaires ad interim”

¹ In translation reads: “Republic of Singapore”. [Footnote added by the Department of State.]

I have the honour to confirm that the Government of Singapore also accepts the Memorandum of Consultation referred to in the aforesaid Note and is agreeable to the proposal that the said Note and this reply shall constitute an agreement between the two Governments which will enter into force on the date of this reply.

I take the opportunity to record the understanding of my Government that the Memorandum of Consultation is in the nature of a working document which would normally operate in conjunction with an Air Transport Agreement. The Air Transport Agreement between our two Governments, although initialled in July 1974, has yet to be formally concluded. In this connection, I note with satisfaction that, in pursuance of paragraph 9 of the Memorandum of Consultation, your Government, on its part, will submit revisions of the text of the Agreement to take account of the results of the recent negotiations in Washington and with a view to finalising the Agreement. It is the hope of my Government, and I believe yours as well, that the Agreement will be concluded at the earliest date possible and that the aviation relations of our two countries can thereby be put on a firm footing.

Accept, Excellency, the assurances of my highest consideration.

LEE KHOON CHOY

Lee Khoon Choy

His Excellency

Mr JOHN H HOLDRIIDGE

Ambassador

*Embassy of the United States of America
Singapore*

LEBANON
Air Transport Services

*Agreement effected by exchange of notes
Signed at Beirut September 24 and October 13, 1977;
Entered into force October 13, 1977.*

The American Ambassador to the Lebanese Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 313

SEPTEMBER 24, 1977

EXCELLENCY:

I have the honor to refer to the consultations held in Washington between delegations representing the Governments of the United States of America and Lebanon from September 6 to 9, 1977, to discuss various civil aviation matters in accordance with the air transport agreement of September 1, 1972.^[1] The delegations reached the following understandings:

A. That for the time being they were not in a position to discuss the long-term requirements of the two Governments.

B. The U.S. delegation did not believe that new information had been presented which warranted a departure from the Civil Aeronautics Board's recommended decision to the President of the United States, to authorize three frequencies. However, it did feel that based on the traditional friendship between the two countries, and in the interest of reaffirming that friendship, that it would support the Lebanese delegation's representations that a minimum of four weekly frequencies were required by its airline, TMA, in order to maintain all-cargo service on an economical basis between New York and Beirut, using narrow-bodied equipment.

C. That the Government of Lebanon would welcome, on the basis of comity and reciprocity, the resumption of Pan American's service to Beirut.

D. That if the Government of Lebanon desires to discuss the introduction of service by MEA during the short-term, consultations between the two Governments would be held.

¹ TIAS 7546, 8304; 24 UST 245; 27 UST 2188.

E. That since the route rights specified in the route schedule attached to the air transport agreement had expired, and that since circumstances had changed so greatly, the memorandum of consultation of June 13, 1972, [1] was no longer in effect.

The two delegations agreed that this memorandum of consultation should be confirmed by an exchange of diplomatic notes.

These understandings are acceptable to the Government of the United States of America. If they are also acceptable to the Government of Lebanon, I have the honor to propose that this note, together with your Excellency's reply to that effect, shall be regarded as constituting an agreement between our two Governments effective on the date of your reply.

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

RICHARD B PARKER

Richard B. Parker
Ambassador

His Excellency

FUAD BOUTROS

*Minister of Foreign Affairs
Republic of Lebanon*

The Lebanese Minister of Foreign Affairs to the American Ambassador

REPUBLICUE LIBANAISE
MINISTERE DES AFFAIRES ETRANGERES
ET DES LIBANAIS D'OUTRE—MER
LE MINISTRE

No. 3211

EXCELLENCY,

I have the honor to refer to your note N° 313 dated September 24, 1977, concerning the consultations held in Washington between delegations representing the Governments of Lebanon and the United States of America, from September 6 to 9, 1977, to discuss civil aviation matters in accordance with our air transport agreement of September 1, 1972.

In your Excellency's note you inform me that the two delegations reached the following understandings:

A. That for the time being they were not in a position to discuss the long-term requirements of the two Governments.

¹ Not printed.

B. The U.S. delegation did not believe that new information had been presented which warranted a departure from the Civil Aeronautics Board's recommended decision to the President of the United States, to authorize three frequencies. However, it did feel that based on the traditional friendship between the two countries, and in the interest of reaffirming that friendship, that it would support the Lebanese delegation's representations that a minimum of four weekly frequencies were required by its airline, TMA, in order to maintain all-cargo service on an economical basis between New York and Beirut, using narrow-bodied equipment.

C. That the Government of Lebanon would welcome, on the basis of comity and reciprocity, the resumption of Pan American's service to Beirut.

D. That if the Government of Lebanon desires to discuss the introduction of service by MEA during the short-term, consultations between the two Governments would be held.

E. That since the route rights specified in the route schedule attached to the air transport agreement had expired, and that since circumstances had changed so greatly, the memorandum of consultations of June 13, 1972, was no longer in effect.

The two delegations agreed that this memorandum of consultations should be confirmed by an exchange of diplomatic notes.

I have the honor to inform you that these understandings are acceptable to the Government of the Republic of Lebanon and that I consider your Excellency's note to me as well as my reply to you, as constituting an agreement between our two Governments effective on this date.

Accept, Your Excellency, the assurances of my high esteem and consideration.

BEYROUTH, 13 Oct. 1977

FUAD BOUTROS

Fuad Boutros

*Minister of Foreign Affairs
Republic of Lebanon*

His Excellency

RICHARD B. PARKER

*Ambassador of the United States of
America to the Republic of Lebanon
Beirut*

SUDAN

Criminal Investigations

*Agreement signed at Washington September 23, 1977;
Entered into force September 23, 1977.*

AGREEMENT ON PROCEDURES FOR MUTUAL ASSISTANCE
BETWEEN THE UNITED STATES DEPARTMENT OF JUSTICE
AND THE ATTORNEY-GENERAL'S CHAMBERS OF THE
DEMOCRATIC REPUBLIC OF THE SUDAN, IN CONNECTION
WITH MATTERS RELATING TO THE BOEING COMPANY

The United States Department of Justice and the Attorney-General's Chambers of the Democratic Republic of The Sudan, hereinafter referred to as "the parties", confirm the following procedures in regard to mutual assistance to be rendered to agencies with law enforcement responsibilities in their respective countries with respect to alleged illicit acts pertaining to the sales activities in The Sudan of The Boeing Company, and its subsidiaries and affiliates:

1. All requests for assistance shall be communicated between the parties through the diplomatic channel, unless otherwise agreed.
2. Upon request, the parties shall use their best efforts to make available to each other relevant and material information, such as statements, depositions, documents, business records, correspondence or other materials, available to them concerning alleged illicit acts pertaining to the sales activities in The Sudan of The Boeing Company, and its subsidiaries and affiliates.
3. Such information shall be used exclusively for purposes of investigation conducted by agencies with law enforcement responsibilities and in ensuing criminal, civil and administrative proceedings, hereinafter referred to as "legal proceedings".

4. Except as provided in paragraph 5, all such information made available by the parties pursuant to this Agreement, and all correspondence between the parties relating to such information and to the implementation of this Agreement, shall be kept confidential and shall not be disclosed to third parties or to government agencies having no law enforcement responsibilities. Disclosure to other agencies having law enforcement responsibilities shall be conditioned on the recipient agency's acceptance of the terms set forth herein.

In the event of breach of confidentiality, the other party may discontinue cooperation under this Agreement.

5. Information made available pursuant to this Agreement may be used freely in ensuing legal proceedings in the state of the requesting party in which an agency having law enforcement responsibilities is involved, and the parties shall use their best efforts to furnish the information for purposes of such legal proceedings in such form as to render it admissible pursuant to the rules of evidence in existence in the state of the requesting party, including, but not limited to, certifications, authentications, and such other assistance as may be necessary to provide the foundation for the admissibility of evidence.

6. The parties shall give advance notice and afford an opportunity for consultation prior to the use, within the meaning of paragraph 5, of any information made available pursuant to this Agreement.

7. Upon request, the parties agree to permit the interviewing of persons in their respective countries by law enforcement officials of the other party, provided advance notice is given of the identity of the persons to be interviewed and of the place of the interview. Representatives of the other party may be present at such interviews. The parties will assist each other in arranging for such interviews and will permit the taking of testimony or statements or the production of documents and other materials in accordance with the practice or procedure of the state of the requesting party.

The requesting party shall not pursue its request for an interview or for the production of documents and other materials if the requested party considers that it would interfere with an ongoing investigation or proceeding being conducted by the authorities of the state of the requested party.

8. The parties shall use their best efforts to assist in the expeditious execution of letters rogatory issued by the judicial authorities in connection with any legal proceedings which may ensue in their respective countries.

9. The assistance to be rendered to a requesting party shall not be required to extend to such acts by the authorities of the state of the requested party as might result in the immunization of any person from prosecution in that state.

10. All assistance by a requested party will be performed subject to all limitations imposed by the domestic law of its state. Execution of a request for assistance may be postponed, denied, or made subject to conditions to be agreed upon, if execution would interfere with an ongoing investigation or legal proceeding in the state of the requested party.

11. Nothing contained herein shall limit the rights of the parties to utilize for any purpose information which is obtained by the parties independent of this Agreement.

12. The mutual assistance to be rendered by the parties pursuant to this Agreement is designed solely for the benefit of their respective agencies having law enforcement responsibilities and is not intended or designed to benefit third parties or to affect the admissibility of evidence under the laws of either the United States or of The Sudan.

13. An extension of this Agreement to similar cases where investigations are conducted or contemplated by both parties in their respective states could be accomplished by an exchange of letters between the parties.

14. This Agreement shall enter into force on the date of its signature.

Done at Washington, D. C. this 23rd day of September,
1977, in two originals.

For the United States
Department of Justice:



JOHN C. KEENEY
Deputy Assistant Attorney
General
Criminal Division

For the Attorney-General's
Chambers of the Democratic
Republic of The Sudan:



DR. HASSAN OMER
Attorney-General

PAKISTAN
Criminal Investigations

*Agreement signed at Washington September 9, 1977;
Entered into force September 9, 1977.*

AGREEMENT ON PROCEDURES FOR MUTUAL ASSISTANCE
BETWEEN THE UNITED STATES DEPARTMENT OF JUSTICE
AND THE MINISTRY OF INTERIOR, GOVERNMENT OF
PAKISTAN, IN CONNECTION WITH MATTERS RELATING
TO THE LOCKHEED AIRCRAFT CORPORATION AND THE
BOEING COMPANY

The United States Department of Justice and the Ministry of Interior, Government of Pakistan, hereinafter referred to as "the parties", confirm the following procedures in regard to mutual assistance to be rendered to agencies with law enforcement responsibilities in their respective countries with respect to alleged illicit acts pertaining to the sales activities in Pakistan of the Lockheed Aircraft Corporation and The Boeing Company, and their subsidiaries and affiliates:

1. All requests for assistance shall be communicated between the parties through the diplomatic channel, unless otherwise agreed.
2. Upon request, the parties shall use their best efforts to make available to each other relevant and material information, such as statements, depositions, documents, business records, correspondence or other materials, available to them concerning alleged illicit acts pertaining to the sales activities in Pakistan of the Lockheed Aircraft Corporation and The Boeing Company, and their subsidiaries and affiliates.
3. Such information shall be used exclusively for purposes of investigation conducted by agencies with law enforcement responsibilities and in ensuing criminal, civil and administrative proceedings, hereinafter referred to as "legal proceedings".

4. Except as provided in paragraph 5, all such information made available by the parties pursuant to this Agreement, and all correspondence between the parties relating to such information and to the implementation of this Agreement, shall be kept confidential and shall not be disclosed to third parties or to government agencies having no law enforcement responsibilities. Disclosure to other agencies having law enforcement responsibilities shall be conditioned on the recipient agency's acceptance of the terms set forth herein.

In the event of breach of confidentiality, the other party may discontinue cooperation under this Agreement.

5. Information made available pursuant to this Agreement may be used freely in ensuing legal proceedings in the requesting state in which an agency having law enforcement responsibilities is a party, and the parties shall use their best efforts to furnish the information for purposes of such legal proceedings in such form as to render it admissible pursuant to the rules of evidence in existence in the requesting state, including, but not limited to, certifications, authentications, and such other assistance as may be necessary to provide the foundation for the admissibility of evidence.

6. The parties shall give advance notice and afford an opportunity for consultation prior to the use, within the meaning of paragraph 5, of any information made available pursuant to this Agreement.

7. Upon request, the parties agree to permit the interviewing of persons in their respective countries by law enforcement officials of the other party, provided advance notice is given of the identity of the persons to be interviewed and of the place of the interview. Representatives of the other party may be present at such interviews. The parties will assist each other in arranging for such interviews and will permit the taking of testimony or statements or the production of documents and other materials in accordance with the practice or procedure of the requesting state.

The requesting party shall not pursue its request for an interview or for the production of documents and other materials if the requested party considers that it would interfere with an-ongoing investigation or proceeding being conducted by the authorities of the requested state.

8. The parties shall use their best efforts to assist in the expeditious execution of letters rogatory issued by the judicial authorities in connection with any legal proceedings which may ensue in their respective countries.

9. The assistance to be rendered to a requesting state shall not be required to extend to such acts by the authorities of the requested state as might result in the immunization of any person from prosecution in the requested state.

10. All assistance by a requested state will be performed subject to all limitations imposed by its domestic law. Execution of a request for assistance may be postponed, denied, or made subject to conditions to be agreed upon, if execution would interfere with an ongoing investigation or legal proceeding in the requested state.

11. Nothing contained herein shall limit the rights of the parties to utilize for any purpose information which is obtained by the parties independent of this Agreement.

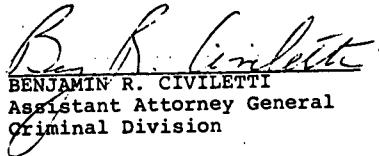
12. The mutual assistance to be rendered by the parties pursuant to this Agreement is designed solely for the benefit of their respective agencies having law enforcement responsibilities and is not intended or designed to benefit third parties or to affect the admissibility of evidence under the laws of either the United States or of Pakistan.

13. An extension of this Agreement to similar cases where investigations are conducted or contemplated by both the United States Department of Justice and by the Ministry of Interior, Government of Pakistan, could be accomplished by an exchange of letters between the parties.

14. This Agreement shall enter into force on the date of its signature.

Done at Washington, D. C. this 9th day of September,
1977, in two originals.

For the United States
Department of Justice:


BENJAMIN R. CIVILETTI
Assistant Attorney General
Criminal Division

For the Ministry of Interior,
Government of Pakistan



ZAFAR IQBAL RATHORE
Additional Director General,
Federal Investigation Agency

SPAIN
Criminal Investigations

*Agreement effected by exchange of letters
Signed at Madrid and Washington June 7 and July 22, 1977;
Entered into force July 22, 1977.*

The Spanish Attorney General to the American Attorney General

EL FISCAL DEL REINO

MADRID, 7 de Junio de 1.977.

The HONORABLE GRIFFIN BELL

*Attorney General de los Estados Unidos
Washington*

HONORABLE SR.:

A la vista de la fructífera colaboración que resultó del "acuerdo de procedimiento para la mutua asistencia judicial entre España y los EEUU de América en relación con la Lockheed Corporation", la parte española propone que el intercambio de información relativa a la Boeing Corporation se realice en los mismos términos y condiciones que los de aquel acuerdo, firmado en Washington el 14 de julio de 1.976.

En caso de acceder a esta propuesta, le ruego, Sr. Attorney General, que considere esta carta y su respuesta afirmativa como el acuerdo extendiendo la ayuda mencionada para el caso de la Boeing Corporation.

Muy cordialmente.

ELEUTERIO GONZALEZ ZAPATERO

Translation

THE ATTORNEY GENERAL OF SPAIN

MADRID, June 7, 1977

The Honorable GRIFFIN BELL

*Attorney General of the United States
Washington, D.C.*

SIR:

In view of the fruitful collaboration which resulted from the agreement on procedures for mutual legal assistance between Spain and the

United States of America in connection with the Lockheed Corporation, Spain proposes that the exchange of information relative to the Boeing Corporation be effected under the same terms and conditions as those contained in the aforementioned agreement, signed in Washington on July 14, 1976.¹ [']

Should this proposal be acceptable, I request, Mr. Attorney General, that you consider this letter and your affirmative reply thereto as an agreement extending the aforementioned assistance to the case of the Boeing Corporation.

Very cordially yours,

ELEUTERIO GONZALEZ ZAPATERO

*The American Assistant Attorney General to the Spanish
Attorney General*

CRIMINAL DIVISION

DEPARTMENT OF JUSTICE
WASHINGTON 20530

Honorable ELEUTERIO GONZALEZ ZAPATERO

*El Fiscal del Reino
Madrid, Spain*

JULY 22, 1977

DEAR MR. ZAPATERO:

I have the honor to refer to your letter of June 7, 1977, addressed to the Attorney General, which states in pertinent part as follows:

"In view of the fruitful collaboration which resulted from the 'Agreement on Procedures for Mutual Assistance Between Law Enforcement Agencies of the United States and Spain in Connection with the Lockheed Corporation,' the Spanish Party proposes that the exchange of information relative to the Boeing Corporation be rendered under the same terms and conditions as those contained in the aforementioned Agreement, signed in Washington on July 14, 1976."

This letter in reply concurring to the proposed extension of the Agreement of July 14, 1976 to the Boeing Corporation, as requested in your above-mentioned letter of June 7, 1977, constitutes an Agree-

¹ TIAS 8870; 27 UST 3409.

ment between the United States Department of Justice and the Chief Prosecutor of Spain (Fiscal del Reino) effective this date.

Please accept the renewed assurances of my highest consideration.

Very truly yours,

BENJAMIN R CIVILETTI

Benjamin R. Civiletti
Assistant Attorney General
Criminal Division

INDIA
Criminal Investigations

*Agreement signed at Washington August 19, 1977;
Entered into force August 19, 1977.*

AGREEMENT ON PROCEDURES FOR MUTUAL ASSISTANCE
BETWEEN THE UNITED STATES DEPARTMENT OF JUSTICE
AND THE MINISTRY OF HOME AFFAIRS OF INDIA IN
CONNECTION WITH MATTERS RELATING TO THE BOEING
COMPANY

The United States Department of Justice and the Ministry of Home Affairs of India, hereinafter referred to as "the parties", confirm the following procedures in regard to mutual assistance to be rendered to agencies with law enforcement responsibilities in their respective countries with respect to alleged illicit acts pertaining to the sales activities in India of the Boeing Company:

1. Unless otherwise agreed, all requests for assistance shall be communicated between the parties through the diplomatic channel.
2. Upon request, the parties shall use their best efforts to make available to each other relevant and material information, such as statements, depositions, documents, business records, correspondence or other materials, available to them concerning alleged illicit acts pertaining to the sales activities in India of the Boeing Company.
3. Such information shall be used exclusively for purposes of investigation conducted by agencies with law enforcement responsibilities and in ensuing criminal, civil and administrative proceedings, hereinafter referred to as "legal proceedings".
4. Except as provided in paragraph 5, all such information made available by the parties pursuant to this agreement, and all correspondence between the parties relating to such information and to the implementation of this agreement, shall be kept confidential and shall not be disclosed to third parties or to government agencies having no law enforcement responsibilities. Disclosure to other agencies having law enforcement responsibilities shall be conditioned on the recipient agency's acceptance of the terms set forth herein.

In the event of breach of confidentiality, the other party may discontinue cooperation under this agreement.

5. Information made available pursuant to this agreement may be used freely in ensuing legal proceedings in the requesting state in which an agency having law enforcement responsibilities is a party, and the parties shall use their best efforts to furnish the information for purposes of such legal proceedings in such form as to render it admissible pursuant to the rules of evidence in existence in the requesting state, including, but not limited to, certifications, authentications, and such other assistance as may be necessary to provide the foundation for the admissibility of evidence.

6. The parties shall give advance notice and afford an opportunity for consultation prior to the use, within the meaning of paragraph 5, of any information made available pursuant to this agreement.

7. Upon request, a requested party shall render, in accordance with the practice and procedure of the requested state, assistance to the law enforcement agencies of the requesting state, such as locating witnesses, interviewing of witnesses, taking of testimony or statements or the production of documents or other materials. Representatives of the requesting state may participate in the execution of the request if the competent authority of the requested state consents.

The requesting party shall not pursue its request for an interview or for the production of documents and other materials if the requested party considers that it would interfere with an ongoing investigation or proceeding being conducted by the authorities of the requested state.

TIAS 8726

8. The parties shall use their best efforts to assist in the expeditious execution of letters rogatory (letters of commission) issued by the tribunals of their respective countries. To the extent authorized by the competent court of the requested state, representatives of the requesting state may participate in the execution of the letter rogatory.

9. The assistance to be rendered to a requesting state shall not be required to extend to such acts by the authorities of the requested state as might result in the immunization of any person from prosecution in the requested state.

10. All actions to be taken by the authorities of a requested state will be performed subject to all limitations imposed by its domestic law. Execution of a request for assistance may be postponed, denied, or made subject to special conditions, if execution would interfere with an ongoing investigation or legal proceeding in the requested state.

11. Nothing contained herein shall limit the rights of the parties to utilize for any purpose information which is obtained by the parties independent of this agreement.

12. The mutual assistance to be rendered by the parties pursuant to this agreement is designed solely for the benefit of their respective agencies having law enforcement responsibilities and is not intended or designed to benefit third parties or to affect the admissibility of evidence under the laws of either India or of the United States.

