United States Treaties and Other International Agreements

VOLUME 30

IN SIX PARTS

Part 5

1978-79

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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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NEPAL

Seed Production and Input Storage

Agreement signed at Kathmandu August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Project Number 367-0118

PROJECT GRANT AGREEMENT

BETWEEN

HIS MAJESTY'S GOVERNMENT OF NEPAL

and the

UNITED STATES OF AMERICA

for

SEED PRODUCTION AND INPUT STORAGE

Dated: August 31, 1978

TIAS 9508

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Annex 1 - Amplified Description of Project

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 367-0118

Project Grant Agreement

Dated: August 31, 1978

Between

His Majesty's Government of Nepal (hereinafter referred to as "HMG/N")

And

The United States of America, acting through the Agency for International Development (hereinafter referred to as "A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above with respect to the undertaking by the Parties of the Project and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project will consist of assisting HMG/N Ministry of Food, Agriculture and Irrigation to establish a labor intensive system, ultimately based on private growers, for effectively producing, testing, processing, storing and distributing seed of the major food crops particularly for the small farmers.

SECTION 2.2. Annex 1. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Grant. To assist HMG/N to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant HMG/N under the terms of this Agreement not to exceed four million thirty one thousand United States ("U.S.") Dollars ($4,031,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project.

SECTION 3.2. HMG/N Resources for the Project

(a) HMG/N agrees to provide or cause to be provided for the Project, in addition to the Grant, the other resources required to carry out the Project effectively and in a timely manner.

(b) The total resources, including costs borne on an in-kind basis, provided by HMG/N shall not be less than 25 percent of total project costs.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" hereinafter referred to as "PACD", which is August 31, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties expect that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize release of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for release, accompained by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., after consultation with HMG/N, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for release, accompained by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Release

SECTION 4.1. Release. Prior to the release under the Grant, or to the issuance by A.I.D. of documentation pursuant to which release will be made for commodities, construction, or services HMG/N will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to the Parties:

(a) Evidence that HMG/N has taken appropriate action to contract with long term advisor(s);

(b) A statement from the Ministry of Finance that this Agreement has been duly authorized and executed on behalf of HMG/N and that it

constitutes a valid obligation of HMG/N;

(c) A statement of the name of the person holding or acting in the office of HMG/N specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement;

(d) The time schedule for the evaluation program referred to in Section 5.1.; and

(e) The set of criteria by which location of the seed houses and warehouses will be determined.

SECTION 4.2. Releases for Construction of Seed Houses and Warehouses Prior to releases under the Grant or to issuance by A.I.D. of documentation pursuant to which releases will be made for the construction of each seed house and warehouse HMG/N will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to the Parties the costs estimate and plans for each one or more.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1. and 4.2. have been met, it will promptly notify HMG/N.

SECTION 4.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1. have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may

agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to HMG/N.

Article 5: Project Evaluation

The Parties agree to establish an evaluation program as part of the Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Releases pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Releases pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Nepal.

Article 7: Release

SECTION 7.1. Release for Foreign Exchange Costs. After satisfaction of conditions precedent, HMG/N may obtain releases of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by

requesting A.I.D. to issue Letters of Commitment for specified amounts directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

SECTION 7.2. Release for Local Currency Costs

(a) After satisfaction of conditions precedent, HMG/N may obtain releases of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such releases may be obtained by acquisition by A.I.D. with US Dollars by purchase.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 7.3. Other Forms of Release. Releases of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into Nepal by A.I.D. or on behalf of A.I.D. by any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, HMG/N will make such arrangements as may be necessary so

that such funds may be converted into currency of Nepal at the official rate of exchange at the time the conversion is made.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To HMG/N:

Mail and Cable Address: Joint Secretary
Planning and Coordination Division
Ministry of Food, Agriculture
and Irrigation
His Majesty's Government
Singha Durbar, Kathmandu, Nepal

To A.I.D.:

Mail and Cable Address: Director
U.S. Agency for International
Development
c/o American Embassy
Kathmandu, Nepal

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For purposes of implementing this Agreement, HMG/N will be represented by the Secretary, Ministry of Finance and A.I.D. will be represented by the Director, USAID/Nepal, each of whom by written notice, may designate additional representatives.

The names of the representatives of HMG/N, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex 2. A Project Grant Standard Provisions Annex 2[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, HMG/N and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

On Behalf of His Majesty's Government of Nepal

BY: [2]

TITLE: Acting Secretary, Ministry of Finance

On Behalf of The United States of America

BY: [3]

TITLE: Director, USAID/Nepal

[1] See footnote 1, p. 5369.
[2] Devendra R. Panday.
[3] Samuel H. Butterfield.

ANNEX 1

Seed Production and Input Storage

A.I.D. Project Number 367-0118

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ANNEX 1

I. Purpose and General Description of the Project

A. Purpose

The purpose of the project is to help the Ministry of Food, Agriculture and Irrigation (MFAI) establish a labor intensive system, ultimately to be based on private growers, for producing, testing, processing, storing and distributing seed of the major food crops and of storing and distributing all inputs used in the production of these crops, cheaply and effectively, to the small farmers.

This is to be accomplished by helping the MFAI and the Agricultural Inputs Corporation (AIC) establish a system for producing good seed and distributing inputs that is compatible with the Nepalese culture and which can be conducted under the physical and economic conditions that exist in the country.

B. General Description

This project will start in late 1978 and will continue for 5 years. It will expand the seed industry in Nepal with private farmers producing cereal seed, except breeders' seed and some foundation seed: with farm organizations and cooperatives (Sajhas) selling most of the seed at the retail level; with the Agricultural Inputs Corporation (AIC) encouraging production and processing and distributing much of the seed produced until a distribution system can be organized. It is charged with distributing fertilizers and other inputs also. It would have the duty of balancing supply and demand in all parts of the country so that any variety of seed and

an adequate supply of fertilizer would be available to all farmers wanting it. The Botany Division of the Department of Agriculture (particularly the seed analysis section) would supervise production, enforce standards, analyze the seed and generally control all qualitative aspects of the seed industry. Two central committees will be set up - one, the crop release committee, to be chaired by the Deputy Director General Crops Research which would examine all available data to determine which crop varieties were suitable for release and seed production and the other to approve rules, regulations, procedures, labeling and certification standards, etc. committees will be set up in each region to assist in training, determine needs, set standards etc.

C. Mothodology

For this project to be successful, staffing of participating HMG/N agencies must be strengthened both by bringing in new personnel and by training. It is estimated that by 1985, 47 officers and 93 JTs and JTAs will need to be added to the present staff to assist the seed producers and to supervise procurement and distribution of seed and other inputs.

Additional Staff Requirements for Seed Production

	1980		1985	
	Officers	JTs & JTAs	Officers	JTs & JTAs
Seed Division	6	9	10	17
AIC	6	20	15	31
District & Region Seed Staff	18	39	22	45
Total	30	68	47	93

In addition to the above, secretaries, drivers, clerk-typists, peons, etc. will be needed as part of the permanent staff. Short term help will also be needed to perform field inspections, storage inspections and to collect seed samples to be sent to the nearest analysis laboratory.

Following is the breakout of responsibilities within HMG/N as presently envisaged.

The Seed Division staff of the Department of Agriculture will be responsible for field inspections, seed testing, issuing tags (labels), enforcements and regulation under the guidance and supervision of the Central Seed Production Committee (CSPC).

Each of the seed testing laboratories will be authorized to issue tags or labels covering the amount of seed represented by the sample tested. These labels will include information such as variety and kind of seed, genetic purity, inert matter, weed seed,

germination, moisture content and other information concerning the seed including the use of seed treatments, if any. These labels, or the same information, will be used to identify the contents of containers in which seed produced under this project is sold. As progress is made in reaching all seed producers with the testing service, their seed will also be labeled so that purchasers will know the quality and other characteristics of the seed offered for sale.

The AIC will arrange for contract production where and when needed; will balance demand and supply in individual markets; do long distance seed moving; make seed production tools, equipment foundation seed, supplies and spare-parts available to producers; assist with, and, where necessary, distribute seed; assist with seed drying, processing, storing (both seasonal and long term) and other seed handling and distributing activities.

The Agricultural Research Service, Crop Coordinators and Botany Section will develop, test and release new varieties and techniques; provide seed, instructions and other supplies needed for the kit program; produce foundation seed and other seed for distribution by the AIC on research stations and foundation seed forms; control variety releases and maintain constant surveillance of all crops, checking for diseases and insect attacks and helping to control them by biological, physical and chemical methods.

The Extension Service and its seed production experts will popularize the new varieties, demonstrate how to use them, issue research/production kits and report on results of the kit program, estimate seed requirements, monitor seed distribution and report any shortages or market gluts to AIC and report complaints to the CSPC and Regional Seed Production Committees (RSPC). Extension JTA's will also supervise the Seed Program in the hills, and provide technical guidance and support to farmers and to help them run the seed business on a profitable footing.

The CSPC will continue to function in a coordinating role and will establish the policies and regulations under which the seed industry operates.

RSPCs will be established in each region to plan and implement production programs, encourage and guide producers, and assist in setting standards, supervising inspections determining demand, selecting sites and performing other duties as necessary to expand the production and use of seed.

The ADB will provide credit to the Sajhas, individuals and private groups for among other things; seed production, purchase of equipment, supplies, construction and services; seed houses and warehouses; purchase of seed and other inputs; and the distribution of inputs. It will also help finance seed production and input distribution activities.

The Private Sector Seed Producers and Distributors will purchase foundation seed from the AIC and increase it. At harvest, the seed will be dried and cleaned, either at the farmer's or his cooperative's own seed house or at one of the AIC seed houses. These seed houses may do custom work for members and non members as needed. The producers will be encouraged and helped to sell their seed in their own locality but the AIC will assist in moving excess supplies to other areas or in making up shortages. The seed producers will also serve as model farmers to assist with the extension effort.

The Cooperative (Sajhas) will be responsible for most end use sales except for seed sold by private producers themselves. They will assist in the input storage program as well as in seed production and distribution wherever the membership is interested and willing to invest in these activities. Where the Sajhas are not in place, private dealers will be established.

II. Statement of Inputs and Costs

A. Overall

The resources to be made available under this project will be used for six main purposes as follows:

(1) advisors and consultants

(2) participant training

(3) construction

(4) commodities

(5) social science and physiological research

(6) in-country training

(1) Advisors and Consultants (104 person months)

It is expected that two long term advisors and up to 20 person months of short term consultants should be supplied under this project.

Advisors - long term		Person months (PM)
Seed Production and Management Specialist	-	60
Seed Processing and Business Specialist	-	24
Advisors - short term	-	20

The specialists will help train the Nepalese needed as inspectors, managers, logistics experts, researchers, contractors, operators, engineers etc. and would help the management of the seed sector in formulating rules and policies, setting standards, governing the industry and encouraging the private sector to take over the seed business eventually.

The consultants/advisors supplied under the project are expected to cost about $1,105,000 of which $941,000 would be the US share.

(a) Peace Corps:

In addition to the above, the Peace Corps is being asked to supply 6 PCVs for 2 years each to help train farmers to produce good seed. This will involve all aspects of seed production from

selection of foundation seed through to final treating, packaging, and merchandising. They will cost about $80,000.

(2) Participant Training

While a large amount of in-country training will be conducted in Nepal, it will still be necessary to send at least 37 people out of the country for training. On their return, these people will be used to train farm leaders and seed producers and to conduct the seed program for the AIC and the Department of Agriculture.

Following is the proposed training schedule. It must be adhered to very closely in order to insure that all trainees return to Nepal before the end of the project and that they are used effectively.

	Starting year				
Training	1979	1980	1981	1982	1983
MBA	2				
M.Sc.	2	4	2		
Long term non-acad	2	3	3		
Short term non-acad	4	4	4	4	4

The non-academic trainees will be trained in India and the US and will focus on seed technology, seed processing and equipment operation and maintenance. The academic training will focus on management, business administration, warehousing, economics and research as well as on various aspects of seed production and

processing. The advanced degree candidates may receive their training in India, the U.S. or some other suitable country.

The exact field of training will be agreed upon when the foreign technicians arrive to help implement this project.

The participant training program is expected to cost about $744,000 of which $679,000 will be the US contribution.

(3) Construction

Estimated costs of construction are based on average prices paid by HMG/N in Kathmandu valley augmented by a correction factor which depends on the remoteness of the area from the source of supply.

The factors for remoteness used in budgeting for this project:

Terai	- 100%
Middle hills	- 175%
Remote areas	- 200%

All buildings should have moisture barriers installed in the floor and foundations, should be rodent and bird proof, amenable to fumigation and insecticide application, be properly ventilated and should be insulated and dehumidified.

(a) Criteria for Locating Sites for Seed Houses and Warehouses

The criteria to be considered in deciding where the seed houses and warehouses are to be constructed will include but not be limited to the following:

(i) Amount of agricultural land.

(ii) Communication channels.

(iii) Needs of the farmers.

(iv) Variability and uniqueness of environment.

(v) Willingness of farmers to cooperate with the program. (donation of labor, land, etc. as well as to willingness to produce seed).

(vi) Desire for seed and fertilizer.

(vii) Distance from large plants.

(viii) Availability of labor for porterage.

(ix) Acceptability of seed from "outside source."

(b) Construction of Village or Mini Seed Houses (25)

These will be very small seed houses in the hills and remote inner terai having hand operated equipment although, if electricity is available, motors could be used for power. They will be located in small valleys having access to other cultivated areas in the remote regions so that a few farmers could be supplied with foundation seed by the AIC which they in turn would plant to produce seed for their neighbors. This would then be cleaned and treated in the village (or Panchayat, Sajha, or Ward) seed house as a member of a cooperative

or on a custom basis before being sold or bartered to other farmers.

Locations for some of these structures have been selected on a tentative basis but the final location for most will be selected as described above. Sites suggested to date are in the following districts:

Eastern Region	- Khotang, Illam, Dhankuta
Central Region	- Sindhuli, Kathmandu
Western Region	- Baglung, Palpa
Far Western Region	- Baitadi, Jumla, Rukum, Dang-Deokhuri

In some areas, local farmers or organizations are likely to supply buildings needed for the small seed plants so that more than 25 seed houses may be set up.

Tentative specifications are as follows:

Processing Storage	- 2 MT
Post Processing Storage	- 2 MT
Drying-processing Area	- 24' x 25'
Total size of building:	12' (to eaves) x 40' x 25' = 1,000 sq. ft.

The storage area will be enclosed so that it can be temperature and humidity controlled for seed preservation so that the work area can be ventilated and cleaned during the seed drying, processing and treating operations.

(c) Dryers and/or Dehumidified Areas (two each)

Two small drying units will be constructed, one each at Bhairawa and Rampur or as needed to be used in conjunction with the foundation seed plants at these locations. These structures will be about

14' (to eaves) x 25' x 30' = 750 sq. ft. and will be equipped for both bag & bin drying using the IRRI designed trash fired burners or solar heaters.

The dehumidified areas will be installed in existing structures in Bhairawa and Rampur.

(d) Warehouse Construction

Two different sizes of warehouses are visualized under this project. None of them are to be located in the terai proper although one or two might be placed in the inner terai. They are to be located so as to promote seed, fertilizer and other input preservation and distribution. They will be designed to have separate areas for storage of seeds, pesticides and fertilizers and will have provision for offices, and living accommodations for a limited staff. All should be rodent and bird proof, moisture proof and capable of being ventilated and fumigated. Two will have a limited amount of storage space dehumidified for long term seed storage.

Each of the larger units should be located on main trade arteries feeding the middle hills and the mountainous area. The small units would be located at the entrances of mountain valleys so that they could feed the seed and other inputs of farmers into three or four valleys from one location.

Larger Warehouses: (Up to four)

These warehouses should be located farther out (up) in the distribution system than the existing large units so as to feed inputs into the agricultural production system in the hill areas of Nepal. They would be located in major branches of the watersheds and would be served by the already existing warehouses and would service the small warehouses described below.

The suggested specifications for these warehouse complexes are as follows:

Number of warehouse complexes - 4

Number of bldg. per complex - 3

Size of each building - 14' high (to eaves) x 40' x 62' or 14' x 20' x 124' (2480 sq. ft. in each building)

Capacity:

No. 1 Seed	-	250 M.T.	2480 sq. ft.
No. 2 Fertilizer	-	600 M.T.	2480 sq. ft.
No. 3 Fertilizer	-	140 M.T.	580 sq. ft.
Pesticides	-	7 M.T.	300 sq. ft.
Implements	-	40	300 sq. ft.
Laboratory/store	-	1	150 sq. ft.
Office - 2 desks	-	1	150 sq. ft.
Quarters	-	3 sets	900 sq. ft.
Fumigation	-	1	100 sq. ft.

Small Warehouses: (Twenty five)

These warehouses would be very simple structures located so as to service farm groups.

The specifications for this warehouse type follows:

No. of storage complexes	- 25
No. of bldgs.	- 1 per complex
Size of Bldg.	- 14' high (to eaves) x 40' x 75' or 14' x 20' x 150' (3,000 sq. ft.)

Capacity:

Seed	-	50 M.T.	-	500 sq. ft.
Fertilizer	-	50 M.T.	-	700 sq. ft.
Pesticides	-	4 M.T.	-	150 sq. ft.
Implements	-	20	-	200 sq. ft.
Laboratory Storage	-	1	-	100 sq. ft.
Office	-	1	-	150 sq. ft.
Quarters	-	2	-	600 sq. ft.
Extension Room	-	1	-	350 sq. ft.
Fumigation Room	-	1	-	100 sq. ft.
Halls & Walls	-	1	-	150 sq. ft.

(e) Genetic Seed Stocks Storage:

In order to maintain a wide genetic diversity in cereal and vegetable varieties, provision must be made for preserving existing genetic stocks. Cold storage facilities can be used to increase the number of years that seed will remain viable and to decrease cost of a successful germ plasm bank.

This unit would be located at Khumaltar farm and would be operated as part of the Botany Division's program; specifications for this unit are as follows:

No. of structures	- 1
Insulation	- fully insulated
Size of Bldg.	- 14' (to eaves) x 22' x 15' (330 sq. ft.)

(f) Seed Laboratories 1 central and 3 regional

A successful seed program must be based on an effective, fast moving inspection system. It is essential that seed testing facilities be set up on a central and a regional basis. A small central laboratory has been set up at Khumaltar Farm which will be enlarged and some equipment will be added to existing equipment and worn-out units will be replaced in order to be better able to monitor the seed industry, to test results of the other laboratories, check imports and exports of seed and help other laboratories in case of emergencies.

It is proposed to set up a laboratory in conjunction with other scientific or administrative facilities in each of the three remaining regions to test seed produced in the region and to help farmers produce the quality of seed other farmers and farm organizations are willing to buy. The specifications for these seed laboratories are as follows:

Regional Laboratories

No. of laboratories	- 3
Size of each laboratory	- 35' x 50' = 1750 sq. ft.
Rooms to be set up for	- 3 offices - Size & Moisture testing lab - Germination laboratory - Sample preparation - Purity analysis lab - Storeroom

Central Laboratory

Size of addition	- 30' x 50' = 1500 sq. ft.
Rooms to be set up for	- Receiving - Storage - Seed sample storage - Walk-in germinator - Laboratory

(g) Release of Funds for Construction

Releases of funds for construction under this agreement will be as agreed in the Implementation Letters.

The total construction program is expected to cost about $2,252,000 of which $1,418,000 would be furnished by the U.S.

(4) Commodities

Commodities will be used to promote seed production, improve seed quality and increase the use of agricultural inputs by setting up new facilities and improving existing installations.

In general, six types of commodities are needed: seed production equipment and supplies; seed and fertilizer handling equipment and supplies for protecting and monitoring inputs while in storage, a limited amount of seed analysis equipment; vehicles for AIC and the Botany Division, construction supplies such as plastic sheeting, reinforcing steel, roofing, cement, ventilators and fan's etc.; and expendable items, such as seed treating chemicals, rodenticides, insecticides, fumigants, plastic and jute bags, ties, fuel, etc. The lists of requirements should be prepared by the contractor with the help of HMG/N and A.I.D. and procurement will be handled by the contractor.

The pick up trucks and 4 wheel vehicles must be procured in the US but other commodities may be procured in the US or a Code 941 country. US funds cannot be used for purchase of pesticides.

The total cost of the commodities is expected to be about $1,098,000 of which $793,000 would be the US share.

(5) Social Science and Physiological Research

There are several questions that have not yet been answered regarding how this project can be managed, how it can best serve the farmers and how it will operate. To solve these questions, money should be set aside for research in the social sciences in order to learn more about how villages and individuals make decisions; how villagers organize themselves for tasks such as seed producing, management of warehouses, management and sales of surpluses, and other problems that are bound to arise as they develop their capability and their production increases. Information is needed on what types of co-operatives can be organized for economic production purposes and what basis should be used for organizing them.

Another area for research should lead to the development of an economical transportation system for seed. Can seed be moved as and when needed securely and safely?

Among other questions that need answering are the following:

a. What does it take to increase the confidence of farmers in organizations such as the AIC and their products?

b. How can the extension service be most effective in promoting the seed industry?

c. Can the ADB and the Agricultural Credit System be used to support the construction of warehouses and seedhouses?

d. What criteria should be used for selecting seed producers in the isolated areas?

e. What kind of training programs will be most effective in teaching farmers to produce quality seed?

f. How much of a price premium would farmers pay for good seed?

g. How large a premium is needed in order to encourage good farmers to produce seed?

h. Are there any cultural or traditional constraints to farmers accepting new varieties or new crops? If so, how can they be circumvented?

i. How can seed quality be maintained in storage and in transit?

j. How can seed packaging be improved for movement in Nepal?

The cost of the Social Science and physiological research will be $110,000 of which the U.S. share will be about $100,000.

(6) In-country Training

HMG/N recognizes that it needs many trained gazetted officers to handle a seed program such as this. It recognizes that some out of country training is required but it also recognizes that much of the training, if properly conducted and if participants are properly used, can be done just as effectively in Nepal as it can be done in India, the Philippines or the U.S.

Therefore, a number of training programs will be conducted in Nepal in cooperation with the Science Faculty and the Institute of Agricultural and Animal Science and the principal research stations.

Topics such as the following should be taught:

a. Management of seed processing plants

b. Management of warehouses and logistics of agricultural inputs.

c. Seed analysis

d. Maintaining seed and fertilizer quality

e. Commodity management and inventory control

f. Sales techniques

g. Agricultural extension techniques

h. Helping farmer seed producers

i. Estimation of seed requirements

j. Field and seed house inspection, etc.

Care should be taken in selecting training materials to make these in-country training programs as effective as possible.

The estimated cost will be $120,000 of which $100,000 will be the U.S. contribution.

B. Log Frame Summary

The summary of US and HMG/N project inputs is quoted from the Project Paper Log Frame as follows:

NARRATIVE SUMMARY

Inputs:

1. U.S.G.

A. Advisory Assistance - Long Term

1 - Seed production specialist
2 - Seed processing specialist

Short Term

Seed Production
Seed Processing
Seed Storage
Seed Protection

B. Participant Training

Advanced degree
Non-academic long term
Non-academic short term

Implementation Target (Type and Quantity)

A. Advisors - Long Term

Seed Production & Management 60 PM
Seed Processing, Business Ad., Storage and Logistics 24 PM

Short Term

Consultants 20 PM

B. Participant Training Starts:

	FY 79	80	81	82	83
MPA	2	-	-	-	-
M.Sc.	2	4	2	-	-
Long term N/A	2	3	3	-	-
Short term N/A	4	4	4	4	4

NARRATIVE SUMMARY	
C. Commodities	C. Commodities
Seed processing equipment Air conditioning or dehumidification equipment structural components of seed houses and storage buildings which are not available in country.	40 seed cleaners & treaters 3 air conditioner - dehumidifier sets for seed houses and genetic seed storage 2 driers for seed houses 2 dehumidified & air conditioned rooms for warehouses Equipment for Storage Bldgs. Laboratory equipment for seed analysis
D. Construction	D. Construction
Seed houses Storage buildings Laboratories	4 large storage complexes 25 small storage building 25 mini (two rooms) seed houses 3 Seed laboratories - Regional 1 Seed laboratory-Central 1 Genetic Seed storage
E. Peace Corps	E. P.C. Volunteers - 6 for 2 yrs.
Volunteers	Each

2. HMG/N

	($ 000 equivalent)
Incremental Staff	
Counterpart personnel	64
Equipment/materials supervision/maintenance	38
Construction supervision/maintenance	316
Construction materials and contingency	451
Equipment and materials	267

NARRATIVE SUMMARY

	($ 000 equivalent)
Contractor support	100
Participant trainees' costs	65
Land	67
Training in-country & research	30
Total estimated	1,398

C. Financial Tables

This section provides three relevant financial tables drawn from the Project Paper. They cover: one, project costing by outputs and and inputs; two, a summary of cost estimates and a financial plan by project activity line items; and three, a projection of expenditures by fiscal year. The respective tables follows:

TABLE NO. 1

COSTING OF PROJECT OUTPUTS/INPUTS
(In $000 or equivalent)

Project Inputs	Project Outputs				TOTAL
	# 1	# 2	# 3	# 4	
A.I.D. Appropriated					
Contract Services	140	530	260	11	941
Training Participant	118	228	160	173	679
Commodities	-	428	230	135	793
Construction	-	273	1108	37	1418
Social Science Research	40	20	20	20	100
In-country Training	20	30	30	20	100
Other U.S.					
Peace Corps	20	20	20	20	80
Host Country	50	400	840	108	1398
Other Donors					

Outputs Key:

#1. Trained farmer groups capable of and organized to produce and distribute seed.

#2. Seed processing system functioning in terai and hills.

#3. Input distribution system established.

#4. Seed testing system in operation.

TABLE NO. 2

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(US $000)

Source 1/	A.I.D.		Host Country		Other(s)		Total
	FX	IC	FX	IC	FX	IC	
Use							
1. Contract Services	941			164			1105
2. Commodities	793		30	275			1098
3. Participant Training	679			65			744
4. Social Research 2/	100			10			110
5. Seed Assistants (PCV)					80		80
6. Construction	1418		40	794			2252
7. In-country Training	100			20			120
Inflation Factor 3/							
Contingency 1/							
	4031		70	1328	80		5509

1/ Contingency included in line - item estimates.

2/ Local organizations to be used if possible to conduct research.

3/ Included in lino items at rate of 10% per year.
[Footnotes in the original.]

TABLE NO. 3

PROJECTION OF EXPENDITURE BY FISCAL YEAR
(US $000)

Fiscal Year	A.I.D.	Host Country	Other(s)	Total
1978	25	-	-	25
1979	963	346	20	1,329
1980	1,689	353	20	2,062
1981	1,006	353	20	1,379
1982	348	346	20	714
Total	4,031	1,398	80	5,509

III. Summary

The Project Paper Log Frame provides a concise summary statement of expected outputs and their magnitude and is quoted here as follows:

Project Title & Number: Seed Production & Input Storage, 367-0118

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS
Outputs:	Magnitude of Outputs:
1. Trained farmer groups capable of producing seed.	A. Seed production and distribution system established including:
2. Seed processing plants set up in Terai and Hills.	1. 1 large seed house (4 ton/hr.) (UNDP)
3. Seed cleaning and treating machines moved to remote hills.	2. 5 medium sized seed houses (2 to 3 tons per hour). (GA)
4. Model seed contracts developed.	3. Upto 40 seed cleaners in mini sized installations (.25 ton per hour) mostly hand operated.
5. Trained production and processing staff.	B. Storage -
6. Storage buildings - some humidity controlled.	
7. Distribution system and staff.	
8. Seed laboratories established to assist seed producers and warehouse operators manage their operations and to control quality.	
9. Seed packaging system developed.	C. Infrastructure and staff in place.
10. Seed Research conducted to improve keeping quality.	D. Seed production increasing 15% per year during life of project.
11. Workable and fair system developed for paying seed premiums.	E. One central and four Regional seed testing laboratories in operation.
12. Seed preservation unit for genetic stock preservation.	F. Contract format developed.
	G. Improved packaging and storage system developed.
	H. Seed supplied through local Sajha or other outlets.
	I. Cold storage vault in operation.

	Capacity	
	Seed	Fertilizer
1. 4 medium warehouses	1,000	3,400
2. 25 small warehouses	1,250	2,500
Total	2,250	5,900

IV. Evaluations

A. Timing:

Evaluations will be held annually, usually in February, as mutually agreed by the contractor, HMG/N and A.I.D.

B. Content:

1. Construction: The construction program will be reviewed and progress against the entire scope of the project will be measured. Proposed sites will be discussed, quality of construction, appropriateness of moisture proofing and bird and rodent proofing and security will be checked.

2. Commodities: Commodity lists and procurement practices will be reviewed for appropriateness and to insure that U.S. procurement regulations are being observed, that labor intensive equipment is being secured wherevor possible and that procurement is being done on a timely and efficient basis.

3. Participant Training: The two MBA candidates and two of the M.Sc. candidates should be sent out of the country for training during 1979. All other M.Sc. candidates and all of the long term non-degree participants should be sent for training during 1979, 1980 or 1981 to insure that the trainees return well before the completion of the project. In fact, it would be desirable for all long term trainees to be back on the job at least one year before

the completion of the project in late 1983. The short term trainees can be sent in any year but, in 1983, they should return early to be sure to be in-country prior to the first of September of that year.

In addition to timing, suitability of training, capability of training institution, job to be done on the trainee's return, appropriateness of their educational background, availability of in-country training and job performance should also be considered in evaluating the participant program.

4. Advisors and Consultants: The success of the contractor in supplying long term advisors and short term consultants should be evaluated along with the ability of the MFAI to absorb the services offered. The ability of HMG/N to supply counterparts to the consultants should also be looked at in detail, both in terms of numbers of counterparts and in terms of their ability to absorb the on-the-job opportunities offered to them. Fully half of the short term consultant's time should be used for conducting training programs for Nepali employees of the LIC, Department of Agriculture, and other organizations engaged in this project.

5. Social Science Research: Funds are available to conduct research on the social, economic and anthropological aspects of the project. This research should be aimed at finding the constraints to the usage of improved seed and what has to be done

to persuade farmers to use the new varieties and the seeds produced under official aid supported programs. Included in this research should be such topics as who makes decisions regarding the varieties and quality of seeds to be used in the village or the farm or by the family? What are the main determinants? How much effect does price have on seed purchases? How does the farmer judge quality? How can farmer - seed producers be organized to manage a seed business? How much of a margin do they have to have in order to produce seed successfully and many others.

6. Seed Analysis and Standards Enforcement: One of the current hindrances to the production and distribution of good seed is the inability of the seed section of the Botany Division to travel about the country to conduct field and seed house inspections and to deliver analysis of seed samples expeditiously. The section should be able to enforce the proposed labeling law and to help farmer-seed producers with their production problems. Operation of equipment, drying, cleaning, packaging, maintenance of germination, control of seed house pests and other aspects of seed processing and production are important. Three laboratories are to be constructed under this project and a central laboratory is to be partially re-equipped and enlarged.

7. Seed Production: It is expected that two or three private seed production groups will be functioning in the terai and many

small cooperatives or farmer groups will be producing seed in the hills. Representative samples of these producers should be checked along with their produce to ascertain the quality of their merchandise, the attitude their customers have toward them and their product and their ability to operate a seed business.

The amount of seed available to the farmers of Nepal, its price, its quality, the varieties offered for sale as well as demand in the various regions should all be considered when evaluating the efficiency of the seed producers in responding to the demands of the farmers in the area. Finally, it may be necessary to evaluate the government's ability to subsidize the seed industry in order to keep prices low enough that farmers will buy the seed offered for sale.

8. In-country Training: Balance between training in analysis, enforcement, extension, production and other aspects of seed production should be checked for adequacy, reasonableness and value to the industry and to the farmers of Nepal.

9. Warehouse Operation: Regardless of the quality of the structures in which seed is stored, the management of the system can negate any possible benefit stemming from the superior buildings. Failure to stack properly, to ventilate the building when required, to maintain adequate records, to protect from

moisture, insects, moulds, birds and rodents, and other derelictions of duty can cause seed and fertilizer to deteriorate very rapidly. Evidences of poor management include the following easily read signs: (a) off odours, (b) dampness, (c) mixtures, (d) material on floor, (e) broken windows and ventilators, (f) broken containers, (g) damaged equipment, (h) old stock on hand, etc.

10. Maintenance: One of the surest indications of the quality of the operation of a unit is the maintenance it receives. The equipment, the buildings, the fertilizer, other supplies and even seed must all be taken care of - or maintained. Inadequate lubrication, moisture, or loose connections can all cause losses and depreciation in values. Torn bags, loose bolts and belts, lost labels and many other signs will indicate poor maintenance and poor control of the whole input supply system.

11. Agricultural Credit: Is enough credit on hand to insure smooth operation of the seed industry?

C. Special Considerations:

In addition to the routine evaluations enumerated above, some special attention will be paid to various aspects of the seed business that do not respond easily to annual review. Among these are the

following:

1. What special actions are necessary to encourage farmers to take over the seed industry? How much of a subsidy for private industry is required?

2. How fast can the industry be shifted to the private sector?

3. What activities should be carried on to lead to a certified seed system in about ten years?

4. How do farmers view "improved seed" after four years of the project? Do they have confidence in their seed supply?

5. Is seed actually moving from the large seed houses to other parts of the terai and lower hills?

At the conclusion of the project, all aspects of the project's activities will be evaluated and a report prepared on why it did or did not accomplish its objectives.

It is not anticipated that outside help would be required to conduct the evaluation except for representatives of the contractor and the mission's AID/W backstop officers.

MOROCCO

Dryland Agriculture Applied Research

Agreement signed at Rabat August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Project Number: 608-0136
Project Agreement No.: 608-78-006

PROJECT GRANT AGREEMENT BETWEEN THE KINGDOM OF MOROCCO AND THE UNITED STATES OF AMERICA FOR DRYLAND AGRICULTURE APPLIED RESEARCH

Projet de l'A.I.D. Numéro: 608-0136
Accord de Projet Numéro: 608-78-006

ACCORD DE DON POUR UN PROJET ENTRE LE ROYAUME DU MAROC ET LES ETATS-UNIS D'AMERIQUE EN FAVEUR DU PROGRAMME DE RECHERCHE APPLIQUEE EN ARIDOCULTURE

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project Number: 608–0136

PROJECT GRANT AGREEMENT DATED AUGUST 31, 1978 BETWEEN THE KINGDOM OF MOROCCO, ACTING THROUGH THE MINISTRY OF AGRICULTURE AND AGRARIAN REFORM ("GRANTEE") AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1 Definition of Project

The Project, which is further described in Annex 1, will consist of establishing applied research program aimed at improving the productivity of farmers in the rainfed areas, particularly in those where average rainfall is between 325 mm and 400 mm.

Projet de l'A.I.D. Numero: 608–0136

ACCORD DE DON POUR LE PROJET DATÉ DU 31 AOÛT 1978 ENTRE LE ROYAUME DU MAROC, PAR L'INTERMÉDIAIRE DU MINISTÈRE DE L'AGRICULTURE ET DE LA RÉFORME AGRAIRE ("DONNATAIRE") ET LES ETATS-UNIS D'AMERIQUE, AGISSANT PAR L'INTERMÉDIAIRE DE L'AGENCE POUR LE DÉVELOPPEMENT INTERNATIONAL (A.I.D.)

ARTICLE 1: L'Accord

L'objet du présent Accord est de fixer les conditions que doivent remplir les parties susmentionnées ("Parties") quant à l'exécution par le Bénéficiaire du Projet décri ci-dessous et quant au financement du Projet par les Parties.

ARTICLE 2: Le Projet

SECTION 2.1 Définition du Projet

Le Projet, qui est décrit plus en détail à l'Annexe 1, comprendra la mise en oeuvre d'un programme de Recherche Appliquée visant à améliorer la productivité des agriculteurs dans les régions arides, en particulier dans celles où les précipitations moyennes se situent entre 325 mm et 400 mm.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

SECTION 2.2 Means of Grant Disbursement

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties at the time of a subsequent increment, to proceed.

(b) Within the period preceding the Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1 The Grant

To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961,

L'Annexe 1 ci-jointe amplifie la définition susmentionnée du Projet. Dans les limites de la définition précitée du Projet, les éléments de la description élargie énoncée à l'Annexe 1 peuvent être modifiés par accord écrit des représentants agréés des Parties nommés à la Section 8.2., sans amendement officiel du présent Accord.

SECTION 2.2 Modalités de Décaissement du Don

(a) La contribution de l'A.I.D. au Projet se fera par tranches cumulatives, la première étant mise à disposition conformément à la Section 3.1 du présent Accord. Des tranches ultérieures seront sujettes à la disponibilité des fonds de l'A.I.D. à cette fin, ainsi qu'à l'accord mutuel des Parties de poursuivre le Projet, au moment de chaque nouvelle tranche.

(b) Dans la période allant jusqu'à la date d'achèvement d'assistance au Projet énoncée dans le présent Accord (cf. Section 3.3 a) l'A.I.D., aprés consultation avec le Bénéficiaire, peut préciser dans les lettres d'exécution du Projet, les périodes appropriées pour l'utilisation des fonds accordés par l'A.I.D. au titre de chaque tranche d'assistance.

ARTICLE 3: Financement

SECTION 3.1 Le Don

Pour aider le Bénéficiaire à financer les coûts de l'exécution du Projet, l'A.I.D., conformément à la loi de 1961 sur l'Aide

as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed two million and ninety six thousand United States (U.S.) Dollars ($2,096,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project. Unless otherwise agreed to in writing, these goods and services will be procured through a contract signed by the Government of Morocco or A.I.D.

SECTION 3.2 Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and on a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. $3,400,000, including costs borne on an "in-kind" basis.

SECTION 3.3 Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD),

étrangére telle qu'elle a été amendée, accepte d'accorder au Bénéficiaire aux termes du présent Accord un montant qui ne dépassera pas Deux Millions quatre vingt seize mille ($2,096.-000,000) ("Don"). dollars des Etats-Unis ("E.U.").