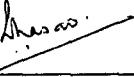
13. An extension of this agreement to similar cases where investigations are conducted or contemplated by both the Ministry of Home Affairs of India and by the United States Department of Justice could be accomplished by an exchange of

letters between the parties.

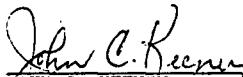
14. This agreement shall enter into force on the date of signature by both parties.

Done at Washington, D. C. this 19th day of August, 1977, in two originals.

For the Ministry of Home Affairs of India:


MAHESHWAR PRASAD
Additional Secretary
Ministry of Home Affairs

For the United States Department of Justice:


JOHN C. KEENEY
Deputy Assistant Attorney General
Criminal Division

JAPAN

Fisheries off the United States Coast

*Agreement effected by exchange of notes
Signed at Washington February 10, 1977;
Entered into force March 3, 1977.*

The Japanese Ambassador to the Secretary of State

EMBASSY OF JAPAN
WASHINGTON

February 10, 1977

Excellency,

I have the honor to refer to the recent discussions held between the representatives of the Government of Japan and the Government of the United States of America concerning fisheries matters between the two countries and to confirm, on behalf of the Government of Japan, the following understanding reached between the two Governments, taking into account the Agreement initialled this day, [¹] the constitutional processes of both countries and the spirit of mutual cooperation and understanding between the two Governments:

1. Until the Agreement enters into force and in no case after December 31, 1977, Japanese fisheries off the coast of the United States will be conducted in accordance with international law and in accordance with the laws and regulations of both countries, taking into account the conditions of the resources and past fishing practices.
2. (1) The Japanese authorities will provide the authorities of the United States with the names, the registration numbers, the names of the managers and the numbers of the fishing crews and any other pertinent information concerning any Japanese vessels that propose to engage in fishing off the coast of the United States.

His Excellency
Cyrus Vance
Secretary of State of the
United States of America

¹ TIAS 8728; 28 UST 7507.

(2) On receipt of the information referred to in subparagraph (1) of this paragraph, the Government of the United States will, as appropriate, make necessary administrative arrangements to facilitate the operation of those vessels in accordance with the provisions of this arrangement.

3. Upon the request of either Government, the two Governments will hold consultations in respect of any matter concerning the implementation of this arrangement including the determination of catch amounts for Japanese vessels.

4. Nothing in this arrangement shall be deemed to prejudice the position of either Government in regard to any question under negotiation at the Law of the Sea Conference.

I have further the honor to propose that this Note and Your Excellency's Note in reply confirming the above understanding on behalf of the Government of the United States of America shall be regarded as constituting an agreement between the two Governments which shall enter into effect upon notification by the Government of the United States that the internal procedures of the United States have been completed.^[1]

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.


Fumihiko Togo^[2]
Ambassador Extraordinary and
Plenipotentiary of Japan

¹ Mar. 3, 1977.

² Fumihiko Togo

The Secretary of State to the Japanese Ambassador

FEBRUARY 10, 1977

EXCELLENCY:

I have the honor to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows:

"Excellency,

I have the honor to refer to the recent discussions held between the representatives of the Government of Japan and the Government of the United States of America concerning fisheries matters between the two countries and to confirm, on behalf of the Government of Japan, the following understanding reached between the two Governments, taking into account the Agreement initialled this day, the constitutional processes of both countries and the spirit of mutual cooperation and understanding between the two Governments:

1. Until the Agreement enters into force and in no case after December 31, 1977, Japanese fisheries off the coast of the United States will be conducted in accordance with international law and in accordance with the laws and regulations of both countries, taking into account the conditions of the resources and past fishing practices.

2. (1) The Japanese authorities will provide the authorities of the United States with the names, the registration numbers, the names of the managers and the numbers of fishing crews and any other pertinent information concerning any Japanese vessels that propose to engage in fishing off the coast of the United States.

(2) On receipt of the information referred to in subparagraph (1) of this paragraph, the Government of the United States will, as appropriate, make necessary administrative arrangements to facilitate the operation of those vessels in accordance with provisions of this arrangement.

3. Upon the request of either Government, the two Governments will hold consultations in respect of any matter concerning the implementation of this arrangement including the determination of catch amounts for Japanese vessels.

4. Nothing in this arrangement shall be deemed to prejudice the position of either Government in regard to any question under negotiation at the Law of the Sea Conference.

I have further the honor to propose that this Note and Your Excellency's Note in reply confirming the above understanding on behalf of the Government of the United States of America shall be regarded as constituting an agreement between the two Governments which shall enter into effect upon notification by the Govern-

ment of the United States that the internal procedures of the United States have been completed.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration."

I have further the honor to confirm the above understanding on behalf of the Government of the United States of America and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between the two Governments which shall enter into effect upon notification by the Government of the United States that the internal procedures of the United States have been completed.

Accept, Excellency, the assurances of my highest consideration.

For the Secretary of State

ROZANNE L. RIDGWAY

His Excellency

FUMIHIKO Togo,
Ambassador of Japan.

JAPAN
Fisheries off the United States Coasts

*Agreement signed at Washington March 18, 1977;
Entered into force November 29, 1977.
With agreed minutes.*

AGREEMENT BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF JAPAN
CONCERNING FISHERIES OFF THE COASTS
OF THE UNITED STATES OF AMERICA

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

Considering their common concern for the rational management,
conservation and optimum utilization of fishery resources off the
coasts of the United States,

Recognizing that there have been new international developments
on the law of the sea,

Acknowledging that the United States has established a fishery
conservation zone within 200 nautical miles of its coasts within
which the United States exercises fishery management authority over
all fish and that the United States also exercises such authority
over the living resources of the continental shelf appertaining
to the United States and over anadromous species of fish of United
States origin throughout their migratory range,

Acknowledging also that Japan has been cooperating for the
rational management and conservation of the living resources of the
high seas off the coasts of the United States and that the nationals
and vessels of Japan have traditionally been engaging in the
development and utilization of these resources, and

Desirous of establishing reasonable terms and conditions per-
taining to fisheries of mutual concern,

Have agreed as follows:

ARTICLE I

The Government of the United States and the Government of Japan undertake to ensure effective conservation, optimum utilization and rational management of the fishery resources 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 Japan for the living resources off the coasts of the United States over which the United States exercises fishery management authority.

ARTICLE II

As used in this Agreement, the term

(1) "fishery conservation zone" means an area of waters 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;

(2) "living resources off the coasts of the United States" means all fish within the fishery conservation zone, all anadromous species of fish that spawn in the fresh or estuarine waters of the United States and migrate to ocean waters (hereinafter referred to as the "anadromous species of United States origin"), throughout their migratory range, and sedentary species of the continental shelf appertaining to the United States which are, at the harvestable stage, either immobile on or under the seabed, or unable to move except in constant physical contact with the seabed or subsoil;

(3) "fish" means all finfish, mollusks, crustaceans, and other forms of marine animal and plant life, other than marine mammals, birds, and species of tuna which, in the course of their life cycle, spawn and migrate over great distances in waters of the ocean;

(4) "fishery resources" means 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;

(5) "fishery" means any fishing for fishery resources;

(6) "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-paragraphs (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;

(7) "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;
- (B) performing any activity relating to fishing, including preparation, supply, storage, refrigeration, transportation or processing; or
- (C) aiding or assisting one or more vessels at sea in the performance of any activity mentioned in (A) or (B) above;

(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

The Government of the United States and the Government of Japan shall carry out periodic bilateral consultations regarding the implementation of this Agreement, the determinations to be made by the Government of the United States in accordance with Article IV 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 IV

1. The Government of the United States shall determine each year, with respect to the living resources off the coasts of the United States, the following, taking into account, as appropriate, the consultations with the Government of Japan referred to in Article III of this Agreement, subject to such adjustments as may be necessitated by unforeseen circumstances affecting the stocks;

- (A) the total allowable catch for each fishery resource to be determined on the basis of the best available scientific evidence and with a view to achieving on a continuing basis the optimum yield of resources, taking into account the interdependence of stocks, internationally accepted criteria, and all other relevant factors;
- (B) the portion of the total allowable catch for a specific fishery resource that, on an annual basis, will not be harvested by fishing vessels of the United States and may be made available to fishing vessels of Japan; and
- (C) the measures necessary to prevent overfishing.

2. The Government of the United States shall notify the Government of Japan of the determinations referred to in paragraph 1 above on a timely basis.

ARTICLE V

In determining the portion that may be made available to fishing vessels of Japan in accordance with Article IV, paragraph 1 (B) of this Agreement, the Government of the United States shall promote the objective of optimum utilization, and shall take into account, inter alia, traditional fishing by nationals and vessels of Japan, contributions to fishery research and the identification of stocks by Japan, previous cooperation by Japan in enforcement and with respect to conservation and management of fishery resources of mutual concern, and the need to minimize economic dislocation in cases where fishing vessels of Japan have habitually fished for living resources off the coasts of the United States.

ARTICLE VI

In view of the fact that the anadromous species of United States origin intermingle with such species of other origins in certain waters of their migratory range, the Government of the United States and the Government of Japan shall hold consultations concerning necessary conservation measures for the anadromous species in such waters.

ARTICLE VII

The Government of Japan shall take all necessary measures to ensure:

- (A) that nationals and vessels of Japan refrain from fishing for living resources off the coasts of the United States, except as authorized pursuant to this Agreement;

- (B) that all such fishing vessels engaging in fishing under this Agreement comply with the terms and conditions established under this Agreement; and
- (C) that the portion referred to in Article IV, paragraph 1 (B) of this Agreement is not exceeded for any fishery.

ARTICLE VIII

1. The Government of Japan shall provide the Government of the United States with information concerning the identity and operation of each fishing vessel of Japan that wishes to engage in fishing for living resources off the coasts of the United States, in accordance with Annex I of this Agreement, which forms an integral part hereof.

2. On receipt of the information referred to in paragraph 1 above, the Government of the United States shall take the necessary administrative measures, including the issuance of permits pursuant to applicable laws of the United States, to enable fishing vessels of Japan, in accordance with the provisions of this Agreement, to engage in fishing for living resources off the coasts of the United States. Such measures may include requirement of the payment of reasonable fees to facilitate the implementation of this Agreement and to ensure the conservation and management of the living resources off the coasts of the United States.

ARTICLE IX

The Government of Japan shall ensure that nationals and vessels of Japan refrain from harassing, hunting, capturing or killing, or attempting to harass, hunt, capture or kill, any marine mammal within the 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 X

The Government of Japan shall ensure that in the conduct of the fisheries under this Agreement, fishing vessels of Japan comply with any administrative measures taken by the Government of the United States in accordance with Article VIII, paragraph 2 of this Agreement.

ARTICLE XI

1. The Government of Japan shall take appropriate measures to ensure that each fishing vessel of Japan fishing pursuant to this Agreement for living resources off the coasts of the United States, allow and assist the boarding and inspection of such vessels by any duly authorized enforcement official of the United States, and cooperate in such enforcement action as may be undertaken.

2. In cases of seizure of a fishing vessel of Japan and of arrest of its crews by the authorities of the Government of the United States, notification shall be given promptly through diplomatic channels informing the Government of Japan of the action taken.

3. Seized fishing vessels and arrested crews shall be promptly released, subject to such reasonable bond or other security as may be determined by the court.

ARTICLE XII

The United States will impose appropriate penalties in accordance with its laws on fishing vessels of Japan or their owners or operators that do not comply with the requirements of this Agreement or of any administrative measure taken hereunder.

ARTICLE XIII

The Government of the United States and the Government of Japan undertake to cooperate in the conduct of scientific research required for the purpose of managing and conserving the living resources off the coasts 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 Annex II, which forms an integral part of this Agreement.

ARTICLE XIV

Nothing contained in this 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 fishery resources.

ARTICLE XV

The Annexes to this Agreement may be modified by agreement between the two Governments in the form of an exchange of notes.

ARTICLE XVI

1. This Agreement shall be approved by each country in accordance with its internal procedures. It shall enter into force through an exchange of notes on a date to be mutually agreed upon [¹] thereafter

¹ Nov. 29, 1977.

between the Government of the United States and the Government of Japan, and shall remain in force until December 31, 1982 unless terminated sooner by either Government after giving notification of such termination twelve months 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 by their respective Governments, have signed this Agreement.

DONE at Washington, on the eighteenth day of March, 1977, in duplicate in the English and Japanese languages, both equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

A handwritten signature in black ink, appearing to read "Rozanne L. Ridgway".

FOR THE GOVERNMENT OF
JAPAN:

A handwritten signature in black ink, appearing to read "Fumihiko Togo".

¹ Rozanne L. Ridgway

² Fumihiko Togo

ANNEX I

The following procedures shall govern the application for and issuance of annual permits authorizing fishing vessels of Japan to engage in fishing for living resources off the coasts of the United States:

1. The Government of Japan will submit an application to the Government of the United States for each fishing vessel of Japan 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 fishing vessel as may be requested;
 - (C) a specification of each fishery in which each such fishing vessel wishes to fish;
 - (D) the amount of fish or tonnage of catch by species contemplated for each such fishing 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.

3. The Government of the United States shall review each application, shall determine what conditions and restrictions related to management and conservation of fishery resources may be needed, and what fee will be required. The Government of the United States shall inform the Government of Japan of such determinations.

4. The Government of Japan 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 Japan and the payment of any fees, the Government of the United States shall approve the application and issue a permit for each fishing vessel of Japan, 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 fishing vessel and shall not be transferred.

6. In the event the Government of Japan notifies the Government of the United States of its objections to specific conditions and restrictions, the two Governments may consult with respect thereto and the Government of Japan may thereupon submit a revised application.

ANNEX II

The procedures described below are designed to contribute to continuing needs for assessment of the status of stocks and management of fishery resources. 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 must be flexible enough to accommodate necessary changes.

All data described below shall be provided to the designated representative of the National Marine Fisheries Service of the Department of Commerce of the United States.

1. Catch and Effort Statistics

A. Atlantic Coast

Three months after the close of each quarter, catch and effort statistics for biweekly time periods for 30-minute square areas shall be reported by fishing vessel for the previous quarter. These will be reported using 30-minute square Statlant 21 B Forms, magnetic tape, computer cards or printouts for all species and gear types.

Fishing 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.

B. Pacific Coast

By May 30 of the following year, annual catch and effort statistics shall be provided as follows: catch in

metric tons and effort in hours trawling, effort in number of longline (hachi) units, effort in number of pots, effort in number of hours of longline or pots soaking time, effort in number of Danish seine sets, and effort in number of days fishing by vessel class, by gear type, by month, by half degree Latitude x one degree Longitude statistical area, by the following species groups:

Yellowfin sole
Rock sole
Arrowtooth flounder
Flathead sole
Dover sole
Other flounders
Pacific ocean perch
Other rockfishes
Pacific cod
Sablefish
Pollock
Atka mackerel
King crab
Tanner crab
Herring
Other species taken in excess of 1,000 metric tons
All other species combined

These annual catch and effort statistics shall be provided using magnetic tape, computer cards or printouts.

In addition to the annual statistical report above, provisional monthly fishery information shall be provided by the end of the following month as follows: catch in metric tons and effort in vessel-days on the grounds by gear type, by vessel class, by the species groups listed in (1) below, for each of the International North Pacific Fishery Commission (INPFC) statistical areas listed in (2) below:

- (1) King crab
Tanner crab
Pollock
Pacific cod
Rockfishes
Flatfishes
Sablefish
Herring
Others
- (2) Bering Sea; Subareas 1, 2, 3 and 4
Aleutian Region
Shumagin Region
Chirikof Region
Kodiak Region
Yakutat Region
Southeast Region
Charlotte Region
Vancouver Region
Columbia Region
Eureka Region
Monterey Region
Conception Region
and other designated areas

2. Biological Statistics

A. Atlantic Coast

- (1) Length-age composition samples
 - a. Samples should 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 area. One sample should be taken for every 1,000 metric tons or fraction thereof within the above categories.
 - b. Data to be recorded for each sample:
 - Vessel classification, e.g., trawler, seiner
 - 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

c. Sampling procedures

(i) Species for which the catch is sorted

- (a) From a single net haul take 4 random samples 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.)
- (b) Measure fork length for each fish to nearest centimeter. Where other measurement systems are used, appropriate conversion information must be supplied.
- (c) Take a subsample of one fish from each centimeter interval and remove scales and otoliths as appropriate. Record the sex of mature individuals.

(ii) Species for which the catch is not sorted

- (a) From a single net haul take 2 random samples of approximately 30 kilograms each.
- (b) Measure fork length for each fish to nearest centimeter by species.

Where other measurement systems are used, appropriate conversion information must be supplied.

- (c) Take a subsample of one fish from each centimeter interval by species and remove scales and otoliths as appropriate. Record the sex of mature individuals.

(2) Length-weight samples

Individuals of one sample of each principal species of fish (e.g., expected yearly catch in the Agreement area of 500 or more metric tons), per International Commission for the Northwest Atlantic Fisheries (ICNAF) Division per month, should be weighed in grams and measured in millimeters. Each sample will contain 10 fish per centimeter interval. The length range of fish 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 of fish of the same length class shall be weighed in aggregate. Sex shall be recorded for mature individuals.

B. Pacific Coast

Biological sampling by fishing vessels of Japan shall be conducted and measurements from sampling recorded as required according to procedures developed and coordinated through consultations between scientists of the United States and Japan so as to determine the

representative length, age and weight of individual fish in the catch.

When such samples are collected, the Government of Japan shall provide by May 30 of the following year the annual biological statistics which shall include:

- (1) Length frequency data by vessel class, by gear type, by month, by half degree Latitude x one degree Longitude statistical area, by sex, and by species previously identified in 1 B for annual catch and effort statistics;
- (2) Length-weight data of each principal species (e.g., expected yearly catch in the Agreement area of 500 or more metric tons) by INPFC statistical area (previously identified in 1 B). As scientific need arises, samples of scales or otoliths shall also be taken for age determination.

3. Other Statistical Requirements

As further statistics are required for analyses and should fisheries for other species and areas be conducted (other than those identified in 1 and 2), the procedures for such data collection and reporting shall be developed and coordinated through consultations between scientists of the United States and Japan.

AGREED MINUTES

The representatives of the Government of the United States of America and the Government of Japan have agreed to record the following in connection with the Agreement between the Government of the United States of America and the Government of Japan Concerning Fisheries off the Coasts of the United States of America signed today (hereinafter referred to as the "Agreement"):

1. It is understood that the Government of the United States and the Government of Japan will cooperate in the exchange of scientific and technical information relating to species of tuna and other highly migratory species of mutual interest with a view to the establishment of regional arrangements, including appropriate international organizations, to ensure conservation of the species. Such exchanges shall include the reporting of tuna and associated catches.

It is further understood that at the outset of the Agreement and until such time as appropriate, the two Governments will, in order to establish a base of scientific information to further such arrangements, provide each other statistics on tuna and associated catches off the coasts of the United States.

2. The representative of the Government of the United States stated that it was the intention of the Government of the United States that any enforcement action taken with respect to anadromous species beyond the fishery conservation zone by United States authorities would only be taken after consultation with the Government of Japan.

3. It is understood that with regard to Article XII of the

Agreement, the appropriate representatives of the Government of the United States will recommend to the court in any case arising out of fishing activities under the Agreement that the penalty for violation of fishery regulations not include imprisonment or any other form of corporal punishment.

4. It is understood that with respect to any matter dealt with in the Agreement which falls within its competence, the Government of Japan is prepared to accord to nationals and vessels of the United States wishing to engage in fishing for living resources off the coasts of Japan treatment no less favorable than that accorded to nationals and vessels of Japan under the Agreement in like situation, on the basis of reciprocity.

5. The Government of the United States undertakes to authorize fishing vessels of Japan engaging in fishing pursuant to the Agreement to enter United States 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.

6. With respect to the conduct of loading operations by fishing vessels of Japan, the representative of the Government of the United States stated that loading areas would be provided, taking into account past practices, and would be set forth in permits or other applicable instruments.

Washington, March 18, 1977

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF
JAPAN:



千九百七十七年三月十八日にワシントンで

日本国政府のために

アメリカ合衆国政府のために

東郷文彦

Janet R. Lumbra

の漁獲に従事することを希望する合衆国の国民及び船舶に対し、同様の場合に協定に基づき日本国の国民及び船舶に対して与えられる待遇よりも不利でない待遇を、相互主義に基づき、与える用意があるものと了解される。

5 合衆国政府は、協定に従つて漁獲に従事する日本国 の漁船が、えさ、補給品若しくは船装品を購入するため若しくは修理を行うため又は正当と認められるその他の目的のために合衆国の法律に従つて合衆国の港に入港することを認めることを約束する。

6 日本国の漁船の転載作業の実施に關し、合衆国政府の代表者は、転載区域は過去の慣行を考慮して提供されるであろうこと及びそれらの区域は許可証又はその他の関係書類に記載されるであろうことを述べた。

- 2 極を促進するための科学的情報の基礎を確立するために、合衆国との地先沖合におけるまぐろ類の漁獲及びこれに伴う漁獲に関する統計を相互に提供するものと了解される。
- 3 合衆国政府の代表者は、漁業保存水域の外における溯河性魚種に関して合衆国の当局によりとられる取締行為は、日本国政府と協議を行つた後にのみとられることが合衆国政府の意図であることを述べた。
- 4 協定第十二条に関し、合衆国政府の適当な代表者は、協定に基づく漁獲活動から生ずるいかなる訴訟についても、裁判所に対して、漁業規則の違反に対する刑に禁錮その他いかなる形の体刑も含まれないよう勧告するものと了解される。
- 日本国政府は、協定で取り扱われてゐる事項であつてその権限に属するものについては、日本国との地先沖合の生物資源

合意された議事録

日本国政府の代表者及び合衆国政府の代表者は、本日署名されたアメリカ合衆国の地先沖合における漁業に関する日本国政府とアメリカ合衆国政府との間の協定（以下「協定」という。）に関連して、次のとおり記録することに合意した。

1　日本国政府及び合衆国政府は、まぐろ類及び相互に関心を有するその他の高度回遊性魚種の保存を確保するため、適当な国際機構を含む地域的取極を設定する目的で、これらの魚種に関する科学的情報及び技術的情報を協力して交換するものと了解される。この交換は、まぐろ類の漁獲及びこれに伴う漁獲に関する報告を含むものとする。

更に、協定の始期から適当な時まで、両政府は、前記の取

3

成資料

(2)

1B の INPFO 統計区域別の各主要魚種（例えば、協定水域における年間漁獲量が五百メートル・トン又はそれを超えることが予想されるもの）の体長・体重に関する資料。科学的必要性がある場合には、年齢査定のため、うろこ又は耳石の標本を採取する。

必要とされるその他の統計

分析のため更に統計が必要とされる場合並びに 1 及び 2 に規定するもの以外の魚種又は水域について漁業が行われる場合には、これについての資料の収集及び報告の手続が、日本国及び合衆国の科学者の間の協議を通じて作成され、及び調整される。

B

については、性別を記録する。

太平洋岸

漁獲される個々の魚類の代表的な体長、年齢及び体重を決定するため、日本国の漁船による生物学上の標本採取が、日本国及び合衆国の科学者の間の協議を通じて作成され及び調整される手続に従つて行われ、標本の測定値がかかる手続に従い必要に応じて記録される。

これらの標本が採集されたときは、日本国政府は、次のものを含む年別の生物学上の統計を翌年の五月三十日までに提出する。

(1) 船舶階層別、漁具の種類別、月別、緯度三十分・経度一度の統計区域別、性別並びに年間の漁獲量及び漁獲努力量に関する統計のために I-B に掲げる魚種別の体長組

(2)

体長・体重に関する標本

各主要魚種（例えば、協定水域における年間漁獲量が五百メートル・トン又はそれを超えることが予想されるもの）につき、北西大西洋漁業国際委員会（I.O.N.A.E.）の定める区域ごとに、かつ、月別に、一の標本を採取し、当該標本中の各個体についてグラム単位で体重を測定し、及びミリメートル単位で体長を測定するものとする。各標本は、体長が一センチメートル異なるごとに当該魚種の魚類十尾を含むものとする。各体長範囲の魚類は、必要な場合には、数日にわたる数回の漁獲により採取した魚類から集めることができる。小さい魚類については、海上での個体別の体重の測定が正確でない場合には、同じ体長級の適当数の魚類を集めて体重を測定する。成魚

(ii)

- にはうろこ及び耳石を採取する。成魚については、性別を記録する。
- (a) 魚種別に漁獲物を分類しない場合
- (b) それぞれ約三十キログラムの二の標本を、一回の曳網から無作為に採取する。
- (c) 尾叉長を、魚種別にセンチメートル単位で測定する。その他の測定単位を使用する場合には、換算のための適当な情報が提供されなければならぬ。
- 各魚種について、尾叉長が一センチメートル異なるごとに一尾の補助標本を採取し、適当な場合にはうろこ及び耳石を採取する。成魚については、性別を記録する。

c

(1)

曳網位置の緯度及び経度
標本採取の手続

魚種別に漁獲物を分類する場合

(a)

魚種別にそれぞれ約五十尾からなる四の標本を、
一回の曳網から無作為に採取する。(一回の曳網
につき二百尾に満たない魚種については、約二百
尾が標本として採取されるまで曳網を通じて採取
を続ける。)

(b)

尾叉長を、センチメートル単位で測定する。そ
の他の測定単位を使用する場合には、換算のため
の適当な情報が提供されなければならない。

(c)

各魚種について、尾叉長が一センチメートル異
なるごとに一尾の補助標本を採取し、適当な場合

b

と/or (千メートル・トンに満たない部分についてはその端数について) 一の標本が採取されるものとする。

各標本について記録する事項

船舶分類 (底びき船、まき網船等)

漁獲方法 (中層びき等)

底びき網の具体的種類 (その構造の説明又は縮尺による図面を含む。)

網目の大きさ

当該曳網による漁獲量中標本を採取した魚種のトン

数

標本を採取した魚類の総重量

曳網時刻

日付

2

A

(1)

大西洋岸

生物学上の統計

コロンビア海区
 ユーレカ海区
 モンテリー海区
 コンセプシヨン海区
 その他の指定海区

体長・年齢組成に関する標本

a 漁獲の行われる各月につき、全協定水域について三十分区画の区域別に、かつ、漁具の種類（着底びき網、中層びき網、きんちやく網等）及び海層（着底、中層等）の組合せごとに、標本が採取されるものとする。標本は、前記の分類の範囲内で、千メートル・トンご

(2)

かれい類
ぎんだら
にしん
その他

ベーリング海（第一、第二、第三及び第四小区域）

アリューシャン海区

シユマギン海区

チリコフ海区

コディアック海区

ヤクタット海区

南東海区

シヤーロット海区

ヴァンクーバー海区

磁気テープ、電子計算機カード又はプリント・アウトを用して提出される。

前記の年間統計報告に加えて、メートル・トンで表示される漁獲量及び漁場における操業隻日数で表示される漁獲努力量に関する暫定的な月間漁獲情報が、翌月の終わりまでに提出される。これらの情報は、漁具の種類別、船舶階層別、次の(1)に掲げる魚種別及び次の(2)に掲げる北太平洋漁業国際委員会（I N P E C O）の統計区域別のものとする。

(1)

たらばがに
ずわいがに

すけとうだら

まだら
めぬけ類

その他のかれい類
アラスカめぬけ
その他のめぬけ類
まだら
ぎんだら
すけとうだら
きたのほつけ
たらばがに
ずわいがに
にしん
千メートル・トンを超えて漁獲されたその他の魚種
その他のすべての魚種
これらの年間の漁獲量及び漁獲努力量に関する統計は、

曳網時間数で表示される漁獲努力量、はえなわの単位（鉢
で表示される漁獲努力量、かごの数で表示される漁獲努力量、はえなわ又はかごの沈設時間数で表示される漁獲努力量、デンマーク式網の曳網回数で表示される漁獲努力量及び操業日数で表示される漁獲努力量
これら統計は、船舶階層別、漁具の種類別、月別、緯度三十分・経度一度の統計区域別及び次に掲げる魚種別のものとする。

こがねがれい

しゆむしゆがれい

アラスカあぶらがれい

うまがれい

ドーヴァーなめた

B

各四半期の終了後三箇月後に、当該四半期に関する、三十分区画水域別の、かつ、二週間の期間ごとの漁獲量及び漁獲努力量に関する統計が、漁船ごとに報告される。この統計は、すべての魚種及び漁具の種類について、三十分区画のスタートラント二十一 B 型様式、磁気テープ、電子計算機カード又はプリント・アウトを使用して提出される。

漁船の操業日誌中の資料は、選定された特定の共同評価研究に供される。また、2に定める標本の採集は、操業日誌に注釈として記入されるものとする。

太平洋岸

次に掲げる年間の漁獲量及び漁獲努力量に関する統計が、翌年の五月三十日までに提出される。

メートル・トンで表示される漁獲量並びに底びき網の

附属書Ⅱ

この附属書に定める手続は、魚種の資源状態の評価及び漁業資源の管理の継続的な必要性にかんがみ、これに貢献するために定められている。しかしながら、標準的手続の変更又は特定の研究のための追加資料が隨時必要となることがあり得る。また、漁業の形態も変化するであろう。このため、この手続は必要な変化に適応できるように十分に柔軟であることが必要となる。

次に規定するすべての資料が、合衆国商務省国家海洋漁業局の指定された代表者に提出される。

1 漁獲量及び漁獲努力量に関する統計

A 大西洋岸

5

して、3にいう条件及び制限を受諾するか又は拒否するかを通知し、拒否する場合にはその拒否の理由を通知する。

6 日本国政府によつて3にいう条件及び制限が受諾され、かつ、料金が支払われたときは、合衆国政府は、前記の申請を承認し、日本国の各漁船のために許可証を発給する。この許可証の発給により、当該各漁船は、この協定及び許可証に規定される条件に従つて漁獲することを認められる。この許可証は、個々の漁船に対して発給されるものとし、譲渡されてはならない。

日本国政府が合衆国政府に対して具体的な条件及び制限についての拒否の理由を通知した場合には、両政府は、これにつき協議を行うことができる。日本国政府は、この協議の後、修正した申請を提出することができる。

- 3 (B) ト�数、積載量、速度、加工設備、漁具の種類及び数量
並びに当該漁船の漁獲の特性に関するその他の情報であつ
て要請されるもの
- (D) (C) 当該漁船が行うことを見計らうとする各漁業の明細
- (E) (F) 当該許可証の有効期間内に当該漁船が予定している魚種
別の漁獲量又は漁獲ト�数
- 当該漁獲が行われる海域及び漁期
要請されるその他の関連情報
- 合衆国政府は、各申請を審査し、漁業資源の管理及び保存
に関連して必要となる条件及び制限並びに必要とされる料金
を決定する。合衆国政府は、この決定を日本国政府に通知す
る。
- 4 日本国政府は、3の通知を受けたときは、合衆国政府に対

附属書 I

合衆国の地先沖合の生物資源の漁獲に日本国の漁船が従事することを認める毎年ごとの許可証の申請及び発給は、次の手続に従つて行われる。

1 日本国政府は、合衆国政府に対し、この協定に従つて漁獲に従事することを希望する日本国の各漁船のために申請を行う。この申請は、合衆国政府がこのために定める様式により行われる。

2 この申請には、次のことを明記する。

- (A) 許可証を求めていいる漁船の船名及び公式番号又はその他の識別材料並びに当該漁船の所有者及び運航者の氏名及び住所

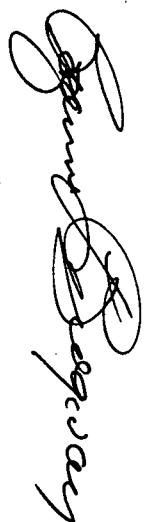
以上の証拠として、下名は、各自の政府から正当に委任を受けてこの協定に署名した。

千九百七十七年三月十八日にワシントンで、ひとしく正文である日本語及び英語により本書二通を作成した。

日本国政府のために

東郷文彦

アメリカ合衆国政府のために



1

この協定は、それぞれの国によりその国内手続に従つて承認されなければならない。この協定は、その後日本国政府と合衆国政府との間で相互に合意される日に公文の交換を通じて効力を生じ、千九百八十二年十二月三十一日まで効力を存続する。ただし、いづれか一方の政府が十二箇月の予告をもつて終了の通告を行うことによりそれよりも早い日にこれを終了させる場合は、この限りでない。

2

この協定は、効力発生の二年後又は第三次国際連合海洋法会議の結果としての多数国間条約が採択された時に、両政府によつて再検討される。

第十四条

この協定のいかなる規定も、内水、領海、公海又は沿岸国の管轄権若しくは権限（漁業資源の保存及び管理に係るもの）を除く。の範囲に関するいずれの政府の立場にも影響を与え又はこれを害するものではない。

第十五条

この協定の附属書は、公文の交換の形式による両政府間の合意により修正することができます。

第十六条

第十三条

日本国政府及び合衆国政府は、合衆国の地先沖合の生物資源の管理及び保存のために必要な科学調査の実施（相互に関心を有する魚種の管理及び保存のための入手可能な最も良の科学的情報の収集を含む。）について協力することを約束する。両政府の権限のある機関は、この協力を容易にするために必要な取決めを行う。この協力には、情報及び科学者の交換、調査計画を準備し及びその進捗状況を検討するための科学者間の定期的な会合並びにこの協定の不可分の一部をなす附属書Ⅱの規定に従つた統計上及び生物学上の関係情報の収集及び記録保管のための統一的体系の実施及び維持を含む。

- 2 合衆国政府の当局によつて日本国^だの漁船が拿捕され又は日本国の漁船の乗組員が逮捕されたときは、日本国政府に對し、その旨が外交上の経路を通じて速やかに通告される。
- 3 拿捕された漁船及び逮捕された乗組員は、裁判所が決定する妥当な供託金又はその他の保証を条件として、速やかに釈放される。

第十二条

合衆国は、この協定又はこれに基づいてとられる行政上の措置に従わない日本国^だの漁船又はその所有者若しくは運航者に対し、合衆国の法律に従い、妥当な刑を科する。

第十条

日本国政府は、日本国の漁船が、この協定に基づく漁業を行うに当たり、第八条2の規定に従つて合衆国政府がとる行政上の措置に従うことを確保する。

第十一條

1　日本国政府は、この協定に従つて合衆国との地先沖合の生物資源を漁獲する日本国の各漁船が、正当に権限を有する合衆国の取締官による当該漁船への乗船及び当該漁船の検査を許容し及び助けること並びに取締行為が行われる場合にはこれに協力することを確保するため、適当な措置をとる。

生物資源の保存及び管理を確保するための妥当な料金の支払の要求を含むことができる。

第九条

日本国政府は、日本国の国民及び船舶が、合衆国が締約国である海産哺乳動物に関する国際協定に別段の定めがある場合又は合衆国政府によつて定められた海産哺乳動物の混獲についての個別の許可及び規制に従う場合を除くほか、漁業保存水域内において、海産哺乳動物を脅かし、狩猟し、捕獲し若しくは殺し、又は、脅かし、狩猟し、捕獲し若しくは殺そうと試みることを差し控えることを確保する。

ないこと。

第八条

1　日本国政府は、合衆国政府に対し、この協定の不可分の一部をなすこの協定の附属書 I の規定に従い、合衆国との地先沖合の生物資源の漁獲に従事することを希望する日本国のが漁船の識別及び操業に関する情報を提供する。

2　合衆国政府は、1の情報を受領したときは、日本国の漁船がこの協定の規定に従つて合衆国との地先沖合の生物資源の漁獲に従事することを可能にするため、合衆国の関係法律に基づく許可証の発給を含む必要な行政上の措置をとる。この措置は、この協定の実施を容易にし並びに合衆国との地先沖合の

いる事実にかんがみ、当該水域における溯河性魚種についての必要な保存措置に関する協議を行う。

第七条

日本国政府は、次のことを確保するため、すべての必要な措置をとる。

- (A) 日本国の国民及び船舶が、この協定に従つて認められる場合を除くほか、合衆国との地先沖合の生物資源の漁獲を差し控えること。
- (B) この協定に基づいて漁獲に従事するすべての漁船が、この協定に基づいて定められる条件に従うこと。
- (C) いかなる漁業についても、第四条1(B)にいう部分を超える

前条 1(B) の規定に従つて日本国 の漁船による収獲に供される部分を決定するに当たり、合衆国政府は、最適利用を促進し、かつ、特に、日本国 の国民及び船舶による伝統的漁獲、漁業調査及び魚種の識別に対する日本国 の貢献、取締りにおける並びに相互に関心を有する漁業資源の保存及び管理に関する日本国 の従来からの協力、並びに日本国 の漁船が合衆国 の地先沖合の生物資源を常習的に漁獲してきた場合にあつては経済的混乱を最小にする必要性を考慮に入れる。

第六条

日本国 政府及び合衆国 政府は、合衆国 起源の溯河性魚種が、その回遊域内 の一部の水域で他国 起源の溯河性魚種(さくか)と混交して

2

- (B) 各漁業資源の総漁獲可能量のうち、各年にについて、合衆国による収穫されず日本国の漁船による収穫に供される部分
- (C) 過度の漁獲を防止するため必要な措置
- 合衆国政府は、1の決定を時宜を失すことなく日本国政府に通知する。

第五条

に従つて合衆国政府が行う決定及び相互に関心を有する漁業の分野における協力の発展（相互に関心を有する漁業に関する科学的資料の収集及び分析のための適当な多数国間機構の設立を含む。）に關し、定期的に両政府間で協議を行う。

第四条

- 1 合衆国政府は、合衆国の地先沖合の生物資源に關し、適當な場合には前条に規定する日本国政府との協議を考慮に入れ、魚種に影響する予見されなかつた事情により必要となる調整を行うことがあることを条件として、毎年、次のことを決定する。
 - (A) 入手可能な最良の科学的証拠を基礎として、かつ、資源

(8)

(B) (A)

漁獲に関係する何らかの活動（準備、補給、貯蔵、冷蔵、輸送及び加工を含む。）すること。

(D) 海上において一又は二以上の船舶が(A)又は(B)の活動をすることを援助し又は補助すること。

「海産哺乳動物」とは、らつこ、海牛類、ひれ脚類及びくじら類を含む海洋の環境に形態学上適応している哺乳動物並びに北極ぐまのように主として海洋の環境に生息する哺乳動物をいう。

第三条

日本国政府及び合衆国政府は、この協定の実施、次条の規定

(6) (5)

「漁業」とは、漁業資源の漁獲をいう。

「漁獲」とは、次の(A)から(D)までをいう。ただし、科学調査船によつて行われる科学調査活動その他の公海の合法的な使用は含まない。

(A) 魚類を採捕すること。

(B) 魚類を採捕しようと試みること。

(C) 魚類を採捕する結果になると合理的に予想し得るその他の活動

(D) (A)から(C)までに掲げる活動を直接に補助し又は準備するための海上における作業

(7) 「漁船」とは、次の(A)から(D)までのいずれかのために使用されているか、使用されるよう設備がされているか又は通常使用される種類の船舶その他の舟艇をいう。

「溯河性魚種」といふ、その回遊域のいずれの部分にあるかを問わない。及び採捕に適した段階において海底面若しくはその下で静止しており又は絶えず海底に接触していなければ動くことができない合衆国に属する大陸棚^{だな}の定着性の種族をいう。

(3) 「魚類」とは、ひれを有する魚類、軟体動物、甲殻類その他すべての海産動植物（ただし、海産哺乳動物、鳥類及びその生活史の中で大洋の水域において広大な範囲にわたつて産卵しかつ回遊するまぐろ類を除く。）をいう。

(4) 「漁業資源」とは、保存及び管理のために単位として取り扱うことができ、かつ、地理的、科学的、技術的、リクリエーション上の特性に基づき識別される一又は二以上の魚種をいう。

する原則及び手続についての共通の了解を確立することを約束する。

第二条

この協定において、

(1) 「漁業保存水域」とは、合衆国の領海に接続し、その外側の境界がいずれの点をとつても同国の領海の幅が測定される基線から一百海里となるよう引かれた線からなる水域をいう。

(2) 「合衆国 地先沖合の生物資源」とは、漁業保存水域内のすべての魚類、合衆国の淡水水域又は河口水域で産卵し、外洋水域に回遊するすべての溯河性魚種(さくがくせい)（以下「合衆国起源の

合理的な管理及び保存に協力してきたこと並びに日本国の国民及び船舶が伝統的にこの資源の開発及び利用に従事してきたことを認め、

相互に関心を有する漁業に関する妥当な条件を確立することを希望して、
次のとおり協定した。

第一条

日本国政府及び合衆国政府は、合衆国の地先沖合における相互に関心を有する漁業資源の効果的な保存、最適利用及び合理的な管理を確保し、並びに合衆国が漁業管理権を行使する同国 の地先沖合の生物資源の日本国の国民及び船舶による漁獲に関

アメリカ合衆国との間の協定
アメリカ合衆国政府は、

日本国政府及びアメリカ合衆国政府は、
合衆国との地先沖合における漁業資源の合理的な管理、保存及び最適利用に関する両政府の共通の関心を考慮し、

海洋法に関する新たな国際的な発展が見られたことを確認し、
合衆国が、その距岸二百海里の内側に、同国がすべての魚類
に対して漁業管理権行使する漁業保存水域を設定したこと並
びに合衆国が、同国に属する大陸棚の生物資源に対して及び同
国起源の溯河性魚種に対してその全回遊域を通じて漁業管理権
を行使していることを認め、

また、日本国が合衆国との地先沖合における公海の生物資源の

UNION OF SOVIET SOCIALIST REPUBLICS

Cultural Relations: Exchanges for 1977-1979

*Agreement effected by exchange of notes
Dated at Washington October 22, 1976;
Entered into force October 22, 1976.*

The Department of State to the Soviet Embassy

The Department of State calls the attention of the Embassy of the Union of Soviet Socialist Republics to the General Agreement on Contacts, Exchanges and Cooperation signed at Washington on June 19, 1973; to the program of Exchanges for 1974-1976 annexed thereto; and to the exchange of notes between the Department of State and the Embassy of the Union of Soviet Socialist Republics, also of June 19, 1973.^[1] In accordance with Article XVII of the General Agreement, the Department of State proposes the enclosed Program of Exchanges for 1977-1979 and Conditions Governing Exchanges in the Field of Education (Section I of the Program of Exchanges for 1977-1979).

If this Program and these Conditions are acceptable to the Soviet side, it is proposed that this note and the Embassy's reply thereto constitute an agreement between the two Parties in this matter.

Enclosures:

1. Program of Exchanges for 1977-79
2. Conditions Governing Exchanges in the Field of Education

DEPARTMENT OF STATE
WASHINGTON, October 22, 1976

¹ TIAS 7649; 24 UST 1395.

PROGRAM OF EXCHANGES BETWEEN THE U.S.A. AND THE U.S.S.R. FOR 1977-1979

In implementation of various provisions of the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation, signed at Washington on June 19, 1973, and referring to the provisions and objectives set forth in the Final Act of the Conference on Security and Cooperation in Europe,^[1] the Parties have agreed to the following program of Exchanges for the period January 1, 1977 to December 31, 1979.