Le Don peut être utilisé pour financer les coûts en devises comme défini à la Section 6.1 et les coûts en monnaie locale comme défini à la Section 6.2., des biens et services nécessaires à l'exécution du Projet. A moins d'être précisé autrement par écrit, ces biens et services seront procurés par contrat signé soit par le Gouvernement du Maroc soit par l'A.I.D.

SECTION 3.2 Ressources du Bénéficiaire pour l'exécution du Projet

(a) Le Bénéficiaire accepte de fournir ou de faire fournir pour l'exécution du Projet, tous les fonds, outre le don et toutes les autres ressources requises pour exécuter efficacement et en temps voulu le Projet.

(b) Les ressources fournies par le Bénéficiaire pour le Projet ne seront pas inférieures à l'equivalant de dollars E.U. $3.400,000 y compris les coûts supportés sur une base "en nature".

SECTION 3.3 Date d'Achèvement d'assistance au Projet

(a) La "date d'achèvement d'assistance au Projet" (DAPP)

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

which is September 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D. giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

à savior le 30 Septembre 1983, ou toute autre date dont les Parties peuvent convenir par écrit, est la date à laquelle les Parties estiment que tous les Services financés au titre du Don auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.

(b) A moins que l'A.I.D. n'en convienne autrement par écrit, elle ne publiera ni n'approuvera les documents qui authoriseraient le décaissement du Don pour la prestation de services exécutés après la DAAP ou pour des biens fournis aux fins du Projet comme l'envisage le présent Accord, après cette date.

(c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qui'indiquent les lettres d'exécution du Projet, doivent parvenir à la Banque mentionnée à la Section 7.1 au plus tard neuf (9) mois après la DAAP ou toute autre période dont l'A.I.D. convient par écrit. Après cette période, l'A.I.D. après avoir envoyé avis écrit au Bénéficiaire, peut à n'importe quel moment réduire le montant du Don de tout ou partie de ce montant pour lequel les demandes de décaissement accompagnées des pièces justificatives nécessaires qu' indiquent les lettres d'exécution du Projet, n'ont pas été reçues avant l'arrivée à expiration de la dite Période.

ARTICLE 4: Conditions Precedent to Disbursement

SECTION 4.1 First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the name of the persons holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(b) A schedule for the assignment to the project of a minimum of 23 engineers, beginning with the signing of this Agreement.

(c) A plan for the training of these engineers to medium (Master of Science) or advanced (Ph. D.) levels.

(d) A plan for financing construction and development of the main research center.

(e) A plan for financing the local operating costs of the project which will be the Grantee's responsibility.

(f) A plan for the phased development of the program of socio-economic research to be executed by the Social Science Department of the Hassan II Agricultural and Veterinary In-

ARTICLE 4: Conditions à remplir avant de Décaissement

SECTION 4.1 Premier Décaissement

Avant le premier décaissement effectué au titre du Don ou avant la publication par l'A.I.D. des documents en vertu desquels le décaissement sera fait, le Bénéficiaire, à moins que les Parties n'en décident autrement par écrit, fournira à l'A.I.D. sous une forme et dans un fonds établis à la satisfaction de cette dernière:

(a) Une déclaration du nom des personnes représentant le Bénéficiaire ou agissant en son nom comme l'indique la Section 8.2, et de tout autre représentant, ainsi qu' une signature spécimen de chaque personne dont le nom figure dans la dite déclaration.

(b) Un calendrier pour l'affectation au projet d'un minimum de 23 ingénieurs, à commencer dès la signature de cet Accord.

(c) Un plan pour la spécialisation et la formation post universitaires au niveau moyen ou avancé de ces ingénieurs.

(d) Un engagement pour le financement de l'aménagement et la construction de la station principale de recherche.

(e) Un engagement pour supporter les frais de fonctionnement relatifs au Projet qui seront à sa charge.

(f) Un plan de mise en oeuvre sous forme de phases pour le programme de recherche socio-économique devant être exécuté par le Bloc des Sciences Humaines de l'institut Agronomique et Vétér-

stitute, including a detailed budget for the first year of activities as well as the procedure for disbursement directly by USAID to the Hassan II Agricultural and Veterinary Institute of the authorized costs associated with agreed activities.

SECTION 4.2 Notification

When A.I.D. has determined that the conditions precedent specified in Section 4.1 have been met, it will promptly notify the Grantee.

SECTION 4.3 Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 4.1 have not been met within 180 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Covenants

SECTION 5.1 Project Evaluation

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

inaire Hassan II, y compris un budget détaillé pour la première année des activités ainsi que des modalités de procédure pour le remboursement direct par l'USAID à l'Institut Agronomique et Vétérinaire Hassan II des coûts autorisés afférents aux activités convenues.

SECTION 4.2 Notification

Lorsque l'A.I.D. aura établi que les conditions mentionnées à la Section 4.1 ont été remplies, elle le notifiera rapidement au Bénéficiaire.

SECTION 4.3 Dates finales d'Accomplissement des Conditions

(a) Si toutes les conditions mentionnées à la Section 4.1 n'ont pas été remplies dans les 180 jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. a la faculté de mettre fin au présent Accord par avis écrit envoyé au Bénéficiaire.

ARTICLE 5: Conventions Spéciales

SECTION 5.1 L'Evaluation du Projet

Les Parties décident d'établir un programme d'évaluation qui fera partie du Projet. Sauf indication contraire des Parties par écrit, le programme comprendra pendant l'exécution du Projet et à un ou plusieurs moments par la suite:

(a) Evaluation of progress toward attainment of the objectives of the Project.

(b) Identification and evaluation of problem areas of constraints which may inhibit such attainment.

(c) Assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

(e) The Ministry of Agriculture and Agrarian Reform, in collaboration with USAID and the American contractor, will proceed with an evaluation consisting essentially in measuring whether the planning of the entire project and the organizational structures are appropriate to the project's development. This evaluation will furnish the results on which will be based subsequent financing of the project and extension of the contract by cumulative tranches.

Subsequently, an annual evaluation will be undertaken jointly by the three interested parties. An independent team will carry out two special evaluations, one in the course of the third year of the project, the second at the end of the project. The following factors will be the object of a more rigorous study than the annual evaluations:

— timely nomination of the contract team;

— timely arrival of required equipment and material financed by the United States Government;

(a) Une évaluation de l'état d'avancement du Projet.

(b) L'identification et l'évaluation des problèmes ou des contraintes qui peuvent entraver la réalisation des objectifs fixés.

(c) l'évaluation de la manière dont ces observations peuvent être utilisées pour contribuer à surmonter ces problèmes; et

(d) l'évaluation dans la mesure du possible de l'incidence globale du Projet sur le développement.

(e) Le Ministère de l'Agriculture et de la Réforme Agraire, en collaboration avec l'USAID et le contractant Américain, procèdera à une évaluation consistant essentiellement à mesurer si la planification de l'ensemble du projet et les structures organisationnelles s'avèrent appropriées à la mise en oeuvre du Projet. Cette évaluation fournira des résultats sur lesquels sera basé le financement ultérieur du Projet et de l'extension du contrat sous forme de tranches cumulatives.

Par la suite, une évaluation annuelle sera entreprise en commum par les trois parties concernées. Une équipe indépendante procédera à deux évaluations spéciales, l'une au cours de la troisième année du Projet, la seconde à l'issue du Projet. Les facteurs suivants feront l'objet d'une étude plus rigoureuse que les évaluations annuelles:

— nomination en temps opportun de l'équipe contractante;

— arrivée en temps requis de matériel financé par le Gouvernement des Etats-Unis;

— appropriate training program;
— timely nomination of project staff by the Ministry of Agriculture and Agrarian Reform;
— allocation and disbursement at the required time of appropriate financial resources.

ARTICLE 6: Procurement Source

SECTION 6.1 Foreign Exchange Costs

Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 6.2 Local Currency Costs

Disbursements pursuant to Section 7.2, will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Morocco.

— programme de formation approprié;
— la nomination en temps opportun du personnel du Projet par le Ministère de l'Agriculture et de la Réforme Agraire.
— allocation et débuors en temps requis des ressources financières appropriées.

ARTICLE 6: Source d'Achat

SECTION 6.1 Coûts en Devises

Conformément à la Section 7.1, les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'execution du Projet et ayant leur source et origine aux Etats-Unis (Code 000 du Code Géographique de l'A.I.D. tel qu'il est en vigueur à l'époque où les commandes sont placées et les marchés passés dans ces biens et services) ("Coûts en devises") à moins que l'A.I.D. n'en convienne autrement par écrit et à moins que la Section C.1 (b) de l'Annexe sur les dispositions types du Don pour Projet n'en stipule autrement quant à l'assurance maritime.

SECTION 6.2 Coûts en monnaie locale

Conformément à la Section 7.2, les décaissements seront uniquement utilisés pour financer les coûts des biens et services nécessaires à l'exécution du Projet et ayant leur source et, à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine au Maroc.

ARTICLE 7: Disbursement

SECTION 7.1 Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this agreement, by such of the following methods as may be mutually agreed upon:

1. By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the project; or,

2. By requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers committing A.I.D. to pay such contractors or suppliers for such goods or services.

ARTICLE 7: Décaissement

SECTION 7.1 Décaissement des Coûts en Devises

(a) Après avoir rempli avec satisfaction les conditions susmentionnées le Bénéficiaire peut obtenir le décaissement des fonds au titre du Don pour le Financement des coûts en devises des biens et services nécessaires à l'exécution du Projet et ce, conformément aux termes du présent Accord, par le jeu des méthodes ci-après qui ont été convenues d'un commun accord:

1. En présentant à l'A.I.D., accompagnées des pièces justificatives nécessaires comme le stipulent les lettres d'exécution du Projet A) les demandes de remboursement de ces biens et services ou B) des demandes à l'A.I.D. d'achat des biens et services au nom du Bénéficiaire pour l'exécution du Projet; ou
2. En demandant à l'A.I.D. d'émettre des lettres d'engagement pour des montants donnés A) à une ou plusieurs banques des Etats-Unis, acceptables par l'-AID, engageant l'A.I.D. à rembourser cette banque ou ces banques pour les paiements effectués par elle à des entrepreneurs ou fournisseurs, dans le cadre d'une lettre de crédit par exemple, pour l'achat de ces biens et services ou B) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'A.I.D.

à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

(b) Les frais bancaires encourus par le Bénéficiaire pour ce qui est des lettres d'engagement et des lettres de crédit seront financés au titre du Don à moins que le Bénéficiaire n'instruise l'A.I.D. de faire le contraire. Les autres frais dont les Parties peuvent convenir, peuvent également être financés dans le cadre du Don.

SECTION 7.2 Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

It is expected that local currency required for the program of socio-economic research described in Annex I Section B will be disbursed directly by USAID to the Hassan II Agricultural and Veterinary Institute following procedures jointly agreed as stated in project implementation letters.

SECTION 7.2 Décaissement pour le Financement des coûts en Monnaie Locale

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, le Bénéficiaire peut obtenir les décaissements des fonds au titre du Don pour le financement des coûts en monnaie locale nécessaires à l'exécution du Projet conformément aux termes du présent Accord en soumettant à l'A.I.D. les demandes de financement de ces coûts accompagnées des pièces justificatives requises comme le stipulent les lettres d'exécution du Projet.

Il est prévu que les monnaies locales requises pour le programme de recherche socio-économique décrit dans l'Annexe I Section B seront décaissées directement par l'USAID à l'Institut Agronomique et Vétérinaire Hassan II conformément aux procédures conjointement convenues comme stipulé dans les lettres d'exécution du Projet.

(b) The local currency needed for such disbursements may be obtained by A.I.D. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 7.3 Other Forms of Disbursement

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

ARTICLE 8: Miscellaneous

SECTION 8.1 Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

TO THE GRANTEE:

Mail address:

Projet Aridoculture – D.R.A.
Ministère de l'Agriculture et de la Réforme Agraire
Quartier Administratif
Rabat, Morocco

Alternate address for cables:
31005M

To A.I.D.:

Mail Address:

United States A.I.D. Mission to Morocco
137, Avenue Allal Ben Abdallah
Rabat, Morocco

Alternate address for cables:

(b) La monnaie locale requise pour ces décaissements peut être obtenue par l'AID. L'équivalent en dollars de la monnaie locale rendue disponible au titre du Don sera le montant en dollars E.U. requis par l'A.I.D. pour obtenir la monnaie locale.

SECTION 7.3 Autres formes de Décaissement

Les décaissements du Don peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit

ARTICLE 8: Divers

SECTION 8.1 Communications

Tout avis, demande, document ou autre communication présenté par écrit, télégramme ou par câble sera considéré comme remis ou envoyé lorsqu'il parviendra à la partie intéressée à l'adresse ci-après:

AU BÉNÉFICIAIRE:

Adresse:

Projet Aridoculture – D.R.A.
Ministère de l'Agriculture et de la Réforme Agraire
Quartier Administratif
Rabat, Maroc

Adresse Télégraphique:
31005M

A L'A.I.D.:

Adresse:

United States A.I.D. Mission to Morocco
137, Avenue Allal Ben Abdallah
Rabat, Maroc

Adresse Télégraphique:

Other Addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D./Washington

D'autres adresses peuvent remplacer l'adresse ci-dessus sur avis de l'intéressé. De plus, le Bénéficiaire fournira à la Mission de l'USAID/Rabat une copie de chaque communication envoyée à l'A.I.D./Washington

SECTION 8.2 Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Minister of Agriculture and Agrarian Reform and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.2 Représentants

Aux fins de présent Accord, le Bénéficiaire sera représenté par une personne occupant le poste de ou agissant au nom du inistre de l'Agriculture et de la Réforme Agraire, et l'A.I.D. sera représenté par une personne occupant le poste de ou agissant pour le compte du Directeur de Mission, chacun d'eux pouvant, par avis écrit, désigner d'autres représentants à toutes les fins autres que celles d'exercer le pouvoir au titre de la Section 2.1 de réviser les éléments de la description élargie à l'Annexe 1. Les noms des représentants du Bénéficiaire accompagnés des signatures spécimen seront communiqués à l'A.I.D. qoi peut accepter comme dûment agréé n'importe quel instrument signé par ces représentants en application du présent Accord jusqu'à réception de l'avis écrit de révocation de leur autorité.

SECTION 8.3 Standard Provisions Annex

A "Project Grant Standard Provisions Annex" (Annex 2)[1] is attached to and forms part of this Agreement.

SECTION 8.3 Annexe relative aux dispositions standard

Une "Annexe relative aux dispositions standard régissant le Don pour Projet "Annex" (Annexe 2) figure ci-joint au présent Accord et fait partie.

[1] See footnote 1, p. 5414.

SECTION 8.4 Language of Agreement

This Agreement is prepared in both English and French. In the event of ambiguity between the two versions, the English version will control.

IN WITNESS WHEREOF, the Kingdom of Morocco and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

By: J. P. MOFFAT

Title: *Chargé d'Affairs, a.i.*

SECTION 8.4 Libellé de l'Accord

Le présent Accord est rédigé en anglais et francais. En cas d'ambiguité entre les d deux versions, la version anglaise seule fera foi.

EN FOI DE OUI, le Bénéficaire et les Etats-Unis d'Amérique, chacun acissant pan l'intermédiare de son représentant dumant agréé, ont fait signés le présent Accord en leur nom et l'ont fait remettre à la date de l'année susmentionée.

ROYAUME DU MAROC

Par: ABELLATIF GHISSASSI

Titre: *Ministre de Finance*

ANNEX I
ANNEXE I

Amplified Project Description
Description Amplifiee du Projet

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ANNEX I

Amplified Project Description

ARTICLE A: Project Description

—The purpose of this project is to develop an applied research program in order to increase cereal, legume and forage crop production in the rainfed areas and to contribute with the Division of Agricultural Development (DMV) to the extension of techniques developed.

—Its purpose is also to train Moroccan personnel who will continue and develop the program, thus creating a permanent capacity for agro-economic and socio-economic research with a view to increasing agricultural production in the zones in question.

—Project activities will be concentrated in those areas where the annual rainfall averages 325 mm to 450 mm.

—The project will consist of two phases of five years each. The first phase will end in 1983.

—The project consists of:

1. A program of agro-economic research to determine the production methods best adapted to Moroccan agriculture in the regions in question. This program will be directed by the Division of Agricultural Research (DRA) (Dryland Research Center).

ANNEXE L

Description Amplifiee du Projet

ARTICLE A: Description du Projet

—Ce projet a pour but de mettre en oeuvre un programme de recherche appliquée en vue d'augmenter la production des céréales, de légumineuses et des plantes fourragères en zones semis arides et contribuer avec la Division de la Mise en Valeur Agricole (DMV) a vulgariser les techniques mises en point.

—II a pour but également la formation du personnel marocain qui continuera et développera le programme, développant ainsi une capacité permanente de recherche a-gro-économique et socio-économique visant l'accroissement de la production agricole dans les zones en question.

—Les activités du projet se concentreront dans les régions où la pluviométrie annuelle atteint une moyenne de 325 à 450 mm.

—Ce projet est conçu pour deux périodes de 5 ans lalère prendra fin en 1983.

—Le projet comprend:

1. Un programme de recherche agro-économique pour déterminer les méthodes de production qui conviennent le mieux à l'agriculture marocaine dans les régions en question. Ce programme sera dirigé par la Direction de Recherche Agronomique (D.R.A) (Centre de Recherche en Aridoculture);

2. A program of socio-economic research which will permit a better understanding of the attitudes of farmers regarding the high risk conditions in which they work. This program will be directed by the Hassan II Agricultural and Veterinary Institute (Department of Social Sciences).
3. A contribution to agricultural extention in the concerned zone. Extention will be directed by the division of Agricultural Development (DMV) (Dryland Agriculture Bureau).

—A committee for orientation and coordination, composed of the central directors and presided over by the Secretary-General of the Ministry of Agriculture and Agrarian Reform, will be instituted.

—Periodically, meetings will be organized of all the persons concerned with the project to discuss progress achieved, work programs underway and problems which develop.

ARTICLE B. Project Implementation

1. Agro-economic research activities

The agro-economic research program will address all aspects of the production systems used by the dryland farmers. However, priority will be given in the beginning to those factors which are most critical to increasing

2. Un programme de recherche socio-économique qui permettra une meilleure compréhension des attitudes des agriculteurs vis-à-vis des conditions hautement aléatoires dans lesquelles ils travaillent. Ce programme sera dirigé par l'Institut Agronomique et Vétérinaire Hassan II. (Bloc des Sciences Humaines).
3. Un contribution à la vulgarisation agricole dans la zone concernée. La vulgarisation sera dirigée par la Direction de la Mise en Valeur Agricole (Bureau Arido-culture).

—Un comité d'orientation et de coordination, composé des directeurs central et présidé par le Secrétaire Général du Ministère de l'Agriculture et de la Réforme Agraire, sera institué.

—Périodiquement, des réunions seront organisées entre toutes les personnes concernées par le projet, pour discuter les progrès réalisés, les programmes de travail en cours et les problèmes qui se posent.

ARTICLE B. Mise en oeuvre du Projet

1. Activités de recherche agro-économique

Le programme de recherche agro-économique abordera tous les aspects des systèmes de production utilisés par les agriculteurs des zones bours. Cependant, au départ, la priorité sera donnée aux facteurs les plus

yields, namely: tillage practices, including seed bed preparation, method, rate and time of planting; weed control; and soil fertility. Next will come crop varieties, sequences and rotations, disease and insect control, harvesting, handling and storage. A special study will be undertaken to determine the means whereby suitable farming equipment can be made accessible to farmers.

Project activities will be centered at the Dryland Agricultural Research Center located at the Sidi El Aidi Experiment Station which will be developed and equipped and where initial work will begin.

This work will be supported by that of the following central stations of the DRA where specialists of the Center will be detached:

- The central plant pathology station (Rabat)
- The pest control laboratory (Marrakech)
- The service of studies and information (Rabat)
- The central stations for plant improvement (Rabat)
- The laboratory of soil sciences (Rabat)

As soon as the means (human and material) permit, research activities will be extended to a network of experimental stations. Some experiments will be conducted at the National School of

directement essentiels à l'augmentation du rendement, c'est-à-dire: les méthodes de labour, y compris la préparation du lit de semis et la date des semis; le contrôle des mauvaises herbes; et la fertilité des sols. Le programme abordera ensuite les questions relatives aux variétés des cultures et les assolements, le contrôle des maladies et les insectes, la récolte et l'emmagasinement. Une étude spécifique sera entreprise pour déterminer les moyens par lesquels un équipement agricole approprié pourrait être rendu accessible aux agriculteurs.

Les activités du projet se dérouleront au Centre de Recherche en Aridoculture, situé à la station expérimentale de Sidi El Aidi qui sera aménagée et équipée et où les travaux commenceront en premier.

Ces travaux seront appuyés par ceux des stations centrales suivantes de la D.R.A. où des spécialistes du Centre seront détachés:

- La station centrale Phytiatrie (Rabat)
- Le laboratoire de petit vertébré (Marrakech)
- Le service d'études et information (Rabat)
- Les stations centrales d'amélioration des plantes (Rabat)
- Le laboratoire de physique des sols (Rabat)

Dès que les moyens (humains et matériel) le permettront, les essais seront étendus à un réseau de stations expérimentales. Quelques essais seront enterpris à l'école Nationale d'Agriculture

Agriculture (ENA) in the province of Meknes.

The facilities at the Sidi El Aidi Station will include:

1. A seed house for drying, processing, handling and storage of seeds and experimental plant materials;
2. A laboratory for soil and forage analysis;
3. A shop for maintenance and repair of machinery and equipment;
4. A shed for storage of machinery and equipment;
5. Facilities for storage of fertilizers and agricultural chemicals; and
6. Offices for the project staff.

The permanent staff of the agronomic research program will compromise specialists in the following fields:

— Cereal crops
— Legumes
— Forage crops
— Soil science
— Weed science
— Plant pathology
— Entomology
— Economics

These specialists will be assisted by appropriate administrative and technical staff. Certain of the specialists will be at the Dryland Research Center at Sidi El Aidi, and others in the stations and laboratories of DRA mentioned above.

2. Socio-Economic Research Activities

The socio-economic research program will identify and analyze the patterns of technical and

(E.N.A.) dans la province de Meknès.

Les installations de la station de Sidi El Aidi conprendront:

1. Un magasin équipé pour le séchage, le conditionnement et le stockage de semences et du matériel végétal d'expérimentation;
2. Un laboratoire pour les analyses du sol et du fourrage;
3. Un atelier pour l'entretien et les réparations des machines et du matériel;
4. Un hangar pour le dépôt des machines et du matériel;
5. Un magasin pour les engrais et produits chimiques; et
6. des bureaux pour l'équipe du projet.

Le personnel permanent du programme de recherche agronomique comprendra des spécialistes dans les domaines suivants:

— Les cultures céréalières
— Les légumineuses
— Les cultures fourragères
— La science des sols
— La malherbologie
— La phytopathologie
— L'entomologie
— Les sciences économiques

Ces spécialistes seront assistés par un personnel administratif et technique approprié. Certains des spécialistes seront au Centre de Recherche en Aridoculture de Sidi El Aidi, d'autres dans les stations et laboratoires de la D.R.A. susmentionnés.

2. Activités de Recherche Socio-Economique

Le programme de recherche socio-économique aura pour but d'identifier et d'analyser les

economic decisions that dryland farmers make under high risk situations. These decisions are influenced by a number of factors which will be examined, including the following:

(a) Present and former production systems;

(b) Cultural practices and mechanization in relation to productivity;

(c) Value or priority systems held by farmers and their families, based upon their consumption patterns;

(d) Availability and use of production inputs;

(e) Local market structure and farmer participation in it; and

(f) Patterns of social organization in relation to farmer productivity.

The study of these factors should lead to an understanding of the types of farming units and enable one to identify the potential alternatives among which each type of farmer can select. This in turn will provide the basis on which effective programs can be planned whereby farmers can benefit from the results of the agronomic research.

modèles–types de décisions d'ordre technique et économique que les agriculteurs des zones bours prennent dans des situations hautement aléatoires. Ces décisions sont influencées par un certain nombre de facteurs qui seront étudiés, parmi lesquels figurent les suivants:

(a) Les systèmes actuels et anciens de production agricole;

(b) Les pratiques culturales et la mécanisation par rapport à la productivités;

(c) Les aspirations et l'expectation des agricultures et de leurs familles en relation avec les modèles de consommation;

(d) La disponibilité et l'utilisation des moyens de production;

(e) La structure du marché local et la participation de l'agriculteur dans ce marché; et

(f) Les modèles d'organisation sociale par rapport à la productivité de l'agriculteur.

L'étude de ces facteurs devrait mener à une meilleure compréhension des différents types d'unités agricoles et permettre d'identifier les alternatives possibles parmi lesquelles l'agriculteur pourrait choisir. Ceci fournirait la base sur laquelle un programme effectif pourrait être prévu grâce auquel les agriculteurs tireraient profit des résultats de la recherche agronomique.

3. Extension Activities

Project specialists will participate in the elaboration, inspection and interpretation of the results of the demonstration experiments carried out by the DMV (Dryland Agriculture Bureau) in the project area. They will include the extension agents of this zone, who will be brought to Sidi El Aidi for training courses.

The Dryland Agriculture Bureau of DMV may be based at Sidi El Aidi. The personnel of this office will follow the demonstration experiments and will take charge of organizing extension training.

Extension personnel will include an agronomy specialist of high level and five agronomy specialists of medium level.

4. Training

A minimum of thirteen (13) members of the permanent staff of the research program will receive high level post-university (Ph.d. level) training in the United States. Four (4) of these will be in vegetable production: two in cereals, one in legumes and one in forage crops; two (2) in soil science; two (2) in weed science; one (1) in plant pathology; one (1) in pest control; one (1) in entomology, and two (2) in economics.

A minimum of ten (10) other members will receive medium level post-university (M.S. level) training in the same discipline.

All of them will be expected to do their thesis research in Mo-

3. Activité de Vulgarisation

Les spécialistes du projet participeront à l'élaboration, au dépouillement et à l'interprétation des résultats des essais de démonstration réalisée par la D.M.V. (Bureau arico-culture) dans la zone d'action du projet. Ils encadrent les agents de vulgarisation de cette zone, qui seront amenés à passer des stages de recyclage à Sidi El Aidi.

Le Bureau arido-culture de la D.M.V., pourra être basé à Sidi El Aidi. Le personnel de ce bureau suivra les essais de démonstration et s'occupera de l'organisation des stages de vulgarisation.

Le personnel de vulgarization comprendra un spécialiste en agronomie de haut niveau et 5 spécialistes en agronomie de niveau moyen.

4. Activité de Formation

Un minimum de treize (13) membres de personnel permanent du programme de recherche recevront aux Etats-Unis une formation post-universitaire de haut niveau, dont quatre (4) en production végétales: deux (2) en céréales, un (1) en légumineuse et un en fourrage; deux (2) en science du sol; deux (2) en malherbologie, un (1) en phytopathologie, un (1) en petit vertebré, un (1) en entomologie deux (2) en économie.

Un minimum de dix (10) autres membres recevront une formation post-universitaire de niveau moyen dans les mêmes disciplines.

Tous devront effectuer la recherche de leur thèse au Maroc

rocco. It is anticipated that each trainee will spend 2 to 2½ years in the United States.

In addition to the above 23 ingénieurs, up to ten may be selected for specialized or for short-term training in agricultural extension, plant breeding, sociology, economics, and other dryland related fields.

Il est prévu que chaque participant passera 2 à 2 ans et demis aux Etats-Unis.

En plus des 23 ingénieurs ci-dessus, jusqu'à 10 autres ingénieurs pourranient être sélectionnés pour suivre des études spécialisées ou des stages à court terme dans le domaine de la vulgarisation agricole, la phytogénétique, la sociologie, les sciences économiques et autres domaines ayant trait à l'aridoculture.

5. Phases of execution

During the first year of the project, the implementing agencies together with the American contractor, will:

(a) Formulate a detailed set of measureable, end-of-project institutional objectives with respect to structure, location, staffing, research capabilities and coordinating mechanism for the socio-economic and agronomic research and for extension:

(b) Lay out a five-year research program with respect to the various research topics, the objectives of each activity, methodologies, timetables and budget estimates. Such a plan should indicate the degree of progress to be achieved toward reaching farmers with new technologies.

5. Phases d'exécution

Au cours de la première année du projet, les organismes d'exécution, en collaboration avec le contractant américain, devront:

(a) Formuler une liste détaillée des objectifs quantifiables du point de vue organisationnel concernant les possibilités en matière de structures, de l'emplacement des installations, de personnel et de recherche ainsi que des mécanismes de coordination pour la recherche socio-économique et agronomique et la vulgarisation.

(b) Elaborer un programme de recherche sur cinq ans concernant les différents sujets de recherche, les objectifs de chaque activité, les méthodologies, les calendriers, et les estimations budgétaires. Le projet devra indiquer le niveau des progrès devant être réalisés quant à l'accès des nouvelles technologies par les agriculteurs.

ARTICLE C. United States Assistance

Subject to availability of funds, and the mutual agreement of the two parties, the Government of the United States through the Agency for International Development (USAID) expects to provide a total of $4.5 million which will finance the following:

1. The services of an expert to assist the Ministry of Agriculture and Agrarian Reform in the planning and design of the Sidi El Aidi research facilities;
2. A mechanization and equipment study;
3. A resident research team comprising two agronomists specialized in cereal and forage crops respectively, and one soil scientist;
4. Short-term research staff in various fields of specialization;
5. Some agricultural machinery and equipment, a modest amount of fertilizers and agricultural chemicals, some laboratory equipment, and some vehicles; and
6. The training of Moroccan staff.

The role of the United States contract staff will be that of temporary associates in the establishment and operation of the re-

ARTICLE C. Assistance du Gouvernement des Etats-Unis

Sous réserve de la disponibilité des fonds et de l'accord mutuel entre les deux parties, le Gouvernement des Etats-Unis, par le biais de l'Agence Américaine pour le Développement International (USAID), prévoit de fournir un total de 4,5 millions de dollars qui assureront le financement de:

1. Les services d'un expert qui assistera le Ministère de l'agriculture et de la Réforme Agraire dans la planification des études et des installations de recherche de Sidi El Aidi;
2. L'étude relative à la mécanisation et l'équipement;
3. Une équipe de recherche residente comprenant deux agronomes spécialisés respectivement en culture céréalières et cultures fourragères, et un spécialiste en science du sol;
4. Une équipe de recherche à court-terme dans les différents domaines de spécialisation;
5. Des machines et du matériel agricoles, une faible quantité d'engrais et de produits chimiques, de l'équipement de laboratoire et quelques véhicules;
6. La formation du personnel marocain.

Le rôle des scientifigues américains sera celui de collaborateurs temporaires dans la création et l'exécution des programmes de

search programs. They will actively participate in all phases of the activities, as needed, but under no circumstances will they be allowed to function merely as substitutes for Moroccan staff.

ARTICLE D: Contribution of the Government of Morocco

The Government of Morocco will:

1. Finance the cost of developing and constructing the facilities needed at the Sidi Al Aidi Experiment Station;
2. Provide adequate funds for purchasing needed equipment that is not granted by the United States Government;
3. Provide annually and make readily available adequate funds to cover the operating costs of the research programs;
4. Assign a minimum of twenty-three (23) ingénieurs to the project at such a rate as to permit their training during Phase I of the project.

recherche. Ils participeront activement à toutes les phases des activités mais ils ne seront en aucun cas autorisés à suppléer au personnel marocain.

ARTICLE D: Contribution du Gouvernement du Maroc

Le Gouvernement du Maroc devra:

1. Financer les coûts encourus par l'aménagement et la construction des installations requises à la Station Expérimentale de Sidi El Aidi;
2. Fournir les fonds nécessaires à l'achat de l'équipement non octroyé par le Gouvernement des États-Unis;
3. Fournir chaque année et libérer rapidement les fonds requis pour couvrir les coûts de fonctionnement des programmes de recherche;
4. Nommer un minimum de vingt trois (23) ingénieurs au projet à un rythme permettant qu'ilsreçoivent leur formation pendant la phase 1 du projet.

Project No. 608-0136

E. PROJECT FINANCIAL PLAN

(Source & Application of Funding—$ millions)*

	Amount for an incrementally Funded Project					
	Cumulative Obligations/ Commitments as of August 1978		Future Years Anticipated		Total	
	A.I.D.	G.O.M.	A.I.D.	G.O.M.	A.I.D.	G.O.M.
U.S. Contract Advisors	900		1, 600		2, 500	
Participant Training	400		500		900	
Agricultural Equipment and Demonstration Materials	396		104		500	
Local Support Costs	400		200		600	
Research Station Development		1, 000		400		1, 400
Operating Expenses		400		1, 600		2, 000
Totals	2, 096	1, 400	2, 404	1, 600	4, 500	3, 400

* $U.S.=DH 5

Note: The sum of $2,096,000 obligated by this Agreement will be used to finance the first two years of the project's operations. Subsequent increments of financing up to an estimated total of $4,500,000 will be provided as stated in Section 2.2 of this Agreement.

E. PROJET DE PLAN FINANCIER

(Source et Demande de Financement—Millions de Dollars)*

Projet No. 608-0136

Contributions au Projet	Montant affecté à un projet financé par augmentation					
	Engagements Cumulés au Août , 1978		Engagements Anticipés		Total	
	A.I.D.	G.O.M.	A.I.D.	G.O.M.	A.I.D.	G.O.M.
Conseillers américains sous contrat	900		1, 600		2, 500	
Formation des Participants	400		500		900	
Equipement Agricole et Matériel de Démonstration	396		104		500	
Coûts Locaux	400		200		600	
Developpement de la Station de Recherche		1, 000		400		1, 400
Coûts de Fonctionnement		400		1, 600		2, 000
TOTAUX	2, 096	1, 400	2, 404	2, 000	4, 500	3, 400

*$E.U.=DH 5

Remarque: La somme de 2.096,000 dollars engagée au titre de cet Accord sera utilisée pour financer les deux premières années de la mise en oeuvre du projet. Les tranches de financement ultérieures allant jusqu'à une prévision totale de 4.500.000 dollars seront fournies comme stipulé dans la Section 2.2 de cet Accord.

LESOTHO

Southern Africa Manpower Development

Agreement signed at Maseru August 31, 1978;
Entered into force August 31, 1978.

GRANT NO. 78-632-25

A.I.D. Project No. 632-0069

PROJECT GRANT AGREEMENT

Between

LESOTHO

and the

United States of America

for

SOUTHERN AFRICA MANPOWER DEVELOPMENT

APPROP: 72-1181006

ALLOT.: 856-52-632-00-69-81

Dated: 31 August 1978

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ANNEX 1 : AMPLIFIED DESCRIPTION OF THE PROJECT

I. General
- SECTION A : Purpose of the Project
- SECTION B : Training and Technical Assistance
- SECTION C : Project Inputs

II. Procurement and Disbursement
1. Technical Assistance
2. Commodities
3. Construction

III. Housing

IV. Implementation

V. Evaluation

VI. Financial Plan

ANNEX 1 : Attachment I - Request for OPEX Technician

ANNEX 1 : Attachment 2 - Implementation Plan

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 632-0069

PROJECT GRANT AGREEMENT

Dated 31 August, 1978

Between LESOTHO ("Grantee")

and THE UNITED STATES OF AMERICA, acting through THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE 1 : The Agreement.

The purpose of this Agreement is to set out the understandings of the parties names above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2 : The Project.

Section 2.1 : Definition of Project.

The Project, which is further described in Annex I, will assist the Grantee Lesotho, in alleviating critical manpower shortages which exist in the public sector. The project will accelerate localization of key positions in the Lesotho Government by providing practical in-country training and advanced overseas course work, and will provide to the Government of Lesotho the services of operational personnel (OPEX) to manage Lesotho's immediate public sector needs while nationals are being trained as well as to provide on-the-job training. A.I.D. will assist in financing technical assistance, participant training, construction of houses, commodities, and general support costs. Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

Section 2.2 : Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3 : Financing

Section 3.1 : The Grant

To assist the Grantee meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee, under the terms of this Agreement not to exceed U.S.$1,767,000.

It is anticipated that, subject to the conditions in Section 2.2, A.I.D.'s total contribution to the Project will be $9,970,000.

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs as defined in Section 6.2, of goods and services required for the Project.

Section 3.2 : Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project under this Agreement will not be less than the equivalent of U.S. dollars seventy-one thousand ($71,000). It is anticipated that the Grantee's total contribution over the life of the Project will not be less than the equivalent of U.S. dollars one million five-hundred thirty-two thousand ($1,532,000) including costs borne on an "in kind" basis.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

Section 3.3 : Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4 : Conditions Precedent to Disbursement.

Section 4.1 : First Disbursement.

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. A statement of the name of the person holding or acting in the office of the Grantee, specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

Section 4.2 : Conditions Precedent to Construction

Prior to the first disbursement under the Grant for construction services, including any advance payment incident thereto, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) final plans, designs and specifications for the A.I.D.-financed construction;

(b) evidence that sites have been appropriated for this construction; and

(c) an executed contract for construction services for the Project with a firm acceptable to A.I.D.

Section 4.3 : Notification

When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2, have been met, it will promptly notify the Grantee.

Section 4.3 : Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

ARTICLE 5 : Special Covenants

Section 5.1 : Project Evaluation

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how much information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

Section 5.2 : Provision of Technical Assistance

(a) The Parties agree that assignment of A.I.D. technical assistance personnel to work within government institutions of Lesotho will be based on requests by the Grantee in accordance with the criteria for A.I.D.-approval of technical assistance set forth in Annex I, Attachment I thereto; Annex I and subsequent Project Implementation Letters will set forth the dates by which such requests will be made.

(b) The Grantee will sign contracts with each OPEX technician provided under this project. The contract will provide for the pay, allowances, and benefits for such technicians on the same basis as the grantee provides for its officials for a similar grade.

(c) The policy included in Handbook 11, Chapter 1, which requires services of all individuals under the U.S. contract to be U.S. citizens is waived.