SECTION I

Education

1. The Parties agree to provide for the exchange annually from each side of:

a. at least 40 graduate students, young researchers and instructors for study and postgraduate research in the natural sciences, technical sciences, humanities and social sciences, for periods of stay from one semester to one academic year, including four to five week courses as necessary before the beginning of the academic year to improve the participants' competence in the Russian or English language; in nominating for this exchange the Parties will give due consideration to young scholars preparing dissertations, as well as to young instructors, and will also take into account the desirability for appropriate representation of the humanities and social sciences;

b. at least 10 professors and instructors of universities and other institutions of higher learning to conduct scholarly research for periods of stay between three and six months, the total volume of these exchanges not to exceed 50 person-months for each side;

c. at least 30 language teachers to participate in summer courses of 9 weeks to improve their competence in the Russian or English language; and

d. at least 2 graduate-level students or young specialists in the fields of dance, music, theater, film, and the graphic and plastic arts, for the purpose of study, research, and training for periods of five to ten months in specialized schools, institutes, conservatories, theaters, museums, studios, or other institutions; one month of this period of study may be devoted, as necessary, to intensive study of the Russian or English language; candidates will be presented to the USSR Ministry of Culture by the US side and to the US Department of State by the Soviet side through the US Embassy in the USSR; and

e. in the practical implementation of these programs the Parties will strive to maintain the level of exchanges already achieved in those cases where these exceed the minimum levels given above.

^[1]Department of State Bulletin, Sept. 1, 1975, p. 323.

2. The Parties agree to provide for the exchange of at least 10 professors and specialists from universities and other institutions of higher learning, in accordance with the desires of the receiving side, for periods of three months to one academic year, to offer instruction, to lecture, and to conduct research at universities and other institutions of higher learning in the fields of the humanities and social sciences, natural and technical sciences, language, literature, linguistics, and pedagogy.

3. The Parties agree to facilitate the conducting of bilateral seminars of United States and Soviet specialists in higher education, alternately in the United States and the Soviet Union and with a duration of two to three weeks. The number of participants, topics, dates and the number of seminars will be agreed upon subsequently.

4. The Parties agree to exchange, during the period of this Program, at least two delegations of specialists in higher education consisting of up to five persons from each side for periods of two to three weeks. Topics will be agreed upon subsequently.

5. The Parties agree to encourage the conclusion of arrangements for direct exchanges between universities and other interested institutions of higher education for the purposes of study, research, and lecturing. These exchanges will take place over and above the exchange quotas mentioned in Paragraphs 1 and 2.

6. The United States will continue to take measures to encourage the study of the Russian language in the United States in accordance with the Joint U.S.-U.S.S.R. Communique of May 29, 1972.^[1]

7. The Parties agree to continue exchanges of information and appropriate consultation concerning the equivalency of degrees.

8. The Parties agree to facilitate the conducting of bilateral seminars of United States and Soviet specialists in primary and secondary education alternately in the United States and the Soviet Union, with a duration of two to three weeks. The number of participants, topics, dates and the number of seminars will be agreed upon subsequently.

9. The Parties agree to exchange, during the period of this Program, at least two delegations of specialists in primary and secondary education consisting of up to five persons for periods of two to three weeks. Topics will be agreed upon subsequently.

10. The Parties will exchange annually three or four specialists in primary and secondary education for the purpose of exchange of expertise, study, or lecturing on agreed topics, for periods of up to one semester.

11. The Parties agree to encourage contacts, and the exchange of text books and methodological materials between appropriate organizations in the United States and the Soviet Union.

12. The exchanges specified in this section will be implemented in accordance with the terms which are appended.

^[1] Department of State Bulletin, June 26, 1972, p. 899.

SECTION II

Performing and Other Arts

1. The Parties agree to facilitate the tours of at least 10 major performing arts groups from each side during the period of this Program. The detailed arrangements for tours of these groups will be provided for in contracts to be concluded between the following entities: for tours of American groups, between the Embassy of the United States of America in Moscow or authorized representatives of the groups themselves and the appropriate concert organizations of the Soviet Union; for Soviet groups, between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union. The receiving side, taking into consideration realistic possibilities, will seek to satisfy the wishes of the sending side concerning the timing and duration of the tours, and the number of cities to be visited, and will make a decision on each proposal by the sending side as soon as possible.

2. The Parties agree to facilitate the tours of at least 35 individual performers from each side during the period of the Program. Arrangements for tours of individual performers will be made by concluding contracts directly between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union.

3. The Parties will encourage exchanges of delegations and individual experts in the arts and culture, including exchanges of library personnel, restorers, art specialists, etc.

4. The Parties will examine in a favorable spirit the possibilities of exchange of directors, choreographers, stage designers, performers and musicians for productions and participation in performances. The conditions for such exchanges will be agreed upon in each case.

SECTION III

Publications

The Parties agree to render practical assistance for the distribution of the magazines Soviet Life in the United States and Amerika in the Soviet Union on the basis of reciprocity and to consult as necessary in order to find ways to increase the distribution of these magazines. Upon reaching full distribution of the 62,000 copies of each magazine as currently provided for, the Parties will examine the possibility of expanding the reciprocal distribution of the magazines to 82,000. The Parties will distribute free of charge unsold copies of the magazines among visitors to mutually-arranged exhibitions.

SECTION IV

Exhibitions

1. The Parties agree to exchange one or two circulating exhibitions during the period of this Program.

The subjects of the exhibitions will be agreed upon through diplomatic channels.

The circulating exhibitions will be shown in 9 cities in each country for a period of up to 28 actual showing days in each city. The Parties will discuss in a preliminary fashion the nature and general content of each exhibition and will acquaint each other with the exhibitions before their official opening, in particular through the exchange of catalogues, prospectuses and other information pertinent to the exhibitions. Other conditions for conducting the exhibitions (dates, size and character of premises, number of personnel, financial terms, etc.) shall be subject to agreement by the Parties. Arrangements for conducting the exhibitions will be concluded no later than five months before their opening.

2. The Parties agree to render assistance for the exchange of exhibitions, including art exhibitions, between the museums of the two countries, and to encourage these museums to establish and develop direct contacts with the aim of exchanging informative materials, albums, art monographs, and other publications of mutual interest. In the case of art exhibitions, their content and the conditions for conducting them including questions of governmental financial responsibility in the event of loss or damage, would be the subject of discussions and special agreement in each case between the relevant American museums and the Ministry of Culture of the Union of Soviet Socialist Republics.

3. The Parties will agree through diplomatic channels on the arrangements for other exhibitions and on participation in national exhibitions which may take place in either country.

SECTION V

Other Exchanges

1. The Parties agree to encourage invitations to specialists in radio or television each year for familiarization with radio and television in the host country.

2. The Parties agree to encourage invitations to journalists each year for familiarization with the print media of the host country.

3. Parties agree to encourage exchanges and contacts in the field of book publishing.

4. The Parties agree to encourage reciprocal exchanges of film-weeks, seminars, and other film events on an annual basis. Conditions for implementing these exchanges will be determined by mutual agreement.

5. The Parties agree to the exchange, on an equivalent basis, of special publications and microfilms between the National Archives of the United States and the Main Archival Administration of the Council of Ministers of the U.S.S.R. and to look favorably upon the possibility of mutual visits by Archive specialists.

6. The Parties agree to facilitate the exchange of library specialists between appropriate institutions in the United States and the Soviet Union. The specialists will be given the opportunity to work for periods of two to five months in public and university libraries.

7. The Parties agree to consider the conducting of seminars in such fields as economics, law, history, philosophy, international relations, culture and art, journalism, etc.

SECTION VI

General

Each of the Parties shall have the right to include in delegations interpreters or members of its Embassy, who shall be considered as within the agreed total membership of such delegations.

Conditions Governing the Program of Exchanges for 1977-79

References in these Conditions, unless otherwise noted, are to the paragraphs of Section I (Education), Section II (Performing and other Arts) and Section V (Other Exchanges) of the Program of Exchanges for 1977-79 as provided for in Article XVII of the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation, signed at Washington on June 19, 1973.

1. Exchange of Graduate Students, Young Researchers and Instructors (Section I, Paragraph 1.a.); Exchange of Professors and Instructors (Section I, Paragraph 1.b.); and Exchange of Language Teachers (Section I, Paragraph 1.c.)

A. General: By agreement between the International Research and Exchanges Board (IREX) and the Ministry of Higher and Specialized Education of the USSR (Ministry), the receiving side will provide for participants in these exchanges: tuition and fees for study in universities and other institutions of higher learning; appropriate research conditions necessary for conducting their scholarly programs; suitable living quarters; and a monthly stipend. In case of illness of, or accident resulting in injury to, a participant in the receiving country, the receiving side will bear medical costs, including hospital expenses, as agreed between the two sides. The sending side will bear all costs for travel of its participants.

The receiving side will lend assistance in providing suitable accommodations for spouses and minor children accompanying or following to join the participants in the receiving country. In cases of illness of, or accident resulting in injury to a spouse or minor child in the receiving country, the receiving side will bear medical

costs, including hospital expenses, as agreed between the two sides. The sending side will bear all other costs, including travel, for spouses and minor children accompanying or following to join the participants.

B. Exchange of Graduate Students, Young Researchers and Instructors (Section I, Paragraph 1.a.)

IREX and the Ministry will exchange lists of nominees and the necessary information about each nominee and his or her program of study not later than February 1 for the next academic year. Representatives of IREX and the Ministry will meet in alternate years in the Soviet Union and the United States no later than April 10 for a mutual exchange of information concerning placement of the participants for the forthcoming academic year and to discuss details connected with the exchange.

Participants who are to start their work at the beginning of the academic year will arrive during the period of August 1–10, as agreed upon by IREX and the Ministry, at the universities in each country which will provide courses in language preparation. Participants accepted for the second semester will arrive during the period February 1–10. If a participant cannot arrive in the receiving country on the agreed date, the sending side will inform the receiving side of this fact as far in advance as possible and a new date for his or her arrival will be settled by agreement. Applications for extension of agreed periods of study will be considered by the receiving side.

The receiving side will provide the participants in the exchange, upon their arrival in the country, with the following monthly stipends:

In the USA	300 dollars a month;
In the USSR	225 rubles a month.

C. Exchange of Professors and Instructors (Section I, Paragraph 1.b.)

The same conditions shall apply as in Paragraph 1.B. of these conditions, except that the monthly stipends shall be:

In the USA	340 dollars a month;
In the USSR	260 rubles a month.

D. Exchange of Language Teachers (Section I, Paragraph 1.c.)

IREX and the Ministry will agree on the dates for the courses and will exchange lists of participants, drafts of the programs for the courses, and commentaries on them by April 20 of each year. Participants in these exchanges may be accompanied by one or two leaders. The receiving side will provide the following stipends:

In the USA	220 dollars a month;
In the USSR	170 rubles a month.

The stay of the participants in the exchanges in the receiving country will include excursions to at least two of its cities, with a total duration of up to one week, to be considered within the agreed duration of the exchange. The receiving side will bear all costs for these excursions.

2. Exchange of Graduate-level Students and Young Specialists in the Fields of Dance, Music, Theater, Film and the Graphic and Plastic Arts (Section I, Paragraph 1.c.)

The provisions of paragraph 1.A. of these Conditions concerning tuition, fees, travel expenses, living quarters, and medical costs, including hospital expenses, and the provisions of Paragraph 1.B. concerning nomination and acceptance dates for candidates, applications for extension of stay, and stipends will apply equally to the exchange of students and young specialists in the arts.

3. Exchange of Professors and Specialists (Section I, Paragraph 2)

A. The Parties will exchange requests for subjects for lectures 18 months before the start of the academic year (March 1); they will exchange lists of, and information on, the recommended participants 8 to 10 months prior to the beginning of the academic year (by November 15 for the first semester and by February 15 for the second semester); and they will provide replies concerning the nominees by March 1. The lecturers will teach at institutions of higher education, for full academic terms (academic year, semester or quarter). In cases in which the lecturer is of exceptional distinction, shorter periods may be considered.

B. The receiving side will provide living quarters for the lecturers, and will lend assistance in providing living quarters for spouses and minor children accompanying or following to join the participants. In case of illness of, or accident resulting in injury to, a participant, spouse or minor child in the receiving country, the receiving side will bear medical costs, including hospital expenses, as agreed between the Parties. The sending side will bear all other costs, including internal and international travel, for spouses and minor children accompanying or following to join the participants. The receiving side will provide the participants with the following stipends:

In the USA	400 dollars a month;
In the USSR	300 rubles a month.

4. Access to Archives and Use of Research Materials and Equipment

The Parties agree to provide for favorable conditions necessary to fulfill agreed programs, including use of scholarly and scientific materials, and, where appropriate and possible, work in laboratories, archives, and institutions outside the system of higher educational establishments.

5. Seminars (Section I, Paragraphs 3 and 8)

The Parties will agree on the topics, dates, procedures, arrangements and location for the seminars. The sending side will bear costs of the international travel of its participants. The receiving side will bear costs for maintenance and internal travel of the visiting participants in seminars.

The receiving side shall confirm arrangements two months prior to the seminar and the sending side shall submit the list of its participants 30 days prior to the seminar date.

6. Exchanges of:

Delegations and Specialists in Education (Section I, Paragraphs 4, 9, and 10)

Journalists and Specialists in Radio/TV (Section V, Paragraphs 1 and 2);

Library Specialists (Section V, Paragraph 6); and Seminars in Other Fields (Section V, Paragraph 7)

The sending side will bear costs of international travel of its participants. The receiving side will bear costs for maintenance and internal travel of the visiting delegations and specialists.

7. Exchanges and Contacts in the Field of Book Publishing (Section V, Paragraph 3); and Exchanges and Visits on Archival Matters (Section V, Paragraph 5)

Terms and conditions of these exchanges and contacts will be mutually agreed upon by participating organizations.

8. Visits of Representatives

Each side may send, at its own expense, its representatives to the receiving country for familiarization with the conditions of study and sojourn of its participants in these exchanges.

The Soviet Embassy to the Department of State

ПОСОЛЬСТВО

СОЮЗА СОВЕТСКИХ

СОЦИАЛИСТИЧЕСКИХ РЕСПУБЛИК

№67

Посольство Союза Советских Социалистических Республик подтверждает получение ноты Государственного Департамента от 22 октября 1976 года, которая предлагает Программу обменов на 1977-1979 годы и прилагаемые к ней Условия этих обменов, выработанные в результате переговоров, проходивших в Вашингтоне с 18 по 22 октября с.г.

Посольство сообщает о согласии Советской стороны с этой Программой и Условиями и с предложением, чтобы нота Госдепартамента и настоящий ответ рассматривались как соглашение между двумя Сторонами по прилагаемым Программе и Условиям обменов.

Приложение: Программа обменов на 1977-1979 годы и Условия осуществления обменов.

г.Вашингтон, 22 октября 1976 года

В ГОСУДАРСТВЕННЫЙ ДЕПАРТАМЕНТ
СОЕДИНЕННЫХ ШТАТОВ АМЕРИКИ

г.Вашингтон

b envoi

ПРОГРАММАобменов между СССР и США на 1977-1979 гг.

В целях осуществления различных положений Общего Соглашения между Союзом Советских Социалистических Республик и Соединенными Штатами Америки о контактах, обменах и сотрудничестве, подписанного в Вашингтоне 19 июня 1973 года, ссылаясь на положения и цели, изложенные в Заключительном акте Совещания по безопасности и сотрудничеству в Европе, Стороны согласились принять следующую Программу обменов на период с 1 января 1977 года по 31 декабря 1979 года.

РАЗДЕЛ I

Образование

1. Стороны соглашаются обеспечить обмен ежегодно с каждой стороны:

а) по меньшей мере 40 аспирантами, молодыми учеными и преподавателями для обучения и научной стажировки, в области естественных наук, технических наук, гуманитарных и общественных наук при сроках пребывания от одного семестра до полного учебного года, включая в случае необходимости четырех-пятинедельные курсы до начала учебного года для совершенствования участниками обмена своих знаний русского или английского языка; при подборе кандидатур для обмена стороны будут уделять должное внимание молодым

ученым, готовящим диссертации, также как и молодым преподавателям, и будут учитывать желательность соответствующего представительства гуманитарных и общественных наук.

б) по меньшей мере 10 профессорами и преподавателями университетов и других высших учебных заведений для проведения научной работы сроком от 3 до 6 месяцев. Общий объем этих обменов не будет превышать 50 человек-месяцев с каждой стороны.

в) по меньшей мере 30 преподавателями языка для занятий на летних курсах сроком в 9 недель, с целью совершенствования знаний английского или русского языка.

г) по меньшей мере 2 аспирантами или молодыми специалистами в области танца, музыки, театра, кино, изобразительного искусства для обучения, научной работы и стажировки, сроком от 5 до 10 месяцев, в специализированных школах, институтах, консерваториях, театрах, музеях, студиях, или в других организациях. Одни кесеца этого срока обучения может быть посвящены, в случае необходимости, интенсивному изучению русского или английского языка. Кандидатов для прохождения такой стажировки американская Сторона представляет Министерству культуры СССР, а советская Сторона Государственному департаменту Соединенных Штатов через посольство США в СССР.

д) при осуществлении этих программ на практике Стороны будут стремиться поддерживать обмены на уже достигнутом уровне в тех случаях, когда существующий уровень превосходит вышеустановленный минимум.

2. Стороны соглашаются обеспечить обмен по меньшей мере 10 профессорами и специалистами университетов и других высших учебных заведений в соответствии с пожеланиями принципиальной стороны на срок от трех месяцев до одного учебного года, для преподавания, чтения лекций и научных исследований в университетах, других высших учебных заведениях в области гуманитарных и общественных наук, естественных наук, технических наук, языка, литературы, лингвистики и педагогики.

3. Стороны соглашаются содействовать проведению двусторонних семинаров советских и американских специалистов в области высшего образования поочередно в Советском Союзе и Соединенных Штатах, сроком от двух до трех недель. Число участников, тематика, сроки проведения и количество семинаров будут согласованы дополнительно.

4. Стороны соглашаются в течение срока действия программы обменяться по меньшей мере 2 делегациями специалистов в области высшего образования с каждой стороны в составе до 5 человек на срок от 2 до 3 недель. Тематика будет согласована дополнительно.

5. Стороны соглашаются поощрять достижение договорености о прямых обменах между университетами и другими заинтересованными высшими учебными заведениями для стажировок научной работы и чтения лекций. Эти обмены будут осуществляться сверх квоты обменов, упомянутых в параграфах 1 и 2.

6. Соединенные Штаты будут продолжать принимать меры, поощряющие изучение русского языка в Соединенных Штатах Америки в соответствии с положениями Совместного американо-советского коммюнике от 29 мая 1972 года.

7. Стороны соглашаются продолжать обмениваться информацией и проводить соответствующие консультации относительно эквивалентности дипломов и учёных степеней.

8. Стороны соглашаются содействовать проведению двухсторонних семинаров советских и американских специалистов в области начального и среднего образования поочередно в Советском Союзе и Соединенных Штатах, сроком от двух до трех недель. Число участников, тематика, сроки проведения и количество семинаров будут согласованы дополнительно.

9. Стороны соглашаются в течение срока действия программы обмениваться по меньшей мере 2 делегациями специалистов в области начального и среднего образования в составе до 5 человек на срок от 2 до 3 недель. Тематика будет согласована дополнительно.

10. Стороны будут обмениваться ежегодно 3-4 специалистами в области начального и среднего образования для обмена опытом, стажировки или чтения лекций по согласованной тематике на срок до одного семестра.

11. Стороны соглашаются поддерживать контакты и обмен учебниками и методическими материалами между соответствующими организациями Советского Союза и Соединенных Штатов.

12. Обмыны, указанные в этом разделе, будут осуществляться в соответствии с Условиями, которые прилагаются.

РАЗДЕЛ II
Исполнительское и другие виды
искусства

I. Стороны соглашаются содействовать гастролям по меньшей мере 10 крупных исполнительских коллективов с каж-

дой Стороны в течение срока действия Программы. Подробные условия гастролей этих коллективов будут предусмотрены контрактами, которые будут заключаться между следующими организациями: гастроли советских коллективов — между концертными организациями Советского Союза и соответствующими организациями или импресарио Соединенных Штатов; гастроли американских коллективов — между соответствующими концертными организациями Советского Союза и посольством Соединенных Штатов Америки в Москве или уполномоченными представителями коллективов.

Принимающая Сторона будет стремиться удовлетворить пожелания направляющей Стороны с учетом реальных возможностей в отношении времени приезда и продолжительности гастролей, а также числа городов, в которых они будут проводиться и принимать в возможно короткий срок решение по каждому предложению направляющей Стороны.

2. Стороны соглашаются содействовать гастролям по меньшей мере 35 отдельных исполнителей с каждой стороны в течение срока действия Программы. Договоренность о гастролях коллективов будет оформляться путем подписания контрактов непосредственно между концертными организациями Советского Союза и соответствующими организациями или импресарио Соединенных Штатов.

3. Стороны будут поощрять обмен делегациями и отдельными специалистами в области культуры и искусства, включая обмен музеиными работниками, работниками библиотек, реставраторами, искусствоведами и т.д.

4. Стороны будут благожелательно изучать возможность осуществления обменов для постановки и участия в спектаклях и других постановках режиссеров, хореографов, театральных художников, артистов и музыкантов.

Условия таких обменов будут предметом договоренности в каждом отдельном случае.

РАЗДЕЛ II
Издания

Стороны соглашаются оказывать практическое содействие распространению журналов "Советская жизнь" в Соединенных Штатах и "Америка" в Советском Союзе на основе взаимности и, по мере необходимости, консультироваться в целях нахождения путей увеличения распространения этих журналов. По достижении полного распространения 62 тысяч экземпляров каждого журнала, как это предусматривается в настоящее время, Стороны изучат возможность увеличения на основе взаимности распространения тиража журналов до 82 тысяч экземпляров. Стороны будут распространять бесплатно непроданные номера журналов среди посетителей на взаимопроводимых выставках.

РАЗДЕЛ III
Выставки

I. Стороны соглашаются обменяться в период срока действия Программы одной-двумя передвижными выставками.

Темы выставок будут согласованы по дипломатическим каналам:

Передвижные выставки будут проводиться в 9 городах каждой страны, сроком до 28 дней, в течение которых выставка открыта в каждом городе. Стороны будут предварительно обсуждать характер и общее содержание каждой выставки и проводить взаимное ознакомление с указанными выставками до их официаль-

ного открытия, в частности, путем обмена каталогами, проспектами и другой информацией, относящейся к выставкам. Согласование Сторон подлежат и другие условия проведения выставок (сроки, размер и характер помещений, количество сопровождающих, финансовые условия и т.д.). Договоренность по условиям проведения выставок будет достигнута не позднее, чем за пять месяцев до их открытия.

2. Стороны соглашаются оказывать содействие в осуществлении обменов выставками, включая художественные выставки между музеями двух стран и поощрять установление и развитие прямых контактов между этими музеями с целью обмена информационными материалами, альбомами, художественными фотографиями и другими публикациями, представляющими взаимный интерес. В случае проведения художественных выставок содержание и условия их проведения, включая вопросы правительственной финансовой ответственности в случае потери или ущерба, будут предметом переговоров и специальных соглашений между Министерством культуры СССР и соответствующими американскими музеями.

3. Стороны будут согласовывать по дипломатическим каналам проведение других выставок и участие в национальных выставках, которые могут состояться в каждой стране.

РАЗДЕЛ У
Другие обмены

1. Стороны соглашаются поощрять ежегодные приглашения специалистов в области радио или телевидения для ознакомления с радио и телевидением принимающей страны.

2. Стороны соглашаются поощрять ежегодные приглашения журналистов для ознакомления со средствами печати принимающей страны.

3. Стороны соглашаются поощрять обмены и контакты в области книгоиздательского дела.

4. Стороны соглашаются поощрять взаимное проведение недель фильмов, семинаров и других киномероприятий на ежегодной основе.

Условия проведения таких мероприятий будут определяться по взаимной договоренности.

5. Стороны соглашаются обмениваться на эквивалентной основе специализированными изданиями и микрофильмами между Главным архивным управлением при Совете Министров СССР и Национальным архивом Соединенных Штатов Америки, и благожелательно рассматривать возможность взаимных поездок специалистов в области архивного дела.

6. Стороны соглашаются содействовать обмену специалистами в области библиотечного дела между соответствующими организациями Советского Союза и Соединенных Штатов. Указанным специалистам будет предоставлена возможность работать от 2 до 5 месяцев в публичных и университетских библиотеках.

7. Стороны соглашаются рассмотреть вопрос о проведении семинаров в таких областях как экономика, право, история, философия, международные отношения, культура и искусство, журналистика и т.д.

РАЗДЕЛ УІ
Общие положения

Каждая Сторона имеет право включать в состав делегаций переводчиков или сотрудников своего посольства, которые входят в общую обусловленную численность делегаций.

ПриложениеУСЛОВИЯ ОСУЩЕСТВЛЕНИЯ ПРОГРАММЫ
ОБМЕНОВ на 1977-1979 годы

Ссылки в этих условиях, если не делается другой оговорки, дают в соответствии с порядком пунктов раздела I (образование), раздела II (исполнительское и другие виды искусства) и раздела У (другие обмены). Программы обменов на 1977-1979 годы, как это предусмотрено в статье XIII Общего соглашения между Союзом Советских Социалистических Республик и Соединенными Штатами Америки о контактах, обменах и сотрудничестве, подписанного в Вашингтоне 19 июня 1973 года.

1. Обмен аспирантами, молодыми учеными и преподавателями (раздел I, параграф I-а); обмен профессорами и преподавателями (раздел I, параграф I-б); обмен преподавателями языка (раздел I, параграф I-в);

A. Общая часть

По согласованию между Министерством высшего и среднего специального образования СССР (министрство) и Советом по международным исследованиям и обменам (АМРЕИС) принимающая сторона обеспечит участников этих обменов: платой и взносами за обучение в университетах и других высших учебных заведениях; соответствующими условиями для исследовательских работ, которые необходимы для реализации их научных программ; приемлемым жильем и ежемесячной стипендии. При заболевании участника обмена или несчастном случае с ним в принимающей стране принимающая Сторона будет нести расходы по медицинскому обслуживанию, включая расходы по лечению в больнице, по согласованию между двумя Сторонами.

Направляющая Сторона будет нести все расходы по проезду своих участников.

Приимающая Сторона будет оказывать содействие в предоставлении приемлемого жилья супружам и малолетним детям, сопровождающим участников обмена или пребывающим к ним в приемлящую страну, за исключением участников обменов - преподавателей языков. При заболевании или несчастье участника супружами или малолетними детьми в приемлящей стране приема Сторона будет нести расходы по медицинскому обслуживанию, включая расходы по лечению в больнице, по согласованию между двумя Сторонами. Исправляющая Сторона будет нести все другие расходы, включая расходы по проезду супружеских и малолетних детей, сопровождающих участников обмена или пребывающих к ним.

Б. Обмен аспирантами, молодыми учеными
и преподавателями

(раздел I, параграф I-а)

Министерство и АИРЕКС обменяются списками кандидатов и необходимой информацией о каждом кандидате и программе обучения не позднее 1 февраля для следующего учебного года. Представители Министерства и АИРЕКС будут встречаться ежегодно поочередно в Советском Союзе и в Соединенных Штатах не позднее 10 апреля для взаимного обмена информацией о приеме участников на следующий учебный год и для обсуждения деталей, связанных с обменом.

Участники, которым предстоит начать свою работу с начала учебного года, прибудут в период с 1 по 10 августа по договоренности между Министерством и АИРЕКС в университеты каждой страны, которые организуют курсы языковой подготовки. Участники обменов, принятые на второй семестр, прибудут в период с 1 по 10 октября. Если участник не сможет прибыть в приемлящую страну в установленный срок, исправляющая Сторона так можно

ральных известий об этом принимающую Сторону, и новая дата его прибытия будет установлена по договоренности. Просьбы о продлении согласованных сроков обучения будут рассматриваться приемлящей Стороной.

Приглашающая Сторона обеспечит участников обмена ежемесячной стипендии по приезду в страну в следующих размерах:

- в СССР — 225 рублей в месяц
в США — 300 долларов в месяц.

В. Обмен профессорами и преподавателями

(раздел I, параграф I-б)

В данном случае будут применяться условия, аналогичные условиям параграфа (I-б), за исключением того, что размеры ежемесячных стипендий будут составлять:

- в СССР — 260 рублей в месяц
в США — 340 долларов в месяц

Г. Обмен преподавателями языка

(раздел I, параграф I-в)

Министерство и АПЕКС согласуют сроки проведения курсов и обмениваются списками участников, проектами программ курсов и полисентами к ним к 20 апреля каждого года. Участников этих обменов могут сопровождать один или два руководителя. Приглашающая Сторона обеспечит участников обмена стипендиями в следующих размерах:

- в СССР — 170 рублей в месяц
в США — 220 долларов в месяц

Пребывание участников обменов в принимающей стране включает экскурсионные поездки по меньшей мере двух городов общей продолжительностью до одной недели в счет обусловленного общего срока обмена. Принимающая Сторона несет все расходы по этим экскурсиям.

2. Обмен аспирантами и молодыми специалистами в области танца, музыки, театра, кино и изобразительного искусства

(раздел I, параграф I-г)

Положение параграфа I-А этих условий относительно платы и взносов за обучение, транспортных расходов, жилья, расходов по медицинскому обслуживанию, включая расходы по лечению в больнице и условия параграфа I-Б, относительно сроков представления и утверждения кандидатов, просьб о продлении сроков пребывания и стипендий в равной мере будут распространяться и на обмены студентами и молодыми специалистами в области искусства.

3. Обмен профессорами и специалистами

(раздел I, параграф 2)

А. Стороны обмениваются запросами по тематике лекций за 18 месяцев до начала учебного года (1 марта); они обмениваются списками и необходимой информацией на рекомендуемых участников за 8–10 месяцев до начала учебного года (к 15 ноября для первого семестра и к 15 февраля для второго семестра); они сообщают ответ на кандидатов к 1 марта. Лекторы будут преподавать в высших учебных заведениях в течение полных учебных сроков (учебный год, семестр или четверть).

В тех случаях, когда лектор является исключительно высоко-квалифицированным, могут предусматриваться более короткие сроки.

Б. Принимающая Сторона предоставит лекторам жилье и окажет содействие по предоставлению жилья супругам и малолетним детям, сопровождающим участников обмена или приезжающим к ним. При заболевании или несчастном случае с участниками обмена, их супругами или малолетними детьми в принимающей стране принимающая Сторона будет нести расходы по медицинскому обслуживанию, включая расходы по лечению в больнице по согласованию между обеими Сторонами. Принимающая Сторона будет нести все расходы, включая расходы по внутреннему и по международному проезду, связанные с супругами или малолетними детьми, сопровождающими участников обмена или приезжающими к ним. Принимающая Сторона обеспечит участников обмена стипендиями в следующих размерах:

- в СССР — 300 рублей в месяц
- в США — 400 долларов в месяц

4. Допуск в архивы и пользование научными материалами и оборудованием

Стороны соглашаются обеспечить благоприятные условия, необходимые для выполнения согласованных программ, включая пользование учебными и научными материалами и в тех случаях, когда это целесообразно и возможно, работу в лабораториях, архивах и учреждениях, не входящих в систему высших учебных заведений.

5. Семинары

(раздел I, параграфы 3 и 8)

Стороны будут согласовывать тематику, промя, процедуру, организацию и вопросы и место проведения семинаров. Направляющая Сторона будет нести расходы по международному проезду своих участников. Приглашаемая Сторона будет нести расходы по содержанию и внутреннему проезду приезжающих участников семинаров.

Приглашаемая сторона подтвердит готовность приема за 2 месяца до начала семинара, а направляющая сторона представит список своих участников за тридцать дней до начала семинара.

6. Обмен делегациями и специалистами в области образования (раздел I, параграфы 4, 9 и 10); журналистами и специалистами в области радио и телевидения (раздел У, параграфы 1 и 2); специалистами в области библиотечного дела (раздел У, параграф 6); семинары в других областях (раздел У, параграф 7)

Направляющая сторона будет нести расходы по международному проезду своих участников. Приглашаемая Сторона будет нести расходы по содержанию и внутреннему проезду приезжающих делегаций и специалистов.

7. Обмены и контакты в области книгоиздательского дела (раздел У, параграф 3), обмены и поездки в области архивного дела (раздел У, параграф 5)

Условия этих обменов и контактов будут согласовываться между участвующими в них организациями.

8. Поездки представителей Сторон

Каждая сторона может направлять за свой счет своих представителей в принимающую страну для ознакомления с условиями обучения и пребывания своих участников этих обменов.

TRANSLATION

EMBASSY OF THE UNION OF
SOVIET SOCIALIST REPUBLICS

N 67

The Embassy of the Union of Soviet Socialist Republics acknowledges the receipt of the Department of State's note dated October 22, 1976, which proposes a Program of Exchanges for 1977-1979, and attached Conditions for these exchanges, worked out as a result of negotiations conducted in Washington from October 18 through 22, 1976.

The Embassy communicates its agreement with this Program and Conditions and with the proposal that the Department of State's note and this reply be regarded as an agreement between the two Parties on the attached Program and Conditions of Exchanges.

Enclosure: [¹] Program of Exchanges for 1977-1979 and Conditions for implementing the exchanges.

Washington, D.C., October 22, 1976

Department of State

[Signature]

of the United States of America,

Washington, D.C.

¹ For the English language text, see pp. 7566-7573.

REPUBLIC OF KOREA

Economic Assistance

*Agreement effected by letter
Signed at Seoul October 16, 1971;
Entered into force October 16, 1971.*

*American Ambassador-at-Large to the Korean Minister of Commerce
and Industry [1]*

OCTOBER 16, 1971

DEAR MR. MINISTER:

In accordance with our discussions the following supplemental economic assistance will be extended to the Government of the Republic of Korea as follows:

Development Loans

Since 1969 the U.S. Government has reduced its development loan program in Korea. Since the Korean economy has progressed, future planning of development loan levels, at this point, would normally decrease and be only on a case by case basis without any predetermined lending level. The U.S., however, is now prepared to make available \$100 million in development loans through US fiscal year 1975, in addition to commitments already made. This amount would be subject to normal Congressional appropriation process and the ability of individual loan proposals to meet development and authorization criteria. By assuring the Government of the Republic of Korea that we will make available up to \$100 million in loans in support of the third five year plan, the Government by knowing in advance that this amount will be available from the US on concessional terms, can start early with feasibility studies and sector planning. No yearly limit or ceiling would be set, but loans would be provided within the overall five year ceiling for viable projects as they are submitted for consideration.

¹ Though there was no formal reply from the Korean Government, the proposal in Ambassador Kennedy's letter was accepted.

P.L 480 [2]

The United States is prepared to increase the annual level of P.L 480 agriculture sales and reduce the required currency payments in a manner which would increase the value of PL 480 programs to Korea over the next 5 years by \$275 million.

We estimate that the P.L. 480 programs instead of being reduced can be increased to an increment of about \$175 million over the five year period above and beyond what would have been the case if the average level of P.L. 480 programs of recent years were maintained.

Sincerely yours,

DAVID KENNEDY

His Excellency

LEE NAK-SUN

*Minister of Commerce and Industry,
Seoul, Korea*

² 68 Stat. 454; 7 U.S.C. § 1701 *et seq.*

ZAIRE

Finance: Consolidation and Rescheduling of Certain Debts

*Agreement signed at Washington June 17, 1977;
Entered into force August 30, 1977.
With agreed minute
Signed at Paris June 16, 1976.*

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE REPUBLIC OF ZAIRE
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO,
GUARANTEED OR INSURED BY THE
UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States")
and the Republic of Zaire ("Zaire") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the provisions of the understanding reached on June 16, 1976 [¹] (the "Understanding") among representatives of certain nations, including the United States, and agreed to by Zaire, the United States and Zaire hereby agree to consolidate and reschedule certain Zairian debts which are owed to, guaranteed by or insured by the United States or its Agencies, as provided for in this Agreement.
2. This Agreement shall be implemented by separate agreements (the "Implementing Agreements") between Zaire and the United States with respect to P.L. 480 Agreements, and between Zaire and each of the following United States Agencies: the Agency for International Development, the Export-Import Bank of the United States, the Department of Defense, and the Commodity Credit Corporation.

¹ For the English language text, see pp. 7621-7623.

ARTICLE II

Definitions

1. "Original Agreements" means those agreements listed in Annex A.
2. "Consolidated Debt" means eighty-five percent (85%) of the sum of dollar principal and interest payments due from January 1, 1975 through June 30, 1976 and remaining unsettled on June 16, 1976, and eighty-five percent (85%) of the sum of dollar principal payments due from July 1, 1976, through December 31, 1976, in accordance with the respective terms of each of the Original Agreements.
3. "Non-consolidated Debt" means fifteen percent (15%) of the sum of dollar principal and interest payments due from January 1, 1975 through June 30, 1976 and remaining unsettled on June 16, 1976, and fifteen percent (15%) of the sum of dollar principal payments due from July 1, 1976, through December 31, 1976, in accordance with the respective terms of each of the Original Agreements.
4. "Consolidation Period" means the period from January 1, 1975 through December 31, 1976.
5. "Consolidated Interest" means interest on the Consolidated Debt. "Non-consolidated Interest" means interest on the non-consolidated debt. Consolidated

TIAS 8731

Interest and Non-consolidated Interest shall begin to accrue on the respective due dates specified in each of the Original Agreements for each payment of principal or interest which is part of the Consolidated Debt or the Non-consolidated Debt, and shall continue to accrue until the Consolidated Debt or the Non-consolidated Debt, as the case may be, is repaid in full.

6. "Agency" means an agency or instrumentality of the United States.

ARTICLE III

Terms and Conditions of Payment

1. Zaire agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt amounting to \$10.1 million relating to installments of principal and interest due during 1975 and remaining unpaid on June 16, 1976 shall be repaid in fourteen equal semi-annual installments on each January 1 and July 1 commencing on January 1, 1978, with the final installment payable on July 1, 1984. The Consolidated Debt amounting to \$28.9 million relating to installments of principal and interest due from January 1, 1976 through June 30, 1976 and remaining unpaid on June 16, 1976 and installments of principal due from July 1, 1976 through December 31, 1976 shall be repaid in fourteen equal semi-

annual installments, commencing on January 1, 1979, with the final installment payable on July 1, 1985.

(b) The Consolidated Interest rate shall be at 3.5 percent per calendar year on the outstanding balance of the Consolidated Debt due to the Agency for International Development and to the United States with respect to P.L. 480 Agreements, and 8.375 percent per calendar year on the outstanding balance of the Consolidated Debt due to, guaranteed by, or insured by the Export-Import Bank of the United States, the Department of Defense, and the Commodity Credit Corporation. All interest shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1977 unless otherwise specified in the respective Implementing Agreements.

(c) A table summarizing the amounts of the Consolidated Debt owed to the United States and each Agency is attached hereto as Annex B.

2. Zaire agrees to repay the Non-Consolidated Debt in accordance with the following terms and conditions:

(a) The Non-consolidated Debt amounting to \$5.0 million relating to installments of principal and interest due from January 1, 1975 through June 30, 1976, and remaining unpaid on June 16, 1976, shall be repaid in two equal annual installments of \$2.5 million on July 1, 1977 and July 1, 1978. The Non-consolidated Debt amounting to \$2.0 million relating to installments of principal

due from July 1, 1976 to December 31, 1976 shall be repaid in two equal annual installments, of \$1.0 million to be paid on July 1, 1977 and July 1, 1978.

(b) The weighted average of the Non-consolidated Interest rate shall be 3.5 percent per calendar year on the outstanding balance of the Non-consolidated Debt due to the Agency for International Development and to the United States with respect to P.L. 480 Agreements, and 8.375 percent per calendar year on the balance of the Non-consolidated Debt due to, guaranteed by, or insured by the Export-Import Bank of the United States, and Department of Defense, and the Commodity Credit Corporation. All interest due shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1977 unless otherwise specified in the respective Implementing Agreements.

(c) A table summarizing the amounts of Non-Consolidated Debt owed to the Government of the United States and each agency is attached hereto as Annex C.

3. Zaire agrees to fully discharge payment of contractual interest with respect to debts maturing between July 1, 1976 and December 31, 1976. For this purpose, Zaire will apply, in accordance with the provisions contained in the Understanding reached on June 16, the proceeds of a levy of at least 10 percent on all exports. If the yield of this levy is insufficient

to pay the foregoing installments in full on the respective due dates, then, the general foreign exchange receipts of Zaire will be applied to pay the indebtedness in full.

4. It is understood that adjustments may be made in the amounts specified in paragraphs 1 and 2 of this Article by the Implementing Agreements.

ARTICLE IV

General Provisions

1. Zaire agrees to grant the United States and its Agencies, and any other creditor which is party to an Original Agreement, treatment and terms no less favorable than that which may be accorded to any other creditor country for the consolidation of debts covered by the Understanding.

2. Except as they may be modified by this Agreement or subsequent Implementing Agreements, all terms of the Original Agreements remain unchanged.

3. Zaire has already made payments on the consolidated and non-consolidated debt due to the Commodity Credit Corporation from July 1, 1976 through December 31, 1976, and included in this Agreement. The United States

agrees that these payments will be credited to future payments owed by the Government of Zaire to the Commodity Credit Corporation and to the United States with respect to P.L. 480 Agreements. Interest credit shall begin as of the first day after the date of receipt of these payments by the Commodity Credit Corporation.

4. The Agency for International Development will confine the rescheduling of its debt to the five direct loans listed in Annex A, provided that the amounts rescheduled by the Agency for International Development are equivalent to the amount due to be rescheduled as set forth in this Agreement. Zaire agrees to pay all arrearages and future sums, as and when due, on Loan HG-001 which will not be rescheduled by the Agency for International Development.

ARTICLE V

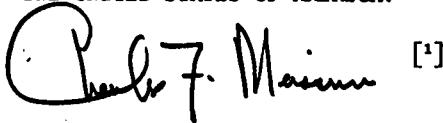
Entry Into Force

This Agreement shall enter into force when the United States notifies Zaire in writing that domestic United States laws and regulations covering debt rescheduling concerning this agreement have been complied with.^[1]

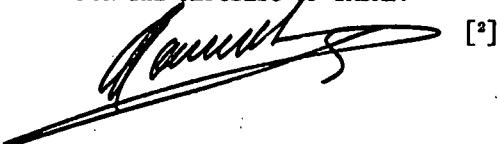
¹ Aug. 30, 1977.

DONE at Washington, in duplicate, this 17th day of June 1977, in the English and French languages, each text being equally authentic.