Section 5.3 : Selection and Placement of Trainees

The Grantee covenants that, except as A.I.D. may otherwise agree in writing:

(a) it will select within one year after the arrival in Lesotho of each A.I.D.-financed technician, a suitable Mosotho candidate to receive training outside Lesotho in the skills required to eventually assume the position within the Government of Lesotho occupied by that technician; selection of trainees will be submitted as part of the Training Plan described further in Annex I; and

(b) it will take such steps as may be required, including normal bonding procedures, to assure that individuals receiving training outside Lesotho will return to service within the Government either to replace or work with A.I.D.-financed technicians, or to occupy such other position as the Parties may agree to in writing.

Section 5.4 : Support for Trainees

The Grantee covenants to provide, in support of persons selected for training, benefits, allowances and support as described in Annex I to this Agreement.

Section 5.5 : Support for Technical Assistance Personnel

The Grantee covenants to provide, in support of the A.I.D.-financed technical assistance personnel, basic salary, benefits, allowances and support, including staff services, as described in Annex I to this Agreement.

Section 5.6 : Housing

The Grantee covenants that, in addition to the houses being constructed under this Project, it will make available other suitable housing for use by the A.I.D.-financed technicians and their families in the event A.I.D.-financed houses are not then available upon their arrival in Lesotho.

Section 5.7 : A.I.D.-Financed Houses

Except as otherwise agreed to by A.I.D. in writing, title to houses financed by A.I.D. under this Agreement will be vested on the Grantee. Notwithstanding that title is so vested, the Grantee covenants that it will reserve these houses for the use of A.I.D.-financed technicians working on this Project or other A.I.D. projects in Lesotho until such time as the Parties agree that these houses are no longer required for support of this or other A.I.D. projects in Lesotho.

Section 5.8 : Government of Lesotho - Project Manager

The Grantee covenants that it will appoint a Project Manager to administer this Project with special attention provided to the organization of training programs.

ARTICLE 6 : Procurement Source

Section 6.1 : Foreign Exchange Costs

(a) Except as stated below for construction materials and technical services, except for ocean shipping, goods and

services financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing. Ocean shipping financed under the Grant shall be procured in any eligible source country except the Cooperating Country, and except as may be provided in the Project Grant Standard Provisions Annex, Section C.I(b) with respect to marine insurance, or as A.I.D. may otherwise agree in writing, disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services).

(b) Not to exceed approximately U.S. dollars one hundred and seventy-five thousand ($175,000) in construction materials will have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time orders are placed and a contract entered into for such materials.

(c) Subject to certain limitations which will be specified on Project Implementation Letters, technicians may have as their nationality countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time contracts are entered into for such services.

Section 6.2 : Local Currency Costs

(a) Not to exceed U.S. dollars four hundred and sixty-three thousand ($463,000) is authorized for funding of local currency costs for in-country training and construction costs.

(b) Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Lesotho ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provisions of local currency resources required for the Project.

ARTICLE 7 : Disbursement

Section 7.1 : Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or

services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters,

A. requests for reimbursement for such goods or services, or

B. requests for A.I.D. to procure technical assistance or participant training services in Grantee's behalf for the Project, or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts,

A. to one or more U.S. banks, satisfactory to A.I.D., commiting A.I.D. to reimburse such banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or

B. directly to one or more contractors or suppliers, commiting A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

Section 7.2 : Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars; or

(2) by A.I.D.

A. requesting the Grantee to make available the local currency for such costs, and

B. thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favour of the Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which follars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. Dollar equivalent of the local currency made available hereunder, will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

Section 7.3 : Other Forms of Disbursement

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Section 7.4 : Rate of Exchange

Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Lesotho by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Lesotho at the highest rate of exchange which, at the time the conversition is made, is not unlawful in Lesotho.

ARTICLE 8 : Miscellaneous

Section 8.1 : Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee:

Mail Address :

Alternate Address
for Cables :

To A.I.D.

Mail Address : A.I.D.
P.O. Box 750
Mbabane, Swaziland

Alternate Address
for Cables : As above

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be submitted for the above upon the giving of notice. The Grantee, in addition, will provide the U.S. A.I.D. Mission with a copy of each communication sent to A.I.D.

Section 8.2 : Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of

and A.I.D. will be represented by the individual holding or acting in the office of

each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 8.3 : Standard Provisions Annex

An "Amplified Project Description" (Annex 1) and "Project Grant Standard Provisions Annex" (Annex 2)[1] are attached to and form part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

LESOTHO : By : .....[2]

Title : .....

Date : .....

UNITED STATES OF AMERICA :

By : .....[3]

Title : .....

Date : .....

[1] See footnote 1, p. 5444.
[2] E. R. Sekhonyana.
[3] Frank H. Campbell
AID Operations Officer.

ANNEX 1.

AMPLIFIED DESCRIPTION OF THE PROJECT

I. General

A. Purpose of the Project

To alleviate the shortage of skilled manpower in the Government this Project will provide for three types of assistance:

1. Long-term academic training for Lesotho officials from development oriented sectors of the government.

2. Operational personnel (OPEX) to temporarily fill positions in government which will be later filled by participants returning from long-term training.

3. In-service training in Lesotho or other African countries as necessary in direct support of the above-mentioned positions or to make more efficient or effective the organizational units being supported.

The goal which this Project serves, along with other Government of Lesotho (GOL) and U.S. A.I.D. efforts, is to increase the GOL capability and efficiency in planning, designing and implementing national economic and social development programs. For the U.S. these are represented in the U.S. Congress' Mandate to A.I.D., as stated in the Foreign Assistance Act of 1961, as amended. GOL objectives and priorities will be expressed through the GOL National Manpower Development Secretariat, and U.S. objectives and priorities through A.I.D.'s regional office (OSARAC) in Lesotho.

The purpose of this Project is to reduce critical manpower constraints to development mainly in the fields consistent with the U.S. Congressional

Mandate while strengthening the public sectors' institutional capability to meet the development needs of the country. It is expected that at the end of Project there will be:

1. Increased numbers of Basotho nationals in positions of responsibility making substantive inputs into the planning design and implementation of the GOL's development programs.

2. Trained Government personnel to assure maintenance of high level operational efficiency of GOL offices, and

3. Improved GOL project preparation and planning of projects for funding by the Government or by A.I.D. and other donors.

B. Training and Technical Assistance

The GOL will prepare an Annual Training Plan identifying those positions for which it is prepared to release GOL staff for long-term training in preparation for assignment to those positions on completion of training. The plans will be submitted to A.I.D. at times to be specified by A.I.D. in Implementation Letters. Where possible two, and under some circumstances more than two, participants will be trained with selection of incumbent to be made upon return. This training plan, prepared in collaboration with A.I.D., will serve as the basic working document in conduct of the long-term academic training. As a working document this plan will be subject to revisions and change as needed during the year.

A second funciton of the Annual Training Plan will be to identify and propose those positions which are suitable for occupancy by a temporary OPEX officer. Requests for OPEX technicians will demonstrate, insofar as possible, how each satisfies the following criteria.

1. The position is an established one, which is currently vacant or will become vacant at a foreseeable date; the vacancy of the position constitutes a constraint to development;

2. The position is related to development planning, administration, management or implementation. It represents a discrete need which can be met by the provision of a single individual;

3. Failure to fill the vacant position causes or may cause an emergency or critical situation; filling the vacancy will increase the efficiency and/or effectiveness in the unit which will prove valuable to government operation.

4. The vacant position or key supporting position is included in the government plan for localization and a counterpart is available to work with the OPEX technician and/or for training. Give the education and experience of the counterpart.

5. There is a need for training of other personnel within the unit, or supporting units, with whom the OPEX technician will expected to work.

A third activity under the Project will be to identify in-service training needs including short-term advisory training services. The Project will finance short-term non-academic training and in-country or in-region training programs.

1. Short-term non-academic training will include short course study programs, specifically tailored to institutional needs, not undertaken to obtain an academic degree, diploma or certificate. Possible designs could involve training programs at specified technical institutions and work-study attachments to organizations in

Other countries. To the extent possible, this type of training will be offered in specific skills, such as computer program ming, draftsmanship, statistical analysis etc. Participants will be drawn from the support staff or organizational units within GOL ministries. It is anticipated that such training programs usually will be offered to participants who serve on the staffs of organizational units to which an OPEX advisor is assigned. It is estimated that 5 person/months of short-term non-academic training will be offered annually.

2. In-country or in-region training will be conducted at staff training institutions primarily in the Southern Africa region, including Lesotho. By necessity, the courses will be short-term for the purpose of upgrading or expanding specific technical skills and administrative or management capabilities.

   It is estimated that 42 GOL officials wil be trained in the U.S. to fill positions identified in Annual Training Plans and approximately 420 GOL officials will be trained through in-service training programs and courses.

C. Project Inputs

Over the life of the Project, and subject to the availability of funds and agreement by the parties to proceed with the Project, A.I.D. will provide the following inputs:

1. an estimated 90 person/years of long-term OPEX operational services.

2. an estimated 65 person/months of short-term consultant services.

3. support for an estimated 90 person/years of long-term U.S. and African training for government officials.

4. support for an estimated 34 person/months short-term non-academic training for government officials.

5. other costs; support for

   (a) short-term in-country or in-region training estimated at 360 person/months annually (18 courses),

   (b) construction of 10 staff houses for OPEX personnel,

   (c) Special Support Costs - to be used to OPEX personnel with selected services as well as to permit limited local procurement of certain necessary commodities and supplies.

   (d) Contract Support - overhead and other administrative costs allocatable to the contract under which OPEX personnel are to be provided.

Over the life of the Project the Grantee will provide resources to the Project as follows:

Resources and procedures necessary for development and implementation of an Annual Training Plan will be provided in collaboration with OPEX personnel and in coordination with U.S. A.I.D.

Participants for long-term and short-term training will be made available for the period of training, by the GOS through release of GCL officials or through recruitment, and by commitment to continue their employment upon completion of training. GOL will provide a continuance of salary and local expenses allowances, continuation of government housing assignment and other standard GOL benefits for those undergoing similar training. Continuation of employment will normally be based on a two-for-one basis, i.e. at least two years service for each year of training.

The GOL will sign a local contract with each OPEX officer and will pay the basic local salary for each OPEX officer assigned to fill an established position in a Ministry or Department. GOL will provide residential housing and furnishings as necessary to supplement houses constructed under the Project. Other local allowances and employment benefits, such as medical services, travel and holiday leave will be provided on the same basis as for GOL employees of comparable rank. The difference in salary and allowances necessary to recruit OPEX officers from outside Lesotho, will be provided with A.I.D. funds in this Project through the contract mechanism. The GOL component of OPEX salaries will be subject to GOL income tax.

For in-service training, the GOL will provide classroom space, released time for personnel and materials and teaching equipment as available.

II. Procurement and Disbursement

1. Technical Assistance

A.I.D. will contract directly with a U.S. firm or institution, wholly or in part, to supply the services of OPEX and other technical assistance personnel. Disbursements will be made in accordance with the terms of that contract.

2. Commodities

Standard A.I.D. procurement procedures will be used. Further details with regard to the special support budget item will be forthcoming in Project Implementation Letters.

3. Construction

The 10 houses to be funded by A.I.D. under the Project will be financed on a Fixed Amount Reimbursement (FAR) basis.

Under the FAR method, the Grantee will carry out the construction utilizing its own funds and following usual competitive bidding, contracting and construction management procedures. The amount of A.I.D. reimbursement will be fixed in advance, based upon reasonable cost estimates reviewed and approved by A.I.D. A.I.D. will reimburse the Grantee upon verification of the physical completion of the construction, according to design specifications previously reviewed and approved by A.I.D. To relieve financial strain upon the Grantee and to permit construction work to begin expeditiously, A.I.D. is willing to make an advance in an amount up to 50% of its fixed contribution to construction costs.

It should be noted that the emphasis in the "fixed amount reimbursement method" is upon the final output or physical completion of the construction not upon the costs, therefore, documentation supporting actual costs incurred will not be required. Since the amount reimbursable by A.I.D. is fixed it is understood that the Grantee will bear the expense of any cost over-run in building the houses. Details of disbursement procedures and documentation required to request an advance of funds and final reimbursement will be provided at a later date under Project Implementation Letters (PIL). The fixed amount to be reimbursed for construction of each house will be determined upon A.I.D. review of final plans and specifications, and will be specified in a PIL.

III. Housing

A.I.D. will finance the cost of construction of ten staff houses. Construction of these houses will commence as soon as possible after the effective date of this Agreement. Title to a house will be vested in the GOL and shall be reserved for the use of U.S.-financed technical personnel in the U.S. assistance program in those countries. At such time as A.I.D. and the GOL determine that the houses are no longer required for this or other A.I.D. Projects they will be available at the discretion of the GOL for inclusion in the government housing pool.

A.I.D. will approve of housing design, construction costs and contractor selection as set forth in the Standard Provision Annex and in Implementation Letters.

A.I.D. will also monitor housing construction and determine that houses are constructed in compliance with approved plans and specifications.

IV. Implementation

It is expected that a contract will be negotiated with a United States institution, or partially by OSARAC, to provide the OPEX technicians and the short-term consultants.

(a) Annex I attachment 2 is a schedule for Project Implementation and includes estimated dates for initiation or achievement of certain significant Project events.

V. Evaluation

The evaluation plan will include two types of evaluation, one internal and two, external.

Internal evaluations will be made annually by GOL individual OPEX officers through annual reports and by GOL and U.S. A.I.D. through a full-scale annual review to determine progress and possible need for change.

Two major external evaluations are planned, one near mid-term and one near end-of-project. They will be conducted by an evaluation team which will include representatives of AID/Washington and of the contractor. The Scope of Work for these evaluations should include:

1. Validity of selection criteria for the OPEX advisory positions;

2. Extent of the GOL's provision of counterparts for the OPEX advisors;

3. Value of the training programs undertaken under the Project;

4. Retention and success of returned participants in assuming positions filled by OPEX advisors;

5. Degree of difference in the capacity and quality of operations in the organizational units where OPEX advisors have been provided. Judgements should also be made on the effectiveness of contractor's performance; and

6. Recommendation for possible Project extension or for follow-on project.

VI. Financial Plan

An illustrative financial plan follows as Table 1. Obligations by A.I.D. beyond the present fiscal year are subject to the availability of funds and mutual agreement by the Parties to proceed with the Project.

PROJECT FINANCIAL PLAN

(Source and Application of Funding - $ Thousand)

As of August 30, 1978 Project No. 632-0069

PROJECT INPUTS	AMOUNT FOR AN INCREMENTALLY FUNDED PROJECT								
	Cumulative Obligations/ Commitments as of August 30, 1978			Future Years Anticipated.			Total		
	A.I.D.	B/G	OTHER	A.I.D.	B/G	OTHER	A.I.D.	B/G	OTHER
Technical Services	1188	30		5510	841		6698	871	
Participant Training	88	20		880	232		968	252	
Other Costs	487	20		585	160		1072	180	
Contingency	4	1		409	13		413	14	
Inflation				819	215		819	215	
TOTAL	1767	71		8203	1461		9970	1532	

ANNEX 1.

ATTACHMENT 1

Request for OPEX Technician under SAMD

Position :

Government Unit :

Estimated Starting Date :

Estimated Completion Date:

I. Position Description

(a) Attach relevant Government documents: position description, organization chart, etc.

(b) Describe main tasks, including any special functions beyond general position description, for which OPEX technician will be responsible during the contract period.

II. State briefly the basis for the request of a U.S. technician to fill this position. Utilize the following criteria in-so-far as possible:

A. The position is an established one, which is currently vacant or will become vacant at a foreseeable date; the vacancy of the position constitutes a constraint to developmtnt.

B. The position is related to development planning, administration, management or implementation. It represents a discrete need which can be met by the provision of a single individual;

C. Failure to fill the vacant position causes or may cause an emergency or critical situation; filling the vacancy will increase the efficiency and/or effectiveness in the unit which will prove valuable to government operation.

D. The vacant position or key supporting position is included in the government plan for localization and a counterpart is available to work with the OPEX technician and/or for training. Give the education and experience of the counterpart.

E. There is a need for training of other personnel within the unit, or supporting units, with which the U.S. technician will be expected to assist.

III. Position Staffing

Indicate when the position to be filled by the U.S. technician will become vacant. Specify grade level and salary scale.

ANNEX I

ATTACHMENT 2

Implementation Plan

NO.	MONTH	ACTION	AGENCY
1.	Aug. 1978	PP approved by AA/AFR	AID/W
2.	Aug. 1978	Project Agreement prepared	OSARAC
3.	Aug. 1978	Project Agreement signed	OSARAC/GOL
4.	Sep. 1978	OPEX Advisory needs developed	OSARAC
5.	Sep. 1978	PIO/T for contractor services issued	OSARAC/ AID/W
6.	Sep. 1978	IFB prepared for housing construction and issued	OSARAC/ REDSO/GOL
7.	Nov. 1978	Housing construction begins	GOL/REDSO
8.	Nov. 1978	Counterparts selected for OPEX advisors	OSARAC/GOL
9.	Dec. 1978	Award of contract	AID/W/OSARAC
10.	Jan. 1979	Initial PIO/P's issued for out-of-country training (1979/1980)	OSARAC/
11.	Feb. 1979	OPEX nominations submitted to GOL	AID/W/OSARAC
12.	Mar. 1979	Housing construction completed	GOL/REDSO
13.	Apr. 1979	First OPEX advisors arrive	AID/OSARAC/ GOL
14.	Aug. 1979	Training programs for 1980/1981 developed	GOL/OSARAC
14.	Oct. 1979	First internal evaluation; PAR	OSARAC/GOL
16.	Oct. 1979	Review OPEX staffing needs	OSARAC/GOL
17.	Nov. 1979	Instructions to contractor for OPEX recruitment	OSARAC/AID/W
18.	Dec. 1979	OPEX nomination submitted to GOL	AID/W/OSARAC
19.	Jan. 1980	Participants selected; PIOP's issued for out-of-country training (1980/1981)	OSARAC/GOL
20.	Jan. 1980	OPEX advisors arrive	AID/W/OSARAC/ GOL

NO.	MONTH	ACTION	AGENCY
21.	Jul. 1980	Training program for 1981/1982 developed	OSARAC/GOL
22.	Aug. 1980	First external evaluation; PAR	AID/OSARAC/ GOL
23.	Sep. 1980	Review OPEX staffing needs	OSARAC/GOL
24.	Oct. 1980	Instructions to contractor OPEX recruitment	OSARAC/AID/W
24.	Nov. 1980	OPEX nominations submitted to GOL	AID/W/OSARAC
26.	Jan. 1981	Participants selected; PIO/P's issued for out-of-country training (1981/1982)	OSARAC/GOL/ AID/W
27.	Jan. 1981	OPEX advisors arrive	AID/W/OSARAC GOL
28.	Apr. 1981	Review OPEX staffing needs	OSARAC/GOL
29.	May 1981	Instructions to contractor for OPEX recruitment	OSARAC/AID/W
30.	June 1981	OPEX nominations submitted to GOL	AID/W/OSARAC
31.	Aug. 1981	Second internal evaluation	
32.	Sep. 1981	Training programs for 1982/1983 developed	OSARAC/GOL
33.	Sep. 1981	OPEX advisors arrive	AID/W/OSARAC/ GOL
34.	Jan. 1982	Participants selected; PIO/P's issued for out-of-country training (1982/1983)	OSARAC/GOL/ AID/W
35.	Aug. 1982	Third internal evaluation; PAR	OSARAC/GOL
36.	Sep. 1983	Final project evaluation	AID/W/OSARAC/ GOL

SWAZILAND

Southern Africa Manpower Development

Agreement signed at Mbabane August 31, 1978;
Entered into force August 31, 1978.

GRANT NUMBER: 78-645-26
A.I.D. Project No. 645-0069

PROJECT GRANT AGREEMENT BETWEEN SWAZILAND AND THE UNITED STATES OF AMERICA FOR SOUTHERN AFRICA MANPOWER DEVELOPMENT

Dated: 31 August 1978

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ANNEX I: Amplified Description of the Project

I. General

Section A: Purpose of the Project
Section B: Training and Technical Assistance
Section C: Project Inputs

II. Procurement and Disbursement

1. Technical Assistance
2. Commodities
3. Construction

III. Housing

IV. Implementation

V. Evaluation

VI. Financial Plan

ANNEX 1: Attachment 1 – Request for OPEX Technician

ANNEX 1: Attachment 2 – Implementation Plan

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 645-0069

PROJECT GRANT AGREEMENT DATED AUGUST 31, 1978 BETWEEN SWAZILAND ("GRANTEE") AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1.: Definition of Project

The Project will assist Swaziland in alleviating critical manpower shortages which exist in the public sector. The Project will accelerate localization of key positions in the Swaziland Government by providing practical in-country training and advanced overseas course-work, and will provide to the Government of Swaziland the services of operational personnel (OPEX) to manage Swaziland's immediate public sector needs while nationals are being trained as well as to provide on-the-job training.

A.I.D. will assist in financing technical assistance, participant training, construction of houses, commodities, and general support costs. Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2.: Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D. based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1.: The Grant

To assist the Grantee to meet the costs of carrying out the Project,

A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed One million, six hundred fifty-five thousand U.S. Dollars ($1,655,000). It is anticipated that, subject to the conditions in Section 2.2, A.I.D.'s total contribution to the Project will be $9,292,000.

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2.: Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project under this Agreement will not be less than the equivalent of U.S. Dollars Two Hundred Twenty-Two Thousand ($222,000). It is anticipated that over the life of the project, three million twenty-five thousand ($3,025,000 including costs borne on an "in-kind" basis will be provided by the Grantee.

SECTION 3.3.: Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

ARTICLE 4: Conditions Precedent to Disbursement

SECTION 4.1.: First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. A statement of the name of the person holding or acting in the office of the Grantee, specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 4.2.: Conditions Precedent to Construction

(a) Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance the construction of technicians' housing, the Grantee shall furnish in form and substance satisfactory to A.I.D., written evidence that adequate land is available and that such land has been allocated for A.I.D.-financed project housing. The Grantee may, however, provide such evidence as is satisfactory to A.I.D. that adequate housing will be issued to the A.I.D.-financed technicians on a timely basis and that such housing may be used by the A.I.D. technicians until sites are identified and allocated and construction completed on technicians' homes.

(b) Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance the construction of technicians' housing, the Grantee shall furnish in form and substance satisfactory to A.I.D. final plans and specifications inclusive of evidence indicating that appropriate sites have been allocated for this purpose.

SECTION 4.3.: Notification

When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2, have been met, it will promptly notify the Grantee.

SECTION 4.4.: Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the grantee.

ARTICLE 5: Special Covenants

SECTION 5.1.: Project Evaluation

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;
(b) identification and evaluation of problems or constraints which may inhibit such attainment;
(c) assessment of how such information may be used to help overcome such problems; and
(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2.: Provision of Technical Assistance

(a) The Parties agree that assignment of A.I.D. technical assistance personnel to work within government institutions of Swaziland will be based on requests by the Grantee in accordance with the criteria for A.I.D.-approval of technical assistance set forth in Annex I Attachment I thereto, Annex I and subsequent Project Implementation Letters will set forth the dates by which such requests will be made.
(b) The Grantee will sign contracts with each OPEX technician provided under this Project. The contract will provide for the pay, allowances, and benefits for such technicians on the same basis as the Grantee provides for its officials for a similar grade.
(c) The Grantee will take such steps as may be practicable, including the establishment of dual incumbency positions where feasible, to maximize the extent of overlap of A.I.D. technical assistance personnel with Grantee personnel trained under the Project.

SECTION 5.3.: Selection and Placement of Trainees

The Grantee convenants that, except as A.I.D. may otherwise agree in writing:

(a) it will select within one year after the arrival in Swaziland of each A.I.D.-financed technician, a suitable Swazi candidate to receive training outside Swaziland in the skills required to eventually assume the position within the Government of Swaziland occupied by that technician; selection of trainees will be submitted as part of the Training Plan described further in Annex I; and
(b) it will take such steps as may be required, including normal bonding procedures, to assure that individuals receiving training outside Swaziland will return to service within the Govern-

ment either to replace or work with A.I.D.-financed technicians, or to occupy such other positions commensurate with their training as the Parties may agree to in writing.

SECTION 5.4.: Support for Trainees

The Grantee covenants to provide, in support of persons selected for training, benefits, allowances and support as described in Annex I to this Agreement.

SECTION 5.5.: Support for Technical Assistance Personnel

The Grantee covenants to provide, in support of the A.I.D.-financed technical assistance personnel, basic salary, benefits, allowances and support, including staff services, as described in Annex I to this Agreement.

SECTION 5.6.: Housing

The Grantee covenants that, in addition to the houses being constructed under this Project, it will make available other suitable housing for use by the A.I.D.-financed technicians and their families in the event A.I.D.-financed houses are not then available upon their arrival in Swaziland.

SECTION 5.7: A.I.D.-Financed Houses

Except as otherwise agreed to by A.I.D. in writing, title to houses financed by A.I.D. under this Agreement will be vested in the Grantee. Notwithstanding that title is so vested, the Grantee covenants that it will reserve these houses for the use of A.I.D.-financed technicians working on this Project or other A.I.D. projects in Swaziland until such time as the Parties agree that these houses are no longer required for support of this or other A.I.D. projects in Swaziland.

SECTION 5.8: Government of Swaziland – Project Manager

The Grantee covenants that it will appoint a Project Manager to administer this Project with special attention provided to the organization of training programs.

ARTICLE 6: Procurement Source

SECTION 6.1.: Foreign Exchange Costs

(a) Except for ocean shipping, goods and services financed by A.I.D. under the Project shall have their source and origin in the cooperating country or in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing. Ocean shipping financed under the Grant shall be procured in any eligible source country except the cooperating country.

(b) Not to exceed One Hundred Seventy Five Thousand U.S. dollars ($175,000), construction materials will have their source and

origin in countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time orders are placed a contract entered into for such materials.

(c) Subject to certain limitations which will be specified on Project Implementation Letters, technicians may have as their nationality countries included in Code 935 of the A.I.D. Geographic Code Book in effect at the time contracts are entered into for such services.

SECTION 6.2.: Local Currency Costs

(a) Not to exceed U.S. dollars Four Hundred Sixty Thousand ($460,000) is authorized for funding local currency costs for in-country training and construction.

(b) Disbursements pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Swaziland ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provisions of local currency resources required for the Project.

ARTICLE 7: Disbursement

SECTION 7.1.: Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursement of funds under the Grant for the Foreign Exchange Costs of goods for services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters,

A. requests for reimbursement for such goods or services, or

B. requests for A.I.D. to procure technical assistance or participant training services in Grantee's behalf for the Project, or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts,

A. to one or more U.S. banks, satisfactory to A.I.D., commiting A.I.D. to reimburse such banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or

B. directly to one or more contractors or suppliers, commiting A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2: Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars; or

(2) by A.I.D.

A. requesting the Grantee to make available the local currency for such costs, and

B. thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favour of the Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. Dollar equivalent of the local currency made available hereunder, will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3: Other Forms of Disbursement

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4: Rate of Exchange

Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Swaziland by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into

currency of Swaziland at the highest rate of exchange which, at the time the conversation is made, is not unlawful in Swaziland.

ARTICLE 8: Miscellaneous

SECTION 8.1: Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

TO THE GRANTEE:

Mail Address: Prime Minister's Office
Department of Economic Planning and Statistics
P.O. Box 602
Mbabane, Swaziland

Alternate Address for Cables:

To A.I.D.:

Mail Address: A.I.D.
P.O. Box 750
Mbabane, Swaziland

Alternate Address for Cables: As above

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be submitted for the above upon the giving of notice. The Grantee, in addition, will provide the U.S. A.I.D. Mission with a copy of each communication sent to A.I.D.

SECTION 8.2: Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting as Permanent Secretary, Department of Planning and Statistics and A.I.D. will be represented by the individual holding or acting in the office of Regional Development Officer each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3: Standard Provisions Annex

An "Amplified Project Description" (Annex 1) and "Project Grant Standard Provisions Annex" (Annex 2) [1] are attached to and form part of this Agreement.

[1] See footnote 1, p. 5474.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

SWAZILAND

By: Z. A. KHUMALO

H.E.Z.A. Khumalo
Title: *Acting Prime Minister*
Date: 31 AUGUST 1978

UNITED STATES OF AMERICA

By: TED D. MORSE

Ted D. Morse
Title: *Acting Regional Development Officer*
Date: 31 AUGUST 1978

ANNEX 1

Amplified Description of the Project

I. General

A. Purpose of the Project

To alleviate the shortage of skilled manpower in the Government this Project will provide for three types of assistance:

1. Long-term academic training for Lesotho officials from development oriented sectors of the government.
2. Operational personnel (OPEX) to temporarily fill positions in government which will be later filled by participants returning from long-term training.
3. In-service training in Swaziland or other African countries as necessary in direct support of the above-mentioned positions or to make more efficient or effective the organizational units being supported.

The goal which this Project serves, along with other Government of Swaziland (GOS) and U.S. A.I.D. efforts, is to increase the GOS capability and efficiency in planning, designing and implementing national economic and social development programs. For the U.S. these are represented in the U.S. Congress' Mandate to A.I.D., as stated in the Foreign Assistance Act of 1961, as amended. GOS objectives and priorities will be expressed through the GOS Department of Establishments and

Training, and U.S. objectives and priorities through A.I.D.'s regional office (OSARAC) in Swaziland.

The purpose of this Project is to reduce critical manpower constraints to development mainly in the fields consistent with the U.S. Congressional Mandate while strengthening the public sectors' institutional capability to meet the development needs of the country. It is expected that at the end of Project there will be:

1. Increased numbers of Swazi nationals in positions of responsibility making substantive inputs into the planning design and implementation of the GOS's development programs.
2. Trained Government personnel to assure maintenance of high level operational efficiency of GOS offices, and
3. Improved GOS project preparation and planning of projects for funding by the Government or by A.I.D. and other donors.

B. Training and Technical Assistance

The GOS will prepare an Annual Training Plan identifying those positions for which it is prepared to release GOS staff for long-term training in preparation for assignment to those positions on completion of training. The plans will be submitted to A.I.D. in Implementation Letters. Where possible two, and under some circumstances more than two, participants will be trained with selection of incumbent to be made upon return. This training plan, prepared in collaboration with A.I.D., will serve as the basic working document in conduct of the long-term academic training. As a working document this plan will be subject to revisions and change as needed during the year.

A second function of the Annual Training Plan will be to identify and propose those positions which are suitable for occupancy by a temporary OPEX officer. Requests for OPEX technicians will demonstrate, insofar as possible, how each satisfies the following criteria.

1. The position is an established one, which is currently vacant or will become vacant at a foreseeable date; the vacancy of the position constitutes a constraint to development;
2. The position is related to development planning, administration, management or implementation. It represents a discrete need which can be met by the provision of a single individual;
3. Failure to fill the vacant position causes or may cause an emergency or critical situation; filling the vacancy will increase the efficiency and/or effectiveness in the unit which will prove valuable to government operation.
4. The vacant position or key supporting position is included in the government plan for localization and a counterpart is available to work with the OPEX technician and/or for

training. Give the education and experience of the counterpart.

5. There is a need for training of other personnel within the unit, or supporting units, with whom the OPEX technician will expected to work.

A third activity under the Project will be to identify in-service training needs including short-term advisory training services. The Project will finance short-term non-academic training and in-country or in-region training programs.

1. Short-term non-academic training will include short course study programs, specifically tailored to institutional needs, not undertaken to obtain an academic degree, diploma or certificate. Possible designs could involve training programs at specified technical institutions and work-study attachments to organizations in other countries. To the extent possible, this type of training will be offered in specific skills, such as computer programming, draftsmanship, statistical analysis etc. Participants will be drawn from the support staff or organizational units within GOS ministries. It is anticipated that such training programs usually will be offered to participants who serve on the staffs of organizational units to which an OPEX advisor is assigned. It is estimated that 5 person/months of short-term non-academic training will be offered annually.
2. In-country or in-region training will be conducted at staff training institutions primarily in the Southern Africa region, including Swaziland. By necessity, the courses will be short-term for the purpose of upgrading or expanding specific technical skills and administrative or management capabilities.

   It is estimated that 42 GOS officials will be trained in the U.S. to fill positions identified in Annual Training Plans and approximately 420 GOS officials will be trained through in-service training programs and courses.

C. Project Inputs

Over the life of the Project, and subject to the availability of funds and agreement by the parties to proceed with the Project, A.I.D. will provide the following inputs:

1. an estimated 90 person/years of long-term OPEX operational services.
2. an estimated 65 person/months of short-term consultant services.
3. support for an estimated 90 person/years of long-term U.S. and African training for government officials.
4. support for an estimated 34 person/months short-term non-academic training for government officials.
5. other costs; support for

(a) short-term in-country or in-region training estimated at 360 person/months annually (18 courses),
(b) construction of 10 staff houses for OPEX personnel,
(c) Special Support Costs—to be used to OPEX personnel with selected services as well as to permit limited local procurement of certain necessary commodities and supplies.
(d) Contract Support—overhead and other administrative costs allocatable to the contract under which OPEX personnel are to be provided.

Over the life of the Project The Grantee will provide resources to the Project as follows:

Resources and procedures necessary for development and implementation of an Annual Training Plan will be provided in collaboration with OPEX personnel and in coordination with U.S. A.I.D.

Participants for long-term and short-term training will be made available for the period of training, by the GOS through release of GOS officials or through recruitment, and by commitment to continue their employment upon completion of training. GOS will provide a continuance of salary and local expenses allowances, continuation of government housing assignment and other standard GOS benefits for those undergoing similar training. Continuation of employment will normally be based on a two-for-one basis, i.e. at least two years service for each year of training.

The GOS will sign a local contract with each OPEX officer and will pay the basic local salary for each OPEX officer assigned to fill an established position in a Ministry or Department. GOS will provide residential housing and furnishings as necessary to supplement houses constructed under the Project. Other local allowances and employment benefits, such as medical services, travel and holiday leave will be provided on the same basis as for GOS employees of comparable rank. The difference in salary and allowances necessary to recruit OPEX officers from outside Swaziland, will be provided with A.I.D. funds in this Project through the contract mechanism.

For in-service training, the GOS will provide classroom space, released time for personnel and materials and teaching equipment as available.

II. Procurement and Disbursement

1. Technical Assistance

A.I.D. will contract directly with a U.S. firm or institution, wholly or in part, to supply the services of OPEX and other technical assistance personnel. Disbursements will be made in accordance with the terms of that contract.

2. Commodities

Standard A.I.D. procurement procedures will be used. Further details with regard to the special support budget item will be forthcoming in Project Implementation Letters.

3. Construction

The 10 houses to be funded by A.I.D. under the Project will be financed on a Fixed Amount Reimbursement (FAR) basis.

Under the FAR method, the Grantee will carry out the construction utilizing its own funds and following usual competitive bidding, contracting and construction management procedures. The amount of A.I.D. reimbursement will be fixed in advance, based upon reasonable cost estimates reviewed and approved by A.I.D. A.I.D. will reimburse the Grantee upon verification of the physical completion of the construction, according to design specifications previously reviewed and approved by A.I.D. To relieve financial strain upon the Grantee and to permit construction work to begin expeditiously, A.I.D. is willing to make an advance in an amount up to 50% of its fixed contribution to construction costs.

It should be noted that the emphasis in the "fixed amount reimbursement method" is upon the final output or physical completion of the construction not upon the costs, therefore, documentation supporting actual costs incurred will not be required. Since the amount reimbursable by A.I.D. is fixed it is understood that the Grantee will bear the expense of any cost over-run in building the houses. Details of disbursement procedures and documentation required to request an advance of funds and final reimbursement will be provided at a later date under Project Implementation Letters (PIL). The fixed amount to be reimbursed for construction of each house will be determined upon A.I.D. review of final plans and specifications, and will be specified in a PIL.

III. Housing

A.I.D. will finance the cost of construction of ten staff houses. Construction of these houses will commence as soon as possible after the effective date of this Agreement. Title to a house will be vested in the GOS and shall be reserved for the use of U.S.-financed technical personnel in the U.S. assistance program in those countries. At such time as A.I.D. and the GOS determine that the houses are no longer required for this or other A.I.D. Projects they will be available at the discretion of the GOL for inclusion in the government housing pool.

A.I.D. will approve of housing design, construction costs and

contractor selection as set forth in the Standard Provision Annex and in Implementation Letters.

A.I.D. will also monitor housing construction and determine that houses are constructed in compliance with approved plans and specifications.

IV. Implementation

It is expected that a contract will be negotiated with a United States institution, or partially by OSARAC, to provide the OPEX technicians and the short-term consultants.

(a) Annex I attachment 2 is a schedule for Project Implementation and includes estimated dates for initiation or achievement of certain significant Project events.

V. Evaluation

The evaluation plan will include two types of evaluation, one internal and two, external.

Internal evaluations will be made annually by GOS individual OPEX officers through annual reports and by GOS and U.S. A.I.D. through a full-scale annual review to determine progress and possible need for change.

Two major external evaluations are planned, one near mid-term and one near end-of-project. They will be conducted by an evaluation team which will include representatives of AID/Washington and of the contractor. The Scope of Work for these evaluations should include:

1. Validity of selection criteria for the OPEX advisory positions;
2. Extent of the GOS's provision of counterparts for the OPEX advisors;
3. Value of the training programs undertaken under the Project;
4. Retention and success of returned participants in assuming positions filled by OPEX advisors;
5. Degree of difference in the capacity and quality of operations in the organizational units where OPEX advisors have been provided. Judgements should also be made on the effectiveness of contractor's performance; and
6. Recommendation for possible Project extension or for follow-on project.

VI. Financial Plan

An illustrative financial plan follows as Table 1. Obligations by A.I.D. beyond the present fiscal year are subject to the availability of funds and mutual agreement by the Parties to proceed with the Project.

PROJECT FINANCIAL PLAN

(Source and Application of Funding—$ Thousand)

As of August 30, 1978

Project No. 632-0069

Project Inputs	Amount for an Incrementally Funded Project								
	Cumulative Obligations/Commitments as of August 30, 1978			Future Years Anticipated			Total		
	A.I.D.	B/G	Other	A.I.D.	B/G	Other	A.I.D.	B/G	Other
Technical Services	1, 072	80		4, 892	1, 504		5, 964	1, 584	
Participant Training	88	40		880	752		968	792	
Other Costs	487	100		585	110		1, 072	210	
Contingency	8	2		489	23		497	25	
Inflation	—	—		791	414		791	414	
Total	1, 655	222		7, 637	2, 803		9, 292	3, 025	

ANNEX I

Attachment 1

Request for OPEX Technician under SAMD

Position:
Government Unit:
Estimated Starting Date:
Estimated Completion Date:

I. Position Description

(a) Attach relevant Government documents: position description, organization chart, etc.
(b) Describe main tasks, including any special functions beyond general position description, for which OPEX technician will be responsible during the contract period.

II. State briefly the basis for the request of a U.S. technician to fill this position. Utilize the following criteria in-so-far as possible:

A. The position is an established one, which is currently vacant or will become vacant at a foreseeable date; the vacancy of the position constitutes a constraint to development.
B. The position is related to development planning, administration, management or implementation. It represents a discrete need which can be met by the provision of a single individual;
C. Failure to fill the vacant position causes or may cause an emergency or critical situation; filling the vacancy will increase the efficiency and/or effectiveness in the unit which will prove valuable to government operation.
D. The vacant position or key supporting position is included in the government plan for localization and a counterpart is available to work with the OPEX technician and/or for training. Give the education and experience of the counterpart.
E. There is a need for training of other personnel within the unit, or supporting units, with which the U.S. technician will be expected to assist.

III. Position Staffing

Indicate when the position to be filled by the U.S. technician will become vacant. Specify grade level and salary scale.

ANNEX I

Attachment 2

Implementation Plan

NO.	MONTH	ACTION	AGENCY
1.	Aug. 1978	PP approved by AA/AFR	AID/W
2.	Aug. 1978	Project Agreement prepared	OSARAC
3.	Aug. 1978	Project Agreement signed	OSARAC/GOS
4.	Sep. 1978	OPEX Advisory needs developed	OSARAC
5.	Sep. 1978	PIO/T for contractor services issued	OSARAC/AID/W
6.	Sep. 1978	IFB prepared for housing construction and issued	OSARAC/REDSO/GOS
7.	Nov. 1978	Housing construction begins	GOS/REDSO
8.	Nov. 1978	Counterparts selected for OPEX advisors	OSARAC/GOS
9.	Dec. 1978	Award of contract	AID/W/OSARAC
10.	Jan. 1979	Initial PIO/P's issued for out-of-country training (1979/1980)	OSARAC
11.	Feb. 1979	OPEX nominations submitted to GOS	AID/W/OSARAC
12.	Mar. 1979	Housing construction completed	GOS/REDSO
13.	Apr. 1979	First OPEX advisors arrive	AID/OSARAC/GOS
14.	Aug. 1979	Training programs for 1980/1981 developed	GOS/OSARAC
15.	Oct. 1979	First internal evaluation; PAR	OSARAC/GOS
16.	Oct. 1979	Review OPEX staffing needs	OSARAC/GOS
17.	Nov. 1979	Instructions to contractor for OPEX recruitment	OSARAC/AID/W
18.	Dec. 1979	OPEX nomination submitted to GOS	AID/W/OSARAC
19.	Jan. 1980	Participants selected; PIO/P's issued for out-of-country training (1980/1981)	OSARAC/GOS
20.	Jan. 1980	OPEX advisors arrive	AID/W/OSARAC GOS
21.	Jul. 1980	Training program for 1981/1982 developed	OSARAC/GOS
22.	Aug. 1980	First external evaluation; PAR	AID/W/OSARAC/GOS
23.	Sep. 1980	Review OPEX staffing needs	OSARAC/GOS
24.	Oct. 1980	Instructions to contractor OPEX recruitment	OSARAC/AID/W
25.	Nov. 1980	OPEX nominations submitted to GOS	AID/W/OSARAC
26.	Jan. 1981	Participants selected; PIO/P's issued for out-of-country training (1981/1982)	OSARAC/GOS
27.	Jan. 1981	OPEX advisors arrive	AID/W/OSARAC/GOS
28.	Apr. 1981	Review OPEX staffing needs	OSARAC/GOS
29.	May 1981	Instructions to contractor for OPEX recruitment	OSARAC/AID/W
30.	June 1981	OPEX nominations submitted to GOS	AID/W/OSARAC
31.	Aug. 1981	Second internal evaluation	

NO.	MONTH	ACTION	AGENCY
32.	Sep. 1981	Training programs for 1982/1983 developed	OSARAC/GOS
33.	Sep. 1981	OPEX advisors arrive	AID/W/OSARAC/GOS
34.	Jan. 1982	Participants selected; PIO/P's issued for out-of-country training (1982/1983)	OSARAC/GOS/AID/W
35.	Aug. 1982	Third internal evaluation; PAR	OSARAC/GOS
36.	Sep. 1983	Final project evaluation	AID/W/OSARAC/GOS

SRI LANKA

Development Services and Training

Agreement signed at Colombo August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Project Number 383-0044

PROJECT

GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA

and the

UNITED STATES OF AMERICA

for

DEVELOPMENT SERVICES AND TRAINING

Dated: August 31, 1978

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project Number: 383-0044

PROJECT GRANT AGREEMENT

Dated August 27, 1978

Between

The Government of the Republic of Sri Lanka ("Grantee")

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1 Definition of Project. The Project which is further described in Annex 1, will finance studies related to priority Grantee rural development projects, short term training, short term consultants, and the development of an Information Center at the Agrarian Research and Training Institute. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D. based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed one million United States ("U.S.") Dollars ($1,000,000) ("Grant").

The grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project. The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

SECTION 3.3 Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1981, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which the disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

(a) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 4.2 Individual Disbursements

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement associated respectively with each study, consultant, or training program or for the ARTI Information Center to be financed under the Project, the Cooperating Country will furnish in form and substance satisfactory to A.I.D., as follows:

1. Evidence that the Cooperating Country will provide local costs and support for each study financed under the Grant, an explanation of the relationship of each such study to the development program of the Cooperating Country, and identification of the Ministry and individual within that Ministry responsible for the study;

2. A statement of the preliminary terms of reference for work by each consultant financed under the Grant, together with a description of local support to be provided to the consultant by the Cooperating Country, and an explanation of the relationship of the consultant's work to the development program of the Cooperating Country;

3. A statement of the relationship of each training proposal to be financed under the Grant to the development program of the Cooperating Country; and

4. The name of the person designated as Project Manager (Director) of the ARTI Information Center Project along with that person's authority for day to day implementation of the project.

SECTION 4.3 Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4 Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 30 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1 Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters,
(A) requests for reimbursement for such goods or services, or,
(B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.3. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Sri Lanka by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Sri Lanka at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Sri Lanka.

Article 8. Miscellaneous

SECTION 8.1 Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address: Director, External Resources Department
Ministry of Finance & Planning
Colombo 1, Sri Lanka

Alternate address for cables: FORAID
Colombo, Sri Lanka

To A.I.D.:

Mail Address: Director, USAID Colombo
c/o American Embassy
Colombo, Sri Lanka

Alternate address for cables: USAID AMEMBASSY
Colombo, Sri Lanka

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2 Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Director of External Resources Department, Ministry of Finance & Planning and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID Sri Lanka, each of whom, by written notice may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3 Standard Provisions Annex. A Project Grant Standard Provisions Annex (Annex 2)[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF THE REPUBLIC OF SRI LANKA	UNITED STATES OF AMERICA
By: W.M. Tilakaratna	By: W. Howard Wriggins
Name: W.M. Tilakaratna Secretary, Ministry of Finance and Planning	Name: W. Howard Wriggins American Ambassador

[1] See footnote 1, p. 5495.

Annex 1

A. Project Description

The purpose of this project is to provide a sound basis for long-term rural development and to strengthen institutional capabilities to carry out a development program. Under the project, funds are made available to carry out studies in development topics mutually agreed to between the Government of Sri Lanka and A.I.D., to provide short-term training in areas related to rural development, to provide consultants for short periods of time, and to contribute to the expansion of an Information Center at the Agrarian Research and Training Institute. The bulk of funds being made available are for studies. These studies may provide information important to determining policy with regard to aspects of development programs or may provide the basis for specific projects to be subsequently undertaken by the Government of Sri Lanka. The first study financed under the grant will be a Mahaweli Basin Environmental Assessment. The External Resources Department of the Ministry of Finance and Planning will coordinate other Ministry requests for the use of funds provided under this grant.

B. Project Financial Plan
(Source and Application of Funding - $ Thousands)

As of August , 1978 Project No. 383-0044

Project Inputs	Cumulative Inputs As of August ,1978		Future Years Anticipated		Total
	A.I.D.	GSL 1/	A.I.D.	GSL	
Studies	750		1014		1764
Training	92		185		277
Consultants	24		48		72
ARTI Information Center	100		250		350
Miscellaneous	34		103		137
	1000		1600		2600

1/ To be determined. [Footnote in the original.]

REPUBLIC OF CHINA

Navy Medical Research Unit

Agreement extending the agreement of March 30, April 26 and October 14, 1955, as amended and extended.
Effected by exchange of notes
Signed at Taipei October 3 and 14, 1978;
Entered into force October 14, 1978.

The American Charge d'Affaires ad interim to the Chinese Minister of Foreign Affairs

No. 436 TAIPEI, *October 3, 1978*

EXCELLENCY:

I have the honor to refer to the Agreement between the Government of the United States of America and the Government of the Republic of China, effected by exchange of notes, dated October 14, 1955, and extended by exchange of notes, dated October 14, 1975, [1] concerning the establishment of the United States Naval Medical Research Unit, hereinafter designated as NAMRU-2.

It is the understanding of the Government of the United States that, unless extended by mutual agreement or unless the NAMRU-2 research project is abandoned by the United States or discontinued by mutual agreement, the present arrangements shall be extended for one year from October 14, 1978.

Upon receipt of a note from your Excellency accepting the foregoing proposal on behalf of the Government of the Republic of China, the Government of the United States of America will consider that this note and your Excellency's reply constitute an agreement between our two governments.

WILLIAM A. BROWN
Chargé d'Affaires ad interim

His Excellency
SHEN CH'ANG-HUAN,
Minister of Foreign Affairs,
Taipei.

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[1] TIAS 3493, 3720, 8960; 7 UST 173, 3453; 29 UST 2621.

The Chinese Minister of Foreign Affairs to the American Ambassador

本照會及　閣下復照構成兩國政府間之協定。」等由。

本部長茲代表本國政府接受

貴大使館來照所提建議，並證實此兩照會即構成

貴我兩國政府間之協定。

本部長順向

貴大使重申崇高之敬意。

此致

美利堅合衆國駐中華民國大使安克志閣下

沈昌煥

中華民國六十七年十月十四日於台北

中華民國 陸拾柒年拾月拾叁日發文

外(67)北美一 20720

照 會

接准

貴大使館代辦本年十月三日第四三六號照會內開：

「查設立美國海軍第二醫學研究所（以下簡稱第二海醫所）事，前經中華民國政府及美利堅合衆國政府於一九五五年十月十四日換文達成協定，並於一九七五年十月十四日換文予以延展。

「美國政府瞭解：本協定各項辦法，除非經雙方同意延展，或因該第二海醫所之研究計劃為美國政府所放棄，或經雙方同意而終止，其有效期間自一九七八年十月十四日起延展一年。

「美國政府於接准 閣下代表中華民國政府接受上述建議之照會時，即認為

English Text of the Chinese Note

MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA

NAM 78- 20720 Taipei, October 14, 1978

Excellency:

I have the honor to acknowledge receipt of your Chargé d'Affaires' Note No. 436 dated October 3, 1978 reading as follows:

"I have the honor to refer to the agreement between the Government of the United States of America and the Government of the Republic of China, effected by exchange of notes, dated October 14, 1955, and extended by exchange of notes, dated October 14, 1975, concerning the establishment of the United States Naval Medical Research Unit, hereinafter designated as NAMRU-2.

"It is the understanding of the Government of the United States that, unless extended by mutual agreement or unless the NAMRU-2 research project is abandoned by the United States or discontinued by mutual agreement, the present arrangements shall be extended for one year from October 14, 1978.

"Upon receipt of a note from Your Excellency accepting the foregoing proposal on behalf of the Government of the Republic of China, the Government of the United States of America will consider that this note and Your Excellency's reply constitute an agreement between our two governments."

In reply, I have the honor to state that the Government of the Republic of China accepts the proposal set forth in the note under reference and to confirm that these two notes shall constitute an agreement between our two governments.

Please accept, Excellency, the renewed assurances of my highest consideration.

C. H. Shen

Shen Chang-huan

His Excellency
Leonard Unger
Ambassador Extraordinary & Plenipotentiary
of the United States of America
to the Republic of China
Taipei

INDONESIA

Sederhana Irrigation and Land Development: Loan

Agreement signed at Jakarta August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Loan No. 497-T-054

Project No. 497-0252

PROJECT

LOAN AGREEMENT

BETWEEN

THE REPUBLIC OF INDONESIA

and the

UNITED STATES OF AMERICA

for

SEDERHANA (SIMPLE) IRRIGATION AND

LAND DEVELOPMENT II

Dated: August 31, 1978

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

[2] Not printed herein. For text, see TIAS 9501; *ante*, p. 5145.

A.I.D. Loan No. 497-T-054

Project No. 497-0252

PROJECT LOAN AGREEMENT

Dated August 31, 1978

Between THE REPUBLIC OF INDONESIA ("Borrower")

And THE UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.")

Article 1. The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, is designed to assist the Ministry of Public Works (MPW) and the Ministry of Agriculture (MOA) to plan and, with participation from the farmers, to implement Sederhana (simple) irrigation and land development systems; to increase food crop production; and to increase income and employment opportunities in the rural areas included within the Project. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend the Borrower under the terms of this Agreement not to exceed fourteen million seven hundred thousand United States ("U.S.") dollars ($14,700,000) ("Loan"). The aggregate amount of disbursement under the Loan is referred to as "Principal". The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. $12,200,000 including costs borne on an "in-kind" basis.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" ("PACD"), which is August 31, 1983, or such other date as the Parties agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within thirty (30) years from the date of the first disbursement of the Loan in forty-one (41) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after final disbursement under the Loan.

SECTION 4.3. Application, Currency and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of Indonesia, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the Office of Borrower's Minister of Finance in Indonesia.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Minister of Justice that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the Office of the Borrower specified in Section 9.2 and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) The time schedule for the evaluation program referred to in Section 6.1.

SECTION 5.2. Disbursement for Construction Activities.

Prior to disbursement under the Loan or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for construction activities, the Borrower, will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Detailed criteria for selection of irrigation subprojects which includes economic, environmental and social factors.

(b) A mutually agreed technical basis for approving subprojects.

(c) A written statement setting forth the disbursement procedures to be used, including a flat rate per hectare where applicable, for the following cost items: (i) survey and design of land preparation, (ii) survey and design of major works and tertiary canals and on-farm water distribution systems, and (iii) construction of major works and tertiary canals and on-farm water distribution systems.

(d) An implementation plan which will include a time phased schedule of events necessary to complete the systems and evidence that adequate staff will be assigned to such activity.

SECTION 5.3. Disbursement for Land Preparation.

Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for land preparation the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. an implementation plan and a statement setting forth the disbursement procedures to be used for such activities.

SECTION 5.4. Disbursement for Water-User Associations. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the establishment of Water-User Associations the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. an implementation plan and a statement setting forth the disbursement procedures to be used for such activities.

SECTION 5.5. Disbursement for Training Activities Commenced After January 1980. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for training activities commenced after January 1980, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. a comprehensive training plan for the Project.

SECTION 5.6. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1, 5.2, 5.3, 5.4 and 5.5 have been met, it will promptly notify the Borrower.

SECTION 5.7. Terminal Dates for Conditions Precedent. If all the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or

such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation or problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Criteria for Sederhana Irrigation Subprojects. Borrower covenants that throughout the life of the Project all Sederhana irrigation subprojects will be selected in accordance with the selection criteria approved by the Borrower and A.I.D. and constructed in accordance with the design and construction criteria approved by the Borrower and A.I.D.

SECTION 6.3. Training. Borrower covenants that throughout the life of the Project all training activities shall conform with a training plan which has been approved by the Borrower and A.I.D.

SECTION 6.4. Operation and Maintenance of Completed Subprojects. Borrower covenants that all completed subprojects will be operated and maintained in a satisfactory operating condition throughout the life of the Project pursuant to an operation and maintenance plan approved by Borrower and A.I.D.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 will be used exclusively to finance the costs of goods and services required for the Project

having their source and, except as A.I.D. may otherwise agree in writing, their origin in Indonesia ("Local Currency Costs").

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs. These disbursements may be made by A.I.D.:

(1) in U.S. dollars equivalent to the local currency cost, or

(2) in local currency acquired by A.I.D. by purchase or from local currency already owned by the U.S. Government.

SECTION 8.3. Other Forms of Disbursement.

Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. If funds provided under the Loan are introduced into Indonesia by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into

currency of Indonesia at the highest rate of exchange which at the time the conversion is made, is not unlawful in Indonesia.

SECTION 8.5. Date of Disbursement. Disbursement by A.I.D. will be deemed to occur (a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order; (b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Mail Address: Departemen Luar Negeri
Jalan Pejambon No. 6
Jakarta Pusat, Indonesia

Alternate address for telegrams: DEPLU Jakarta

To A.I.D.:

Mail Address: United States Agency for International Development
American Embassy
Jakarta, Indonesia

Alternate address for telegrams: USAID AMEMB Jakarta

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the Office of Chairman or Vice Chairman, National Development Planning Agency ("BAPPENAS") and A.I.D. will be represented by the individual holding or acting in the Office of Director, United States A.I.D. Mission to Indonesia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA

By: M. Panggabean
M. Panggabean
Minister for Foreign Affairs, ad interim

UNITED STATES OF AMERICA

By: Paul F. Gardner
Paul F. Gardner
Charge d'Affaires ad interim

[1] See footnote 1, p. 5512.

COLOMBIA

Trade in Textiles and Textile Products

Agreement effected by exchange of notes
Signed at Bogotá August 3, 1978;
Entered into force August 3, 1978;
Effective July 1, 1978.
And amending agreement
Effected by exchange of notes
Signed at Bogotá November 29 and December 21, 1978;
Entered into force December 21, 1978.

The American Ambassador to the Colombian Minister of Foreign Relations

No. 685 BOGOTA, *August 3, 1978*

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 23, 1973, [1] and extended by Protocol adopted on December 14, 1977 [2] at Geneva (hereinafter referred to as the Arrangement). I have also the honor to refer to discussions between representatives of the Government of the United States of America and the Government of the Republic of Colombia, held in Bogota from May 8 to May 13, 1978, concerning exports of cotton, wool, and man-made fiber textiles and textile products from the Republic of Colombia to the United States of America. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Republic of Colombia and the United States of America.

1. The term of this Agreement shall be from July 1, 1978, through June 30, 1982. During such term, the Government of the Republic of Colombia will limit exports of cotton, wool and man-made fiber textiles and textile products to the United States during each agree-

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[1] Should read "December 20, 1973". TIAS 7840; 25 UST 1001.
[2] TIAS 8939; 29 UST 2287.

ment year to the limits and consultation levels specified in the following paragraphs.

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

Group	Definition
I	Yarns of cotton, wool and man-made fibers (Categories 300, 301, 400, 600–605).
II	Fabric and made-up and miscellaneous non-apparel products of cotton, wool and man-made fibers (Categories 310–320, 360–369, 410–429, 464–469, 610–627, 665–669).
III	Apparel of cotton, wool and man-made fibers (Categories 330–359, 431–459, 630–659).

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 8. The Categories referred to in the above definitions of Groups are those summarized in Annex A.

3. Each "Agreement Year" shall begin July 1 and end on June 30, with the first agreement year commencing on July 1, 1978 and ending on June 30, 1979. "Limit" or "Limits" means, as the context requires, a Group Limit or Specific Limit, or any combination thereof. "Flexibility" means the amount by which a Specific Limit may be exceeded pursuant to paragraph 6.

4. The Group Limit applicable to Group III for the first agreement year is 37 million square yards equivalent. For the second and each succeeding agreement year, the Group Limit applicable to Group III shall be increased by seven percent (7%) annually. The limits referred to in this paragraph are without adjustments under any other provision of this Agreement.

5. Within applicable Group Limits, the following Specific Limits shall apply for the first agreement year:

Category	Limit (In Square Yards Equivalent)
313 (Sheeting)	8, 500, 000
443 (Suits, men's & boys)	609, 750
633 (Suit type coats, men's & boys)	2, 400, 000
641 (Blouses)	1, 800, 000

For the second and each succeeding agreement year, and within applicable Group Limits, each Specific Limit shall be increased by seven percent (7%) annually except Specific Limits for wool categories, which shall be increased by one percent (1%) annually. The limits referred to in this paragraph are without adjustment under any other provision of this Agreement.

6. During any agreement year, and within applicable Group Limits for such agreement year as they may be adjusted pursuant to paragraph 7, any Specific Limit may be exceeded by not more than:

A. Ten percent (10%) for cotton and man-made fiber products in Groups I and II.
B. Seven percent (7%) for cotton and man-made fiber apparel in Group III; and
C. Five percent (5%) for all wool products.

Adjustments made pursuant to this paragraph are in addition to those made pursuant to paragraph 7.

7. (A) In any agreement year, in addition to any adjustment pursuant to paragraph 6 in the case of a Specific Limit, exports may exceed by a maximum of eleven percent (11%) (six percent (6%) during the first agreement year) any Group or Specific Limit by allocating to such limit for that agreement year an unused portion of the corresponding limit for the previous agreement year (carryover) or a portion of the corresponding limit for the succeeding agreement year (carry forward) subject to the following conditions:

(I) Carryover may be utilized as available up to eleven percent (11%) of the receiving agreement year's applicable limits, provided, however, that no carryover shall be available for application during the first agreement year.

(II) Except in the first agreement year, to which carryover does not apply, the combination of carryover and carry forward may not exceed eleven percent (11%) of the receiving agreement year's applicable limit.

(III) Carry forward may be utilized up to six percent (6%) of the receiving agreement year's applicable limit and charged against the immediately following agreement year's corresponding limit.

(IV) Carryover of shortfall (as defined in subparagraph 7(B)) shall not be applied to any Group or Specific Limits until the Governments of the Republic of Colombia and the United States of America have completed consultations upon the amounts involved. If substantial statistical differences exist between the import and export data from which shortfall for a given agreement year is computed, the parties shall consult as soon as possible and in any case within the first six months of the succeeding agreement year.

(B) For purposes of this Agreement, a shortfall occurs when exports of textiles and textile products of Colombian origin to the United States during an agreement year are below any applicable Group and

Specific Limit for that agreement year. In the agreement year following the shortfall, such exports from Colombia to the United States may be permitted to exceed the Group and Specific Limits subject to conditions of subparagraph (A) of this paragraph by carryover of shortfall in the following manner:

(I) The carryover shall not exceed the amount of shortfall in either the applicable Group or Specific Limit.

(II) In the case of shortfall in a Category (or a combination of Categories) subject to a Specific Limit, the shortfall shall be used in the same Category (or combination of Categories) in which the shortfall occurred, and

(III) In the case of shortfalls not attributable to Categories (or combinations of Categories) subject to Specific Limits, the carryover shall be used in the same group in which the shortfall occurred.

(C) The limits referred to in subparagraphs (A) and (B) of this paragraph are without any adjustment under this paragraph or paragraph 6.

(D) The total adjustment under this paragraph shall be in addition to the adjustment to the limits permitted by paragraph 6.

8. (A) In implementing this Agreement, the system of Categories and the rates of conversion into square yards equivalent listed in the Annex A hereto shall apply.

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

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

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

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

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

9. Categories not subject to Specific Limits are subject to consultation levels and, in Group III, to the specified Group Limit. In the event the Government of the Republic of Colombia wishes to permit exports to the United States in any Category in excess of the

applicable consultation level during any agreement year, the Government of the Republic of Colombia shall request consultation with the Government of the United States of America and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of the Republic of Colombia shall limit exports to the United States in the Category in question to the applicable consultation level. Except as specified in Annex B, the annual consultation level for each Category not subject to a Specific Limit shall be one million (1,000,000) square yards equivalent for Categories 300–320, 360–369, 600–627, 665–669; seven hundred thousand (700,000) square yards equivalent for Categories 330–359 and 630–659; and one hundred thousand (100,000) square yards equivalent for Categories 400–469.

10. The Governments of the Republic of Colombia and the United States of America will study carefully the trade of the knit and woven products that make up Category 633, and they commit themselves, in the event that one of the two countries considers that the evolution of this trade is inconvenient, to carry out consultations in which they will make every effort to reach a mutually agreeable solution.

11. The Government of the Republic of Colombia shall use its best efforts to space exports from the Republic of Colombia to the United States of America within each Category evenly throughout the agreement year, taking into consideration normal seasonal factors. Exports from Colombia in excess of authorized limits for each agreement year will, if allowed entry into the United States pursuant to this Agreement be charged to the applicable limits or levels for the succeeding agreement year.

12. The two Governments recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of the Republic of Colombia with data on monthly imports of cotton, wool, and man-made fiber textiles from the Republic of Colombia. The Government of the Republic of Colombia shall promptly supply the Government of the United States of America with data on monthly exports of products covered by this Agreement to the United States. Each government agrees to supply promptly any other available relevant statistical data requested by the other government.

13. In conformity with Article 12, Paragraph (3) of the Arrangement, and subject to certification under the system established by exchange of letters dated May 25, 1976, between the two governments or pursuant to arrangements established under paragraph 16, Colombian exports of handloom fabrics of the cottage industry, or handmade cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products shall not be subject to the provisions of this Agreement.

14. The Government of the Republic of Colombia and the Government of the United States of America agree to consult on any question arising in the implementation of this Agreement. If the two governments are unable to reach a mutually satisfactory solution within a reasonable period of time to problems which have been the subject of consultations under this Agreement, either government may, after notification to the other government, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Arrangement.

15. Shipments of textiles and apparel from the Republic of Colombia to the United States of America individually valued at less than 250 dollars and so certified, shall not be charged to the limits or consultation levels set out in this Agreement.

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

17. If the Government of the Republic of Colombia considers that, as a result of limitations specified in this Agreement, it is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of Colombia may request consultations with the Government of the United States of America with a view to taking remedial action such as a reasonable modification of this Agreement. These consultations will begin within thirty (30) days from the date of request, unless mutually agreed otherwise.

18. During the term of this Agreement, the Government of the United States of America will not request restraint on the export of cotton, wool and man-made fiber textiles from Colombia to the United States under Article 3 of the Arrangement. The applicability of the Arrangement to trade in textiles between Colombia and the United States shall be otherwise unaffected by this Agreement.

19. For the first agreement year, each government shall maintain statistical records on imports or exports, as appropriate, of cotton suits, the component parts of which have been charged to two or more of the following Categories: 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Republic of Colombia prior to the end of the first agreement year whether it wishes to establish separate Categories for cotton suits. If the Government of the United States of America so indicates, the Government of the Republic of Colombia agrees to concur and cooperate in such establishment. The establishment of such Categories would neither decrease nor increase the total access to the United States market available to Colombia in Categories 333, 334, 335, 342, 347, 348 and the new cotton suit Categories, without the two governments agreeing to such changes.

20. Both governments shall take appropriate measures of export and import control to implement the limitation provisions of this

Agreement. The nature of these measures may be a matter of discussions between the two governments.

21. Either government may terminate this Agreement effective at the end of any agreement year by written notice to the other government to be given at least ninety (90) days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this Agreement.

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

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

DIEGO C. ASENCIO

His Excellency
Doctor INDALECIO LIEVANO AGUIRRE,
Minister of Foreign Relations,
Bogota

ANNEX A

Category	Description	Conversion Factor (SYE/UNIT)	Unit of Measure
Yarn			
Cotton			
300	Carded	4. 6	LB.
301	Combed	4. 6	LB.
Wool			
400	Tops and Yarn	2. 0	LB.
Man-Made Fiber			
600	Textured	3. 5	LB.
601	Cont. Cellulosic	5. 2	LB.
602	Cont. Noncellulosic	11. 6	LB.
603	Spun Cellulosic	3. 4	LB.
604	Spun Noncellulosic	4. 1	LB.
605	Other Yarns	3. 5	LB.
Fabric			
Cotton			
310	Ginghams	1. 0	SYD
311	Velveteens	1. 0	SYD
312	Corduroy	1. 0	SYD
313	Sheeting	1. 0	SYD
314	Broadcloth	1. 0	SYD
315	Printcloths	1. 0	SYD

Category	Description	Conversion Factor (SYE/UNIT)	Unit of Measure
316	Shirtings	1.0	SYD
317	Twills and Sateens	1.0	SYD
318	Yarn-Dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other Fabrics, N.K.	1.0	SYD
	Wool		
410	Woolens and Worsted	1.0	SYD
411	Tapestries and Upholstery	1.0	SYD
425	Knit	2.0	LB.
429	Other Fabrics	1.0	SYD
	Man-Made Fiber		
610	Cont. Cellulosic, N.K.	1.0	SYD
611	Spun Cellulosic, N.K.	1.0	SYD
612	Cont. Noncellulosic, N.K.	1.0	SYD
613	Spun Noncellulosic, N.K.	1.0	SYD
614	Other Fabrics, N.K.	1.0	SYD
625	Knit	7.8	LB.
626	Pile and Tufted	1.0	SYD
627	Specialty	7.8	LB.
	Apparel		
	Cotton		
330	Handkerchiefs	1.7	DZ.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-Type Coats, M and B	36.2	DZ.
334	Other Coats, M and B	41.3	DZ.
335	Coats, W, G and I	41.3	DZ.
336	Dresses (Inc. Uniforms)	45.3	DZ.
337	Playsuits, Sunsuits, Washsuits, Creepers	25.0	DZ.
338	Knit Shirts, (Inc. T-Shirts, Other and Sweatshirts) M and B	7.2	DZ.
339	Knit Shirts and Blouses (Inc. T-Shirts, Other and Sweatshirts) W, G and I	7.2	DZ.
340	Shirts, N. K.	24.0	DZ.
341	Blouses, N. K.	14.5	DZ.
342	Skirts	17.8	DZ.
345	Sweaters	36.8	DZ.
347	Trousers, Slacks, and Shorts (Outer) M and B	17.8	DZ.
348	Trousers, Slacks and Shorts (Outer) W, G and I	17.8	DZ.
349	Brassieres, etc.	4.8	DZ.
350	Dressing Gowns, Inc. Bathrobes, and Beach Robes, Lounging Gowns House Coats, and Dusters	51.0	DZ.
351	Pajamas and Other Nightwear	52.0	DZ.
352	Underwear (Inc. Union Suits)	11.0	DZ.
359	Other Apparel	4.6	LB.

Category	Description	Conversion Factor (SYE/UNIT)	Unit of Measure
Wool			
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-Type Coats, M and B	3.0	NO.
434	Other Coats, M and B	4.5	NO.
435	Coats, W, G and I	4.5	NO.
436	Dresses	4.1	NO.
438	Knit Shirts and Blouses	15.0	DZ.
440	Shirts and Blouses, N.K.	24.0	DZ.
442	Skirts	1.5	NO.
443	Suits, M and B	4.5	NO.
444	Suits, W, G, and I	4.5	NO.
445	Sweaters, M and B	14.88	DZ.
446	Sweaters, W, G and I	14.88	DZ.
447	Trousers, Slacks, and Shorts (Outer) M and B	1.5	NO.
448	Trousers, Slacks and Shorts (Outer) W, G and I	1.5	NO.
459	Other Wool Apparel	2.0	LB.
Man-Made Fiber			
630	Handkerchiefs	1.7	DZ.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-Type Coats, M and B	36.2	DZ.
634	Other Coats, M and B	41.3	DZ.
635	Coats, W, G and I	41.3	DZ.
636	Dresses	45.3	DZ.
637	Playsuits, Sunsuits, Washsuits, etc.	21.3	DZ.
638	Knit Shirts (Inc. T-Shirts), M and B	18.0	DZ.
639	Knit Shirts and Blouses (Inc. T-Shirts), W, G and I	15.0	DZ.
640	Shirts, N.K.	24.0	DZ.
641	Blouses, N.K.	14.5	DZ.
642	Skirts	17.8	DZ.
643	Suits, M and B	4.5	NO.
644	Suits, W, G and I	4.5	NO.
645	Sweaters, M and B	36.8	DZ.
646	Sweaters, W, G and I	36.8	DZ.
647	Trousers, Slacks, and Shorts (Outer), M and B	17.8	DZ.
648	Trousers, Slacks and Shorts (Outer), W, G and I	17.8	DZ.
649	Brassieres, etc.	4.8	DZ.
650	Dressing Gowns, Inc. Bath and Beach Robes	51.0	DZ.
651	Pajamas and Other Nightwear	52.0	DZ.
652	Underwear	16.0	DZ.
659	Other Apparel	7.8	LB.
Cotton			
360	Pillowcases	1.1	NO.
361	Sheets	6.2	NO.
362	Bedspreads and Quilts	6.9	NO.
363	Terry and Other Pile Towels	0.5	NO.
369	Other Cotton Manufactures	4.6	LB.

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Category	Description	Conversion Factor (SYE/UNIT)	Unit of Measure
Wool			
464	Blankets and Auto Robes	1.3	LB.
465	Floor Covering	0.1	SFT
469	Other Wool Manufactures	2.0	LB.
Man-Made Fiber			
665	Floor Coverings	0.1	SFT
666	Other Furnishings	7.8	LB.
669	Other Man-Made Manufactures	7.8	LB.

ANNEX B

Annual Designated Consultation Levels in Excess of Those Stated in Paragraph 9 of the Agreement

	Annual Consultation Level (Square Yards Equivalent)
300/301 (Cotton Yarn)	23, 000, 000
310 (Gingham)	3, 200, 000
312 (Corduroy)	1, 500, 000
314 (Broadcloth)	2, 600, 000
315 (Printcloth)	3, 000, 000
317 (Twills & Sateen)	13, 500, 000
320 (Other Fabric)	7, 000, 000
410 (Woolens & Worsted)	400, 000
614 (Other Fabric)	1, 600, 000
347 (Trousers, Men's & Boys)	1, 600, 000
348 (Trousers, Women's, Girls & Infants)	1, 600, 000
336 (Dresses)	1, 600, 000
433 (Suit Type Coats, Men's & Boys)	245, 820
435 (Coats, Women's, Girls & Infants)	300, 000
447 (Trousers, Men's & Boys)	300, 000
459 (Other Wool Apparel)	150, 000
634 (Other Coats, Men's & Boys)	2, 000, 000
635 (Coats, Women's, Girls & Infants)	1, 900, 000
636 (Dresses)	1, 600, 000
639 (Knit Shirts & Blouses, Women's Girls & Infants)	3, 000, 000
644 (Suits, Women's Girls & Infants)	1, 500, 000
652 (Underwear)	1, 600, 000

The Colombian Minister of Foreign Relations to the American Ambassador

REPUBLICA DE COLOMBIA
MINISTERIO DE RELACIONES EXTERIORES

Bogotá. D.E., agosto 3 de 1978

Excelencia:

Tengo el honor de referirme a la nota de Vuestra Excelencia - No. 685, de 3 de agosto de 1978, que a la letra dice:

"Excelencia:

Tengo el honor de referirme al Acuerdo Relativo al Comercio Internacional de los Textiles, junto con sus Anexos, hecho en Ginebra el 23 de diciembre de 1973 y prorrogado por el Protocolo adoptado el 14 de - diciembre de 1977 en Ginebra (de ahora en adelante llamado el Acuerdo). También, tengo el honor de referirme a las deliberaciones entre los representantes del Gobierno de los Estados Unidos de América y del Gobierno de la República de Colombia, celebradas en Bogotá del 8 al 13 de mayo de 1978, respecto a las exportaciones de textiles y manufacturas de textiles de algodón, lana y fibras sintéticas de la República de Colombia hacia los Es_

A Su Excelencia
el Señor DIEGO C. ASENCIO
Embajador Extraordinario y Plenipotenciario
Estados Unidos de América
CIUDAD.-

tados Unidos de América. Como resultado de tales deliberaciones y de conformidad con los Artículos 4 y 6 del Acuerdo, tengo el honor de proponer el siguiente Convenio relacionado con el comercio de textiles y manufacturas de textiles de algodón, lana y fibras sintéticas entre la República de Colombia y los Estados Unidos de América.

1. La duración de este Convenio será desde el 1 de Julio de 1978 hasta el 30 de Junio de 1982. Durante este período, el Gobierno de la República de Colombia limitará las exportaciones de textiles y manufacturas de textiles de algodón, lana y fibras sintéticas a los Estados Unidos, durante cada año del Convenio, a los límites y niveles de consulta que se especifican en los siguientes parágrafos.

2. Los textiles y manufacturas de textiles incluídos en este Convenio se clasificarán en tres grupos, como sigue:

Grupo	Definición
I	Hilazas de algodón, de lana y de fibras sintéticas (Categorías 300, 301, 400, 600-605).
II	Tejidos, manufacturas y productos varios que no sean prendas de vestir, de algodón, lana, y fibras sintéticas (Categorías 310-320, 360-369, 410-429, 464-469, 610-627, 665-669).

III Prendas de vestir de algodón, lana y fibras sintéticas (Categorías 330-359, 431-459, 630-659).

La determinación acerca de si un textil o una manufactura textil es de algodón, lana o fibra sintética, se tomará de acuerdo con los términos del Parágrafo 8. Las Categorías que se mencionan en las anteriores definiciones de Grupos son las que aparecen resumidas en el Anexo A.

3. Cada "Año del Convenio" empezará el 1o. de Julio y terminará el 30 de Junio. El primer año del Convenio se iniciará el 1o. de Julio de 1978 y terminará el 30 de Junio de 1979. El "Límite" o los "Límites" significan, según el contexto respectivo, un Límite de Grupo o un Límite Específico, o cualquier combinación de los mismos. "Flexibilidad" significa la cantidad en la cual puede excederse un Límite Específico de acuerdo al Parágrafo 6.