FOR THE UNITED STATES OF AMERICA:

 [1]

FOR THE REPUBLIC OF ZAIRE:

 [2]

¹ Charles F. Meissner
² Kamimbaya

ANNEX ALOAN AGREEMENTS SUBJECT TO RESCHEDULINGExport-Import Bank

Financial Guarantees No.	Direct Credits No.
G-2608	--
G-2940	2939
--	2958
G-3186	3185
--	3213
G-4049	4048
G-4401	4400
G-4540, 4601	4539
G-4586	4585
G-4685, 4686	4684
G-4734	4733

Medium-Term FCIA Insurance Policy

MT-10016

Medium-Term Commercial Bank Guarantees

G-206-2/B6-9390
G-47-411/B6-9365

Cooperative Financing Facility

Credit 11260
Credit 11520
Credit 12583

P.L. 480

Agreements Dated:

October 3, 1966
March 15, 1967
December 11, 1967
May 14, 1969
October 21, 1969
October 7, 1971

Commodity Credit CorporationGSM Numbers

11910
11980
12001
12002
12003
12017
12019

Department of DefenseDirect Loans

721
741
751
761

Guaranty

711
731

Agency for International DevelopmentDirect Loans

K-002
K-003
K-006
K-009
H-012

Guaranty

HG-001

SUMMARY OF CONSOLIDATED DEBT*
(Millions of Dollars)

	Principal + Interest Due in 1975 and Remaining Un- paid on 6/16/76	Principal + Interest Due in 1976 and Remaining Un- paid on 6/16/76	Principal Due From 7/1/76 to 12/31/76	TOTAL
Export-Import Bank	8.4	12.9	5.8	<u>27.1</u>
P.I. -480	-	.8	.8	<u>1.6</u>
Commodity Credit Corporation	-	-	1.1	<u>1.1</u>
Department of Defense	1.3	2.5	2.2	<u>6.0</u>
Agency for International Development	.4	2.0	.8	<u>3.2</u>
TOTAL	<u>10.1</u>	<u>18.2</u>	<u>10.7</u>	<u>39.0</u>

* Data are rounded, and are subject to revision per Article III, paragraph 4. [Footnote in the original.]

ANNEX B

ANNEX C

SUMMARY OF NON-CONSOLIDATED DEBT*
(Millions of Dollars)

	Principal + Interest Due 1/1/75 Through 6/30/76 and Remaining Unpaid on June 16, 1976	Principal Due From 7/1/76 to 12/31/76	TOTAL
	<u>3.8</u>	<u>1.0</u>	<u>4.8</u>
Export-Import Bank			
P.L. -480	.1	.2	.3
Commodity Credit Corporation	-	.2	.2
Department of Defense	.7	.4	.1
Agency for International Development	.4	.2	.6
TOTAL	5.0	2.0	7.0

* Data are rounded, and are subject to revision per Article III, paragraph 4. [Footnote in the original.]

ACCORD CONCLU ENTRE
LES ETATS-UNIS D'AMERIQUE
ET LA REPUBLIQUE DU ZAIRE
CONCERNANT LA CONSOLIDATION ET LE REECHELONNEMENT
DE CERTAINES DETTES RELATIVES
AUX CREDITS CONSENTEIS, GARANTIS OU ASSURES PAR
LE GOUVERNEMENT DES ETATS-UNIS ET SES INSTITUTIONS

Les Etats-Unis d'Amérique (les "Etats-Unis") et la République du Zaïre ("Zaïre") sont convenus de ce qui suit:

ARTICLE PREMIER

Application de l'Accord

1. Conformément aux dispositions de l'arrangement fait le 16 juin 1976 (l'"Arrangement") entre les représentants de certains pays, y compris les Etats-Unis, et agréé par le Zaïre, les Etats-Unis et le Zaïre conviennent par le présent Accord de consolider et de rééchelonner certaines dettes du Zaïre relatives aux crédits consentis, garantis ou assurés par les Etats-Unis ou leurs institutions, comme prévu aux termes du présent Accord.
2. Le présent Accord sera mis en oeuvre par voie d'accords distincts (les "Accords de mise en oeuvre") entre le Zaïre et les Etats-Unis eu égard aux Accords conclus au titre de la Loi publique 480 et entre le Zaïre et chacune des institutions américaines ci-après: l'Agence pour le Développement international, l'Export-Import Bank des Etats-Unis, le Ministère de la Défense et la Commodity Credit Corporation.

ARTICLE II

Définitions

1. L'expression "Accords d'origine" désigne les accords dont la liste figure à l'Annexe A.

2. L'expression "Dette consolidée" signifie quatre-vingt cinq pour cent (85%) du montant en dollars du principal et des intérêts arrivant à échéance entre le 1^{er} janvier 1975 et le 30 juin 1976 et non encore réglés au 16 juin 1976, et quatre-vingt cinq pour cent (85%) du montant en dollars du principal arrivant à échéance entre le 1^{er} juillet 1976 et le 31 décembre 1976, conformément aux modalités respectives de chacun des Accords d'origine.

3. L'expression "Dette non consolidée" signifie quinze pour cent (15%) du montant en dollars du principal et des intérêts arrivant à échéance du 1^{er} janvier 1975 au 30 juin 1976 et non encore réglés au 16 juin 1976, et quinze pour cent (15%) du montant en dollars du principal arrivant à échéance du 1^{er} juillet 1976 au 31 décembre 1976, conformément aux modalités de chacun des Accords d'origine.

4. L'expression "Période de consolidation" désigne la période du 1^{er} janvier 1975 au 31 décembre 1976.

5. L'expression "Intérêts consolidés" désigne les intérêts sur la Dette consolidée. L'expression "Intérêts non consolidés" désigne les intérêts sur la Dette non consolidée. Les Intérêts consolidés et les Intérêts non consolidés commenceront à courir à compter des dates respectives d'échéance stipulées dans les Accords d'origine pour chaque échéance de principal ou d'intérêt faisant partie de la Dette consolidée ou de la Dette non consolidée, et continueront à courir jusqu'à ce que la Dette consolidée ou la Dette non

consolidée, selon le cas, soit remboursée intégralement.

6. Le terme "Institution" désigne une agence ou un organisme des Etats-Unis.

ARTICLE III

Modalités et conditions de paiement

1. Le Zaïre convient de rembourser la Dette consolidée, en dollars des Etats-Unis, conformément aux modalités et conditions suivantes:

a) La Dette consolidée s'élèvant à \$10,1 millions relative aux montants en principal et en intérêts arrivés à échéance en 1975 et non encore réglés au 16 juin 1976 sera remboursée en quatorze paiements semestriels égaux le 1^{er} janvier et le 1^{er} juillet de chaque année à partir du 1^{er} janvier 1978, le dernier paiement venant à échéance le 1^{er} juillet 1984. La Dette consolidée s'élèvant à \$28,9 millions relative aux montants en principal et en intérêts arrivés à échéance du 1^{er} janvier 1976 au 30 juin 1976 et non encore réglés au 16 juin 1976 et aux montants en principal arrivés à échéance du 1^{er} juillet 1976 au 31 décembre 1976 sera remboursée en quatorze paiements semestriels égaux à partir du 1^{er} janvier 1979, le dernier paiement venant à échéance le 1^{er} juillet 1985.

b) Le taux de l'Intérêt consolidé sera de 3,5 pour cent par année civile sur l'encours de la Dette consolidée envers l'Agence pour le Développement international et les Etats-Unis eu égard aux Accords conclus au titre de la Loi publique 480 et de 8,375 pour cent par année civile sur l'encours de la Dette consolidée relative aux crédits consentis, garantis ou assurés par l'Export-Import Bank des Etats-Unis, le Ministère de la Défense et la

Commodity Credit Corporation. Tous intérêts devront être réglés semestriellement le 1^{er} janvier et le 1^{er} juillet de chaque année à partir du 1^{er} juillet 1977, sauf stipulation contraire dans les Accords respectifs de mise en oeuvre.

c) Un tableau résumant les montants dus aux Etats-Unis et à chaque institution au titre de la Dette consolidée figure à l'Annexe B jointe au présent Accord.

2. Le Zaïre convient de rembourser la Dette non consolidée, en dollars des Etats-Unis, conformément aux modalités et conditions suivantes:

a) La Dette non consolidée s'élevant à \$5 millions relative aux montants en principal et en intérêts arrivés à échéance du 1^{er} janvier 1975 au 30 juin 1976 et non encore réglés au 16 juin 1976, sera remboursée en deux paiements annuels égaux de \$2,5 millions le 1^{er} juillet 1977 et le 1^{er} juillet 1978. La Dette non consolidée s'élevant à \$2 millions relative aux montants en principal arrivés à échéance du 1^{er} juillet 1976 au 31 décembre 1976 sera remboursée en deux paiements annuels égaux de \$1 million devant être effectués le 1^{er} juillet 1977 et le 1^{er} juillet 1978.

b) La moyenne pondérée du taux de l'intérêt non consolidé sera de 3,5 pour cent par année civile sur l'encours de la Dette non consolidée envers l'Agence pour le Développement international et les Etats-Unis eu égard aux Accords conclus au titre de la Loi publique 480, et de 8,375 pour cent par année civile sur l'encours de la Dette non consolidée relative aux crédits consentis, garantis ou assurés par l'Export-Import Bank des Etats-Unis, le Ministère de la Défense et la Commodity Credit Corporation. Tous intérêts devront être réglés semestriellement le 1^{er} janvier et le 1^{er} juillet de chaque année à

partir du 1^{er} juillet 1977, sauf stipulation contraire dans les Accords respectifs de mise en oeuvre.

c) Un tableau résumant les montants dus au Gouvernement des Etats-Unis et à chaque institution au titre de la Dette non consolidée figure à l'Annexe C ci-jointe.

3. Le Zaïre convient d'assurer pleinement le service des intérêts contractuels pour les dettes arrivant à échéance entre le 1^{er} juillet 1976 et le 31 décembre 1976. A cet effet, le Zaïre utilisera, conformément aux dispositions de l'Arrangement du 16 juin, le produit d'un prélevement d'au moins 10 pour cent sur toutes les exportations. Si ce produit est insuffisant pour régler intégralement lesdites échéances aux dates prévues, les recettes générales de change du Zaïre seront alors utilisées pour régler intégralement le montant de la dette.

4. Il est entendu que les montants stipulés aux paragraphes 1 et 2 du présent Article peuvent être ajustés par les Accords de mise en oeuvre.

ARTICLE IV

Dispositions générales

1. Le Zaïre convient d'accorder aux Etats-Unis et à leurs institutions, ainsi qu'à tout créancier qui est partie à un Accord d'origine, un traitement et des conditions non moins favorables que ceux qui seraient accordés à tout autre pays créancier pour la consolidation de dettes couverte par l'Arrangement.

2. Sauf dans la mesure où ils peuvent être modifiés par le présent Accord ou par des Accords de mise en œuvre subséquents, toutes les modalités des Accords d'origine restent inchangées.

3. Le Zaïre a déjà effectué des paiements sur la dette consolidée et sur la dette non consolidée envers la Commodity Credit Corporation du 1^{er} juillet 1976 au 31 décembre 1976 comprises dans le présent Accord. Les Etats-Unis sont d'accord pour que ces paiements soient imputés aux futures échéances des montants dus par le Gouvernement du Zaïre à la Commodity Credit Corporation et aux Etats-Unis en vertu d'Accords conclus au titre de la Loi publique 480. Les intérêts commenceront à être crédités le lendemain de la date de réception de ces paiements par la Commodity Credit Corporation.

4. L'Agence pour le Développement international limitera le rééchelonnement de la dette à son égard aux cinq prêts directs figurant à l'Annexe A, sous réserve que les montants rééchelonnés par l'Agence pour le Développement international soient équivalents au montant devant faire l'objet d'un rééchelonnement comme énoncé au présent Accord. Le Zaïre convient de régler tous arrières et montants futurs, selon les échéances prévues, concernant le Prêt HG-001 qui ne sera pas rééchelonné par l'Agence pour le Développement international.

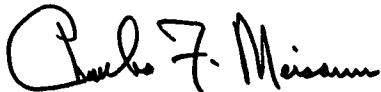
ARTICLE V

Entrée en vigueur

Le présent Accord entrera en vigueur lorsque les Etats-Unis aviseront le Zaïre par écrit que les lois et règlements intérieurs des Etats-Unis couvrant le rééchelonnement de la dette en ce qui concerne le présent Accord ont été observés.

FAIT à Washington, en double exemplaire, ce 17 jour de juin
1977, en anglais et en français, chaque texte faisant également foi.

POUR LES ETATS-UNIS D'AMERIQUE:

A handwritten signature in black ink, appearing to read "Charles F. Mason".

POUR LA REPUBLIQUE DU ZAIRE:

A handwritten signature in black ink, appearing to read "Mwami".

ANNEXE AACCORDS DE PRET SUJETS A REECHELONNEMENTExport-Import Bank

<u>Garanties financières</u> N°	<u>Crédits directs</u> N°
G-2608	--
G-2940	2939
--	2958
G-3186	3185
--	3213
G-4049	4048
G-4401	4400
G-4540, 4601	4539
G-4586	4585
G-4685, 4686	4684
G-4734	4733

Politique d'assurance FCIA à moyen terme

MT-10016

Garanties de banques commerciales à moyen terme

G-206-2/B6-9390
 G-47-411/B6-9365

Facilités de financement coopératif

Crédit 11260
 Crédit 11520
 Crédit 12583

Loi publique 480

Dates des Accords:

3 octobre 1966
 15 mars, 1967
 11 décembre, 1967
 14 mai, 1969
 21 octobre, 1969
 7 octobre, 1971

Commodity Credit CorporationNumeros GSM

11910
11980
12001
12002
12003
12017
12019

Ministère de la DéfensePrêts directs

721
741
751
761

Garantie

711
731

Agence pour le Développement internationalPrêts directs

K-002
K-003
K-006
K-009
H-012

Garantie

HG-001

RESUME DE LA DETTE CONSOLIDEE *
 (en millions de dollars)

	Principal + intérêts échus 1975 et non encore régis au 16/6/76	Principal + intérêts échus 1976 et non encore régis au 16/6/76	Principal échu du 1/7/76 au 31/12/76	TOTAL
Export-Import Bank	8,4	12,9	5,8	27,1
Loi publique 480	-	0,8	0,8	1,6
Commodity Credit Corporation	-	-	1,1	1,1
Ministère de la Défense	1,3	2,5	2,2	6
Agence pour le Développement international	0,4	2	0,8	3,2
TOTAL	10,1	18,2	10,7	39

ANNEKE B

* Les chiffres ont été arrondis et sont sujets à révision aux termes du paragraphe 4 de l'Article III

ANNEXE C

RESTE DE LA DETTE NON CONSOLIDEE*
 (en millions de dollars)

	Principal + intérêts échus du 1/1/75 au 30/6/76 et non encore réglés au 16 juin 1976	Principal échu du 1/7/76 au 31/12/76	TOTAL
Export- Import Bank	3,8	1	<u>4,8</u>
Loi publique 480	0,1	0,2	<u>0,3</u>
Commodity Credit Corporation	-	0,2	<u>0,2</u>
Ministère de la Défense	0,7	0,4	<u>1,1</u>
Agence pour le Développement international	0,4	0,2	<u>0,6</u>
TOTAL	5	2	7

* Les chiffres ont été arrondis et sont sujets à révision aux termes du paragraphe 4 de l'article III

**PROCES-VERBAL AGREE RELATIF A LA CONSOLIDATION
DES DETTES ZAIROISES**

1. Les représentants des Gouvernements de la République Fédérale d'Allemagne, de la Belgique, du Canada, des Etats-Unis d'Amérique, de la France, de l'Italie, du Japon, des Pays-Bas, du Royaume-Uni, de la Suède et de la Suisse, ci-après désignés "pays participants", se sont réunis à Paris les 15 et 16 juin 1976 pour étudier avec les représentants du Gouvernement de la République du Zaïre sa demande d'un allègement du service de la dette extérieure, compte tenu des perspectives de la balance des paiements de ce pays au cours des prochaines années. Des représentants du Fonds Monétaire International et de la Banque Internationale pour la Reconstruction et le Développement ont participé à la réunion. Des observateurs de l'Organisation de Coopération et de Développement Economiques, de la Communauté Economique Européenne, de l'Espagne, et de la Norvège ont également assisté à la réunion.

2. Les représentants de la République du Zaïre ont exposé les grandes lignes du programme économique et financier de leur Gouvernement et de l'accord de stand by auquel il est parvenu avec le Fonds Monétaire International, qui implique des engagements précis tant dans le domaine de l'assainissement financier interne que du contrôle de l'endettement extérieur du pays.

3. Les représentants des pays participants sont convenus de recommander que leurs Gouvernements ou leurs Institutions Gouvernementales appropriées mettent à la disposition du Gouvernement de la République du Zaïre des sommes représentant 85%:

– du montant en principal et intérêts des dettes envers ces mêmes pays arrivant à échéance entre le 1er janvier 1975 et le 30 juin 1976 et non encore réglés;

– du montant en principal des dettes envers ces mêmes pays arrivant à échéance entre le 1er juillet 1976 et le 31 décembre 1977.

Le service des intérêts contractuels pour ces dernières échéances sera pleinement assuré par la République du Zaïre qui utilisera à cet effet, d'une part, le produit d'un prélèvement d'au moins 10% sur toutes les exportations, d'autre part, ses recettes générales de change si ce produit est insuffisant.

Les dettes prises en considération pour cet allègement concernent:

A. d'une part, les crédits commerciaux garantis par les organismes appropriés ou les Gouvernements des pays intéressés ayant fait l'objet d'un contrat conclu avant le 1er janvier 1976 et prévoyant des paiements échelonnés sur une période supérieure à 1 an.

B. d'autre part, les prêts gouvernementaux ou d'organismes gouvernementaux à plus d'un an déjà conclus avant le 1er janvier 1976.

Les modalités de la mise à la disposition de ces sommes seront déterminées par des accords bilatéraux à conclure par chacun des pays participants avec le Gouvernement de la République du Zaïre sur la base des principes suivants:

a) Les accords bilatéraux mettront à la disposition du Gouvernement de la République du Zaïre les sommes prévues proportionnellement aux paiements échus ou venant à échéance au cours de la période définie ci-dessus et au fur et à mesure de ces paiements.

b) Le règlement de 15% prévu pour les échéances en principal et intérêts de 1975 et du premier semestre 1976, sera effectué en 2 annuités de 7,5% en 1977 et 1978.

c) Le règlement de 15% prévu, d'une part, pour les échéances en principal du deuxième semestre de 1976, d'autre part, pour les échéances en principal de l'année 1977, sera effectué également en 2 annuités de 7,5% pour les premières en 1977 et 1978 pour les secondes en 1978 et 1979.

d) Le taux et les conditions de l'intérêt à verser au titre de ces facilités financières seront fixés bilatéralement entre le Zaïre et chacun des pays participants.

e) Le remboursement par le Zaïre des sommes mises à sa disposition au titre du présent procès-verbal sera effectué en dix ans dont une période de grâce de 3 ans.

Le remboursement des prêts concernant les échéances en principal et intérêts de 1975 sera donc effectué en 14 semestrialités égales, le premier versement intervenant à partir du 1er janvier 1978.

Le remboursement des prêts concernant le principal et les intérêts du premier semestre 1976 et les échéances en principal du second semestre 1976 sera effectué en 14 semestrialités égales, le premier paiement intervenant à partir du 1er janvier 1979.

Le remboursement des prêts concernant le principal de 1977 sera effectué en 14 semestrialités égales, le premier versement intervenant à partir du 1er janvier 1980.

f) Le Gouvernement de la République du Zaïre accordera à chacun des pays participants un traitement qui ne sera pas moins favorable que celui qu'il accordera éventuellement à tout autre pays créancier pour la consolidation de dettes de terme comparable.

g) Les dispositions prévues aux paragraphes précédents ne s'appliquent pas aux pays dont les créances en principal et intérêts payables au cours de la période de refinancement sont inférieures à 1 million de DTS.

h) Chaque pays participant procédera à la consolidation de la dette extérieure de la République du Zaïre selon les règles qu'il fixera dans les accords bilatéraux à conclure et qui feront appel selon les cas à un financement ou à un refinancement.

i) Les pays participants qui ont déjà conclu un accord avec la République du Zaïre pour l'allègement des échéances prévues ci-dessus de sa dette extérieure, tiendront compte de l'allègement déjà accordé pour l'application du présent accord qui se substituera à ces précédents accords bilatéraux afin de sauvegarder le respect du principe de l'égalité de traitement entre tous les pays participants.

Les représentants de la République du Zaïre ont déclaré que les dispositions de principe énoncées ci-dessus constituaient une base acceptée pour les négociations bilatérales que leur Gouvernement est prêt à ouvrir dans les meilleurs délais.

4. La délégation de la République du Zaïre a déclaré que son Gouvernement poursuivait l'application du programme de stabilisation et avait en outre pris les décisions suivantes:

— créer un organisme destiné à assurer la gestion de la dette extérieure du pays et améliorer des données statistiques disponibles sur cette dette.

— rechercher avec les créanciers privés, et notamment les banques des pays intéressés, un rééchelonnement sur des bases comparables à celles du présent procès-verbal qui, pour chaque catégorie de créanciers, n'établirait aucune discrimination entre eux.

5. Les représentants des pays participants ont pris acte de ces déclarations.

La nécessité d'un recensement précis de la dette extérieure, qui leur permette une exacte appréciation de la charge globale et des parts respectives, a été soulignée, dans la mesure où elle implique un effort continu. Il serait souhaitable que le recensement soit mis au point le plus rapidement possible et en tout état de cause avant la fin de 1976.