4. El Límite de Grupo aplicable al Grupo III para el primer año del Convenio es el equivalente a 37 millones de yardas cuadradas. Para el segundo y cada uno de los años subsiguientes del Convenio, el Límite de Grupo aplicable al Grupo III, será incrementado anualmente en siete por ciento (7%). Los límites que se mencionan en este parágrafo están sin los ajustes -

previstos en cualquiera otra de las disposiciones de este Convenio.

5. Dentro de los Límites de Grupo aplicables, se aplicarán los siguientes Límites Específicos durante el primer año del Convenio:

Categoría	Límite (En el equivalente de yardas cuadradas)
313 (Lencería o sheeting)	8.500.000
443 (Vestidos, para hombres y niños)	609.750
633 (Socos estilo sastre, para hombres y niños)	2.400.000
641 (Blusas)	1.800.000

Para el segundo y cada uno de los subsiguientes año del Convenio, y dentro de los Límites de Grupo aplicables, cada Límite Específico se incrementará anualmente en un siete por ciento (7%) excepto los Límites Específicos para las categorías de lana, los cuales se incrementarán anualmente en el uno por ciento (1%). Los límites que se mencionan en este parágrafo están

sin los ajustes previstos en cualquier otra de las disposiciones de este Convenio.

6. Durante cualquier año del Convenio, y dentro de los Límites de Grupo aplicables para ese año, tal como pueden ajustarse conforme al parágrafo 7, cualquier Límite Específico puede superarse en una cantidad que no exceda de:

A. Diez por ciento (10%) para manufacturas de algodón y fibras sintéticas en los Grupos I y II.

B. Siete por ciento (7%) para prendas de vestir de algodón y fibras sintéticas en el Grupo III, y

C. Cinco por ciento (5%) para todos los productos de lana.

Los ajustes que se efectúen de conformidad con este parágrafo son adicionales a los que se hagan de acuerdo con el parágrafo 7.

7. (A) En cualquier año del Convenio, además de cualquier ajuste que se haga conforme al parágrafo 6 en el caso de un Límite Específico, las exportaciones pueden exceder en un máximo de once por ciento

(11%), (seis por ciento (6%) durante el primer año) cualquier límite de Grupo o Específico, asignando a tal límite para ese año una parte no utilizada del Límite correspondiente al año anterior (carryover) o una parte del límite correspondiente al año subsiguiente (carry forward), sujeto a las siguientes condiciones:

(I) El "carryover" puede utilizarse, si hay disponibilidad, hasta el once por ciento (11%) de los límites aplicables del año receptor del Convenio. No habrá "carryover" durante el primer año del Convenio.

(II) Excepto en el primer año del Convenio, al cual no se le aplica el "carryover", la combinación de "carryover" y "carry forward" no podrá exceder el once por ciento (11%) del límite aplicable del año receptor.

(III) El "carry forward" puede utilizarse hasta por el seis por ciento (6%) del Límite aplicable al año receptor del Convenio, cargándolo contra el límite correspondiente al año inmediatamente subsiguiente del Convenio.

(IV) El "carryover" del remanente (shortfall") (como se define

en el inciso (B) del parágrafo 7) no se aplicará a ninguno de los Límites de Grupo o Específicos hasta que los Gobiernos de la República de Colombia y los Estados Unidos de América hayan terminado sus consultas sobre las cantidades involucradas. Si existen considerables diferencias estadísticas entre los datos de importación y exportación con base en los cuales se computa el remanente ("shortfall") para un determinado año del Convenio, las partes se consultarán a la mayor brevedad posible y en todo caso, dentro de los primeros seis meses del año subsiguiente del Convenio.

(B) Para los propósitos de este Convenio, un remanente ocurre cuando las exportaciones de textiles y manufacturas de textiles de origen colombiano a los Estados Unidos durante un año del Convenio, sean menores que cualquier Límite de Grupo y Específico aplicable para ese año. En el año del Convenio que sigue al remanente, se puede permitir que tales exportaciones de Colombia a los Estados Unidos excedan los Límites de Grupo y Específicos, sujetas a las condiciones del inciso (A) de este párrafo por el "carryover" del remanente, en la siguiente forma:

(I) El "carryover" no podrá exceder la cantidad del remanente en el Límite del Grupo o en el Límite Específico aplicable.

(II) En el caso de remanente en uno Categoría (o una combi_ noción de Categorías) sujetas a un Límite Específico, éste será utilizado en la mismo categoría (o combinación de categorías) en que haya ocurri_ do, y

(III) En el caso de remanentes que no sean atribuibles a Cate_ gorías (o combinoción de Categorías) sujetas a Límites Específicos, el "carryover" será utilizado en el mismo grupo en que haya ocurrido rema_ nente.

(C) Los límites mencionados en los incisos (A) y (B) de este parágrafo están sin ningún ajuste de los previstos en éste o en el parágra_ fo 6.

(D) El ajuste total contemplado en este porágrafo será odicio_ nal al ajuste de los límites permitido por el parágrafo 6.

8. (A) Al implementar este Convenio, se oplicarán el sistema de Categorías y los Foctores de conversión al equivalente en yardas cua_ drodas que se anotan en el Anexo A adjunto.

(B) Las mechas, hilazas, géneros que se venden por piezas, confecciones, prendas de vestir y otros productos textiles manufacturados, que derivan sus principales características de sus componentes textiles, -

de algodón, lana, fibras sintéticas, o mezclas de las mismas, en las cuales una o todas esas fibras en combinación representan el valor principal de las fibras o el cincuenta por ciento (50%) o más por peso (o el diez y siete por ciento (17%) o más por el peso de la lana) del producto, están sometidos a los términos de este Convenio.

(C) Para fines de este Convenio, los productos de textiles se clasificarán como textiles de algodón, lana o fibras sintéticas, si están compuestos totalmente o en su valor principal, de cualquiera de estas fibras. Cualquiera de los productos mencionados en el inciso (B) de este párrafo, pero que no tengan valor principal de algodón, lana o fibras sintéticas, serán clasificados como sigue:

(I) Textiles de algodón: si contienen el cincuenta por ciento (50%) o más de su peso en algodón, o si el componente de algodón excede en peso al componente de lana y/o de fibra sintética.

(II) Textiles de lana: si no son de algodón y si la lana iguala o excede por peso en el diez y siete por ciento (17%) a todas las fibras componentes.

(III) Textiles de fibras sintéticas: si no es aplicable ninguno

de los casos anteriores.

9. Las Categorías que no estén sometidas a Límites Específicos, están sujetas a niveles de consulta y en el Grupo III, al Límite de Grupo Específico. En el caso de que el Gobierno de la República de Colombia desee autorizar exportaciones a los Estados Unidos en cualquier Categoría, en exceso del nivel de consulta aplicable, durante cualquier año del Convenio, solicitará consultas con el Gobierno de los Estados Unidos de América y éste, atenderá tales consultas. Hasta que no se haya logrado un acuerdo sobre un nivel distinto de exportaciones, el Gobierno de la República de Colombia las limitará en la Categoría en cuestión, al nivel de consulta aplicable. Con excepción de lo especificado en el Anexo B, el nivel de consulta anual para cada Categoría que no esté sometida a un Límite Específico, será el equivalente a un millón (1'000.000) de yardas cuadradas para las Categorías 300-320, 360-369, 600-627 y 665-669; el equivalente de setecientas mil (700.000) yardas cuadradas para las Categorías 330-359 y 630-659; y el equivalente de cien mil (100.000) yardas cuadradas para las Categorías 400-469.

10. Los Gobiernos de la República de Colombia y los Estados Unidos de América, estudiarán cuidadosamente el comercio de los productos de tejido de punto que componen la Categoría 633 y se comprometen,

en caso de que uno de los dos países considere que la evolución de este comercio no sea conveniente, a llevar a cabo consultas en las cuales harán todos los esfuerzos para llegar a una solución mutuamente satisfactoria.

11. El Gobierno de la República de Colombia tratará de distribuir las exportaciones a los Estados Unidos, dentro de cada Categoría, de una manera uniforme durante cada año del Convenio, teniendo en cuenta los factores normales de las estaciones. Las exportaciones de Colombia que excedan los niveles señalados para cada año del Convenio serán, si de conformidad con el mismo se les permite la entrada a los Estados Unidos, imputadas a los límites o niveles aplicables para el año subsiguiente del Convenio.

12. Los dos Gobiernos reconocen que la implementación exitosa de este Convenio depende en gran parte de la cooperación mutua sobre cuestiones estadísticas. El Gobierno de los Estados Unidos de América suministrará con prontitud al Gobierno de la República de Colombia, las

estadísticas sobre importaciones mensuales de textiles de algodón, lana y fibras sintéticas procedentes de Colombia. A su vez, el Gobierno de la República de Colombia proporcionará con prontitud al Gobierno de los Estados Unidos de América, las estadísticas sobre las exportaciones mensuales de los productos amparados por este Convenio, dirigidas a los Estados Unidos. Ambos Gobiernos convienen en suministrar con prontitud cualquier otro dato estadístico pertinente y disponible que solicite el otro Gobierno.

13. De conformidad con el Artículo 12, parágrafo (3) del Acuerdo, y sujeto a certificación según el sistema establecido por el intercambio de notas fechado el 25 de Mayo de 1976 entre los dos Gobiernos o, de acuerdo con los arreglos establecidos en virtud del parágrafo 16, las exportaciones colombianas de géneros tejidos a mano de la industria casera, o los productos de la industria casera hecho a mano con tales géneros, o los productos textiles propios del folklore artesanal, no estarán sujetas a las disposiciones de este Convenio.

14. Los Gobiernos de la República de Colombia y de los Estados Unidos de América, se comprometen a consultarse sobre cualquier diferencia que se presente en relación con el cumplimiento de este Convenio. Si los dos Gobiernos no logran encontrar una solución mutuamente satis -

factoria, dentro de un período de tiempo razonable, a los problemas que han sido materia de consultas de conformidad con este Convenio, cual - quiera de ellos puede, después de notificar al otro Gobierno, referir tales problemas al Organo de Vigilancia de los Textiles, de conformidad con el Artículo 11 del Acuerdo.

15. Los despachos de textiles y confecciones de la República de Colombia a los Estados Unidos de América con un valor individual, debidamente certificado, de menos de 250 dólares, no serán imputables a los límites o niveles de consulta señalados en este Convenio.

16. Pueden llevarse a cabo arreglos o ajustes administrativos que sean mutuamente satisfactorios, para resolver problemas menores que surjan en la implementación de este Convenio, incluyendo diferencias en puntos de procedimiento o funcionamiento.

17. Si el Gobierno de la República de Colombia considera que, como resultado de las limitaciones estipuladas en este Convenio, se le está colocando en una situación desventajosa frente a un tercer país, - puede solicitar consultas con el Gobierno de los Estados Unidos de América con el fin de tomar medidas para solucionar dicha situación, tales co_

mo una modificación razonable de este Convenio. Estas consultas comenzarán dentro de los treinta (30) días siguientes a la fecha de la solicitud, a menos que de otra manera se llegue a un mutuo acuerdo.

18. Durante el término de este Convenio, el Gobierno de los Estados Unidos de América no invocará los procedimientos del Artículo Tercero del Acuerdo, para solicitar la limitación de las exportaciones de textiles de algodón, lana y fibras sintéticas, de Colombia hacia los Estados Unidos. La aplicabilidad del Acuerdo al comercio de textiles entre Colombia y los Estados Unidos, no se afectará de otra manera por este Convenio.

19. Durante el primer año del Convenio, cada Gobierno llevará registros estadísticos sobre importaciones o exportaciones, según el caso, de vestidos de algodón, cuyas partes componentes hayan sido incluídas en dos o más de las siguientes Categorías: 333, 334, 335, 342, 347 y 348. Antes de que termine el primer año del Convenio, el Gobierno de los Estados Unidos de América informará al Gobierno de la República de Colombia, si desea establecer Categorías separadas para vestidos de algodón. En caso de que el Gobierno de los Estados Unidos de América, así lo indicare, el Gobierno de la República de Colombia conviene en acce-

der a ello y cooperar en su establecimiento. El establecimiento de tales categorías no reduciría ni aumentaría el acceso total al mercado de los Estados Unidos disponible para Colombia en las Categorías 333, 334, 335, 342, 347, 348 y las nuevas categorías de vestidos de algodón, sin que los dos Gobiernos convengan en tales cambios.

20. Ambos Gobiernos tomarán las medidas apropiadas de control de exportaciones e importaciones para aplicar las disposiciones de limitación de este Convenio. La índole de estas medidas puede ser materia de discusión entre los dos Gobiernos.

21. Cualquiera de los dos Gobiernos podrá dar por terminado este Convenio, con efectividad a partir del final de cualquier año del Convenio, mediante notificación escrita al otro Gobierno, la cual deberá transmitirse por lo menos noventa (90) días antes del fin de tal año. Cualquiera de los dos gobiernos podrá en cualquier momento proponer revisiones a los términos del mismo.

Si la propuesta anterior es aceptable para el Gobierno de Colombia , esta nota y la nota de confirmación de su Excelecia en nombre del Gobierno de Colombia, constituirán un Acuerdo entre nuestros dos Go_

biernos.

Acepte, Excelencia, las seguridades de mi más alta y distinguida consideración."

Al expresar a nombre del Gobierno Nacional mi conformidad con la propuesta anterior, aprovecho la oportunidad para reiterar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

INDALECIO LIEVANO AGUIRRE
Ministro de Relaciones Exteriores.

ANEXO A

CATEGORIA	DESCRIPCION	FACTOR DE CONVERSION (EYC/UNIDAD)	UNIDAD DE MEDIDA
	Hilazas		
	Algodón		
300	Cardadas	4.6	Libra
301	Peinadas	4.6	Libra
	Lana		
400	Tops (Mechas) e Hilazas	2.0	Libra
	Fibras Sintéticas		
600	Texturizadas	3.5	Libra
601	Cont. Celuloso	5.2	Libra
602	Cont. No-celuloso	11.6	Libra
603	Spun (Hilado) Celuloso	3.4	Libra
604	Spun (Hilado) No-celuloso	4.1	Libra

605	Otras Hilazas	3.5	Libra
	Telas		
	Algodón		
310	Ginghams (Guingas)	1.0	YC (Yardas cuadradas)
311	Velveteens (Velludillos)	1.0	YC
312	Pana	1.0	YC
313	Sheeting (Lencería)	1.0	YC
314	Broadcloth (Paño fino de más de 29 pulgadas de ancho)	1.0	YC
315	Printcloths (Estampados)	1.0	YC
316	Telas para Camisas	1.0	YC
317	Twills & Sateens (Telas Cruzadas y Satenes)	1.0	YC
318	Yarn-Dyed (de Hilaza Teñida)	1.0	YC
319	Duck (Dril)	1.0	YC
320	Otras Telas, N.K. (que no son de punto)	1.0	YC
	Lana		
410	Woolens and Worsted (Lanas y Estambres)	1.0	YC

411	Tapestries and Upholstery Tapicerías y Telas para Cubrir Muebles)	1.0	YC
425	Knit (de Punto)	2.0	Libra
429	Otras Telas	1.0	YC
	Fibras Sintéticas		
610	Cont. Celuloso, N.K. (que no son de punto)	1.0	YC
611	Spun (Hilado) Celuloso, N.K. (que no son de punto)	1.0	YC
612	Cont. No-celuloso, N.K. (que no son de punto)	1.0	YC
613	Spun (Hilado) No-celuloso, N.K. (que no son de punto)	1.0	YC
614	Otras Telas, N.K. (que no son de punto)	1.0	YC
625	Knit (de punto)	7.8	Libra
626	Pile and Tufted (de Pelusa y Penachado)	1.0	YC
627	Specialty (de Especialidad)	7.8	Libra

Confecciones

Algodón

330	Pañuelos	1.7	Docena
331	Guantes	3.5	Docena de Pares
332	Calcetería	4.6	Doc. de Pares
333	Sacos, Suit Type (Tipo de Traje), para Hombres y niños	36.2	Docena
334	Otros Sacos, para Hombres y niños	41.3	Docena
335	Sacos, para Mujeres, Niñas e infantes	41.3	Docena
336	Vestidos para Mujeres, Incluyendo Uniformes	45.3	Docena
337	Playsuits, sunsuits, wash suits, creepers (Vestidos para Juego, Vestidos para tomar el sol, Vestidos para lavar, Vestidos para gatear)	25.0	Docena
338	Knit Shirts (Camisas de Tejido de Punto), Incluyendo T-Shirts (Camisetas-T), Otras camisas y sudaderas (Sweatshirts), para Hombres y Niños	7.2	Docena

339	Knit Shirts & Blouses (Camisas y Blusas de Tejido de Punto), Incluyendo T-Shirts (Camisetas-T), Otras Camisas y Sudaderas (Sweatshirts), para Mujeres, Niñas e infantes	7.2	Docena
340	Camisas, N.K. (que no son de Punto)	24.0	Docena
341	Blusas, N.K. (que no son de Punto)	14.5	Docena
342	Faldas	17.8	Docena
345	Sweaters (Sacos de Punto)	36.8	Docena
347	Pantalones, Slacks y Shorts (Exteriores), para Hombres y Niños	17.8	Docena
348	Pantalones, Slacks y Shorts (Exteriores), para Mujeres, Niñas e Infantes	17.8	Docena
349	Sostenes, etc.	4.8	Docena
350	Batas, Incluyendo Batas de Baño, Levantadoras, Batas para Playa, Batas de Entrecosa y Batas Guardapolvos	51.0	Docena

351	Pijamas y Otras Prendas para Dormir	52.0	Docena
352	Ropa Interior, Incluyendo Ropa Interior de una Pieza (Union Suits)	11.0	Docena
359	Otras Prendas de Vestir	4.6	Libra
	Lana		
431	Guantes	2.1	Doc. de Pares
432	Calcetería	2.8	Doc. de Pares
433	Sacos, Suit-Type (Tipo de Traje), para Hombres y Niños	3.0	No.
434	Otros Sacos, para Hombres y Niños	4.5	No.
435	Sacos para Mujeres, Niñas e Infantes	4.5	No.
436	Vestidos para Mujeres	4.1	No.
438	Camisas y Blusas de Punto (Knit	15.0	Docena
440	Camisas y Blusas, N.K. (que no son de punto)	24.0	Docena
442	Faldas	1.5	No.
443	Vestidos, para Hombres y Niños	4.5	No.

444	Vestidos Sastre, para Mujeres, Niñas e Infantes	4.5	No.
445	Sweaters (Sacos de Punto), para Hombres y Niños	14.88	Docena
446	Sweaters (Sacos de Punto), para Mujeres, Niñas e Infantes	14.88	Docena
447	Pantalones, Slocks y Shorts (Exteriores), para Hombres y Niños	1.5	No.
448	Pantalones, Slocks y Shorts (Exteriores) para Mujeres, Niñas e Infantes	1.5	No.
459	Otras Prendas de Vestir de lana	2.0	Libra
	Fibras Sintéticas		
630	Pañuelos	1.7	Docena
631	Guantes	3.5	Doc. de Pares
632	Calcetería	4.6	Doc. de Pares
633	Sacos, Suit-Type (Tipo de Traje), para Hombres y Niños	36.2	Docena
634	Otros Sacos, para Hombres y Niños	41.3	Docena
635	Sacos, para Mujeres, Niñas e Infantes	41.3	Docena
636	Vestidos para Mujeres	45.3	Docena

637	Ploysuits, Sunsuits, Washsuits (Vestidos para juego, Vestidos para Tomar el Sol, Vestidos para Lavar), etc.	21.3	Docena
638	Knit Shirts (Camisas de Punto), incluyendo T-Shirts (Camisetas-T), para Hombres y Niños	18.0	Docena
639	Knit Shirts and Blouses (Camisas y Blusas de Punto), incluyendo T-Shirts (Camisetas-T, para Mujeres, Niñas e Infantes	15.0	Docena
640	Camisas, N.K. (que no son de Punto)	24.0	Docena
641	Blusas, N.K. (que no son de Punto)	14.5	Docena
642	Faldas	17.8	Docena
643	Vestidos para Hombres y Niños	4.5	No.
644	Vestidos Sastre, para Mujeres, Niñas e Infantes	4.5	No.
645	Sweaters (Sacos de Punto), para Hombres y Niños	36.8	Docena
646	Sweaters (Sacos de Punto), para Mujeres, Niñas e Infantes	36.8	Docena

647	Pantalones, Slacks y Shorts (Exteriores), para Hombres y Niñas	17.8	Docena
648	Pantalones, Slocks y Shorts (Exteriores), para Mujeres, Niñas e Infantes	17.8	Docena
649	Sostenes, etc.	4.8	Docena
650	Batas Levantodores, incluyendo Batas de Baño y Batas de Playa	51.0	Docena
651	Pijamas y Otras Prendas para Dormir	52.0	Docena
652	Ropa Interior	16.0	Docena
659	Otras Prendas de Vestir	7.8	Libra
	Algodón		
360	Fundas	1.1	No.
361	Sábanas	6.2	No.
362	Cubrelechos y Colchas	6.9	No.
363	Toallas Terry y Otras Toallas de Pelusa	0.5	No.
369	Otras Manufacturas de Algodón	4.6	Libra
	Lana		

464	Frozadas y Mantas para Auto_ móviles	1.3	Libra
465	Cubrimientos para Pisos (Floor Covering)	0.1	Pies Cuadrados
469	Otras Manufacturas de Lana	2.0	Libra
	Fibras Sintéticas		
665	Cubrimientos para Pisos (Floor Coverings)	0.1	Pies Cuadrados
666	Otros Avíos (Enseres)	7.8	Libra
669	Otras Manufacturas de Fibras Sintéticas	7.8	Libra

ANEXO B

NIVELES DE CONSULTA ANUAL SEÑALADOS EN EXCESO DE LOS ESTABLECIDOS EN EL PARAGRAFO 9 DEL CONVENIO.-

		NIVEL DE CONSULTA ANUAL (EQUIVALENTE DE YARDAS CUADRADAS.
300/301	(Hilaza de Algodón)	23.000.000
310	(Gingham - Guinga)	3.200.000
312	(Pana)	1.500.000
314	(Broadcloth - Paño fino de más de 29 pulgadas de ancho)	2.600.000
315	(Printcloth - Tela Estampada)	3.000.000
317	(Twills & Sateen -Telas Cruzadas y Saten)	13.500.000
320	(Otras Telas)	7.000.000
410	(Woolens & Worsted - Lanas y Estambres)	400.000
614	Otras Telas	1.600.000
347	(Pantalones, para Hombres y Niños)	1.600.000
348	(Pantalones, para Mujeres, Niñas e Infantes	1.600.000

336	(Vestidos para Mujeres)	1.600.000
433	(Sacos, Suit-Type – Tipo Traje, para Hombres y Niños)	245.820
435	(Sacos, para Mujeres, Niñas e Infantes)	300.000
447	(Pantalones, para Hombres y Niños)	300.000
459	(Otras Prendas de Vestir de Lana)	150.000
634	(Otros Sacos, para Hombres y Niños)	2.000.000
635	(Sacos, para Mujeres, Niñas e Infantes)	1.900.000
636	(Vestidos para Mujeres	1.600.000
639	(Camisas y Blusas de Punto, para Mujeres, Niñas e Infantes)	3.000.000
644	(Vestidos Sastre, para Mujeres, Niñas e Infantes	1.500.000
652	(Ropa Interior)	1.600.000

TRANSLATION

REPUBLIC OF COLOMBIA
MINISTRY OF FOREIGN RELATIONS

Bogota, D.E., August 3, 1978

Excellency:

I have the honor to refer to Your Excellency's note No. 685 of August 3, 1978, which reads exactly as follows:

[For the English language text, see pp. 5529–5538.]

In expressing, on behalf of the National Government, my agreement with the foregoing proposal, I avail myself of this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

I. Lievano Aguirre

Indalecio Liévano Aguirre
Minister of Foreign Relations

[AMENDING AGREEMENT]

The American Economic/Commercial Counselor to the Colombian Exports Sub-Director, Instituto Colombiano de Comercio Exterior (INCOMEX)

EMBASSY OF THE
UNITED STATES OF AMERICA

Bogota, Colombia

November 29, 1978

No. 719

Dr. Hernando Arciniegas
Exports Sub-Director
Instituto Colombiano de Comercio Exterior
INCOMEX
Calle 28 No. 13 A-15
Bogotá

Dear Dr. Arciniegas:

I refer to your letter of October 6, 1978, in which you request permission to exceed the consultation level for Category 444 (wool suits, women's, girl's and infant's) set by the Bilateral Agreement of August 3, 1978 between our two Governments concerning trade in cotton, wool and man-made fiber textile products.

In accordance with the terms of Paragraph 8 of the Agreement, my Government proposes that the consultation level for Category 444 for the first Agreement year be 225,000 square yards equivalent. If this proposal is acceptable to the Government of Colombia, this letter and your letter of confirmation shall constitute an amendment to the Agreement.

Sincerely,

George H. Thigpen
Economic/Commercial Counselor

The Colombian Exports Sub-Director, Instituto Colombiano de Comercio Exterior (INCOMEX), to the American Economic/Commercial Counselor

INCOMEX

Bogotá, D.E. 21 DIC 1978

E. # 8543

Señor
GEORGE H. THIGPEN
Consejero Económico/Comercial
Embajada de los Estados Unidos
Ciudad

Estimado señor :

Referente a su comunicación No. 719 de Noviembre 29 de 1978, en la cual el Gobierno de los Estados Unidos por intermedio suyo nos propone elevar el nivel de consulta de la categoría 444 para el primer año del Acuerdo a 225.000 yardas cuadradas, cifra que aceptamos.

Nuestro Gobierno agradece al Gobierno de los Estados Unidos y a ustedes la colaboración en la solución de este problema.

Atentamente,

HERNANDO ARCINIEGAS S.
Subdirector de Exportaciones .
[SEAL]

INSTITUTO COLOMBIANO DE COMERCIO EXTERIOR — EDIFICIO CENTRO LAS AMERICAS - CALLE 28 No. 13 A 15 — BOGOTA. D. E. COLOMBIA

TRANSLATION

INCOMEX

Bogota, D.C., December 21, 1978

No. 2265

Ref. No. 8543

Mr. George H. Thigpen
Economic and Commercial Counselor
United States Embassy
Bogota

Dear Sir:

With reference to your communication No. 719 of November 29, 1978, in which the Government of the United States, through you, proposes to raise the consultation level of category 444 for the first year of the Agreement to 225,000 square yards, we accept that figure.

Our Government thanks the Government of the United States and you for your cooperation in resolving this problem.

Yours truly,

H Arciniegas S

Hernando Arciniegas S.

Deputy Director for Exports

[SEAL]

SRI LANKA

Agricultural Inputs

Agreement signed at Colombo August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Loan Number 383-T-022

Project Number 383-0051

PROJECT

LOAN AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA

and the

UNITED STATES OF AMERICA

for

AGRICULTURAL INPUTS

Dated: August 31, 1978

TIAS 9516

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No.383-0051

Project Loan Agreement

Dated August 31, 1978

Between
The Republic of Sri Lanka ("Borrower")
And
The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1 Definition of Project. The Project, which is further described in Annex 1, will finance fertilizer imports primarily for application during the following crop seasons: Maha 1978-79, Yala 1979, Maha 1979-80, and Yala 1980. The loan is expected to finance 44 percent of the cost of fertilizer imports during 1979 and 1980. In addition, a portion of the loan may finance local studies and institutional reforms by the Borrower in the fertilizer distribution and marketing systems to make fertilizer more accessible to the small farmer. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Borrower, may specify in Project Implementation Letters appropriate time periods for the utilization of funds loaned by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1 The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend the Borrower under the terms of this Agreement not to exceed twelve million United States ("U.S.") dollars ($12,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Loan will not exceed the equivalent of Three Hundred Thousand U.S. Dollars ($ 300,000).

SECTION 3.2 Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than the equivalent of U.S. $ 23.6 million, including costs borne on an "in-kind" basis.

SECTION 3.3 Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period, as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2 Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayments will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Republic of Sri Lanka, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Director of External Resources Division, Ministry of Finance and Planning in Sri Lanka.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1 have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 30 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems: and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Reform of Distribution System. The Borrower herewith covenants to take appropriate action to implement reforms in the fertilizer distribution system as are necessary to improve the distribution of fertilizer financed by A.I.D. under this project.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursement pursuant to Section 8.1 will be exclusively to finance the costs of goods and services required for the Project. Except for fertilizer and ocean shipping, goods and services financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country and in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing. Urea fertilizer procured under the Loan shall have its source and origin in countries included in A.I.D. Geographic Code 941. Phosphatic fertilizer procured under the Loan shall have its source and origin in the United States, (A.I.D. Geographic Code 000), except as A.I.D. may otherwise agree in writing. The eligibility of sources for fertilizer will be reviewed as subsequent increments under the Project are approved. Unless A.I.D. otherwise agrees in writing, ocean shipping (except for Urea and Phosphatic fertilizers) financed under the loan shall be procured in the United States or the Cooperating Country. Ocean shipping for Urea and Phosphatic fertilizers shall be procured in the United States, Cooperating Country, or countries included in A.I.D. Geographic Code 941.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Sri Lanka ("Local Currency Costs").

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S.banks, satisfactory to A.I.D., commiting A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursement hereunder may be obtained by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government;

The U.S. dollar equivalent of the local currency made availabe hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rate of Exchange. If funds provided under the Loan are introduced into Sri Lanka by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of Sri Lanka at the highest rate of exchange which at the time the conversion is made, is not unlawful in Sri Lanka.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase orders.

Article 9: Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail Address: Director
External Resources Department
Ministry of Finance & Planning
Colombo 1, Sri Lanka

Alternate address for telegrams:

FORAID
Colombo, Sri Lanka

To A.I.D.:

Mail Address: Director
USAID Colombo
American Embassy
Colombo, Sri Lanka

Alternate address for telegrams:

USAID AMEMBASSY
Colombo, Sri Lanka

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Director of External Resources Department, Ministry of Finance and Planning and A.I.D. will be represented by the individual holding or acting in the office of Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description

in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF THE REPUBLIC OF SRI LANKA	UNITED STATES OF AMERICA
By: W. M. Tilakaratna	By: W. Howard Wriggins
Name: W.M. Tilakaratna	Name: W.Howard Wriggins
Title: Secretary, Ministry of Finance & Planning	Title: American Ambassador

[1] See footnote 1, p. 5573.

ANNEX I

A. Project Description

Near term increases in agricultural production depend to a large extent on application of appropriate fertilizers. Application in turn depends on availability of fertilizer in sufficient amounts at the right time on the farm. The Government of Sri Lanka has undertaken a program of reform and modernization of the fertilizer distribution and marketing system as well as increased procurement and production of fertilizer in an effort to ensure that more fertilizer is available to farmers when they need it. Changes in the system are expected to benefit smaller farmers in particular. These farmers primarily produce paddy.

The loan(s) will provide the Government of Sri Lanka a portion of the resources necessary to procure the additional fertilizer required. The funds will finance fertilizer imports primarily for application during the following crop seasons: Maha 78/79, Yala 79, Maha 79/80 and Yala 80. If loan funds were used exclusively for urea imports and a C.I.F. cost of $ 175/ton is assumed, the loan(s) would finance 177,000 tons of urea or roughly 67% of required urea imports during the period. More broadly considered, the loan(s) can be expected to finance 44% of the cost of fertilizer imports during 1979 and 1980. AID financing complements GSL and other donor financing of fertilizer imports and GSL policy and marketing changes designed to promote the use of and make available fertilizer for increased food production.

For the Fiscal Years 1978 thru 1980 AID has planned, subject to the availability of funds, to provide financing for the project of not to exceed US $ 31 million. The initial FY 1978 increment of US $ 12 million under the loan is expected to finance fertilizer primarily for Maha 78/79 and Yala 79. Not to exceed US $ 300,000 of this initial increment may be used in connection with local studies and institutional reforms by the Borrower in the fertilizer distribution and marketing systems. Subsequent increments will be subject to the availability of funds to A.I.D. for the project and to the mutual agreement of A.I.D. and the Government of Sri Lanka to proceed.

B. Borrowers Contribution

It is difficult to arrive at a specific figure and corresponding percentage for the borrowers contribution for fertilizer imports, domestic production, and distribution during the 24 months disbursement period planned for the AID contribution due to uncertainities regarding other donors financing over this period. However an indication of the magnitude of the likely contribution can be made.

The cost of the project for the two year period 1979 and 1980 is estimated at US $ 94.5 million. This consists of approximately US $ 70 million of imported fertilizer and the equivalent of US $ 24.5 million in distribution and marketing costs.

Considering the AID contribution of US $31 million and other donor credits of approximately US $ 31.6 million, the Borrower would be contributing the equivalent of US $ 31.9 million or 34% of project costs. Thus it would appear that the Borrower would more than adequately meet its minimum 25% contribution to the project of US $ 23.6 million.

SRI LANKA

Agricultural Education Development

Agreement signed at Colombo August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Project Number 383-0049

PROJECT
GRANT AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA
AND THE
UNITED STATES OF AMERICA
FOR
AGRICULTURAL EDUCATION DEVELOPMENT

Dated: August 31, 1978

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

PROJECT GRANT AGREEMENT DATED AUGUST 31, 1978 BETWEEN THE REPUBLIC OF SRI LANKA ("GRANTEE") AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1 Definition of Project. The Project, which is further described in Annex 1, will provide long and short term technical assistance, training, and equipment and materials to the Faculty of Agriculture in the University of Sri Lanka, Peradeniya Campus and to the Post Graduate Institute of Agriculture over a seven year period to expand these organizations' capacity to indigenously train undergraduates and postgraduates in Agriculture. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project. A.I.D.'s contribution to the project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. A subsequent increment of three million ($3,000,000) dollars will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

ARTICLE 3: Financing

SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed three million United States ("U.S.") Dollars ($3,000,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2 Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of Rs.49,000,000, including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD) which is September 30, 1985, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D. giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) Evidence that the Ministry of Higher Education and the Ministry of Finance approve the Project and will provide funds and make arrangements on a timely basis for the design and construction of additional required buildings.

(c) Evidence of Agreement that the Postgraduate Institute of Agriculture and the Faculty of Agriculture may recruit and hire necessary personnel during the life of the Project in order to permit long-term training and adequate staffing commensurate with the objectives of the Project.

(d) Evidence of Agreement that existing and newly recruited staff

are not required to serve for any fixed period of time prior to when they can depart for training.

(e) Designation of a Project Director with authority for day-to-day implementation of the Project.

(f) A signed contract for technical assistance to be provided under the Grant.

SECTION 4.2. Construction Related Disbursements. Prior to any disbursements, or the issuance of any commitment documents under the Project Agreement associated with the construction of any buildings under the Project, excepting feasibility and design costs, the Grantee shall furnish in form and substance satisfactory to A.I.D., detailed design plans, specifications and a plan for construction of required facilities and acquisition of required equipment.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Convenants

SECTION 5.1 Project Evaluation. The parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Retention of Staff. The Grantee covenants that staff trained under the Project will not be transferred from Peradeniya to other locations without the prior written agreement of A.I.D. until three years after the project assistance completion date.

ARTICLE 6. Procurement Source

SECTION 6.1 Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in

effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 7: Disbursement

SECTION 7.1 Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursement of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.3. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Sri Lanka by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Sri Lanka at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Sri Lanka.

ARTICLE 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be

deemed duly given or sent when delivered to such party at the following addresses:

To THE GRANTEE:

Mail Address: Director, External Resources Department
Ministry of Finance & Planning
Colombo 1, Sri Lanka

Alternate address for cables: FORAID
Colombo, Sri Lanka

To A.I.D.:

Mail Address: Director, USAID Colombo
c/o American Embassy
Colombo, Sri Lanka

Alternate address for cables: USAID AMEMBASSY
Colombo, Sri Lanka

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Director of External Resources Department, Ministry of Finance & Planning and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID Sri Lanka, each of whom, by written notice may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A Project Grant Standard Provisions Annex (Annex 2) [1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF THE REPUBLIC OF SRI LANKA	UNITED STATES OF AMERICA
By: W. M. TILAKARATNA	By: W. HOWARD WRIGGINS
Name: W. M. Tilakaratna *Secretary,* *Ministry of Finance and Planning*	Name: W. Howard Wriggins *American Ambassador*

[1] See footnote 1, p. 5585.

ANNEX I

1. Project Background

Additional trained personnel are needed in Sri Lanka to plan and implement programs to develop the agricultural potential of the country. While additional skilled personnel are needed at all levels the need for more B.Sc. and advanced degree graduates is particularly acute. Such graduates readily find employment and no pool of unemployed graduates exist. Existing capacity to train graduates is minimal and does not meet identified demand. This capacity is limited to the Faculty of Agriculture at the University of Sri Lanka, Peradeniya Campus which produces approximately 100 B.Sc. graduates a year and the recently formed Post Graduate Institute of Agriculture also at Peradeniya which utilizes faculty staff and the part time services of government or private sector employees to instruct graduate students.

Significant expansion of these institutions is necessary to meet the demand for trained personnel. The alternative of continued training abroad in Agriculture is not only more costly in the long run but the training so provided often lacks relevance to Sri Lanka. An expansion of trained people at the B.Sc. and advanced degree levels is directly relevant to and beneficial for the poor in Sri Lanka where the bulk of the poor are on agricultural land, the majority of land is in small holdings, agriculture figures prominently in the economy, and where development has emphasized equity.

2. Project Description

The purpose of this project is to double the annual number of indigenously trained B.Sc. graduates and triple the annual number of indigenously trained postgraduates by 1985. Employment of these graduates will contribute to the sector goal of promoting agricultural development that increases domestic food production; expands employment opportunities; and improves the small farmers' level of living. Basic assumptions are that B.Sc. and advanced degree holders will be employed locally in programs, both public and private sector, that contribute to agricultural development; that personnel trained to the B.Sc. and advanced levels are important to agricultural development; and that the agricultural development which does occur will benefit small farmers and the rural poor. The validity of these assumptions is based on the demand for trained personnel ascertained from various studies and experience; the lack of unemployment among existing graduates; the realization that national programs benefit from planning and implementation by people with relevant training; the history of social equity in previous programs; and the equity considerations inherent in planned programs in the rural sector.

The means to achieving this purpose is the expansion of the two indigenous institutions training higher level agricultural personnel – the Post Graduate Institute of Agriculture, and the Faculty of Agri-

culture at the Peradeniya Campus of the University of Sri Lanka, both of which share a common professional staff and many facilities. The method for attaining this increased capability is hiring and training additional staff; providing expatriate professors both to teach and to supervise the research of staff in training; expanding facilities including library, buildings, and equipment to accommodate increased enrollment; and enrolling more students as more staff and facilities become available. Training is designed to maximize time in Sri Lanka and the relevance of the training to Sri Lanka. It is anticipated that trainees would spend two years abroad in course work, one and a half years in Sri Lanka doing research, and approximately 6 months abroad completing degree requirements. While in Sri Lanka their research would be supervised by a visiting staff member in their specialty.

The responsibility for providing the inputs which would lead to the outputs indicating additional institutional capability are shared between AID, the GSL, and other donors as follows:

A. AID would finance:

1. Approximately 28 person years of technical assistance, primarily visiting faculty both long and short term, through a host country contract with a U.S. institution;
2. Ph.D. training for a target figure of 38 participants at different schools under the same host country contract;
3. Equipment and vehicles for the Faculty and PGIA programs;
4. Books, material, and equipment for a library;
5. Staff per diem and supervisory visits; and
6. Miscellaneous expenses.

B. The GSL will contribute:

1. Local operating expenses estimated for the period 1978–1985 to be: for PGIA Rs. 7,581,000 ($473,812) for the Faculty Rs. 27,006,000 ($1,687,875);
2. Additional on-campus buildings and furniture—Rs. 10,151,000 ($634,438);
3. Additional off-campus (demonstration farm) facilities at a cost of Rs. 5,078,000 ($317,375);
4. A portion of the vehicles required for the project including 7 trail bikes, one sedan, 2 twelve-passenger mini-buses, 2 thirty-four passenger buses, one double cab pick-up truck, one 2–3 ton stake truck at anestimated cost of $100,000;[1] and
5. Existing facilities and equipment the value of which has not been determined or attributed.

C. Other Donor financing is being sought for:

1. Training for approximately 12 Ph.D. candidates; and
2. Technical assistance (visiting Faculty) totaling approximately 84 pm.

[1] Vehicles may instead be financed by another donor. [Footnote in the original.]

3. Project Implementation

The project will be implemented by the Post Graduate Institute of Agriculture (PGIA) with the assistance of the Faculty of Agriculture of the University of Sri Lanka at Peradeniya. The project will be located at the Peradeniya Campus. The PGIA will contract with a U.S. institution or consortium of institutions which will provide technical assistance for the project primarily in the form of visiting faculty to assist in teaching, curriculum development, and supervision of research, and which will be responsible for providing training to Faculty and PGIA professional staff at U.S. institutions.

The project includes financing for equipment, library books and equipment, vehicles, and limited funds for travel of the project manager or designee to the U.S. or supervisory visits as well as limited funds to pay per diem of staff enabling them to extend slightly on trips not financed under the project. The means of procuring equipment and library needs will be determined early in project life.

The implementing agencies will be responsible for local costs of the project; for providing staff to be trained; for providing the physical facilities that expansion of faculty and student enrollment will entail; and for recruitment of additional students; as well as for overall implementation of the project.

Project Financial Plan

(Source and application of funding—$ Thousands)

As of August , 1978 Project Number: 383-0049

Project inputs	Cumulative obligation/ commitments as of August , 1978			Future years anticipated			Total
	AID	GSL[1]	Other[2]	AID	GSL[1]	Other[2]	
Technical Assistance	1, 277			1, 276	—	669	3, 222
Training	934			934	—	545	2, 413
Equipment	485			484	—	—	969
Library	188			187	—	—	375
Vehicles	50			50	[3] 100	—	200
Staff travel per diem	4			5	—	—	9
GSL supervisory visits	5			6	—	—	11
PGIA/Faculty operating expenses	—			—	2, 162	—	2, 162
Buildings	—			—	952	—	952
Miscellaneous	57			57	—	—	114
Total	3, 000			2, 999	3, 214	1, 214	10, 427

[1] A portion of the GSL contribution consists of operating expenses for CY 1978.
[2] Contributions of other donors are under negotiation. Figures cited are illustrative estimates.
[3] May be financed by other donors.

[Footnotes in the original.]

BOLIVIA

Agricultural Commodities

Agreement signed at La Paz May 31, 1978;
Entered into force May 31, 1978.
With minutes of negotiations
Signed at La Paz May 29 and 30, 1978.
And amending agreements
Effected by exchange of notes
Signed at La Paz August 31 and September 1, 1978;
Entered into force September 1, 1978.
And exchange of notes
Signed at La Paz May 2, 1979;
Entered into force May 2, 1979.

CONVENIO
AGREEMENT

ENTRE
BETWEEN

EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA
THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Y
AND

EL GOBIERNO DE BOLIVIA
THE GOVERNMENT OF BOLIVIA

PARA LA VENTA DE PRODUCTOS AGRICOLAS
FOR SALES OF AGRICULTURAL COMMODITIES

Fecha: 31 de mayo de 1978.
Date : May 31, 1978.

TIAS 9518

El Gobierno de los Estados Unidos de América y el Gobierno de Bolivia,

Reconociendo la conveniencia de ampliar el comercio de productos agrícolas entre los Estados Unidos de América (que en adelante se denomina el país exportador) y Bolivia (que en adelante se denomina el país importador), así como con otros países amigos, de una manera que no desplace la comercialización usual del país exportador en estos productos ni altere indebidamente los precios mundiales de los productos agrícolas o las normas usuales del intercambio comercial con países amigos;

Considerando la importancia que para los países en desarrollo revisten sus esfuerzos por ayudarse a sí mismos, a fin de alcanzar un mayor grado de autosuficiencia, inclusive los esfuerzos encaminados a solucionar sus problemas de producción de alimentos y crecimiento de población;

Reconociendo la política del país exportador de utilizar su productividad agrícola para combatir el hambre y la desnutrición en los países en vías de desarrollo, estimular a estos países a mejorar su propia producción agrícola, y prestarles asistencia en su desarrollo económico;

Reconociendo el empeño del país importador de mejorar su propia producción, almacenaje y distribución de productos agrícolas alimenticios, inclusive la reducción de desperdicios en todas las etapas de este proceso;

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

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and Bolivia (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;

Deseosos de establecer las bases de entendimiento que regirán las ventas de los productos agrícolas al país importador, de conformidad con lo dispuesto en el Título I de la ley de Asistencia y Desarrollo del comercio Agrícola, con sus enmiendas (denominada en adelante la Ley), y las medidas que los dos Gobiernos adoptarán individual y colectivamente para fomentar las políticas antes mencionadas;

Han convenido lo siguiente:

CAPITULO I - DISPOSICIONES GENERALES

ARTICULO I

A. El Gobierno del país exportador se compromete a financiar la venta de productos agrícolas a compradores autorizado por el Gobierno del país importador, de conformidad con los términos y condiciones del presente convenio.

B. La financiación de los productos agrícolas indicado en el Capítulo II de este convenio estará sujeta a:

1 La emisión por parte del Gobierno del país exportador, de autorizaciones de compra y su aceptación por parte del Gobierno del país importador, y

2. La disponibilidad de los productos especificados en el momento de la exportación.

C. La solicitud para autorizaciones de compra se hará dentro de los 90 días después de la fecha en que entra en vigor este convenio y, con respecto a cualesquiera productos adicionales o cantidades de productos previstos en cualquier

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.

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

[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*

convenio suplementario, dentro de los 90 días a partir de la fecha en que entra en vigor tal convenio suplementario Las autorizaciones de compra incluirán disposiciones relativas a la venta y entrega de tales productos, así como a otros asuntos pertinentes.

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. Salvo que el Gobierno del país exportador lo autorice, todas las entregas de productos vendidos de conformidad con este convenio se efectuarán dentro de los períodos de suministro especificados en el Cuadro de Productos del Capítulo II.

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. El valor de la cantidad total de cada producto cubierto por las autorizaciones de compra para un tipo determinado de financiación autorizado de conformidad con este convenio, no excederá del valor máximo del mercado de exportación especificado para dicho producto y tipo de financiación en el Capítulo II. El Gobierno del país exportador podrá limitar el valor total de cada producto a incluirse en las autorizaciones de compra para un tipo específico de financiación, según lo requieran las bajas de precios u otros factores del mercado, en forma tal que las cantidades de dicho producto vendidas conforme a un determinado tipo de financiación no excedan sustancialmente de la cantidad máxima aproximada aplicable especificada en el Capítulo 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. El Gobierno del país exportador asumirá el diferencial de costo de transporte marítimo para los productos que el Gobierno del país exportador exija que sean transportados en barcos de bandera de los Estados Unidos (aproximadamente el 50 por ciento del peso de los productos vendidos en virtud del convenio). El diferencial de costo del transporte marítimo es la

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 per cent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the

cantidad, según la determine el Gobierno del país exportador, por la cual el costo del transporte marítimo es superior (a lo que êste sería en otro caso) debido al requisito de que los productos sean transportados en barcos de bandera de los Estados Unidos. El Gobierno del país importador no tendrá responsabilidad alguna de reembolsar al Gobierno del país exportador para cubrir el diferencial de costo de transporte marítimo sufragado por el Gobierno del país exportador.

G. Tan pronto como se haya contratado espacio de carga en barcos de bandera de los Estados Unidos para el transporte de los productos que deban ser llevados en barcos de dicha bandera y, a más tardar, hasta la presentación de los barcos para cargar, el Gobierno del país importador o los compradores autorizados por el mismo abrirán una carta de crédito en dólares de los Estados Unidos, por el costo estimado del transporte marítimo de tales productos.

H. Cualquiera de los dos Gobiernos puede dar por terminadas la financiación, venta y entrega de los productos comprendidos en este convenio mediante previo aviso por escrito, si tal Gobierno considera que, como consecuencia del cambio de condiciones, es innecesario o inconveniente continuar tal financiación, venta o entrega.

ARTICULO II

A. Pago Inicial

El Gobierno del país importador pagará ó hará pagar el pago inicial que se especifique en el Capítulo II de este convenio. El importe de este pago será la proporción del precio de compra (excluyendo cualesquier costos relacionados al transporte

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 prior written notice 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

marítimo que pueda haberse incluido en el mismo) igual al porcentaje especificado como pago inicial en el Capítulo II, y el pago se hará en dólares de los Estados Unidos, de conformidad con la autorización de compra correspondiente.

B. Fondos de Contrapartida

El Gobierno del país importador pagará o hará pagar, a solicitud del Gobierno del país exportador, en las cantidades que éste determine, pero en ningún caso más tarde que un año después del desembolso final por parte de la Commodity Credit Corporation efectuado al amparo de este convenio, o al finalizar el período de entregas, de las dos fechas la que ocurra después, el pago que se especifique en el Capítulo II de este convenio de conformidad con la Sección 103 (b) de la Ley (en adelante denominados fondos de contrapartida). Los fondos de contrapartida constituirán la porción de la cantidad financiada por el país exportador igual al porcentaje especificado para fondos de contrapartida en el Capítulo II. El pago se hará de conformidad con el párrafo H y para los propósitos especificados en los apartados (a), (b), (e) y (h) de la Subsección 104 de la Ley, según se estipula en el Capítulo II de este convenio. Tal pago se descontará (a) del monto del pago de los intereses de cada año pagaderos durante el período anterior a la fecha de vencimiento de la primera amortización, comenzando con el primer año y (b) de los pagos combinados de capital é intereses, comenzando con la primera amortización, hasta tanto se haya contrarrestado el valor de los fondos de contrapartida. A menos que en el Capítulo II se especifique lo contrario, el Gobierno del país exportador no

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 Subsections 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

presentará solicitudes de pago antes del primer desembolso por parte de la Commodity Credit Corporation del país exportador al amparo de este convenio.

C Tipo de Financiación

Las ventas de los productos especificados en el Capítulo II se financiarán de acuerdo con el tipo de financiación allí indicado. En el Capítulo II también se establecen disposiciones especiales relacionadas con la venta.

D. Disposiciones respecto del Crédito

1. En lo que se refiere a los productos entregados durante cada año civil al amparo de este convenio, el capital del crédito (en adelante denominado capital) consistirá en la cantidad de dólares desembolsados por el Gobierno del país exportador en concepto de los productos (sin incluir los costos del transporte marítimo) menos cualquier porción del pago inicial pagadero al Gobierno del país exportador. El capital se pagará de conformidad con el plan de pagos enunciado en el Capítulo II de este convenio. La primera amortización vencerá y será pagadera en la fecha que se especifica en el Capítulo II de este convenio. Las amortizaciones subsiguientes vencerán y serán pagaderas con un intervalo de un año a partir de entonces. Cualquier pago del capital podrá efectuarse antes de la fecha de vencimiento.

2. Los intereses sobre el saldo del capital adeudado al Gobierno del país exportador en concepto de productos entregados en cada año civil, serán pagados en la forma siguiente:

a. En el caso del Crédito en Dólares, los intereses comenzarán a devengarse en la fecha de la última

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 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

entrega de estos productos en cada año civil. Los intereses se pagarán a más tardar en la fecha de vencimiento de cada amortización del capital, excepto que si la fecha de la primera amortización es más que un año desde la fecha de la última entrega, el primer pago de intereses se hará a más tardar en la fecha aniversario de tal última entrega y subsiguientemente el pago de los intereses se efectuará anualmente y a más tardar en la fecha de vencimiento da cada amortización del capital.

b. En el caso del Crédito en Moneda Local Convertible, los intereses comenzarán a devengarse en la fecha del desembolso en dólares efectuado por el Gobierno del país exportador. Tales intereses se pagarán anualmente comenzando un año después de la fecha de la última entrega de productos en cada año civil, excepto que si las amortizaciones en concepto de estos productos no vencen en algún aniversario de tal fecha de la última entrega, todo enterés devengado en la fecha de vencimiento de la primera amortización será pagadero en la misma fecha en que vence la primera amortización y subsiguientemente tales intereses se pagarán en las fechas de vencimiento de las amortizaciones siguientes

3. Para el período desde la fecha en que comienzan los intereses hasta la fecha de vencimiento de la primera amortización, los intereses se computarán con base en la tasa de intereses iniciales que se especifica en el Capítulo II de este convenio. Subsiguientemente, los intereses se computarán con base en la tasa de intereses continuados que se especifica en el Capítulo II de este convenio.

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 Depósito de los Pagos

El Gobierno del país importador efectuará o dispondrá que se efectúen los pagos al Gobierno del país exportador en las monedas, cantidades y a los tipos de cambio previstos en este Convenio, en la forma siguiente:

1. Los pagos en dólares se remitirán al Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, a menos que los dos Gobiernos convengan otro método de pago.

2 Los pagos en la moneda local del país importador (de aquí en adelante denominada moneda local) se depositarán a nombre del Gobierno de los Estados Unidos de América en cuentas que devenguen interés en bancos elegidos por el Gobierno de los Estados Unidos de América en el país importador.

F. Ingresos devengados de las ventas

La cantidad total de ingresos devengados por el país importador de la venta de productos financiados de conformidad con este Convenio, que han de aplicarse a los fines de desarrollo económico enunciados en el Capítulo II de este convenio, no será inferior que el equivalente en moneda local de los desembolsos en dólares por parte del Gobierno del país exportador en relación con la financiación de los productos (que no fuere el diferencial de flete marítimo), disponiéndose, sin embargo, que los ingresos devengados de las ventas que así se apliquen serán reducidos por los fondos de contrapartida de haberlos, aportados por el Gobierno del pais importador. El tipo de cambio que se empleará para calcular

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

este equivalente en moneda local, será la tasa a la que la autoridad monetaria central del país importador, o su agente autorizado, vende divisas por moneda local en relación con la importación comercial de iguales productos. Cualesquiera ingresos así devengados que sean dados en préstamo por el Gobierno del país importador a organizaciones privadas o no gubernamentales, serán prestadas a tasas de interés aproximadamente equivalentes a aquellas cobradas por préstamos comparables en el país importador. El Gobierno del país importador proporcionará, de conformidad con sus procedimientos administrativos respecto del presupuesto para el año fiscal, en las oportunidades en que lo solicite el Gobierno del país exportador, pero con una frecuencia no inferior a la anual, un informe sobre la recepción y el desembolso de los ingresos, certificado por la correspondiente autoridad fiscal del Gobierno del país importador y, en el caso de erogaciones, por el sector del presupuesto en el que se hubieren utilizado dichos ingresos.

G. Computos

El cómputo del pago inicial, de los fondos de contrapartida y de todos los pagos de capital e intereses de conformidad con este Convenio, se efectuará en dólares de los Estados Unidos.

H Pagos

Todos los pagos se efectuarán en dólares de los Estados Unidos o, si el Gobierno del país exportador optare por ello,

1. Los pagos se harán en monedas fácilmente convertibles de terceros

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

países a un tipo de cambio mutuamente convenido, y serán usados por el Gobierno del país exportador para el pago de sus obligaciones o, en el caso de fondos de contrapartida, serán usados para los propósitos establecidos en el Capítulo II de este convenio; o

2. Los pagos se harán en moneda local, al tipo de cambio aplicable que se especifica en el apartado G del Articulo III del Capítulo I, de este Convenio, en vigor en la fecha del pago y, a opción del Gobierno del país exportador, serán convertidos en dólares de los Estados Unidos al mismo tipo de cambio, o serán utilizados por el Gobierno del país exportador para el pago de sus obligaciones o, en el caso de fondos de contrapartida, serán usados para los propósitos establecidos en el Capitulo II de este Convenio, en el país importador.

ARTICULO III

A. Comercio Mundial

Los dos Gobiernos tomarán las máximas precauciones para asegurar que las ventas de productos agrícolas conforme a este Convenio no desplacen las transacciones usuales del país exportador en estos productos ni alteren indebidamente los precios mundiales de productos agrícolas o las normas habituales de intercambio comercial con los países que el Gobierno del país exportador considera como naciones amigas (denominadas en este Convenio naciones amigas). Para poner en práctica esta disposición el Gobierno del país importador deberá:

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 Asegurar que el total de las importaciones procedentes del país exportador y de otras naciones amigas al país importador y pagadas con recursos del país importador sea por lo menos igual a las cantidades de productos agrícolas que se determinan en el cuadro de comercialización usual indicado en el Capítulo II, durante cada período de importación determinado en el cuadro y durante cada período comparable subsiguiente, en el que se estén entregando productos financiados conforme a este convenio. Las importaciones de productos para satisfacer estos requerimientos usuales de comercialización para cada período de importación serán adicionales a las compras financiadas de conformidad con este convenio.

2. Adoptar medidas para asegurar que el país exportador obtenga una participación justa en cualquier incremento de las compras comerciales de productos agrícolas por parte del país importador.

3. Adoptar todas las medidas posibles para impedir la reventa, la desviación en tránsito o el transbordo a otros países o el uso para otros fines que no sean los internos, de los productos agrícolas adquiridos de conformidad con este convenio (salvo cuando tal reventa, desviación en tránsito, transbordo o uso hayan sido específicamente aprobados por el Gobierno de los Estados Unidos de América).

4. Adoptar todas las medidas posibles para impedir la exportación de cualquier producto, de origen nacional o extranjero, que se defina en el Capítulo II de este convenio, durante el período de limitación de las exportaciones que se especifica en el

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

cuadro de limitación de las exportaciones, que figura en el Capítulo II (excepto según se especifique en el Capítulo II o cuando tal exportación haya sido específicamente aprobada por el Gobierno de los Estados Unidos).

B. Comercio Particular

Al llevar a la práctica las disposiciones de este Convenio, los dos Gobiernos procurarán asegurar condiciones de comercio que permitan a los comerciantes particulares llevar a cabo sus actividades eficazmente.

C. Autoayuda

El Capítulo II describe el programa que el Gobierno del país importador está emprendiendo para mejorar su producción, almacenamiento y distribución de los productos agrícolas. El Gobierno del país importador proporcionará, en la forma y en la fecha que el Gobierno del país exportador solicite, un informe del progreso que el Gobierno del país importador está realizando para llevar a cabo dichas medidas de autoayuda.

D Informes

Además de cualesquiera otros informes convenidos entre los dos Gobiernos, el Gobierno del país importador suministrará, por lo menos trimestralmente, para el período de abastecimiento especificado en el Item I del Capítulo II de este Convenio y para cualquier período subsiguiente comparable, durante el cual se estén importando o utilizando los productos adquiridos conforme a este Convenio:

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 La información siguiente respecto a cada embarque de productos recibidos en virtud del convenio: el nombre de cada barco; la fecha de llegada; el puerto de arribo; el producto y cantidades recibidas y el estado en que se recibió.

2 Una declaración que indique el progreso alcanzado para satisfacer las demandas normales del mercado.

3 Una declaración relativa a las medidas que se han adoptado para poner en práctica las disposiciones contempladas en la sección A, incisos 2 y 3 de este Artículo.

4 Datos estadísticos sobre las importaciones y exportaciones realizadas por país de origen o de destino, respectivamente, de los productos que son iguales o similares a los importados conforme al convenio.

E. Procedimientos para la Conciliación y Ajuste de Cuentas

Cada uno de los Gobiernos establecerá procedimientos apropiados para facilitar el ajuste de sus respectivas cuentas de las cantidades financiadas con respecto a los productos entregados durante cada año civil. La Commodity Credit Corporation del país exportador y el Gobierno del país importador podrán realizar en las cuentas de crédito los ajustes que mutuamente convengan son apropiados

F. Definiciones

A los efectos de este Convenio:

1. Se considerará que la entrega ha tenido lugar en la fecha de carga indicada en el conocimiento de embarque marítimo que ha sido firmado o aprobado con iniciales en nombre del transportador.

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.

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 Se considerará que la importación se ha efectuado cuando el producto haya ingresado al país y haya pasado por la aduana, si hubiere, del país importador.

3. Se considerará que la utilización se ha efectuado, cuando el producto haya sido vendido al comercio dentro del país, o haya sido distribuido de otra manera al consumidor dentro del país.

G. Tipo de Cambio Aplicable

Para los fines de este convenio, el tipo de cambio aplicable para determinar la cantidad de cualquier moneda local a ser pagada al Gobierno del país exportador, será un tipo en vigor en la fecha de pago por parte del país importador, que no sea menos favorable al Gobierno del país exportador que los más altos tipos de cambio legalmente obtenibles en el país importador y que no sea menos favorable al Gobierno del país exportador que los más altos tipos de cambio obtenibles por cualquier otra nación Respecto a la moneda local:

1 Mientras el Gobierno del país importador mantenga un sistema de tipo de cambio único, el tipo de cambio aplicable será el tipo al cual la autoridad monetaria central del país importador o su agente autorizado venda divisas por moneda local.

2. Si no se mantiene un tipo de cambio único, el tipo aplicable será aquél (según convengan mutuamente los dos Gobiernos) que cumpla con los requisitos de la primera frase de esta sección G.

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

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 Consultas

Los dos Gobiernos, a petición de cualquiera de ellos se consultarán respecto de cualquier asunto que se plantée en virtud del presente convenio inclusive la aplicatión de los arreglos que se lleven a cabo de conformidad con el mismo

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 Identificación y Publicidad

El Gobierno del país importador adoptará las medidas que se hayan convenido mutuamente antes de la entrega para la identificación de los productos alimenticios en los lugares de distribución en el país importador y para fines de publicidad, en la forma prevista en la Subseccion 103(1) de la Ley

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

CAPITULO II - DISPOSICIONES ESPECIALES

I. Cuadro de Productos.

Producto Commodity	Periodo de Suministro (Año Calendario de EE. UU.) Supply Period (US Calendar Year)	Cantidad Máxima Aproximada (Toneladas Métricas) Approximate Maximum Quantity (Metric Tons)	Valor Máximo del Mercado de Exportación (Millones) Maximum Export Market Value (Millions)
Trigo/Harina de Trigo Wheat/Wheat Flour	1978	75,000	US$ 9.4
		Total	US$ 9.4

II. Condiciones de Pago. Crédito en Moneda Local Convertible.

a. Pago Inicial - Ninguno.

b. Fondos de Contrapartida - Ninguno.

c. Compensación para los fondos utilizados - Hasta un cien por ciento (100%) del valor del financiamiento provisto por este convenio más interés para respaldar el Programa de Alimentos para el Desarrollo identificado en el Item VII mas adelante.

d. Numero de Amortizaciones - Quince (15)

e. Monto de Cada Amortización - aproximadamente montos iguales anuales.

f. Fecha de vencimiento de la primera amortización - Cuatro (4) años después de la fecha de la última entrega de productos en cada año calendario.

g. Tasa de interes inicial - Dos (2%) por ciento.

h. Tasa de interés continua del Tres (3%) por ciento.

PART II - PARTICULAR PROVISIONS

I Commodity Table.

II. Payment Terms. Convertible Local Currency Credit.

a. Initial Payment - None.

b. Currency Use Payment - None.

c. Currency use offset - Up to one hundred percent (100%) of the value of financing provided under this agreement plus interest to support the Food for Development Program identified in Item VII below.

d. Number of installment payments - Fifteen (15).

e. Amount of each installment payment - approximately equal annual amounts.

f. Due date of first installment payment - Four (4) years after date of last delivery of commodities in each calendar year

g. Initial interest rate - Two (2%) percent.

h. Continuing interest rate of Three (3%) percent.

III. Requisitos Normales de Comercializacion.

Producto Commodity	Período de Importación (Ano Calendario de EE.UU.) Import Period (US Calendar Year)	Requisitos Normales de Comercialización (Toneladas Métricas) Usual Marketing Requirements (Metric Tons)
Trigo/Harina de Trigo (Equivalente en Granos) Wheat/Wheat Flour (Grain Equivalent Basis)	1978	152,800 Metric Tons

IV. Limitaciones a la Exportación.

A. Periodo de Limitaciones a la Exportación - El período de limitaciones a la exportación será el año calendario 1978 de EE.UU. o cualquier otro año calendario de EE.UU. subsiguiente durante el cuál los productos financiados por este convenio están siendo importados ó utilizados.

B. Productos Agrícolas Sujetos a las Limitaciones de Exportaciones - Para el propósito indicado en el Capítulo I, Artículo IIIA(4) del convenio, los productos que no pueden ser exportados son. Para trigo/harina de trigo -- trigo, harina de trigo, trigo en hojuelas, sémola, farina y bulgur (ó los mismos productos bajo un nombre diferente).

V. Medidas de Autoayuda.

El Gobierno de Bolivia se compromete a.

A. Fortalecer el programa nacional de cuarentena y saneamiento de las plantas.

B. Continuar el ensanchamiento de su red de centros de servicio agrícola en las capitales de departamento donde se ubicarán las oficinas del sector agrícola del Gobierno de Bolivia.

III. Usual Marketing Requirements.

IV. Export Limitations.

A. Export Limitations Period - The export limitations period shall be the United States calendar year 1978 or any other subsequent U.S. calendar year during which commodities financed under this agreement are being imported or utilized.

B. Commodities to Which Export Limitations Apply - For the purpose of Part I, Article IIIA(4) of the agreement, the commodities which may not be exported are: For wheat/wheat flour -- wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same product under a different name).

V. Self-Help Measures.

The Government of Bolivia agrees to:

A. Strengthen the national plant quarantine and sanitation program.

B. Continue to expand its network of departmental capital agricultural service centers where Government of Bolivia agricultural sector offices will be housed.

C. Intensificar los esfuerzos para desarrollar las organizaciones de pequeños agricultores y la infraestructura de las aldeas.

D. Continuar fortaleciendo y ampliando la cobertura de su programa de créditos a los pequeños agricultores.

E. Continuar mejorando las estadísticas agrícolas y la formación de políticas del sector agrícola mediante el desarrollo de un patrón estadístico agrícola definido y mediante la ejecución de estudios de política agropecuaria.

F. Continuar fortaleciendo los sistemas de investigación y extensión agrícolas y asegurar su enfoque hacia los problemas de los pequeños agricultores.

G. Ampliar la cobertura de los centros de acopio del trigo para asegurar precios justos en efectivo a los agricultores trigueros bolivianos por sus productos.

H. Continuar elevando el nivel del programa nacional de semillas incrementando su amplitud y eficiencia.

I. Continuar respaldando los esfuerzos de la Universidad Nacional para mejorar las instalaciones y programas de estudio de las facultades de ciencias agrícolas, especialmente en las ciencias sociales relacionadas con la agricultura.

VI. Propósitos de desarrollo económico para los que se tiene que utilizar los fondos acumulados a favor del país importador:

A. Los fondos que se acumulen a favor del país importador por la venta de productos agricolas financiados por

C. Intensify efforts to develop small farmer organizations and village infrastructure.

D. Continue to strengthen and expand the coverage of its small farmer credit program.

E. Continue to improve agricultural statistics and agricultural sector policy formation through the development of the agricultural statistics sample frame and through the carrying out of farm policy studies.

F. Continue to strengthen the Bolivian agricultural research and extension system and to assure its focus on small farmer problems.

G. Expand the coverage of the wheat collection centers to assure Bolivian wheat farmers of fair cash prices for the product.

H. Continue the upgrading of the national seed program by increasing its coverage and efficiency.

I. Continue to support the effort of the national university to upgrade the facilities and curriculums of the schools of agricultural sciences, especially in the agriculturally related social sciences.

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

este convenio serán utilizados para la financiación del Programa de Alimentos para el Desarrollo que se identifica con el Item VII, ó, en el grado en que dichos fondos no se puedan utilizar para dicho propósito, para la financiación de medidas de autoayuda establecidas en el Item V anterior, y para las actividades de los sectores agrícolas y de salud.

B. En la utilización de los fondos para estos propósitos, se dará énfasis al mejoramiento directo de la vida de la gente más pobre y de su capacidad para participar en el desarrollo de su país.

VII. El Programa de Alimentos para el Desarrollo al cuál se aplica la Compensacion para los Fondos Utilizados

Los Anexos A y B estipulan las bases de entendimiento de las partes respecto al Programa de Alimentos para el Desarrollo que emprenderá el gobierno del país importador, con los fondos provenientes de la venta de productos agrícolas financiados por este convenio. En el caso de presentarse contradicciones entre las disposiciones de los Capítulos I, II, y III de este convenio y los Anexos A y B, estos dos Anexos prevalecerán.

Los Anexos A y B, adjuntos, son incorporados al convenio. El Anexo A esta escrito en lenguaje corriente destinado a ser aplicable a todos los Programas de Alimentos para el Desarrollo; el Anexo B describe específicamente el Programa de Alimentos para el Desarrollo del Gobierno de Bolivia. En caso de cualquier incompatibilidad entre las estipulaciones del Anexo B y el Proyecto de Alimentos para el Desarrollo del Gobierno de Bolivia presentado el 17 de febrero de 1978, el Anexo B será el documento determinante.

this agreement will be used for financing the Food for Development Program identified in Item VII, or, to the extent that such proceeds may not be used for such purpose, for financing the self-help measures set forth in Item V above, and for activities in the agriculture and health sectors.

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.

VII. Food for Development Program to which Currency Use Offset Applies.

Annexes A and B set forth the understandings of the parties concerning the Food for Development Program to be undertaken by the Government of the importing country with the proceeds from the sale of agricultural commodities financed by this agreement. In the event of any inconsistencies between the provisions of Parts I, II and III of this agreement and Annexes A and B, such Annexes shall be controlling.

Annexes A and B, attached, are incorporated in the agreement. Annex A is standard language intended to be applicable to all Food for Development Programs; Annex B describes the specific Food for Development Program of the Government of Bolivia. In the event of any inconsistencies between the provisions of Annex B and the Government of Bolivia's Food for Development Proposal submitted February 17, 1978, Annex B shall be the controlling document.

CAPITULO III - DISPOSICIONES FINALES

A. Este convenio puede ser denunciado por cualquiera de los dos Gobiernos mediante previo aviso escrito de denuncia al otro Gobierno, por cualquier motivo y por el Gobierno del país exportador si determinase que el programa de autoayuda descrito en el convenio no se desenvuelve en forma adecuada. Una tal denuncia no reducirá ninguna de las obligaciones financieras contraídas por el Gobierno del país importador a la fecha de su denuncia.

B. Este convenio entrará en vigor al firmarse.

C. En caso de discrepancia entre las versiones del inglés y el español de este convenio, la versión en inglés prevalecerá.

EN TESTIMONIO DE LO CUAL, los respectivos representantes, debidamente autorizados para el efecto, han suscrito el presente convenio. DADO en La Paz, Bolivia, en duplicado, el día de hoy 31 de mayo de 1978.

POR EL GOBIERNO DE BOLIVIA
FOR THE GOVERNMENT OF BOLIVIA

Por/By: Gral. Guillermo Jimenez Gallo
Título: Ministro de Relaciones Exteriores y Culto, a.i.
Title : Minister of Foreign Affairs and Worship, a.i.

PART III - FINAL PROVISIONS

A. This agreement may be terminated by either Government by prior written 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.

B. This agreement shall enter into force upon signature.

C. In the event of discrepancy between the English and Spanish versions of this agreement, the English will prevail.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement. DONE at La Paz, Bolivia, in duplicate, this 31st. day of May, 1978.

POR EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA
FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Por/By: Paul H. Boeker
Título: Embajador de los Estados Unidos en Bolivia
Title : United States Ambassador to Bolivia

ANEXO A
ANNEX A

PROGRAMA DE ALIMENTOS PARA EL DESARROLLO
FOOD FOR DEVELOPMENT PROGRAM

El Gobierno del país exportador y el Gobierno del país importador:

Reconociendo la política del país exportador la necesidad de utilizar su productividad agrícola de manera que se establezca una relación estrecha entre la asistencia en materia de alimentos y los esfuerzos del país importador en incrementar la disponibilidad de alimentos para la gente pobre, y mejorar por otros medios la calidad de sus vidas; y

Habiendo llegado a un acuerdo con relación a la utilización deseada de productos agrícolas y fondos generados por la venta de dichos productos a fin de incrementar el acceso de la gente pobre del país importador a un suministro creciente y mejorado en materia de alimentos mediante actividades dirigidas a mejorar la producción, protección y utilización de alimentos, é incrementar, asimismo, el bienestar de la gente pobre del sector rural del país importador; y

Deseosos de establecer las bases de entendimiento que regirán las ventas de productos agrícolas en el país importador para que se lleve a cabo el acuerdo antes mencionado de conformidad con la Ley de Asistencia y Desarrollo del Comercio Agrícola de 1954 y sus enmiendas (denominadas en adelante la Ley), y las medidas que los dos gobiernos adoptarán para fomentar las políticas antes mencionadas;

The Government of the exporting country and the Government of the importing country:

Recognizing the policy of the exporting country to use its agricultural productivity in a manner which will establish a strong relationship between food assistance and efforts by the importing country to increase the availability of food for the poor, and to improve in other ways the quality of their lives; and

Having agreed upon a proposal for the intended use of commodities or funds generated from the sale of such commodities to increase the access of the poor in the importing country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the well-being of the poor in the rural sector of the importing country; and

Desiring to set forth the understandings that will govern the sale of agricultural commodities in the importing country in order to carry out the above-mentioned proposal pursuant to the authority of the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter referred to as the Act), and the measures the two governments will undertake to further the above mentioned policies;

Acuerdan lo siguiente:

Item I. Responsabilidades del Gobierno del País Exportador

A. Sujeto a la disponibilidad de fondos y de productos agrícolas, el Gobierno del país exportador acuerda proporcionar créditos, de acuerdo con la facultad que le otorga el Título I de la Ley, al Gobierno del país importador para la compra de productos agrícolas durante la existencia del Programa de Alimentos para el Desarrollo según lo establecido en el Anexo B de este convenio.

B. A la recepción de una evidencia satisfactoria de desembolsos de la cuenta especial para usos elegibles por parte del Gobierno del país importador abajo descrita para los proyectos y/ó programas descritos en el Anexo B, el Gobierno del país exportador aplicará dichos desembolsos contra la obligación de pago del Título I contraída en virtud de este convenio, según se estipula en los items II y III que siguen.

Item II. Responsabilidades del Gobierno del País Importador

A. El Gobierno del país importador acuerda llevar a cabo el Programa detallado en el Anexo B. Al llevar a cabo dicho programa, el Gobierno del país importador acuerda:

1. Utilizar el monto total de los fondos generados de la venta de productos agrícolas financiados por este convenio para financiar las actividades del desarrollo que se especifican en el Anexo B.

Agree as follows:

Item I. Responsibilities of the Government of the Exporting Country.

A. Subject to the availability of funds and commodities, the Government of the exporting country agrees to furnish credit under authority of Title I of the Act to the Government of the importing country for the purchase of agricultural commodities over the life of the Food for Development Program as set forth in Annex B of this agreement.

B. On receipt of satisfactory evidence of disbursements from the special account for eligible uses by the Government of the importing country described below for the projects and/or programs described in Annex B, the Government of the exporting country will apply such disbursements against the Title I payment obligation incurred under this agreement as set forth in items II and III below.

Item II. Responsibilities of the Government of the Importing Country

A. The Government of the importing country agrees to carry out the program detailed in Annex B. In carrying out such program, the Government of the importing country agrees that it will:

1. Use the total amount of the proceeds generated from the sale of agricultural commodities financed under this agreement to finance the development activities specified in Annex B.

2. Presentar el 1° de noviembre de cada año ó antes, durante el período de este convenio un informe amplio al Gobierno del país exportador sobre las actividades y el progreso alcanzados por el Programa de Alimentos para el Desarrollo para el Año Fiscal de los Estados Unidos que termina el 30 de septiembre incluyendo, sin limitación, una comparación de los resultados con las metas del proyecto, una contabilización específica de los fondos generados, sus usos, los saldos pendientes a fines del año fiscal más reciente, y cualesquiera recomendaciones del Gobierno del país importador para la modificación y el mejoramiento del Programa de Alimentos para el Desarrollo.

3. Mantener archivos y registros adecuados por un período no menor de tres años (3) después de la terminación del programa, que permitan revisiones y auditoría por el Gobierno del país exportador de las medidas tomadss para implementar el Programa de Alimentos para el Desarrollo.