6. En ce qui concerne les échéances en principal de 1977 les termes de rééchelonnement prévus par le présent accord ne seront appliqués qu'après qu'une réunion entre les représentants de tous les pays créanciers intéressés et les représentants de la République du Zaïre aura permis d'apprécier les perspectives de la balance des paiements du Zaïre et les progrès du plan de stabilisation.

7. Les pays participants et les représentants de la République du Zaïre ont examiné les problèmes à long terme du service de la dette.

Les représentants de la République du Zaïre ont exprimé le souhait que les échéances des exercices postérieurs à 1977 fassent l'objet d'un rééchelonnement.

Dans un esprit de compréhension, les représentants des pays participants ont pris note de ce souhait et ont accepté d'examiner la situation de la balance des paiements et de la dette extérieure du Zaïre sur la base d'une politique de stabilisation qui serait poursuivie par ce pays, au cours d'une réunion qui devrait se tenir en temps opportun, avec des représentants de la République du Zaïre s'ils le souhaitent.

8.- Ces différentes dispositions sont recommandées par les représentants des pays participants à leurs gouvernements respectifs.

Les représentants de ces pays participants ont précisé que l'application satisfaisante du programme de stabilisation serait un élément important de l'application de ces recommandations.

Fait à Paris, le 16 Juin 1976.

Le Président,

Le Président de la délégation
de la République du Zaïre,

In signing this document ad referendum the representative of the United States reserves the position of the United States for rescheduling interest payments falling due in the first half of 1976. With respect to rescheduling for 1977, the United States understands that paragraph 6 of this document and other relevant paragraphs allow creditor countries the discretion to examine the appropriateness and conditions of rescheduling 1977 maturities at the occasion of the meeting referred to in paragraph 6.

Le délégué italien exprime une [1] réserve sur la rédaction du paragraphe 3A du Procès-verbal qui dispose que la date retenue pour inclure un contrat dans la consolidation est seulement celle de sa conclusion alors qu'il faudrait, selon elle, tenir compte aussi de celle de l'octroi de la garantie gouvernementale.

¹ In translation reads: "The Italian delegation expresses a reservation with respect to paragraph 3A of the report providing that the date set for inclusion of a contract in the consolidation is only the date of conclusion of such contract, whereas, according to the Italian delegation, the date of issue of the government guaranty should also be taken into account."

*Translation***AGREED MINUTE ON CONSOLIDATION OF ZAIRE DEBTS**

PARIS, June 16, 1976

1. The representatives of the Governments of Belgium, Canada, the Federal German Republic, France, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States of America, hereinafter referred to as participating countries, met in Paris on 15th and 16th June 1976 to examine with the representatives of the Government of the Republic of Zaire its request for foreign debt service relief, in the light of Zaire's balance of payments prospects for the next few years. The meeting was attended by representatives of the International Monetary Fund and the International Bank for Reconstruction and Development, and also by observers from the Organization for Economic Cooperation and Development, the European Economic Community, Spain and Norway.

2. The representatives of the Republic of Zaire outlined their Government's economic and financial programme and the standby agreement reached with the IMF, which entails precise undertakings as regards both putting right the internal financial situation and control of the country's external borrowing.

3. The representatives of the participating countries agreed to recommend their Governments or their appropriate governmental institutions to place at the disposal of the Government of the Republic of Zaire sums representing 85 percent of

— The amount of principal and interest in respect of debts to these countries maturing between 1st January 1975 and 30th June 1976 and not yet settled;

— The amount of principal in respect of debts to these same countries maturing between 1st July 1976 and 31 December 1977.

Payment of contractual interest in respect of these latter maturities will be fully discharged by the Republic of Zaire, which for this purpose will use first the proceeds of a levy of at least 10 percent on all exports and then, if the yield of this levy is insufficient, its general foreign exchange receipts.

The debts to which this relief operation will apply are:

A. The commercial credits guaranteed by the appropriate bodies or the Governments of the countries concerned which were covered by a contract concluded before 1st January 1976 and providing for the spreading of payments over a period of more than one year.

B. The loans from Governments or governmental bodies already concluded before 1st January 1976.

The detailed arrangements for making these sums available will be determined by bilateral agreements to be concluded by each of

the participating countries with the Government of the Republic of Zaire on the basis of the following principles:

A) The bilateral agreements will place the envisaged sums at the disposal of the Government of the Republic of Zaire in proportion to the payments that have matured or will mature in the course of the period defined above and pari passu with these payments.

B) Payment of the 15 percent laid down for the maturities of principal and interest falling in 1975 and the first half of 1976 will be effected in two annual instalments of 7.5 percent in 1977 and 1978.

C) Payment of the 15 percent laid down for the maturities of principal falling in the second half of 1976 and for the maturities of principal falling in 1977 will also be effected in two annual instalments of 7.5 percent, namely in 1977 and 1978 in the case of the former and in 1978 and 1979 in the case of the latter.

D) The rate and terms of the interest to be paid in respect of these financial facilities will be determined bilaterally between Zaire and each of the participating countries.

E) Repayment by Zaire of the sums placed at its disposal under this minute will be effected in ten years, including a grace period of three years. Repayment of the loans relating to the 1975 maturities of principal and interest will therefore be made in fourteen equal half yearly instalments, starting on 1st January 1978.

Repayment of the loans relating to principal and interest for the first half of 1976 and the maturities of principal for the second half of 1976 will be effected in fourteen equal half-yearly instalments, starting on 1st January 1979.

Repayment of the loans relating to 1977 maturities of principal will be effected in fourteen equal half yearly instalments, starting on 1st January 1980.

F) The Government of the Republic of Zaire will accord each of the participating countries treatment not less favourable than that which it may accord to any other creditor country for the consolidation of debts of a comparable term.

G) The provisions of the above paragraphs do not apply to those countries whose principal and interest claims payable in the course of the refinancing period are less than SDR 1 million.

H) Each participating country will carry out consolidation of the external debt of the Republic of Zaire in accordance with such rules as it will lay down in the bilateral agreements to be concluded, involving financing or refinancing arrangements according to the circumstances.

I) The participating countries that have already granted the Republic of Zaire loans to provide relief in respect of its above mentioned external debt maturities will take account of the relief already granted in implementing this agreement, which will supercede these previous bilateral agreements in order to ensure observance of the principle of equal treatment for all the participating countries.

The representatives of the Republic of Zaire stated that the provisions of principle set out above were an acceptable basis for the bilateral negotiations that their Government is ready to open at the earliest opportunity.

4. The delegation of the Republic of Zaire stated that its Government was going on with implementation of the stabilization programme and had in addition decided:

— To set up a body to manage the country's external debt and to improve the statistics on this debt;

— To seek to secure with private creditors, and particularly banks of the countries concerned.

Rescheduling arrangements on lines comparable to those laid down in this minute which, in the case of each category of creditors, would not produce any discrimination between them.

5. The representatives of the participating countries took formal note of these statements.

Stress was laid on the need for a thorough going review of the external debt that would allow them to make an exact assessment of the overall burden and of their respective shares, having regard to the continuous effort required. It would be desirable for the review to be completed as quickly as possible and in any event by the end of 1976.

6. As regards the maturities of principal falling in 1977 it was agreed that the rescheduling terms provided for in this agreement would not be applied to them until after a meeting between the representatives of all the creditor countries concerned and the representatives of the Republic of Zaire had been held to enable Zaire's balance of payments prospects and progress with the stabilization plan to be assessed.

7. The participating countries and the representatives of the Republic of Zaire examined the long term problems connected with servicing the debt.

The representatives of the Republic of Zaire expressed a desire for a rescheduling of the maturities falling in years after 1977.

In a spirit of understanding the representatives of the participating countries took note of this desire and agreed to examine Zaire's balance of payments and external debt situation, on the basis of a policy of stabilization that would be pursued by Zaire, in the course of a meeting that should be held at the appropriate time with representatives of the Republic of Zaire if they so wish.

8. These various provisions are recommended by the representatives of the participating countries to their respective governments.

The representatives of these participating countries pointed out that satisfactory implementation of the stabilization programme would be an important factor for implementation of these recommendations.

UNION OF SOVIET SOCIALIST REPUBLICS
Space Cooperation

*Agreement signed at Geneva May 18, 1977;
Entered into force May 24, 1977.
With summary of discussion results, as extended,
Dated at Moscow January 21, 1971.*

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET
SOCIALIST REPUBLICS CONCERNING COOPERATION IN THE
EXPLORATION AND USE OF OUTER SPACE FOR PEACEFUL PURPOSES

The United States of America and the Union of Soviet Socialist Republics;

Considering the role which the U.S.A. and the U.S.S.R. play in the exploration and use of outer space for peaceful purposes;

Striving for a further expansion of cooperation between the U.S.A. and the U.S.S.R. in the exploration and use of outer space for peaceful purposes;

Noting the positive cooperation which the parties have already experienced in this area;

Desiring to make the results of scientific research gained from the exploration and use of outer space for peaceful purposes available for the benefit of the peoples of the two countries and of all peoples of the world;

Taking into consideration the provisions of the
Treaty on Principles Governing the Activities of States
in the Exploration and Use of Outer Space, including the
Moon and Other Celestial Bodies, as well as the Agreement
on the Rescue of Astronauts, the Return of Astronauts,
and the Return of Objects Launched into Outer Space;^[1]
^[2]

Encouraged by the progress made in the course of
mutually agreed activities pursued under the Agreement
Between the United States of America and the Union of
Soviet Socialist Republics Concerning Cooperation in
the Exploration and Use of Outer Space for Peaceful
Purposes, signed May 24, 1972;^[3]

In accordance with the General Agreement between the
United States of America and the Union of Soviet
Socialist Republics on Contacts, Exchanges and Cooperation
in Scientific, Technical, Educational, Cultural, and
Other Fields, signed June 19, 1973, and in order to
develop further the principles of mutually beneficial
cooperation between the two countries;

Have agreed as follows:

ARTICLE 1

The Parties will continue to develop cooperation
in such fields of space science and applications as space
meteorology; study of the natural environment; exploration
of near earth space, the moon and the planets; space
biology and medicine; satellite search and rescue systems;
and, in particular, will cooperate to take all appropriate

¹ TIAS 6347; 18 UST 2410.

² TIAS 6509; 19 UST 7570.

³ TIAS 7347; 23 UST 867.

⁴ TIAS 7648; 24 UST 1395.

measures to encourage and achieve the fulfillment of the Summary of Results of Discussion on Space Cooperation Between the U.S. National Aeronautics and Space Administration and the Academy of Sciences of the U.S.S.R. dated January 21, 1971, periodically renewed.

ARTICLE 2

The Parties will carry out such cooperation through their appropriate national agencies by means of mutual exchanges of scientific information and delegations, and meetings of scientists and specialists of both countries, and also in such other ways as may be mutually agreed. Joint Working Groups may be created for the development and implementation of appropriate programs of cooperation.

ARTICLE 3

The Parties will take all necessary measures for the further development of cooperation in the area of manned space flight for scientific and practical objectives, including the use in joint flights of compatible docking and rendezvous systems derived from those developed during the experimental flight of Apollo and Soyuz spacecraft in July 1975. Joint work in this direction will be carried out in accordance with the Agreement Between the U.S. National Aeronautics and Space Administration and the Academy of Sciences of the U.S.S.R. on Cooperation in the Area of Manned Space Flight dated May 11, 1977.

ARTICLE 4

The Parties will encourage international efforts to

resolve problems of international law in the exploration and use of outer space for peaceful purposes with the aim of strengthening the legal order in space and further developing international space law and will cooperate in this field.

ARTICLE 5

The Parties may by mutual agreement determine other areas of cooperation in the exploration and use of outer space for peaceful purposes.

ARTICLE 6

This Agreement shall enter into force May 24, 1977 and shall remain in force for five years. It may be modified or extended by mutual agreement of the Parties.

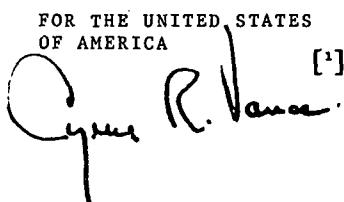
Done at Geneva this 18 day of May 1977 in duplicate in the English and Russian languages, both equally authentic.

FOR THE UNITED STATES
OF AMERICA

FOR THE UNION OF SOVIET
SOCIALIST REPUBLICS

[¹]

[²]



¹Cyrus R. Vance
²A. Gromyko

СОГЛАШЕНИЕ

между Соединенными Штатами Америки и Союзом Советских Социалистических Республик о сотрудничестве в исследовании и использовании космического пространства в мирных целях

Соединенные Штаты Америки и Союз Советских Социалистических Республик,

учитывая роль, которую США и СССР играют в исследовании и использовании космического пространства в мирных целях,

стремясь к дальнейшему расширению сотрудничества между США и СССР в освоении космического пространства в мирных целях,

отмечая накопленный Сторонами положительный опыт сотрудничества в этой области,

желая поставить на благо народов двух стран и всех народов мира результаты научных исследований, полученные в деле освоения космоса в мирных целях,

принимая во внимание положения Договора о принципах деятельности государств по исследованию и использованию космического пространства, включая Луну и другие небесные тела, а также Соглашения о спасании космонавтов, возвращении космонавтов и возвращении объектов, запущенных в космическое пространство,

воодушевленные прогрессом, достигнутым в ходе взаимо-согласованной деятельности, проводимой в соответствии с Соглашением между Соединенными Штатами Америки и Союзом

Советских Социалистических Республик о сотрудничестве в исследовании и использовании космического пространства в мирных целях, подписанным 24 мая 1972 года,

В соответствии с Общим соглашением между Соединенными Штатами Америки и Союзом Советских Социалистических Республик о контактах, обменах и сотрудничестве в области науки, техники, образования, культуры и в других областях, подписанным 19 июня 1973 года, и с целью дальнейшего развития принципов взаимовыгодного сотрудничества между двумя странами,

согласились о нижеследующем:

Статья I

Стороны будут продолжать развивать сотрудничество в таких научных и прикладных областях космонавтики, как космическая метеорология, изучение природной среды, исследование околоземного космического пространства, Луны и планет, космическая биология и медицина, спутниковые поисково-спасательные системы и, в частности, будут сотрудничать в целях принятия всех необходимых мер для поощрения и обеспечения выполнения периодически продлеваемого "Итогового документа о результатах обсуждения вопросов сотрудничества в исследовании космического пространства между Национальным управлением США по аeronавтике и исследованию космического пространства и Академией наук СССР" от 21 января 1971 года.

Статья 2

Стороны будут осуществлять такое сотрудничество через свои соответствующие государственные учреждения путем взаимного обмена научной информацией и делегациями, организации

встреч ученых и специалистов обеих стран, а также в таких других формах, по которым может быть достигнута взаимная договоренность. Для разработки и осуществления соответствующих программ сотрудничества могут создаваться смешанные рабочие группы.

Статья 3

Стороны будут принимать все необходимые меры для дальнейшего развития сотрудничества в области пилотируемых космических полетов в научных и прикладных целях, включая использование при совместных полетах совместных средств сближения и стыковки, созданных на основе тех, которые были разработаны во время экспериментального полета космических кораблей "Аполлон" и "Союз" в июле 1975 года. Совместные работы по этому направлению будут осуществляться в соответствии с Соглашением между Национальным управлением США по аэронавтике и исследованию космического пространства и Академией наук СССР о сотрудничестве в области пилотируемых космических полетов от II мая 1977 года.

Статья 4

Стороны будут способствовать международным усилиям, направленным на решение международноправовых проблем исследования и использования космического пространства в мирных целях во имя укрепления правопорядка в космосе и дальнейшего развития международного космического права, и будут сотрудничать между собой в этой области.

Статья 5

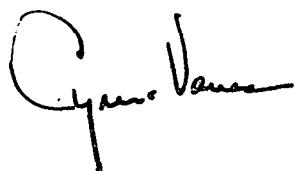
Стороны могут по взаимной договоренности определять другие области сотрудничества в исследовании и использовании космического пространства в мирных целях.

Статья 6

Настоящее Соглашение вступает в силу 24 мая 1977 года и будет действовать в течение пяти лет. Оно может быть изменено и продлено по взаимному согласию Сторон.

Совершено **18** мая 1977 года в городе Женеве в двух экземплярах, каждый на английском и русском языках, причем оба текста имеют одинаковую силу.

За Соединенные Штаты
Америки



За Союз Советских
Социалистических Республик



**Summary of Results
of
Discussions on Space Cooperation
Between
The Academy of Sciences of the USSR
and
The US National Aeronautics and Space Administration
Moscow, January 18-21, 1971**

1. The Academy of Sciences of the USSR (hereinafter called the Academy) and the US National Aeronautics and Space Administration (hereinafter called NASA) consider that the expansion of cooperation between the Soviet Union and the United States in space research and exploration can speed acquisition of knowledge of the earth's environment and surface features, increase opportunities to apply that knowledge for the benefit of man on earth, contribute to the efficient planning of the scientific exploration of the universe, enhance the safety of man in space and permit application of biomedical knowledge gained from manned space flight to the well-being of man on earth.

2. Accordingly, the President of the Academy and the Acting Administrator of NASA, with leading representatives of other concerned agencies (a list of participants is attached), have held a series of meetings during the period indicated above to exchange views on possible directions for increased cooperation between the Soviet Union and the United States in the exploration and use of outer space for peaceful purposes. During these meetings, they took note of the significance of past agreements between them and in particular the understanding of October 28, 1970 with regard to the question of providing for the compatibility of rendezvous and docking systems of manned spacecraft and space stations of both countries.

3. In the current series of meetings, the Academy and NASA have agreed to undertake certain cooperative actions and to consider jointly further possibilities for cooperation, including:

In the field of meteorological satellites, to work jointly to make improvements in the current exchange of data and to consider alternative possibilities for coordinating satellite systems of both countries so as to achieve the economies and other advantages of complementary systems.

In the field of meteorological rocket soundings, to formulate provisions for a program of soundings along selected meridional lines in cooperation with other countries.

In the field of the natural environment, to study the possibility of conducting coordinated surface, air and space research over specified

international waters and to exchange results of measurements made by each country over similar land sites in their respective territories so as to advance the potential applications of space and conventional survey techniques for investigating the natural environment in the common interest.

In the fields of exploration of near-earth space, the Moon and the planets, to work jointly to define the most important scientific objectives in each area, to exchange information of the scientific objectives and results of their national programs in these fields, to consider the possibilities for coordination of certain lunar explorations, and, in particular, to initiate an exchange of lunar surface samples by performing an agreed exchange of samples already obtained in the Apollo and Luna programs.

In the field of space biology and medicine, to develop appropriate procedures and recommendations to assure a more detailed and regular exchange of information including biomedical data obtained in manned space flights.

4. The details of the considerations described generally in paragraph 3 are provided in Attachments I-IV to this Summary of Results. These Attachments shall be understood to constitute an integral part of this Summary of Results.

5. To provide for the specific actions with respect to agreements and further cooperative possibilities which are set forth in the Attachments noted immediately above, the Academy and NASA agree to designate representatives to Working Groups in connections with each Attachment. Such designations shall be made by the President of the Academy and the Administrator of NASA at the same time that each acts to confirm this Summary of Results under the provisions of paragraphs 6-8 below. Each Joint Working Group shall commence to consider, as a Group, the tasks assigned it under the applicable Attachment within 90 days of the date that confirmation of this Summary is established. After commencing its assignment, each Joint Working Group will report its required actions and recommendations to the President of the Academy and the Administrator of NASA within a further period of six months. The Joint Working Groups shall conduct their work by correspondence and direct meetings in an expeditious manner within the schedules prescribed.

6. The President of the Academy and the Acting Administrator of NASA have indicated their preliminary agreement to this Summary of Results by initialing it below. It is agreed that they shall have a further period of 60 days from this date in which to provide for further consideration. By the end of that period, they shall communicate to each other their written and final confirmation of this Summary, or, in the alternative, their possible specific proposals for altered language to modify any of its provisions.

7. In the case that full and mutual confirmation shall be established, the procedures provided in paragraph 5 above for implementation shall automatically go into effect.

8. In the case that the President of the Academy or the Administrator of NASA is not prepared to give full confirmation of the Summary, he may confirm certain Attachments and reserve confirmation with respect to others. In that case, the Attachments which are mutually confirmed shall go into full effect. The remaining Attachments shall be considered expeditiously by the President and the Administrator, by correspondence if possible and by meetings if necessary, in order to reach agreement on changes which will permit their early confirmation and implementation.

Initialed: M K

Academician M. V. Keldysh
President
Academy of Sciences of the USSR
January 21, 1971

Initialed: G M L

George M. Low
Acting Administrator
US National Aeronautics and
Space Administration

January 21, 1971

ATTACHMENT I

Space Meteorology

I. Meteorological Satellites

A. Agreements and Objectives

The Academy and NASA noted the usefulness of cooperation in the field of meteorology within the Bilateral Agreement between AS USSR and NASA USA of 1962^[1] and Memoranda of Understanding of March and May 1963 and June 1964 and the value of application of artificial earth satellites for global observational information for the benefit of the meteorological services of both countries, and also for the World Weather Watch.