B. El Gobierno del país importador acuerda en establecer una cuenta especial en la cuál depositará no después de los seis meses calendario después de la fecha de desembolso por la Commodity Credit Corporation los fondos generados de la venta de productos agrícolas que le han sido suministrados para el Programa de Alimentos para el Desarrollo establecido en el Anexo B de este convenio. El Capítulo I, Artículo II F de este convenio no se aplicará al producto de las ventas desembolsado de la cuenta especial para el Programa de Alimentos para el Desarrollo.

2. Submit on or before November 1 of each year during the period of this agreement a comprehensive report to the Government of the exporting country on the activities and progress achieved under the Food for Development Program, for the United States Fiscal Year ending September 30 including, but not limited to, a comparison of results with project targets, a specific accounting for funds generated, their uses, the outstanding balancesat the end of the most recent fiscal year, and any recommendations of the Government of the importing country for modification and improvement of the Food for Development Program.

3. Maintain adequate records for not less than three (3) years after completion of the Program to permit review and audit by the Government of the exporting country of measures taken to implement the Food for Development Program.

B. The Government of the importing country agrees to establish a special account in which it will deposit not later than six calendar months after the date of disbursement by Commodity Credit Corporation the proceeds generated from the sale of commodities provided to it for the Food for Development Program set forth in Annex B of the agreement. Part I, Article II F of this agreement shall not apply to sales proceeds disbursed from the special account for the Food for Development Program.

Item III. Crédito para la Deuda del Préstamo del Título I

Los Gobiernos de los países exportador é importador acuerdan que:

A. El equivalente en dólares de la moneda nacional desembolsada para los usos elegibles identificados en el Anexo B será calculado al tipo de cambio que se especifica en el Capítulo I, Artículo III G de este convenio, correspondiente a la fecha de desembolso de la cuenta especial. El equivalente en dólares de la moneda nacional desembolsada para los usos elegibles que se identifican en el Anexo B se acreditará como pago para el propósito del Capítulo I, Artículo II H de este convenio contra (1) el monto del pago de los intereses de cada año pagaderos durante el período anterior a la fecha de vencimiento de la primera amortización, comenzando con el primer año y (2) los pagos combinados de capital é intereses, comenzando con la primera amortización hasta tanto se haya compensado el valor de la moneda nacional desembolsada.

B. Para el período durante el cuál se hagan los desembolsos de acuerdo con el párrafo A anterior, el Gobierno del país importador proporcionará al Gobierno del país exportador un informe trimestral de los depósitos y desembolsos efectuados, certificado por la respectiva autoridad de auditoría del Gobierno del país importador, y una descripción de las actividades para las cuales se hicieron los desembolsos.

C. Con un tiempo no menor a 60 días antes de que se venza cualquier cuota según los términos del Capítulo II, Item II de este convenio, y anualmente después, según sea pertinente, el Gobierno del país exportador proporcionará un plan de las cantidades desembolsadas de la cuenta especial, mostrando su aplicación a la obligación de pago del Título I.

Item III. Credit for Title I Loan Indebtedness

The Governments of the exporting and importing countries agree that:

A. The dollar equivalent of local currency disbursed for eligible uses identified in Annex B shall be calculated at the exchange rate specified in Part I, Article III G of this agreement, applicable on the date of disbursement from the special account. The dollar equivalent of local currency disbursed for the eligible uses identified in Annex B shall be credited as payment for the purpose of Part I, Article II H of this agreement against (1) 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 (2) the combined payments of principal and interest starting with the first installment payment until the value of the local currencies disbursed has been offset.

B. For the period during which disbursements are made in accordance with paragraph A, above, the Government of the importing country will furnish the Government of the exporting country a quarterly report of the deposits and disbursements made, certified by the appropriate audit authority of the Government of the importing country, and a description of the activities for which the disbursements were made.

C. Not less than 60 days before the first Title I loan installment becomes due under the terms of Part II, Item II of this agreement, and annually thereafter, as may be appropriate, the Government of the exporting country will provide a schedule of amounts disbursed from the special account, showing application to Title I payment obligation.

D El Gobierno del país exportador se reserva el derecho de revisar el uso de los desembolsos y determinar la elegibilidad de aplicación contra las obligaciones de pago del Título I de este convenio Si el Gobierno del país exportador determina que se hizo un desembolso para un uso inelegible, el Gobierno del país exportador dará aviso de tal inelegibilidad al Gobierno del país importador, y los dos Gobiernos considerarán, lo que respecta a dicha inelegibilidad, a solicitud de cualquiera de ellos. Si el aviso de dicha inelegibilidad no es anulado por el Gobierno del país exportador dentro de los 90 días de recepción de dicho aviso por el Gobierno del país importador, los desembolsos para usos inelegibles no serán aplicados a la deuda, y, a opción del Gobierno del país exportador, la cantidad equivalente será restituída a la cuenta especial En el grado en que cualesquiera desembolsos para usos inelegibles fueran previamente aplicados por el Gobierno del país exportador contra la obligación de pago del Título I, dicha aplicación serán anulada

D. The Government of the exporting country reserves the right to review use of disbursements and to determine eligibility for application against Title I payment obligations under this agreement If the Government of the exporting country determines that a disbursement was made for an ineligible use, notice of such ineligibility shall be given by the Government of the exporting country to the Government of the importing country, and the two Governments shall, upon request of either, consult regarding such ineligibility. If the notice of ineligibility is not rescinded by the Government of the exporting country within 90 days of receipt of such notice by the Government of the importing country, disbursements for ineligible uses shall not be applied to the indebtedness, and, at the option of the Government of the exporting country, the equivalent amount shall be restored to the special account. To the extent that any disbursements for ineligible uses were previously applied by the Government of the exporting country against the Title I payment obligation such application will be cancelled.

E. El Gobierno del país exportador tendrá el derecho en cualquier tiempo que juzgue razonable de inspeccionar los proyectos, e inspeccionar y auditar los archivos, procedimientos y métodos relativos a los desembolsos efectuados de la cuenta especial.

E The Government of the exporting country shall have the right at reasonable times to inspect projects, and inspect and audit records, procedures, and methods pertaining to the disbursements made from the special account

F Si después de la terminación del programa establecido en el Anexo B permanecen dineros en la cuenta especial, el Gobierno del país importador utilizará los dineros sobrantes para aquellos propósitos de desarrollo económico que convinieran los dos Gobiernos

F. If currencies remain in the special account after completion of the program set forth in Annex B, the Government of the importing country shall use the remaining currencies for such economic development purposes as the two Governments may agree.

G. Anualmente, en la fecha que acordaren los dos Gobiernos, los representantes de las partes se reunirán en un lugar mutuámente acordado, para discutir y revisar el progreso del Programa de Alimentos para el Desarrollo, considerar las modificaciones y mejoras, y determinar las cantidades y clases de productos agrícolas a financiarse por este convenio durante el año del Programa de Alimentos para el Desarrollo.

Item IV. Implementación del Programa de Alimentos para el Desarrollo

A. El Programa de Alimentos para el Desarrollo, que está más ampliamente descrito en el Anexo B, consistirá en actividades del Gobierno del país importador proyectadas para desarrollar y divulgar la base técnica de la agricultura de los pequeños agricultores, mejorar el acceso de los pequeños agricultores a los insumos de producción necesarios tales como tierra y agua, mejorar el sistema de comercialización que está al servicio de los pequeños agricultores, mejorar la administración y planificación del sector agrícola, aumentar el número de técnicos y pequeños agricultores capacitados, controlar las enfermedades transmisibles, y reducir las incidencias y los efectos de la desnutrición. El Anexo B amplía la descripción del Programa de Alimentos para el Desarrollo.

B. De cuando en cuando, las partes pueden utilizar Cartas de Implementación mutuamente acordadas para confirmar y hacer constar su mutuo acuerdo sobre aspectos de la implementación de este convenio. Las Cartas de Implementación no se utilizarán para enmendar el texto de este convenio, pero pueden utilizarse para que se introduzcan revisiones ó excepciones que son permitidas por el convenio.

G. Annually at such time as the two Governments may agree, representatives of the parties will meet in a place mutually agreed upon, to discuss and review the progress of the Food for Development Program, to consider modifications and improvements, and to determine the amounts and kinds of commodities to be financed under this agreement during that year of the Food for Development Program.

Item IV. Implementation of the Food for Development Program

A. The Food for Development Program, which is further described in Annex B, will consist of activities of the Government of the importing country designed to develop and extend the technical base for small farmer agriculture, to improve small farmer access to necessary production inputs such as land and water, to improve the marketing system serving small farmers, to improve the management and planning of the agricultural sector, to increase the number of trained small farmers and technicians, to control communicable disease, and to reduce the incidence and effects of malnutrition. Annex B amplifies the above description of the Food for Development Program.

B. From time to time, the parties may use jointly agreed-upon Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this agreement. Implementation Letters will not be used to amend the text of this agreement but can be used to record revisions or exceptions which are permitted by the agreement.

C. Para el propósito de negociar y suscribir las Cartas de Implementación, el Gobierno del país importador estará representado por la persona que desempeña, titular ó interinamente, el cargo de Ministro de Asuntos Campesinos y Agropecuarios, y para asuntos netamente financieros por la persona que desempeña, titular ó interinamente, el cargo de Ministro de Finanzas, y el Gobierno del país exportador estará representado por la persona que desempeña, titular ó interinamente, el cargo de Director de la Misión de USAID/Bolivia, quienes podrán nombrar representantes adicionales mediante aviso por escrito. Cada parte proporcionará a la otra los nombres de sus representantes y los facsímiles de sus firmas, y aceptará como debidamente autorizada cualquier Carta de Implementación firmada por cualquiera de los representantes de la otra parte hasta recibir una notificación escrita de la revocación de sus poderes.

Item V. Suspensión del Convenio

El Gobierno del país exportador revisará anualmente la ejecución é implementación de este convenio por parte del Gobierno del país importador. Si el Gobierno del país exportador encuentra que las disposiciones de este convenio no están siendo substancialmente cumplidas, previo aviso por escrito al Gobierno del país importador, no se dará mayor financiamiento en virtud de este convenio hasta fines del siguiente año fiscal de los Estados Unidos ó hasta que la situación sea subsanada, escogiendo de las dos fechas la que ocurra primero, a no ser que la falta de cumplimiento de las disposiciones se deba a circunstancias extraordinarias que están más allá del control del Gobierno del país importador.

C. For the purposes of negotiating and executing Implementation Letters, the Government of the importing country will be represented by the individual holding or acting in the office of the Minister of Agriculture and Campesino Affairs, and for exclusively financial matters by the individual holding or acting in the office of the Minister of Finance, and the Government of the exporting country will be represented by the individual holding or acting in the office of the USAID/Bolivia Mission Director, each of whom, by written notice, may designate additional representatives. Each party will provide the other party with the names of its representatives and their specimen signatures, and may accept as duly authorized any Implementation Letter signed by any one of such representatives of the other party prior to receipt of written notice of revocation of their authority.

Item V. Suspension of the Agreement

The Government of the exporting country shall annually review the performance and implementation of this agreement by the Government of the importing country. If the Government of the exporting country finds that the provisions of this agreement are not being substantially met, upon prior written notice to the Government of the importing country, no further financing under this agreement shall be extended until the end of the following United States fiscal year or until the situation is remedied, whichever occurs first, unless the failure to meet the provisions is due to unusual circumstances beyond the control of the Government of the importing country.

ANEXO B
ANNEX B

DESCRIPCION DEL PROGRAMA
PROGRAM DESCRIPTION

I. COMPROMISOS DE POLITICA DEL GOBIERNO DE BOLIVIA:

A. Para asegurar que los esfuerzos a financiarse dentro del Programa serán, en realidad, adicionales a aquellos a los que actualmente Bolivia se compromete, el Gobierno de Bolivia acuerda:

1. Que, tendrá que haber un incremento substancial en términos reales en el presupuesto de inversiones del sector público destinado a la agricultura en el período de cinco años de 1978 a 1982 comparado con el período igual de 1973 a 1977. Para todo ese período la meta será un incremento de por lo menos el 100% en términos reales. Para cada año específico, a partir de 1978, tendrá que haber un incremento en términos reales sobre al año anterior de acuerdo con la meta de incrementos de los cinco años,
(USAID deberá convenir con el Gobierno de Bolivia sobre los organismos del sector público que estarán incluidos).

2. Que, para llevar a cabo de una manera racional, eficiente y prudente el nivel de inversiones que se proyecta, el Gobierno haya comprometido al Instituto Interamericano de Ciencias Agrícolas de la OEA (IICA) a que le asista en una total revisión y reorganización del Ministerio y de sus organismos descentralizados.

Esta reestructuración del Ministerio de Agricultura incluirá las siguientes instituciones principales y áreas de servicio dentro del sector: las oficinas centrales del Ministerio de Agricultura en La Paz y en cada uno de los departamentos, el Instituto de Tecnología Agropecuaria (servicio de investigación y extensión agrícola), la Corporación de Desarrollo Forestal,

I. GOVERNMENT OF BOLIVIA POLICY COMMITMENTS

A. In order to assure that the efforts to be financed under the Program will, in fact, be additional to those that Bolivia is presently undertaking. The government of Bolivia agrees:

1. That, there will be a substantial increase in real terms in the public sector investment budget for agriculture for the 1978-82 five-year period compared with the 1973-77 period. For the period as a whole, the goal will be an increase in real terms of at least 100%. For each specific year, beginning in 1978, there will be an increase in real terms over the prior year consistent with the five-year goal.

(USAID should agree with the Government of Bolivia on which public sector agencies are included.)

2. That, in order to carry out this projected level of investment in a rational, efficient and prudent manner the GOB has engaged the OAS Inter-American Institute of Agricultural Sciences (IICA) to assist them in a total review and reorganization of the Ministry and its decentralized agencies.

This restructuring of the Ministry of Agriculture will include the following major institutions and service areas within the sector: the central offices of the Ministry of Agriculture in La Paz and in each of the Departments, the Bolivian Institute of Agricultural Technology (agricultural research and extension service),

el Instituto Nacional de Colonización, el Servicio Nacional de Desarrollo de la Comunidad (desarrollo comunal rural y cooperativas agrícolas), el Consejo Nacional de Reforma Agraria (títulos y catastros), Proyectos de Desarrollo Rural Integrado (financiados por varias entidades internacionales) y el Banco Agrícola de Bolivia. El propósito de esta reestructuración es mejorar la planificación, coordinación y ejecución entre el Ministerio de Agricultura y las instituciones y proyectos autónomos y descentralizados mencionados anteriormente y, asimismo, eliminar la duplicación de funciones dentro del sector que a menudo resulta en el desperdicio de recursos humanos y financieros limitados.

3. Que, del anterior estudio derivarán necesidades específicas de personal técnico y la implementación de recomendaciones que serán decisivas para la ejecución del programa de reestructuración de una manera eficiente y oportuna. Los servicios del IICA tendrán que continuarse durante la etapa de implementación, que comenzaría en Agosto de 1978 inmediatamente luego de la terminación del estudio programado. Las recomendaciones del estudio del IICA permitirán que se utilice de una manera más eficiente y oportuna el incremento que se proyecta en el presupuesto del sector de inversiones

4. Como parte de la primera revisión anual del Programa de Alimentos para el Desarrollo (o más antes por mútuo acuerdo), el Gobierno acuerda en revisar con AID las recomendaciones del IICA e incluir metas y objetivos específicos basados en estas recomendaciones como puntos de referencia de las revisiones anuales futuras del Programa de Alimentos para el Desarrollo.

Forestry Department Service, National Colonization Institute, National Community Development Service (rural community development and agricultural cooperatives), Agrarian Reform Council (titling and cadaster), Integrated Rural Development Projects (funded by various international donors) and the Bolivian Agricultural Bank. The purpose of this restructuring is to improve planning, coordination, and implementation between the Ministry of Agriculture and the above decentralized, autonomous institutions and projects and to eliminate the duplication of functions within the sector which often waste limited financial and human resources.

3. That, flowing out of the above study will be specific technical personnel requirements and implementing recommendations which will be critical to the efficient and timely execution of the restructuring program. IICA's services will be continued through the implementation stage which will begin immediately following scheduled completion of the study in August 1978. The recommendations of the IICA study will permit the projected increase in the sector investment budget to be used in a more efficient and effective manner.

4. As part of the first annual review of the FFD Program (or earlier by mutual agreement), the GOB agrees to review the recommendations of IICA with AID and to incorporate specific goals and objectives based on these recommendations as benchmarks for future annual reviews of the FFD Program.

5. Que, durante el período de ejecución del Programa de Alimentos para el Desarrollo, el Gobierno de Bolivia asegurará que los gastos del sector público, fuera de aquellos que se pongan a disposición dentro del Programa de Alimentos para el Desarrollo, para el Sector Salud no decrecerá en términos reales, es decir, ajustados por la inflación.

B. Para asegurar que el trigo importado que financie el Programa de Alimentos para el Desarrollo no tendrá efectos adversos en los productores o producción de trigo en Bolivia, el Gobierno de Bolivia, conviene en:

1. Que, sujeto a la capacidad de los Centros de acopio de trigo y a un manejo prudente, todo el trigo de calidad aceptable llevado a los centros de acopio de trigo del Gobierno de Bolivia será comprado al contado sin demora excesivo a los precios establecidos;

2. Que, utilizando los recursos de Alimentos para el Desarrollo, se construirán centros de acopio de trigo en el período 1981-1983 tal como está descrito en la sección B.1 de este Anexo; y

3. Que, las ventas de trigo del Gobierno de Bolivia a los molineros continuará siendo estructuradas y condicionadas de tal manera que se asegure que todo el trigo producido internamente disponible para molienda sea procesado en forma prioritaria.

Se entiende que el incumplimiento de lo establecido en los compromisos presupuestarios o de las medidas para evitar los impactos adversos a la producción nacional de trigo, podrían

5. That, during the period of execution of the Food for Development Program, the Government of Bolivia will assure that public sector expenditures, apart from those made available under the Food for Development Program, for the Health Sector will not decrease in real terms, i.e., adjusted for inflation.

B. In order to assure that wheat imported to finance this Food for Development Program will not have an adverse effect on Bolivia's wheat producers or Bolivia's wheat production, the Government of Bolivia agrees:

1. That, subject to the capacity of existing wheat collection centers and prudent management, all wheat of acceptable quality brought to the Government of Bolivia's wheat collection centers will be bought for cash without inordinate delay at the established price;

2. That, utilizing Food for Development resources, new wheat collection centers will be constructed over the 1981-1983 period; as described in section B.1. of this Annex; and

3. That, the Government of Bolivia wheat sales to Bolivia's flour millers will continue to be structured and conditioned in such a manner so as to assure that all of Bolivia's domestically produced wheat which is made available for milling will be used by millers on a priority basis.

It is understood that non-compliance with the agreed upon budgetary commitments or the agreed measures to avoid an adverse impact on domestic wheat production could

resultar en la aplicación de las cláusulas estipuladas bajo el Item V del Anexo A de este convenio.

II. DESCRIPCION RESUMIDA DEL PROGRAMA

A. Presupuesto del Programa

El resúmen del presupuesto para el programa de Alimentos para el Desarrollo se presenta en la tabla 1 adjunta.

B. Descripciones Específicas del Proyecto

El Gobierno del país importador conviene en llevar a cabo los proyectos descritos abajo sobre un período de 5 años. Los detalles de los proyectos específicos se podrían encontrar en la propuesta del Gobierno de Bolivia al Programa de Alimentos para el Desarrollo PL 480, Título III, sometido el 17 de febrero de 1978.

1. Centros de Acopio de Trigo

Este Proyecto incrementará el número de los Centros de Acopio de trigo de los 7 actualmente existentes a aproximadamente 25. Cada nuevo Centro tendrá aproximadamente 616 toneladas métricas de capacidad y estará equipado de silos, equipos de peso, de clasificación, bolsas, facilidades de oficina y uno o dos camiones para transportar el grano. Cada Centro tendrá además un fondo rotativo para pagar a los pequeños, el importe de su entrega de grano.

result in the application of measures contemplated under Item V of Annex A of this agreement.

II. SUMMARY PROGRAM DESCRIPTION

A. Program Budget

The summary budget for the Food for Development Program is presented in Table 1 attached.

B. Specific Project Descriptions

The Government of the importing country agrees to undertake the projects described below over a five-year period. Details of specific projects can be found in the Proposel of the Bolivian Government for PL 480, Title III, Food for Development Program submitted February 17, 1978.

1. Wheat Collection Centers

This project will increase the number of wheat collection centers from the present seven to approximately 25. Each new center will have approximately 616 metric tons of storage capacity and will be equipped with silos, weighing equipment, grading equipment, bags, office facilities and one or two trucks to transport grain. Each center will also have a rotating fund to pay the small farmers at the time they deliver their grain to the center.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

		Metas de Implementación Implementation Targets			
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83
Número de Centros de Operación Number of Centers in Operation	7	10	13	19	25
Fondo rotativo en operación Revolving Fund Operating	X	-	-	-	-

PLAN FINANCIERO
FINANCIAL PLAN
(en Miles de Dólares)
(U.S. $000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Total
Fondo Rotativo Rotating Fund	600	720	720	720	2,760
Construcción de Centros Construction of Centers	-	330	330	330	990
Vehículos Vehicles	50	150	150	150	500
Totales Totals	650	1.200	1.200	1.200	4.250

2.- Desarrollo de Cooperativas Integrales

Se proveerá financiamiento para aproximadamente 20 nuevas cooperativas integrales y una federación nacional para sufragar los gastos de administración a nivel profesional, equipo y facilidades, déficits iniciales en los costos operacionales y otros gastos requeridos para poner las organizaciones en estado de poder operar comercialmente. Se anticipa que una nueva cooperativa típica requerirá de asistencia por aproximadamente 3 años.

2. Development of Integral Cooperatives

Financing will be provided to approximately 20 new integral cooperatives and a national federation to defray the cost of professional management, business equipment and facilities, initial operating cost deficits and other expenses required to put the organizations on a sound business basis. It is anticipated that the typical new cooperative will require such assistance for approximately three years.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Metas de Implementación Implementation Targets					
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Número de Cooperativas Establecidas Number of Established Cooperatives	4	7	10	13	16	20
Número de Cooperativas Nuevas Number of New Cooperatives	3	3	3	3	4	-
Establecimiento de la Federación Establishment of Federation	-	X	-	-	-	1

PLAN FINANCIERO
FINANCIAL PLAN
(en Miles de Dólares)
(U.S. $000).

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Gasto de arranque de Cooperativas existentes Start-up Costs of Presently Existing Coops	340	40	10	-	-	390
Gasto de arranque de Cooperativas nuevas Start-up Costs of New Coops	510	600	660	660	1.080	3.510
Gasto de arranque de la Federación Start-up Costs of Federation	-	260	130	90	120	600
Totales Totals	850	900	800	750	1,200	4.500

3.- Caminos de Colonización

El proyecto constará del diseño y construcción de 80 Km. de camino de penetración permanente al área de colonización de San Julián uniendo este camino con la línea férrea de Santa Cruz a Brasil. El Proyecto financiará también el ensanchamiento a 6 metros de la superficie ripiada de la carretera Chané-Piraí. Si los fondos permiten, las sendas de acceso se construirán también como parte de esta actividad.

3. Colonization Roads

The project will design and construct an 80 Km. all-weather penetration road to the San Julian colonization area uniting it to the railway line from Santa Cruz to Brazil. The project will also broaden the gravel surface of the Chané-Piraí road to six meters. Should funding permit, access trails will also be constructed as a part of this activity.

PLAN FINANCIERO Y METAS-DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

		Metas de Implementation Implementation Targets		
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82
Diseño de la Carretera al Sur de San Julián Design of San Julian South Highway	Completado Completed	-	-	-
Carretera No. de Kms. Completados San Julian South, Number of Kms.Completed	-	14	33	33
Mejoramiento Chané-Piraí Improvement of Chané-Piraí Highway	-	Completado Completed	-	-

PLAN FINANCIERO
FINANCIAL PLAN
(en Miles de Dólares)
(U.S. $000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Total
Diseño y Supervisión Design and Supervision	300	100	100	500
Construcción de la Carretera Sud de San Julián San Julian South, Construction	1.000	2.400	2.400	5.800
Mejoramiento Chané-Piraí Improvement of Chané-Piraí	1.200	-	-	1.200
Totales Totals	2,500	2,500	2,500	7.500

4.- Centros de Servicio Agrícola

Esta actividad se abocará a la construcción y equipamiento de unas 90 facilidades de oficinas y viviendas para los trabajadores de campo del sector agrícola. La intención es establecer un centro para desarrollo rural en cada una de las capitales provinciales de Bolivia donde se podrán coordinar las actividades de las varias instituciones del sector público que trabajan en el desarrollo rural y donde los campesinos puedan recibir asistencia de las oficinas técnicas, de desarrollo de la comunidad, de los servicios de crédito rural como de Reforma Agraria y Desarrollo Forestal.

4. Farm Service Centers

This activity will consist of the construction and equipping of some 90 service outreach facilities and homes for field extension workers in the public agricultural sector. The aim is to establish a center for rural development in each of Bolivia's provinces where the activities of the various public sector institutions working in rural development can be coordinated and where the campesino can receive assistance from the technical, community development and rural credit services, as well as the Agrarian Reform and Forestry Development Cooperation.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

			Metas de Implementación Implementation Targets			
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Año 84 CY 84
Número de Centros Diseñados Number of Centers Designed	15	15	20	25	15	-
Número de Centros Completados Number of Centers Completed	-	7	8	24	25	26

PLAN FINANCIERO
FINANCIAL PLAN
(en Miles de Dólares)
(U.S. $000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY81	Año 82 CY 82	Año 83 CY 83	Total
Diseño y Supervisión Design and Supervision	50	150	100	100	100	500
Construcción de Centros Center Construction	500	650	1.550	1.650	1.650	6.000
Equipamiento Centros Center Equipping	50	50	150	150	100	500
Totales Totals	600	850	1.800	1.900	1.850	7.000

5.- Programa de Control de Pesticidas y Cuarentena de Plantas

La finalidad de este esfuerzo es establecer un programa para guiar el uso de las aplicaciones de pesticidas por los pequeños agricultores y proporcionar protección contra problemas de insectos y enfermedades de plantas originados por la importación de plantas. Los fondos del proyecto se utilizarán para proporcionar facilidades adicionales de personal y laboratorio a la oficina de Sanidad Vegetal del Ministerio de Asuntos Campesinos y Agropecuarios.

5. Pesticide Control and Plant Quarantine Program

The aim of this effort is the establishment of a program to guide the use of chemical applications by the small farm sector and to provide protection from insect and plant disease problems related to plant importation. Project funds will be used to provide additional personnel and laboratory facilities to the Plant Sanitation Office of the Ministry of Agriculture and Campesino Affairs.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Metas de Implementación				
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY83
Personal Adicional (No.) Additional Personnel (No.)	-	11	11	-	-
Laboratorio - Laboratory	-	En Operación	-	-	-
Porcentaje del Costo del Proyecto sufragado por el gobierno (acumulativo) Percent of Project Costs Defrayed by GOB (Cumulative)	-	-	13	39	70

PLAN FINANCIERO
FINANCIAL PLAN
(en Miles de Dólares)
(U.S. $000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Salarios Salaries	100	200	200	230	230	960
Construcción de Laboratorio Laboratory Construction	30	-	-	-	-	30
Costos de operación varios Mis. Operating Costs	20	100	100	100	100	420
Equipo de Laboratorio Laboratory Equipment	50	40	35	25	-	150
Vehículos Vehicles	110	-	-	50	-	160
Entrenamiento Training	40	10	10	10	10	80
Totales Totals	350	350	345	415	340	1.800
Financiamiento Título III Title III Funding	350	350	300	250	100	1.350
Otros Fondos del Gobierno Other GOB Funding	-	-	45	165	240	450

6.- Comités de Desarrollo Departamental - Proyectos de Desarrollo Rural

Se proporcionará asistencia a los Comités de Desarrollo Departamental para mejorar su capacidad de planificar, su capacidad de identificar proyectos y analizarlos. Los fondos serán usados asimismo para financiar Sub-Proyectos de Desarrollo Rural que beneficien a pequeños agricultores. Los fondos serán administrados por los Comités de Desarrollo y puestos a disposiciós para proyectos tales como empresas para mejorar sistemas de mercadeo, esfuerzos por bajar los costos de insumos agrícolas y mejorar los incentivos para expandir la utilización de tierras, y para introducir tecnologías productivas para los pequeños agricultores.

6. Departmental Development Committees - Rural Development Projects

Assistance will be provided to Departmental Development Committees to improve their planning, project identification and capability to analyze projects. The funds will also be used to finance rural development sub-projects which will benefit small farmers. Funding will be administered by the Development Committees and made available for projects such as enterprises for improved marketing, efforts to decrease cost of agricultural inputs and incentives to expand land utilization and introduce productive technology to the small farm sector.

Metas de Implementación
Implementation Targets

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Valor de los Proyectos Value of Projects	1.400	1.500	2.000	4.250	5.850	15.000

7.- Proyectos de Conservación de la Comunidad

Este Proyecto financiará actividades de conservación comunal, tales como reforestación, construcción de diques de control, moldura de tierra, terrazas y rompevientos. Las comunidades participantes serán pagadas por el trabajo voluntario, pero el dinero irá a un fondo comunario para ser usado en proyectos adicionales que beneficiarán a la comunidad, incluyendo escuelas, sistemas de agua potable y postas sanitarias. Se planifican alrededor de 200 proyectos comunitarios para los 5 años de vida del Proyecto.

7. Community Conservation Projects

This project will finance community conservation activities, such as reforestation, construction of check dams, land-shaping, terracing and wind breaks. Participating communities will be paid for volunteer labor, but the money will go to a community fund to be used for additional projects which will benefit the community, including schools, potable water systems and health posts. Some 200 community projects are planned over the five-year life of the project.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Año 84 CY 84
No.de Comunidades, Proyectos Aprobados Number of Community Projects Approved	-	17	42	58	83	-
No.de Has. reforestadas (Miles) Number of Hectares Reforested (000)	-	-	8.5	21	29	41.5

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.000)

	Año 79 CY 79	Año 80 CY80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Multiplicación y Distribución Semillas Seedling Multiplication and Distribution	170	150	100	100	80	600
Moldura, Terrazas y materiales Land Shaping, Terracing & Building Materials	30	50	50	50	20	200
Incentivos del trabajo comunario Community Labor Incentive	-	100	250	350	500	1.200

8.- Sistemas de Microriego:

Los fondos del proyecto serán utilizados para financiar una porción del costo de construcción de represas y canales principales para sistemas de microriego en el territorio de Bolivia. Serán construidos aproximadamente 35 sistemas. El sistema promedio irrigará unas 200 hectáreas y afectará a 60 familias de agricultores. Los sistemas serán construídos utilizando una proporción substancial de la contribución local en efectivo, trabajo o materiales locales.

8. Small Irrigation Systems

Project funds will be used to finance a portion of the cost of constructing retaining dams and principal canals for small irrigation systems throughout Bolivia. Approximately 35 systems will be built. The average system will irrigate some 200 hectares and will affect 60 farm families. Systems will be constructed utilizing a substantial proportion of local community contributions in cash, labor, or local materials.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Metas de Implementación / Implementation Targets					
	Año 79 / CY 79	Año 80 / CY 80	Año 81 / CY 81	Año 82 / CY 82	Año 83 / CY 83	Año 84 / CY 84
No. de Sistemas Diseñados / Number Systems Designed	-	8	12	15	-	-
No. de Has. (nuevos sistemas) / Number of Hectares (New Systems)	-	-	500	1.500	2.000	3.000

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.$000)

	Año 79 / CY 79	Año 80 / CY 80	Año 81 / CY 81	Año 82 / CY 82	Año 83 / CY 83	Total
Factibilidad, Diseño y Supervisión / Feasibility, Design and Supervision	200	100	100	100	50	550
Construcción Sistemas / System Construction	-	300	500	500	650	1.950
Totales / Totals	200	400	600	600	700	2.500

9.- Programa de Crédito a Pequeños Agricultores Expandido

La actividad proporcionará crédito aproximadamente a 11.000 pequeños agricultores

9. Expanded Small Farmer Credit Program

The activity will provide credit to approximately 11.000 small

en los 5 años del Proyecto. Más o menos la mitad del crédito irá a la producción y la otra mitad a inversiones de mediano y largo plazo. El programa financiará también un plan piloto de seguro agro-crediticio, que es una combinación de seguro de cosecha y crédito con aproximadamente 1.650 agricultores asegurados durante la vida del proyecto.

farmers over a five-year period. About half of the credit will go to production and half to medium and long-term small farm investment. The program will also finance a pilot agro-credit insurance effort which is a combination of crop insurance and credit insurance, with about 1,650 farmers to be insured over the life of the project.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Metas de Implementación					
	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Año 84 CY 84
Nuevas Agencias BAB New BAB Agencies	-	5	5	-	-	-
No. Agricultores en el PCPA (acumulado) 1/ Number of Farmers in SFCP (cumulative) 1/	1,500	3,000	4,350	7,400	9,500	11,000
No. Agricultores en el Programa de Seguro Agro-Crediticio Number of Farmers in Agro-Credit Insurance Program	-	150	400	825	1.650	-

1/ La meta podrá ser reducida si los pagos de seguro son necesarios.
Target could be reduced if agro-credit insurance payments needed.

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.$000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Crédito: Credit:						
(a) Oficinas BAB Installation BAB Offices	75	75	-	-	-	150
(b) Costos de Operación Operating Costs	100	200	200	-	-	500
(c) Capital de Préstamo Loan Capital	2.325	1.725	1.800	4.000	4.500	14.350
Totales Totals	2.500	2.000	2.000	4.000	4.500	15.000

10.- Desarrollo Agrícola de las Tierras Bajas del Norte Central

Se espera que este proyecto desarrollará la infraestructura de las estaciones experimentales existentes del Instituto Boliviano de Tecnología y la Corporación de Desarrollo del Nor-oeste. La construcción incluirá oficinas adicionales, laboratorio, facilidades de entrenamiento, invernaderos y viveros, mejoramiento del desbosque y trabajo de forestación. Además se proveerán doce técnicos a las tres estaciones, además de equipamiento. Los fondos del proyecto financiarán también estudios de consultoría para examinar el potencial agrícola, el potencial forestal y de pesca de Beni y Pando.

10. Agricultural Development of the North-Central Lowlands

The project is expected to develop infrastructure at existing research stations of the Bolivian Agricultural Technology Institute and the Corporation for Development of the North West. The construction will include additional offices, laboratories and training facilities; greenhouse and nurseries; land clearing and forest productivity improvement work. In addition, twelve technicians will be furnished to three stations, along with supplies. Project funds will also finance consultant studies for examination of agricultural, forestry and fisheries potential in the Beni and Pando.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

	Metas de Implementación / Implementation Targets				
	Año 79 / CY 79	Año 80 / CY 80	Año 81 / CY 81	Año 82 / CY 82	Año 83 / CY 83
Construcción de Infraestructura Completada / Major Construction of Infrastructure Completed	-	-	-	X	-
Hectáreas Desboscadas / Hectares Cleared	-	60	240	-	-
Técnicos Contratados (Acumulativo) / Technicians Contracted (Cumulative)	7	12	12	12	12
Estudios Completados / Studies Completed	-	-	2	2	2

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.$000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY81	Año 82 CY 82	Año 83 CY 83	Total
Desarrollo Estaciones Station Development	240	300	295	140	30	1.005
Servicios Técnicos Technical Services	60	70	200	200	110	640
Entrenamiento Campesinos Farmer Training	-	-	20	20	30	70
Contingencias Contingency	-	30	185	290	280	785
Totales Totals	300	400	700	650	450	2.500

11.- Fondo de Becas para Campesinos

El proyecto proveerá becas para niños de agricultores pobres para continuar estudios que no se pueda seguir en su propia comunidad. Los fondos proveerán alimentos y alojamiento para casi 5.700 becarios en los 5 años del Proyecto: 3.500 para continuar del grado 4to. al 6to., 2.000 para continuar del 7º al 12º y 175 para la Universidad o estudios técnicos relacionados con la agricultura.

11. Campesino Scholarship Fund

The project will provide scholarships for poor farm children to continue a higher level of education than that available in their own communities. Funds will pay for room and board for almost 5,700 scholarships over a five-year period: 3,500 for continuation in grades 4 through 6; 2,000 for grades 7 through 12 and 175 for university or technical studies related to agriculture.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

Número de Becas No. of Scholarships	Metas de Implementación Implementation Targets Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Grados 4-6 ($160 aprox.) Grades 4-6 (Dols 160 aprox.)	875	875	875	875	3.500
Grados 7-12 ($160) Grades 7-12 (Dols 160 aprox.)	500	500	500	500	2.000
Universidad ($675) University or Tech. (Dols)675 aprox.)	44	44	44	43	175

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.$000)

	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Becas Scholarships	240	240	240	235	955
Totales Totals	250	250	250	250	1.000

12.- Estudios de Desarrollo Rural

Los fondos serán utilizados para financiar una serie de estudios sobre problemas que afectan a los pequeños agricultores y que no hayan sido examinados adecuadamente. Las conclusiones serán dirigidas hacia la solución de estos problemas mediante proyectos específicos o políticas adecuadas. Entre los estudios a ser realizados figuran:

a) Identificación de áreas apropiadas de producción de cereales.

b) Identificación de Proyectos de Desarrollo Agrícola.

c) Factibilidad de establecimiento de una escuela agrícola de técnicos medios.

Otros estudios se llevarán a cabo a medida que se vayan identificando.