For the purpose of further development of the cooperation in space meteorology the Academy and NASA consider it useful to discuss and coordinate their activities in the following fields:

1. Immediate steps to expand and improve the current exchange of information from US and USSR artificial earth satellites, specifically:

- to increase the volume and quality of original TV and IR pictures of clouds and surface transmitted;
- to improve the forms of presentation of satellite information in combination with other types of meteorological data;
- to improve further the technical performance of the communication link between Moscow and Washington;

¹ Department of State Bulletin, Dec. 24, 1962, p. 963.

to convert to high speed exchange of conventional data with resulting expansion of its volume;

Coordination of the activity in data exchange shall be arranged directly between the Hydrometeorological Service of the USSR and the National Oceanic and Atmospheric Administration of the USA to include the questions of schedules, data content, data format, international communications procedures to be followed, etc.

B. Proposals for Further Discussion

1. Cooperation in scientific investigations for further development of methods of meteorological measurements from satellites, data interpretation, data processing, and application of the data. Such problems as the following should be considered:

development and improvement of methods for sounding of vertical temperature and humidity distribution, observation of precipitation areas and intensity etc.;
development of optimum methods for mathematical solution of inversion problems in satellite meteorology;
application of information from meteorological satellites to numerical forecasting techniques;
methods of automatic data processing of meteorological satellite data.

2. Cooperation in establishment of space meteorological systems with the purpose of sharing of effort.

NASA and the Academy consider important the coordination of their efforts in the establishment of complementary space meteorological systems which take into account the requirements of the World Weather Watch. Exchange of opinions resulted in agreement to continue consideration of the problems in order to work out in the future decisions acceptable to both sides.

II. Meteorological Rockets

A. Agreements and Objectives

1. Cooperation in research on upper layers of the atmosphere by means of meteorological rockets. In this field NASA and the Academy agreed as desirable coordination of programs to conduct meteorological rocket firings along selected meridians in the Eastern and Western Hemispheres (about 60°E and 90°W), together with other countries concerned

B. Proposals for Further Discussion

NASA and the Academy agree to consider and coordinate the following problems, always giving consideration to interests of other countries involved:

definition of the scientific objectives of the two networks;
preparation of the necessary plans and procedures required to coordinate the launchings in the two networks and provide

for the analysis of the data from both networks on a synoptic basis;

determination of the appropriate measurement instrumentation systems and techniques to be used.

The two Working Groups (one for the problems of satellite meteorology and the other for meteorological rocket soundings of the atmosphere) shall consider and coordinate the problems mentioned in this attachment above in accordance with the procedure established in the document, taking into account also the appropriate recommendations of the World Meteorological Organization and the International Council of Scientific Unions.

ATTACHMENT II

Study of the Natural Environment

A. Agreements and Objectives

1. The survey of a wide variety of earth features and conditions from space, primarily on a spectral basis, may be scientifically useful and economically advantageous. The capability to conduct such surveys is in an early stage and requires intensive surface, air and space investigations, studies, testing, and intercomparisons on an experimental basis.

2. In this field the Academy and NASA agree to make every effort to develop cooperation in the following principal directions:

a. Discussions, and the exchange of scientific information, on the use of space technology for investigating the natural environment;

b. Studies of different techniques of measuring parameters of the natural environment, using space and conventional means, and studies of the interpretation of results of these measurements. In this regard, use will be made of the results of research conducted within the framework of existing international space and conventional programs;

c. Study of questions involved in the use of instrumentation required for the registration of electromagnetic radiation of Earth from outer space in various spectral ranges;

d. The possibility of coordinating selected integrated experiments involving space and conventional technology in selected areas of the international ocean; and also the exchange of results of coordinated research above selected areas of the earth surface, with initial emphasis on vegetation, carried out in accordance with national programs.

B. Proposals for Further Discussions

In performing its assigned tasks, it is suggested that the Working Group on the Natural Environment shall:

review and consider results already obtained,
discuss additional data which appear to be required,
discuss the kind of instrumentation considered necessary to achieve
desired results,
in the case of study of vegetation, recommend the selection of
similar sites in the USSR and the US, which each side on its own
territory will use for ground analysis and its own air and space surveys,
in the case of study of the oceans, recommend specific international
ocean areas of prime interest for the conduct of research,
recommend the parameters to be measured and the kind of data
to be gathered by both sides, as well as the formats and schedules
which shall be used for data exchanges,
recommend a mechanism for the exchange by each side with the
other of the surface, air, and space data obtained by each for the
agreed sea and its own land areas,
recommend a procedure and schedule for the joint review and
consideration of such data in symposia open to other countries,
recommend mutually acceptable schedules for the coordinated
programs.

ATTACHMENT III**Exploration of Near-Earth Space, the Moon and the Planets****A. Agreements and Objectives**

I. The Academy and NASA agree that their respective programs
of scientific investigation of the Moon can be substantially enhanced
by exchanges of samples and other scientific information obtained by
each side from the Moon.

II. The Academy and NASA agree to exchange small quantities of
such materials to permit their comparative analysis in the labora-
tories of both countries, to make available to both sides materials
from all sites visited on the Moon, and to facilitate analysis in unique
or special facilities which may exist in either country. The Academy
will provide NASA about 3 grams of regolith brought back by Luna-
16 from different parts of the core. In return NASA will provide the
Academy about 3 grams from the regolith in the core sample of
Apollo 12 and about 3 grams from Apollo 11 samples. The samples
to be selected in each case will be agreed by appropriate NASA and
Academy representatives.

III. The Academy and NASA agree to support in their respective
national programs the "International Magnetosphere Survey" being
organized by the IUCSTP-COSPAR Special Study Group.

IV. The Academy and NASA agree to use, along with the existing
international scientific channels, such as COSPAR, direct channels

for the exchange of scientific information in those cases where the existing channels are inadequate or too slow for the purpose, and where it is in the mutual interest to do so.

B. Proposals for Further Discussion

The Academy and NASA agree that the following points should be discussed by the Working Group on the Exploration of Near-Earth Space, the Moon and the Planets:

I. In the Study of the Magnetosphere

1. Define the problems of the Magnetosphere which should be investigated in the next several years.
2. Determine the ground-based observations which each side could conduct during the period of a particular satellite investigation.
3. Investigate the possibility of standardizing the presentation of data and methods of measurement in studies of the Magnetosphere.
4. Examine the possibility of joint analysis of data from two or more simultaneously operating satellites.
5. Examine the feasibility of and steps required to jointly produce a "standard magnetosphere" for periods of minimum solar activity.
6. Arrange for periodic and timely joint reviews of the status of knowledge of X-ray radiation from the sun and the processes on the sun associated with solar activity.

II. Exploration and Use of the Moon.

1. Define the scientific problems of the Moon which should be investigated over the next several years.
2. Recommend procedures for the reciprocal exchange of future lunar samples and describe the documentation which will be required.
3. Recommend procedures for the reciprocal exchange of lunar photographs, from both orbital and landed spacecraft.
4. Conduct a joint study of the methods of analyzing lunar photographs and preparing lunar maps, and prepare an agreement on a standard lunar coordinate system.
5. Recommend procedures for a reciprocal exchange of data on lunar dynamic processes under observation.
6. Discuss the possibility of a reciprocal exchange of information on the scientific problems under investigation in the Luna and Apollo programs, so that NASA and the Academy can take advantage of their knowledge of the other's scientific objectives as they plan their specific lunar flights.
7. Initiate a joint discussion of the problems of the use of the Moon for astrophysical studies.

III. Exploration of the Planets.

1. Discuss the principal scientific problems in the exploration of the solar system.

2. Arrange for periodic and rapid exchange of scientific information from planetary experiments, so that NASA and the Academy can take these results into account in the planning of their future experiments.
3. Examine the possibilities of one side conducting experiments in its program, which may be proposed for that purpose by the other.
4. Examine the possibility of joint complementary activity by one side during the conduct of planetary investigations by the other; such as radio occultation experiments, monitoring of solar activity, simultaneous sounding rocket or balloon observations, or ground-based astronomical observations.

ATTACHMENT IV**Space Biology and Medicine****A. Agreement and Objectives**

1. There are increased possibilities for the extension of the exchange of space biomedical data. This exchange should be expanded and made more regular in order to make maximum contributions to the safety and efficiency of manned space flight and to general medical knowledge which may be used for the benefit of all mankind.
2. The Academy and NASA agree that a Working Group shall develop recommendations and procedures to implement the expanded exchange of information. This Working Group will consider the arrangements for regular meetings of competent representatives for the detailed and timely exchange and evaluation of data associated with manned space flight. This exchange should include sufficiently detailed pre- and post-flight data, operational information, and other considerations necessary for full understanding of the results obtained.
3. The exchange of scientific information of mutual interest shall include:
 - a. biomedical data characterizing the adaptation of man to the conditions of space flight,
 - b. the development of recommendations concerning the internal environment of manned spacecraft,
 - c. radiation effects and considerations applicable to manned space flight,
 - d. directions and methods of biological investigations.
4. The Academy and NASA further agreed that such meetings shall take place as data accumulate but should occur at least once per year in the major problem areas recommended by the Working Group. The first of such meetings should be held as soon as possible

and should be dedicated to the examination of data and results obtained from the Soyuz and Apollo programs.

5. The Academy and NASA encourage the earliest possible completion of the joint publication, *Foundations of Space Biology and Medicine*.

B. Proposals for Further Discussion

As new knowledge is shared through this program, and new problems associated with manned space flight develop, the Working Group should expand the scope of its recommendations for further information exchange accordingly.

COMPOSITION OF THE SOVIET DELEGATION

1. M. V. Keldysh	President, Academy of Sciences of the USSR
2. A. P. Vinogradov	Vice-President of the Academy of Sciences of the USSR
3. B. N. Petrov	Chairman of the "Intercosmos" Council of the Academy of Sciences of the USSR
4. G. I. Petrov	Director of the Institute for Space Research of the Academy of Sciences of the USSR
5. I. P. Rumyantsev	Member of the "Intercosmos" Council of the Academy
6. I. V. Meshcheryakov	Member of the "Intercosmos" Council of the Academy
7. A. I. Tsarev	Member of the "Intercosmos" Council of the Academy
8. M. Ya. Marov	Scientific Staff Member of the Institute of Applied Mathematics
9. Ye. K. Fedorov	Chief of the Main Administration of the Hydrometeorological Service of the Council of Ministers of the USSR
10. L. A. Aleksandrov	Deputy Chief of the Directorate of the Main Administration of the Hydrometeorological Service of the Council of Ministers of the USSR (for Technology)
11. N. N. Gurovskiy	Chief of the Directorate of the Ministry of Health of the USSR
12. O. G. Gazenko	Director of the Institute of Medical-Biological Problems of the Ministry of Health of the USSR

- | | |
|----------------------|---|
| 13. Yu. A. Mozzhorin | Professor of the Moscow Physics-
Technical Institute |
| 14. V. P. Minashin | Chief of the Main Administration of
Space Communication of the Min-
istry of Communications of the
USSR |
| 15. I. Ya. Petrov | Deputy Chief of the Main Adminis-
tration for Space Communications
of the Ministry of Communica-
tions of the USSR |
| 16. K. G. Fedoseyev | Deputy Chief of the USA Section of
the Ministry of Foreign Affairs of
the USSR |

COMPOSITION OF THE UNITED STATES DELEGATION

- | | |
|----------------------|---|
| 1. George M. Low | Acting Administrator, National
Aeronautics and Space Adminis-
tration |
| 2. William Anders | Executive Secretary, National Aero-
nautics and Space Council |
| 3. John E. Naugle | Associate Administrator for Space
Science and Applications, NASA |
| 4. Arnold W. Frutkin | Assistant Administrator for Inter-
national Affairs, NASA |
| 5. Robert F. Packard | Director, Office of Space-Atmos-
pheric and Marine Science Affairs,
Department of State |
| 6. Arthur W. Johnson | Deputy Director, National Environ-
mental Satellite Service, NOAA |
| 7. William Krimer | Interpreter, Department of State |

*Academy of Sciences USSR
Leninskiy pr. 14, Moscow V-71*

No. 10263/154

FEBRUARY 5, 1974

*Deputy Administrator
NASA
DR. G. M. Low*

DEAR DR. LOW:

I received your letter in which you positively evaluate the state of fulfillment of the Summary Document on the results of the discussion

TIAS 8732

of questions of cooperation in the investigation of outer space between the Academy of Sciences USSR and the NASA, USA, dated January 21, 1971 and you propose a continuation of the period of its operation.

On our side, we share your evaluation of the state of fulfillment of this agreement between the Academy of Sciences USSR and NASA on cooperation in the study of space and we consider that, on the whole, it has been fulfilled satisfactorily. As far as your remarks on the activity of the working group for the study of the natural environment is concerned, I have asked Academician A. P. Vinogradov to send a special letter with an exposition of our proposals on this topic to the co-chairman of this working group, Dr. L. Jaffe.

We also consider it advisable to continue for three years the Summary Document dated January 21, 1971, operating within the framework of the Agreement between the USSR and the USA dated May 24, 1972 on cooperation in the study and use of outer space for peaceful purposes.

Thus we have in mind that the discussion of specific proposals on the development of cooperation, including the possible proposals on the conduct of experiments of one side on the spacecraft of the other side, could be conducted within the framework of the joint working groups on the directions of the cooperation established by us.

With consideration of the aforementioned, we propose to consider this letter as our official agreement to the continuation of the operation of the Summary Document dated January 21, 1971 for the next three years.

Sincerely,

M KELDYSH

Academician M. V. Keldysh
President, Academy of Sciences USSR

APRIL 3, 1974

Academician M. V. KELDYSH

President

Academy of Sciences of the USSR
Leninsky Prospect 14
Moscow, V-71, USSR

DEAR ACADEMICIAN KELDYSH:

Thank you for your letter of February 5 affirming that the Soviet side agrees to a three-year extension of the NASA/Soviet Academy of Sciences agreement on cooperation in space science and applications which we signed in Moscow in January 1971.

TIAS 8732

We were particularly pleased to know that you share our view that the proposals for the conduct of experiments of one side on the space-craft of the other side are now appropriate subjects to be considered by the joint working groups which have been established under our agreement. I am instructing the US Working Group Co-chairman to that effect.

Since the January 1971 agreement went into effect with your confirming letter of March 26, 1971, we understand that this three-year continuation will extend its force until March 26, 1977.

With best personal regards,

Sincerely yours,

GEORGE M. LOW

George M. Low
Deputy Administrator

INDEX

Page	Page		
Abu Dhabi, technical assistance in customs improvement	6815	Canada, transit pipelines	7499
African Development Bank, regional onchocerciasis area Land Satellite (LANDSAT) related study	6963	Coffee, International Agreement, 1976, multilateral	6401
Africa, Trust Fund for, agreement with the United Nations	6885	Colorado River waters, emergency deliveries to Tijuana, agreement with Mexico	7169
Agriculture:		Consolidation and rescheduling of certain debts, finance agreement with Zaire	7593
Commodities—		Construction:	
Ethiopia	7344	Cement plant, Egypt	7017
Philippines	6708	Jordan—	
Syria	7370, 7392	Road improvement	6910
Transfers under Title II—		School	6936
Mozambique	7165	Rural access roads, Bolivia . .	7259
Pakistan	7160	Criminal investigations:	
Peru	7152	India	7497
Plant protection, Mexico	7004	Pakistan	7488
Atomic energy:		Spain	7497
Austria—		Sudan	7482
Loss of Fluid Test (LOFT) research program	7633	Cuba, fisheries off the U.S. coasts .	6769
Power Burst Facility (PBF) research program	6721	Cultural relations, exchanges for 1977-1979, Soviet Union . .	7565
United Kingdom—		Customs improvement, technical assistance in, Abu Dhabi . .	6815
Reactor safety experiments	6740	Debts, consolidation and rescheduling, finance agreement with Zaire	7593
Safety research and development	6755	Development assistance, Trust Fund for Africa, agreement with the United Nations	6885
Aviation, civil:		Disaster assistance:	
Air charter services, Switzerland	6898	Guatemala—	
Air transport services—		Municipal—	
Lebanon	7479	Earthquake recovery	7213
Singapore	7471	Emergency reconstruction and repair	6847
Safeguarding technical data on JT-10D aircraft engine, Germany, Federal Republic of	7146	Dominican Republic, technical services in equipment installations and airport facilities	6872
Technical services in equipment installations and airport facilities, Dominican Republic	6872	Earthquake recovery, municipal, Guatemala	7213
Bolivia, rural access roads	7259		
Boundary waters, Colorado River, emergency deliveries to Tijuana, Mexico	7169		

Page		Page	
Economic assistance:			
Egypt—			
Cement plant construction	7017	Geothermal sources, information exchange on utilization of energy, Iceland	7105
Helwan-Talka gas turbine project	6989	Germany, Federal Republic of, safeguarding technical data on JT-10D aircraft engine	7146
Public and private sector productive enterprises	6971	Great Britain. <i>See</i> United Kingdom.	
Jordan—			
Road improvement	6910	Guatemala:	
School construction	6936	Emergency municipal reconstruction and repair	6847
Korea, Republic of	7591	Municipal earthquake recovery	7213
Philippines—			
Rural electrification	7073	Helwan-Talka gas turbine project, agreement with Egypt	6989
Waterworks systems	7035	Iceland, information exchange on utilization of energy from geothermal sources	7105
Regional onchocerciasis area		India, criminal investigations	7497
Land Satellite (LANDSAT) related study, African Development Bank	6963	Investment guaranties, Syria	7122
Rural access roads, Bolivia	7259	JT-10D aircraft engine, safeguarding technical data on, Germany, Federal Republic of	7146
Education:			
Cooperation, Venezuela	6843	Japan, fisheries off the U.S. coasts	7502, 7507
School construction, Jordan	6936	Jordan:	
Egypt:			
Cement plant construction	7017	Road improvement	6910
Helwan-Talka gas turbine project	6989	School construction	6936
Public and private sector productive enterprises	6971	Judicial assistance:	
Electricity, rural, Philippines	7073	Criminal investigations—	
Emergency municipal reconstruction and repair, Guatemala	6847	India	7497
Energy:			
Atomic. <i>See</i> Atomic energy.		Pakistan	7488
Information exchange on utilization of energy from geothermal sources, Iceland	7105	Spain	7494
Equipment installations and airport facilities, technical services, Dominican Republic	6872	Sudan	7482
Ethiopia, agricultural commodities	7344	Korea, Republic of, economic assistance	7591
Exchanges for 1977-1979, cultural relations, Soviet Union	7565	Land Satellite (LANDSAT) related study, regional onchocerciasis area, African Development Bank	6963
Finance:			
Consolidation and rescheduling of certain debts, Zaire	7593	Lebanon, air transport services	7479
Investment guaranties, Syria	7122	Loss of Fluid Test (LOFT) research program, atomic energy agreement with Austria	6733
Fisheries off the U.S. coasts:			
Cuba	6769	Mexico:	
Japan	7502, 7507	Colorado River waters, emergency deliveries to Tijuana	7169
Gas turbine project, Helwan-Talka, agreement with Egypt			6989

INDEX

IX

Page	Page		
Mexico—Continued			
Plant protection	7004	School construction, Jordan	6936
Prisoner transfer	7399	Scientific cooperation:	
Mozambique, agricultural commodities, transfers under Title II	7165	Space, Soviet Union	7624
Multilateral treaties, agreements, etc.:		Transatlantic balloon program, multilateral	7114
International Coffee Agreement, 1976	6401	Singapore, air transport services .	7471
Transatlantic balloon program	7114	Soviet Union:	
Municipal earthquake recovery, Guatemala	7213	Cultural relations, exchanges for 1977–1979	7565
Municipal reconstruction and repair, emergency, Guatemala.	6847	Space cooperation	7624
Pakistan:		Spain, criminal investigations . .	7494
Agricultural commodities, transfers under Title II	7160	Sudan, criminal investigations . .	7482
Criminal investigations	7488	Switzerland, air charter services .	6898
Tarbela Dam repairs	7419	Syria:	
Peru, agricultural commodities, transfers under Title II	7152	Agricultural commodities .	7370, 7392
Philippines:		Investment guaranties	7122
Agricultural commodities	6708	Technical assistance:	
Rural electrification	7073	Customs improvement, Abu Dhabi	6815
Waterworks systems	7035	Tarbela Dam repairs, Pakistan .	7419
Pipelines, transit, Canada	7499	Technical data, safeguarding, JT-10D aircraft engine, Germany, Federal Republic of	7146
Plant protection, Mexico	7004	Tijuana, emergency deliveries to, Colorado River waters, agreement with Mexico	7169
Power Burst Facility (PBF) research program, atomic energy agreement with Austria	6721	Transatlantic balloon program, multilateral	7114
Prisoner transfer, Mexico	7399	Transit pipelines, Canada	7499
Public and private sector productive enterprises, Egypt	6971	Trust Fund for Africa, agreement with the United Nations	6885
Reactor safety experiments, atomic energy agreement with the United Kingdom		Union of Soviet Socialist Republics. <i>See</i> Soviet Union.	
Regional onchocerciasis area Land Satellite (LANDSAT) related study, African Development Bank	6963	United Kingdom:	
Roads:		Atomic energy—	
Improvement, Jordan.	6910	Reactor safety experiments .	6740
Rural access, Bolivia	7259	Safety research and development	6755
Rural electrification, Philippines	7073	United Nations, Trust Fund for Africa	6885
Safeguarding technical data on JT-10D aircraft engine, Germany, Federal Republic of	7146	U.S. coasts, fisheries off:	
Safety research and development, atomic energy agreement with the United Kingdom	6755	Cuba	6769
Zaire, finance, consolidation and rescheduling of certain debts		Japan	7502, 7507
		Venezuela, educational cooperation	6843
		Waterworks systems, Philippines .	7035
		West Germany. <i>See</i> Germany, Federal Republic of.	
		Zaire, finance, consolidation and rescheduling of certain debts .	7593