12. Rural Development Studies

Funds will be used to finance a series of studies of problems affecting the small farmer which have not yet been adequately examined. Conclusions will be directed toward the solving of these problems through specific projects or through appropriate policy decisions. Among the studies to be undertaken are the following:

a) Identification of Appropriate Cereal Production areas.

b) Agricultural Development Project Identification.

c) Feasibility of establishing a Middle-level Agricultural School

Other studies will be carried out as they are defined.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

Fecha de Terminación Completion Dates	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83
Areas de Producción de Cereales Cereal Production Areas			X		
Identificación de Proyectos Específicos Specific Project Identification		X			
Escuela Agrícola - Agricultural School				X	
Otros Estudios - Other Studies				X	X

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S.$000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Areas Producción Cereales Cereal Production Areas	-	200	50	-	-	250
Identificación Proyectos Specific Project Identification	250	50	-	-	-	300
Escuela Agrícola Agricultural School	-	-	200	50	-	250
Otros Estudios Other Studies	-	-	-	200	300	500
Totales Totals	250	250	250	250	300	1.300

13.- Control de Enfermedades Contagiosas entre Campesinos

El financiamiento estará disponible para asistir al Gobierno de Bolivia en el desarrollo o expansión de la prevensión,control e investigación de varias enfermedades contagiosas que afecten a los campesinos: tuberculosis, chagas, malaria, sarampión y schistosomiasis. Las metas de implementación e indicadores serán refinadas como consecuencia de los estudios epidemiológicos; por lo tanto, los siguientes indicadores son ilustrativos:

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
Metas de Implementación

Estudios Epidemiológicos:
--800.000 habitantes rurales de tuberculosis;
--1,200.000 habitantes rurales de chagas, malaria y schistosomiasis;
Fumigación de:
--160.000 viviendas rurales para control chagas;
-- 80.000 viviendas para la malaria;
Vacunación contra o tratamiento de:

--65.000 casos de tuberculosis, terapia para 325.000 contagiosas y vacunas BGG para 160.000 niños;
--Tratamiento de chagas para 120,000 campesinos;
--55.000 casos de malaria
--400.000 vacunas contra sarampión

13. Communicable Disease Control Among Campesinos

The financing made available will assist the Government of Bolivia to develop or expand epidemiological surveillance, case finding, control and research of several major communicable diseases affecting campesinos: tuberculosis,chagas' disease,malaria,measles and schistosomiasis Implementation targets and indicators will have to be refined as a consequence of epidemiological surveys; therefore, the following indicators are illustrative:

FINANCIAL PLAN AND IMPLEMENTATION TARGETS
Implementation Targets

Screening of:
--800,000 rural inhabitants for tuberculosis
--1,200,000 rural inhabitants for chagas, malaria and schistosomiasis;
Spraying of:
--160,000 rural homes/or chagas control;
-- 80,000 rural homes for malaria;
Vaccination against and/or curative treatment for:
--65,000 cases of TB, chemotherapy for 325,000 contacts and BGG vaccination for 160,000 children;
--Chagas disease treatment for 120,000 campesinos;
--55,000 cases of malaria
--400,000 vaccinations against measles.

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(US$000)

	Año 79 CY 79	Año 80 CY 80	Año 81 CY 81	Año 82 CY 82	Año 83 CY 83	Total
Estudios Epidemiológicos (Viajes, Viáticos Epidemiological Surveys (Travel, Per diem)	300	300	400	400	400	1,800
Drogas, Equipos y Materiales Commodities, Drugs, Equipment & Supplies	350	350	600	600	600	2,500
Subsidios Operacionales (Personal adicional) Operational Subsidy (Additional Personnel)	850	850	1,000	1,000	1,000	4,700
T O T A L E S T O T A L	1,500	1,500	2,000	2,000	2,000	9,000

14. Mejoramiento de Nutrición

La finalidad de este proyecto es de promover nuevas actividades y mejorar los proyectos en marcha dirigidos al mejoramiento al nivel nutricional de los habitantes rurales pobres, particularmente niños de menos de 6 años y mujeres embarazadas o lactantes.

El financiamiento será provisto al Instituto de Alimentación y Nutrición por un período de dos años para la implementación de programas que sean necesarios y que no estén siendo realizados por otras agencias.

14. Improved Nutrition

The aim of this project is to promote new activities and improve on-going programs directed toward improving the nutritional status of the rural poor, particularly children under six and pregnant and lactating women.

Financing will be provided to the National Food and Nutrition Institute over a two-year period to implement nutrition programs which are needed but are not being carried out by any other agency.

PLAN FINANCIERO Y METAS DE IMPLEMENTACION
FINANCIAL PLAN AND IMPLEMENTATION TARGETS

Por 1981:
- El Instituto será responsable del programa de distribución de todo el alimento subsidiado en Bolivia.
- Los beneficiarios de dicho programa - 119,000 madres embarazadas y lactantes y 291,000 niños mostrarán una condición nutricional mejor del que tienen ahora.

By 1981:
- The Institute will be responsible for all subsidized food distribution programs in Bolivia.
- Recipients of such programs - 119,000 pregnant and lactating mothers and 291,000 children show higher nutritional status than they now have.

- Iniciación de un programa de fortificación aumentando el consumo de proteínas en un 20% en el 80% de la población.
- 1,000 niños desnutridos tratados anualmente en los centros de recuperación rural.
- 60,000 mujeres embarazadas recibiendo tratamiento de hierro para anemia.
- Programa de educación nutricional masiva que alcance a un 60% de la población rural y 75% de la población marginal urbana.

- Initiation of a food fortification program increasing protein intake by 20% among 80% of the population.
- 1,000 malnourished children being treated annually in rural recuperation centers.
- 60,000 pregnant women receiving iron supplements for anemia.
- Mass media nutrition education programs reaching 60% of the rural population and 75% of the marginal urban population.

PLAN FINANCIERO
FINANCIAL PLAN
(Miles de Dólares)
(U.S. $000)

	Año 79 CY 79	Año 80 CY 80	Total
Salarios Salaries	140	150	290
Costos de Entrenamiento Training Costs	30	60	90
Costo de Operación del Programa Program Operating Cost	90	160	250
Equipo Equipment	20	20	40
Construcciones Construction	100	170	270
Estudios Base Baseline Studies	20	40	60
TOTALES TOTAL	400	600	1,000

III. DETALLE DE IMPLEMENTACION

A. Organización del Gobierno de Bolivia

El programa será implementado bajo la guía general de la política de la Comisión Conjunta Gubernamental para Desarrollo Rural que se establecerá con el expreso fin de coordinar, informar y evaluar la ejecución de todos los proyectos a ser financiados con fondos generados por el Proyecto de Título III.

B. Organización y Responsabilidades del Programa

1. Comisión Conjunta de Desarrollo Rural (CCDR)

La Comisión Conjunta se compondrá de 5 miembros. El Presidente de la Junta será designado por el Ministerio de Finanzas y cada uno de los miembros será nombrado por los Ministerios de Agricultura, Industria, Comercio y Turismo, Salud y Planificación. La Comisión tendrá una secretaría con un pequeño personal para asistir en la coordinación, informe y evaluación de la Comisión Conjunta. Las funciones principales de la Comisión Conjunta estan descritas en la Propuesta de Alimentos para el Desarrollo remitida por el Gobierno de Bolivia.

2. Secretaría de la Comisión Conjunta de Desarrollo Rural

La Secretaría tendrá las siguientes responsabilidades:

a) servir de oficina de enlace entre las unidades de coordinación del Título III, de los Ministerio de Salud, Agricultura, DCCP y la Comisión Conjunta.

b) preparar para su envio a USAID (1) el informe mensual de embarque de bienes y generación de fondos, y (2) informes trimestrales de implementación y desembolsos;

III. IMPLEMENTATION ARRANGEMENTS

A. GOB Organization

The program will be implemented under the overall policy guidance of a GOB Joint Commission for Rural Development which will be established for the express purpose of coordinating, reporting, and evaluating the execution of all projects to be financed with funds generated by this Title III proposal.

B. Organization and Responsibilities For the Program

1. Joint Commission for Rural Development (JCRD)

The Joint Commission will be composed of five members. The chairperson shall be appointed by the Ministry of Finance and one member each will be named from the Ministries of Agriculture, Industry and Commerce, Health and Planning. The Commission will have a Secretariat with a small staff to assist it in performing the coordinating, reporting and evaluating role of the Commission. The principal functions of the Joint Commission are described in the Food for Development Proposal submitted by the Bolivian Government.

2. Secretariat of the Joint Commission for Rural Development

The Secretariat will have the following responsibilities:

a) to serve as liaison office between the Title III Coordinating Units of the Ministries of Health and Agriculture, DCCP and the Joint Commission.

b) to prepare for submission to USAID (1) monthly commodity shipments and fund generation reports; and (2) quarterly reports on project implementation and disbursements;

c) preparar el borrador del informe anual que la Comisión Conjunta deberá aprobar oficialmente y dar una visión comprensiva del progreso logrado bajo el programa de Alimentos para el Desarrollo, una comparación de los resultados con las metas, la contabilidad de los fondos generados, su uso, los balances al final del año fiscal reciente y recomendaciones para la modificación y mejoramiento del programa de Alimentos para el Desarrollo de Bolivia.

d) diseñar, conjuntamente con las Unidades Coordinadoras de los Ministerios de Agricultura y Salud, los sistemas de evaluación de los diferentes proyectos;

e) asistir a los Ministerios del Gobierno y otras agencias ejecutivas en la implementación de los sistemas de evaluación asegurando el progreso de los proyectos y el impacto en el grupo seleccionado; y

f) llevar a cabo cualquier otra actividad delegada por la Comisión Conjunta.

3. Departamento de Coordinación y Control de Proyectos (DCCP)

Esta oficina del Ministerio de Finanzas ya existente es responsable por la contabilidad de todos los préstamos internacionales contratados por el Gobierno. Entre sus responsabilidades se incluye el manejo de todos los desembolsos.

4. Unidades de Coordinación del Título III.

A pesar de que se planifica que los Ministerios y Agencias descentralizadas del Gobierno, manejarán la implementación de los proyectos del Título III, bajo sus procedimientos establecidos, se organizarán dos Unidades de Coordinación en el Ministerio de Agricultura y Ministerio de Salud para coordinar la ejecución de las actividades. El personal profesional de estas dos unidades será muy limitado

c) to draft the annual report which the Joint Commission must officially approve and release presenting a comprehensive statement of progress achieved under the Food for Development Program, a comparison of results with projected targets, a specific accounting for funds generated, their uses, and the outstanding balances at the end of the most recent fiscal year, and recommendations for modification and improvement in the Food for Development Program in Bolivia.

d) to design, jointly with the Coordinating Units of the Ministries of Agriculture and Health, evaluation systems for the different projects;

e) to assist the GOB Ministries and other executing agencies in the implementation of evaluation systems measuring project progress and impact on the target group; and

f) to carry out any other activity delegated by the Joint Commission.

3. Department of Coordination and Project Control (DCCP)

This office of the Ministry of Finance already exists and is responsible for the central accounting of all international loans contracted by the GOB. Included in their responsibilities is the management of all disbursements.

4. Title III Coordinating Units

Although it is planned that the Ministries and decentralized agencies of the GOB manage Title III project implementation under their established and usual procedures, Coordinating Units will be organized in the Ministry of Agriculture and Ministry of Health to coordinate actual execution of activities. The professional staff of these two units will be very limited

y se anticipa que podrán ser 5 (técnicos administradores) para agricultura y 2 para salud, más el apoyo de personal de secretarias.

C. Requerimientos Presupuestarios para el Manejo

El total de los costos de operación de las Secretaría y de las unidades de coordinación, será financiado con las generaciones del Título III.

and is presently envisioned as five technicians/administrators for Agticulture and two in Health, plus the appropriate secretarial support.

C. Program Management Budget Requirements

The total operating costs of the Secretariat and the Coordinating Units will be funded from Title III generations.

PRESUPUESTO ANUAL ILUSTRATIVO PARA MANEJO DEL PROGRAMA
ILLUSTRATIVE ANNUAL BUDGET FOR PROGRAM MANAGEMENT

Gastos Anuales de Operación:
Annual Operating Expenses:

Salarios Salaries	U.S.$	143,000
Consultores Consultants		5,000
Alquileres JCRD Office Rent		12,000
Servicios y Telefono Utilities and Telephone		4,000
Suministros Oficina Office Supplies		9,000
Viajes al interior In-Country Travel		3,000
Viáticos para el interior In-Country Per Diem		10,000
Gastos Varios Miscellaneous Expenses		10,000
Factor de inflación Inflation Factor		8,000
Total	U.S.$	204,000
5 Años de gastos de operación 5-Year Operating Expenses		1,020,000
Bienes de capital (mueble equipo) Capital Expenditures (Office Furniture Equip.)		80,000
Total Presupuesto manejo Total Program Management Budget	U.S.$	1,100,000

COSTO ESTIMADO POR AÑO
(Miles de Dólares)
ESTIMATED COST BY YEARS
(U.S.$000)

Año 79 / CY 79	Año 80 / CY 80	Año 81 / CY 81	Año 82 / CY 82	Año 83 / CY 83	Total
300	200	200	200	200	1,100

D. Supervision de USAID

La supervisión se haría a dos niveles:

1. Supervisión técnica rutinaria, cuando se requiera, se mantendrá entre la secretaría de la Comisión Conjunta, las unidades de Coordinación de los Ministerios de Agricultura y Salud y las diferentes oficinas de USAID en materias que requieran resoluciones, o sea, la oficina de Contabilidad de USAID, en las prácticas de contabilidad y desembolso, las oficinas de Ingeniería y Transportes en planos de edificios; especificaciones, y

2. Mensual, por el Comité de Implementación del Proyecto de la Misión compuesto por los representantes de las varias oficinas interesadas.

E. Plan de Evaluación

El Proyecto será evaluado anualmente comenzando aproximadamente un año después de la fecha del primer desembolso a cada proyecto. Estas evaluaciones examinarán el funcionamiento y utilización de los fondos de Alimentos para el Desarrollo, aspectos financieros de la operación, resultados cuantitativos y cualitativos del proyecto y su impacto en el grupo seleccionado. Se desarrollará una metodología detallada por la Secretaría de la Comisión Conjunta en las primeras etapas de la implementación del Proyecto.

D. USAID Monitoring

Monitoring will be performed at two levels:

1. Routine technical monitoring, as needed, will be maintained between the Secretariat of the Joint Commission, the Coordinating Units of the Ministries of Agriculture and Health and the different USAID offices depending on the subject requiring resolution, i.e., Office of the Controller regarding accounting practices and disbursements; Engineering and Transportation on building plans and specifications; and

2. Monthly, by a Mission Project Implementation Committee composed of representatives from various interested USAID offices.

E. Evaluation Plan

The projects will be evaluated annually commencing approximately one year from the date of the first disbursement to each project. These evaluations will examine the functioning of Food for Development funds utilization, financial aspects of the operations, and qualitative and quantitative results of the projects and their impact on the target group. A detailed methodology will be developed by the Secretariat of the Joint Commission during the early stage of project implementation.

TABLA 1
TABLE 1

PRESUPUESTO RESUMIDO PARA LOS PROYECTOS DE ALIMENTOS PARA EL DESARROLLO
SUMMARY BUDGET FOOD FOR DEVELOPMENT PROJECTS
AÑOS CALENDARIO 1979-1983
CALENDAR YEARS 1979-1983
(En Miles de Dólares) - (U.S. $000)

	1979	1980	1981	1982	1983	Total
I. Generaciones Previstas por Ventas de Productos. I. Anticipated Proceeds for Sales of Commodities.	12,000	13,200	15,000	16,800	18,000	75,000
II. Usos por Sector: II. Uses by Sector:						
Desarrollo Rural y Agropecuario Agriculture and Rural Development						
Centros de Acopio de Trigo Wheat Collection Centers	650	1,200	1,200	1,200	-	4,250
Desarrollo de Cooperativas Integrales Development of Integral Cooperatives	850	900	800	750	1,200	4,500
Caminos de Colonización Colonization Roads	2,500	2,500	2,500	-	-	7,500
Centros de Servicio Agropecuario Farm Service Centers	600	850	1,800	1,900	1,850	7,000
Control de Pesticidas y Cuarentena de Plantas Pesticide Control and Plant Quarantine	350	350	300	250	100	1,350
Proyectos de Desarrollo Rural Comités de Desarrollo Regional Regional Development Committee Rural Development Projects	1,400	1,500	2,000	4,250	5,850	15,000
Proyectos de Conservación Comunal Community Conservation Projects	200	300	400	500	600	2,000
Sistemas de Microriego Small Irrigation Systems	200	400	600	600	700	2,500
Programa Ampliado de Crédito a Pequeños Agricultores Expanded Small Farmer Credit Program	2,500	2,000	2,000	4,000	4,500	15,000
Desarrollo Agrícola de las Tierras Bajas de la Región Central Norte Agricultural Development of North Central Lowlands	300	400	700	650	450	2,500
Fondo de Becas para Campesinos Campesino Scholarship Fund		250	250	250	250	1,000
Estudios de Desarrollo Rural Rural Development Studies	250	250	250	250	300	1,300
Sub Total	9,800	10,900	12,800	14,600	15,800	63,900

Salud Rural Rural Health Control de Enfermedades Contagiosas Communicable Disease Control	1,500	1,500	2,000	2,000	2,000	9,000
Mejoramiento de la Nutrición Nutrition Improvement	400	600	-	-	-	1,000
Sub Total	1,900	2,100	2,000	2,000	2,000	10,000
Administración del Programa de Alimentos para el Desarrollo Food for Development Program Management	300	200	200	200	200	1,100
TOTAL	12,000	13,200	15,000	16,800	18,000	75,000

MINUTES OF NEGOTIATIONS

On Wednesday, May 24, 1978, Frank B. Kimball, Mission Director, Thomas L. Geiger, Regional Legal Advisor, and Stephen Thompson of the Commercial Section of the Embassy met in the office of Javier Villa, Subsecretary of Ministry of Industry, Commerce and Tourism. to negotiate the proposed PL–480 Title III Agreement ("AGREEMENT").

Present representing the Government of Bolivia ("GOB") were:

Ing. Javier Villa, Under Secretary of Commerce
Ministry of Industry, Commerce and Tourism

Fernando Anker, Sub-Director
Instituto de Financiamiento (INDEF)

Rodrigo Valderrama, Oficial Senior, INDEF

Felix Portugal, Chief, Department of Special Importations
Ministry of Industry, Commerce and Tourism

José Gabino Villanueva, Representative
Ministry of Foreign Affairs

Hernan Murillo, Representative
Ministry of Finance

Rolando Saenz Guerrero, Representative
Ministry of Planning

Fernando Guachalla, Legal Advisor
Ministry of Industry, Commerce and Tourism

The GOB representatives noted that Part I Article I B 2 conditions the obligation of the United States to provide financing on the availability of the commodities needed. They further noted that if wheat were not available in a particular year, the Food for Development ("FFD") projects dependent on this financing would have to be suspended or terminated.

Mr. Kimball responded that if this occurred, the parties would have to make adjustments to reduce the size of the projects affected. He further noted that the United States would also seek to substitute other commodities, if available and needed by Bolivia, in place of the wheat so that sufficient financing to fund the projects would continue. Finally, Mr. Kimball pointed out that the Title III Program has priority access to Title I commodities. To the extent any wheat is available under the Title I, the Bolivia Title III Program will have priority in its distribution. Hence, the possibility that the United States would have no wheat available for Bolivia is remote.

The second point raised relates to the following termination clauses in the Agreement: Part I Article I H, Part III A, and Annex A Item V. The GOB representatives noted that these clauses did not require the party seeking termination to give the other party 30 days written notice prior to the effective date of the termination. They suggested that such a requirement be added for the mutual convenience of both

parties. United States representatives agreed to consider the point further in consultation with Washington. After consultation, the United States and the GOB representatives agreed to amend the draft Agreement by including in the termination clauses that the party terminating the Agreement give the other prior written notice of termination.

GOB representatives next raised a question with respect to Part I Article III G and Part I Article II F. They noted that the Central Bank sells dollars at the rate of 20.38 pesos to the dollar and that the .38 pesos per dollar represents taxes and bank charges. Furthermore, governmental entities are by law exempted from paying the .38 pesos per dollar in taxes and bank charges.

For this reason, the GOB representatives suggested that instead of 20.38 pesos per dollar the rate should be 20 pesos per dollar. Part I Article III G requires that the higher rate (20.38 pesos per dollar) be applied to all Title III transactions. Mr. Kimball replied that the purpose of the provision is to give the United States the most favorable rate, i.e., the one producing the most pesos per dollar. He suggested the GOB might simply make up the difference for these transactions involving governmental entities. He also noted that it would be very difficult for the United States to agree to a rate less than the most favorable rate. The representatives agreed that Mr. Kimball would study this problem further and report his conclusions to Mr. Villa as soon as possible. After consultation with Washington, Mr. Kimball reported that the provision requires that the highest rate (which is currently 20.38 pesos per dollar) apply to all FFD transactions including those involving governmental entities.

Next the GOB representatives requested that the time period for maintaining books and records of FFD program in Annex A Item II A 3 be reduced from five years to three years. They pointed out that all other bilateral assistance agreements between the United States and Bolivia now only require three years. The United States representatives said they would take this request under advisement and report back promptly. Later it was agreed to reduce the time period for keeping records from five to three years and amend the draft Agreement accordingly.

In Annex A Item IV C, the GOB representatives asked that the following words be added between the words "Affairs" and "and": "and with respect to exclusively financial matters the Minister of Finance". The reason for this change is so that the Minister of Finance who is responsible for all financial commitments of the GOB can participate in all financial decisions recorded in the respective Implementation Letters. The United States representatives concurred in this change.

Next the parties discussed the notation in Annex B Item IA1 that the United States and the GOB must agree on which public sector agencies should be included in determining the public sector investment budget in agriculture during the five years of the FFD program. GOB representatives suggested that this be handled by an Imple-

mentation Letter. This procedure would give the parties more time to consider which agencies ought properly to be included as well as providing time to calculate the amount of investment during the previous five years which will serve as the base for calculating the increase during the five years of the FFD program. The United States representatives agreed to take this suggestion under consideration and later concurred in it.

The parties then discussed Part II which contains the particular provisions related to the 1978 import levels. It was noted that the effective term of the Title I Loan will be twenty years. Mr. Villa sought clarification of the usual marketing requirements in the amount of 152,800 tons. Mr. Geiger then cited Part I Article III A 1 under which Bolivia is obligated to import and pay for from its resources 152,800 tons in calendar year 1978. Another GOB representative asked about the two rates of interest enumerated in Part II Item II g and h. The United States representatives noted that the effective dates of these two interest rates are specified in Part I Article II D 3 which provides that the initial rate will apply until the first installment payment and the continuing rate thereafter. The last point with respect to Part II was clarification of the fact that the GOB will have responsibility for the insurance on each cargo of wheat.

Mr. Geiger then noted that a provision making English the controlling language in the event of any inconsistencies will be added to the Agreement. The GOB representative had no objection to this addition.

Later it was noted that to avoid costly delays and demurrage charges, letters of credit for 100% of the ocean transportation costs must be issued 48 hours prior to the vessel's presentation for loading. It was further understood in this regard that the GOB must be prepared to make timely transfers of funds to cover the transportation costs of commodities purchased under the Agreement.

Also in follow up discussions it was noted that if the United States suspends the Program pursuant to Annex A Item V, the United States will not resume financing even after the end of the following United States fiscal year (as provided therein) or the situation is remedied, whichever occurs first, unless the GOB demonstrates a commitment to proceed with the FFD program. It was also understood that the proceeds of the sale of the commodities to be deposited in the special account will be exclusive of the amount attributed to transportation costs to the GOB.

The GOB representative agreed to notify the Embassy when the special account is opened.

JAVIER VILLA A	FRANK B. KIMBALL
Javier Villa A. *Undersecretary* *Ministry of Industry, Commerce and Tourism*	Frank B. Kimball *Director* *USAID/Bolivia*
Date: 29 DE MAYO DE 1978	Date: MAY 30, 1978

TIAS 9518

ACTA DE NEGOCIACIONES

El día miércoles, 24 de mayo de 1978, Frank B. Kimball, Director de la Misión Económica de los Estados Unidos en Bolivia, Thomas L. Geiger, Asesor Legal Regional, y Stephen Thompson, de la Sección Comercial de la Embajada de los Estados Unidos, se reunieron en el despacho del Ing. Javier Villa, Subsecretario de Comercio, Ministerio de Industria, Comercio y Turismo, para negociar el convenio ("AGREEMENT") sobre la Ley Pública 480, Título III. Estuvieron presentes en representación del Gobierno de Bolivia (GOB):

Ing. Javier Villa, Subsecretario de Comercio,
Ministerio de Industria, Comercio y Turismo

Fernando Anker, Sub-Director
Instituto de Financiamiento (INDEF)

Rodrigo Valderrama, Oficial Senior, INDEF

Felix Portugal, Jefe del Departmento de Importaciones Especiales,
Ministerio de Industria, Comercio y Turismo

José Gabino Villanueva, Representante
Ministerio de Relaciones Exteriores

Hernán Murillo, Representante,
Ministerio de Finanzas

Rolando Saenz Guerrero, Representante,
Ministerio de Planeamiento y Coordinación

Fernando Guachalla, Asesor Legal
Ministerio de Industria, Comercio y Turismo

Los representantes del Gobierno de Bolivia anotaron que el Capítulo I, Artículo I B 2 condiciona la obligación de los Estados Unidos a dar financiamiento, a la disponibilidad de los productos agrícolas necesarios. Además, anotaron que si en un determinado año no se dispusiera de trigo, lee proyectos bajo Alimentos para el Desarrollo ("FED") que dependen de este financiamiento tendrían que suspenderse e cancelarse. El Sr. Kimball respondió que si ésto ocurriera, las partes tendrían que efectuar ciertos ajustes para reducir el monto de los proyectos afectados. Anotó además que los Estados Unidos buscaría substituir el trigo por otros productos agrícolas si éstos estuvieran disponibles y si fueran necesarios para Bolivia, a fin de contar con el financiamiento suficiente para la continuidad del proyecto. Finalmente, el señor Kimball señaló que el Programa bajo el Título III tiene acceso prioritario a los productos agrícolas bajo el Título I. Hasta tanto se disponga de trigo bajo el Título I, el Programa para Bolivia bajo el Título III tendrá prioridad en la distribución de trigo. De ahí que sea remota la posibilidad de que los Estados Unidos no cuenten con trigo para Bolivia.

El segundo punto tratado se relaciona con las siguientes cláusulas de cancelación del Convenio: Capítulo I Artículo I M, Capítulo III A,

y Anexo A Item V. Los representantes del Gobierno de Bolivia anotaron que estas cláusulas no requerían que la parte que buscara la cancelación del Convenio diera a la otra parte un aviso por escrito de 30 días antes de que la fecha de cancelación se hiciera efectiva. Ellos sugirieron se añadiera tal requisito por conveniencia mutua de ambas partes. Los representantes del Gobierno de los Estados Unidos convinieron en considerar este punto en forma más amplia en consulta con Washington. Después de consultar con Washington, los representantes del Gobierno de los Estados Unidos y del Gobierno de Bolivia convinieron en modificar el proyecto de Convenio, incluyendo en las cláusulas de cancelación que la parte que cancele el Convenio dé a la otra parte un aviso previo por escrito sobre dicha cancelación.

Los representantes del Gobierno de Bolivia a continuación preguntaron sobre el Capítulo I, Artículo III G y el Capítulo I, Artículo II F. Hicieron notar que el precio de venta del Banco Central es de 20.38 el dólar y que los .38 centavos por dólar representan los impuestos y cargos bancarios. Además, las entidades públicas están exentas por Ley del pago de los .38 centavos en impuestos y cargos bancarios. Por este motivo, los representantes del Gobierno de Bolivia sugirieron que en lugar de que el tipo de cambio fuera de $b. 20.38 sea de $b. 20 por dólar. El Capítulo I, Artículo III G requiere que la tasa más alta (20.38 pesos por dólar) se aplique en todas las transacciones bajo el Título III. El señor Kimball contestó que el propósito de esta disposición es dar a los Estados Unidos la tasa de cambio más favorable, i.e. aquella que genere más pesos por dólar. Sugieió que el Gobierno de Bolivia simplemente compense la diferencia en las transacciones que involucren a las entidades públicas. También anotó que sería muy díficil para los Estados Unidos convenir en una tasa menor a la más favorable. Los prepresentantes del Gobierno de Bolivia convinieron que el señor Kimball estudiara el problema con mayor detenimiento y transmitiera sus conclusiones al señor Villa tan pronto como fuera posible. Después de efectuadas las consultas con Washington, el señor Kimball informó que la disposición requiere que se aplique La tasa más alta (actualmente 20.38 pesos por dólar) a todas las transacciones bajo el Programa de Alimentos para el Desarrollo, cincluyendo a las entidades públicas.

Seguidamente, los representantes del GOB solicitaron que el plazo para mantener libros y registros del programa Alimentod para el Desarrollo descrito en el Anexo A Item II A3 se redujera de 5 años a 3 años. Señalaron que todos los otros convenios bilaterales de asistencia entre el Gobierno de los Estados Unidos y Bolivia requieren actualmente sólo 3 años. Los representantes del Gobierno de los Estados Unidos manifestaron que ellos someterían du solicitud a consideración y les informarían oportunamente. Posteriormente se convino reducir el plazo para la mantención de libros y registros de 5 a 3 años y enmendar el proyecto de Convenio en este santido.

En el Anexo A Item IV C, los representantes del Gobierno de Bolivia consultaron si se podría añadir lo siguiente entre "Agro-

pecuarios" e "y" : "y con relación a los asuntos netamente financieros por el Ministro de Finanzas". La razón para este cambio se debe a que el Ministro de Finanzas como personero responsable por todos los compromisos financieros del Gobierno de Bolivia pueda participar an todas las decisiones financieras que se registrarían en las correspondientes Cartas de Implementación. Los representantes del Gobierno de los Estados Unidos estuvieron de acuerdo con este añadido.

A continuación las partes discutieron el punto del Anexo B Item I Al en sentido de que el Gobierno de los Estados Unidos y el Gobierno de Bolivia deban convenir sobre cuales agencias del sector público deberían ser incluídas para determinar el presupuesto de inversión del sector público en agricultura durante los 5 años del programa de Alimentos para el Desarrollo. Los representantes del Gobierno de Bolivia sugirieron que este asunto fuera manejado mediante una Carta de Implementación. Este procedimiento daría a las partes más timepo para considerar que agencias más propiamente deberían ser cincluídas, así como también dar tiempo para calcular el monto de inversión durante los 5 años anteriores que servirá como base para calcular el incremento durante los 5 años del programa de Alimentos para el Desarrollo. Los representantes del Gobierno de los Estados Unidis convinieron en considerar esta sugerencia, y posteriormente dieron su conformidad a este punto.

Luego las partes discutieron el Capítulo II que contiene las disposiciones especiales relacionadas con los niveles di importación para 1978. Se señaló que el plazo efectivo del préstamo bajo el Título I será de 20 años. El señor Villa pidió una aclaración sobre los requisitos usuales de mercadeo en el monto de 152,800 toneladas. Seguidamente, el señor Geiger citó el Capítulo I Artículo III A 1 bajo el cual Bolivia se obliga a importar y pagar de sus recursos 152,800 toneladas en el año calendario de 1978. Otro de los representantes del Gobierno de Bolivia preguntó sobre las dos tasas de interés citadas en el Capítulo II Item II g y h. Los representantes del Gobierno de los Estados Unidos señalaron que la fecha para la vigencia de estas dos tasas de interés está especificada en la Parte I Artículo II D3 que señala que la tasa inicial se aplicará hasta el pago de la primera amortización y posteriormente se aplicará la tasa de interés continuada. El último punto con respecto al Capítulo II fué la aclaración sobre la responsabilidad que tendrá el Gobierno de Bolivia por el seguro de cada embarque de trigo.

Luego, el señor Geiger anotó que se añadiera una disposición mediante la cual el idioma inglés sea el que prevalezca en el Convenio en caso de presentarse discrepancias o dudas de interpretación. El representante del Gobierno no puso ninguna objeción a esta adición al Convenio.

Posteriormente se señaló que para evitar demoras costosas y cobros de estadía, se emitieran acreditivos por un 100% de los costos de transporte marítimo 48 horas antes de proceder a cargar el barco. Sobre este punto, quedó además entindido que el Gobierno de Bolivia

deberá estar preparado para efectuar una oportuna transferencia de fondos con el objeto de cubrir los costos de transporte de los productos agrícolas adquiridos bajo el Convenio.

Asimismo, en discusiones que siguieron, se señaló que si los Estados Unidos suspendieran el Programa en cumplimiento del Anexo A, Item V, los Estados Unidos no reasumirán el financiamiento estipulado por el presente Convenio ni aún después de concluído el siguiente año fiscal de los Estados Unidos (según se establece en el citado Anexo) o hasta que la situación sea subsanada, escogiendo de las dos fechas la que ocurra primero a menos que el Govierno de Bolivia demuestre su compromiso para proseguir con el Programa de Alimentos para el Desarrollo. Quedó también entindido que el producto de la venta de los productos agrícolas será sin contar con el monto atribuído a los costos de transporte por el Gobierno de Bolivia.

El representante del Gobierno de Bolivia convino en notificar a la Embajada de los Estados Unidos en el momento en que se procediera a la apertura de la cuenta especial.

JAVIER VILLA A

Javier Villa A.
Subsecretario del Ministerio de Industria, Comercio y Turismo
Fecha: 29 de Mayo de 1978

FRANK B. KIMBALL

Frank B. Kimball
Director, Misión Económica de los Estados Unidos en Bolivia
Fecha: May 30, 1978

[AMENDING AGREEMENTS]

The American Ambassador to the Bolivian Acting Minister of Foreign Affairs and Worship

La Paz, August 31, 1978

No. 38

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement, Public Law 480, Title III, signed by the representatives of our two governments on May 31, 1978 and to propose that Part II, Particular Provisions, be amended as follows:

In Item 1, Commodity Table, under the appropriate column headings, delete "75,000 US$ 9.4" and insert "85,000 US$ 10.8". All other terms and conditions of the May 31, 1978 Agreement remain the same.

If the foregoing is acceptable to your Government, I propose that this note and your reply thereto constitute agreement between our two governments effective on the date of your note in reply.

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

Paul H. Boeker

His Excellency
LTC Faustino Rico Toro,
Acting Minister of Foreign Affairs and Worship,
La Paz.

The Bolivian Minister of Foreign Affairs and Worship ad interim to the American Ambassador

REPUBLICA DE BOLIVIA

MINISTERIO DE RELACIONES EXTERIORES Y CULTO

DGAE/B/1129/ 31.-

La Paz, 1 SET 1978

Señor Embajador:

Tengo el honor de dar respuesta a la atenta Nota N° 38 de fecha 31 de agosto último, que Vuestra Excelencia ha tenido la gentileza de hacer llegar a mi Despacho, cuyo texto es el siguiente:

" Excelencia: Tengo el honor de referirme al Convenio de Productos " Agrícolas, bajo la Ley Pública 480, Título III, firmado por repre" sentantes de nuestros dos gobiernos en fecha 31 de mayo de 1978, " y de proponer que el Capítulo II - Disposiciones Especiales - sea " enmendado como sigue: En el Item I - Cuadro de Productos - bajo " la columna respectiva suprimir " 75.000 US$ 9.4" e insertar - " 85.000 US$ 10.8". Todos los demás términos y condiciones del " Convenio del 31 de mayo de 1978 continuarán siendo los mismos. - " Si lo anteriormente citado es aceptable para su gobierno, esta - " Nota y la contestación a la misma constituirán un acuerdo entre - " nuestros dos gobiernos en la fecha que se reciba la respuesta.--- " Acepte, Excelencia las seguridades de mi más alta y distinguida - " consideración.---------- " Fdo.: Paul Boeker.--- Embajador.----------".

Al manifestar a Vuestra Excelencia la conformidad de mi Gobierno con el texto de la Nota antes transcrita, aprovecho la oportunidad para reiterarle las seguridades de mi consideración más distinguida.

Tcnl. DEM. Faustino Rico Toro.
Ministro de Relaciones Exteriores y Culto a.i.

Excelentísimo señor
D. PAUL BOEKER,
Embajador Extraordinario y
Plenipotenciario de los Estados
Unidos de América,
Presente.-

TRANSLATION

Republic of Bolivia
Ministry of Foreign Affairs and Worship

DGAE/B/1129/31

La Paz, September 1, 1978

Mr. Ambassador:

I have the honor to reply to note No. 38 dated August 31, 1978 which Your Excellency was good enough to send to my office and which reads as follows:

[For the English language text, see p. 5655.]

I hereby state to Your Excellency that my Government agrees with the text of the note transcribed above and avail myself of this opportunity to renew to you the assurances of my most distinguished consideration.

Faustino Rico Toro

Lt. Colonel Faustino Rico Toro
Minister of Foreign Affairs
and Worship ad interim

His Excellency
Paul Boeker,
Ambassador Extraordinary and Plenipotentiary
of the United States of America,
La Paz.

The American Ambassador to the Bolivian Minister of Foreign Affairs and Worship

No. 14 La Paz, May 2, 1979

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two governments on May 31, 1978 and amended on September 1, 1978, and to propose that Part II, Particular Provisions, of that Agreement be further amended as follows:

In Item I, Commodity Table, under the appropriate column headings insert a new line as follows: "Wheat/ Wheat Flour (Wheat Basis) - 1979 - 89,000 - 12.0." On the line entitled "Total," delete "Dollars 10.8," and insert "Dollars 22.8."

In Item III, change the name of the item from "Usual Marketing Requirements" to "Usual Marketing Table," and under the appropriate column headings insert a new line reading "Wheat/Wheat Flour (Grain Equivalent Basis) - 1979 - 159,700 Metric Tons."

His Excellency
Raúl Botelho Gosalvez
Minister of Foreign Affairs and Worship
La Paz

In Item IV, Export Limitations, Paragraph A, following the words "United States Calendar Year 1978," insert "and 1979,".

In Item VII, Food for Development Program to which Currency Use Offset Applies, designate the existing paragraphs of this Item Paragraphs A and B, delete the final sentence of Paragraph A, and substitute the following: "Notwithstanding the provisions of Item II B of Annex A of this Agreement, the Government of Bolivia agrees to establish a special account in which it will deposit not later than nine calendar months after the date of disbursement by the Commodity Credit Corporation the proceeds generated from the sale of commodities provided to it for the Food for Development Program set forth in Annex B of this Agreement. In the event of any other inconsistencies between the provisions of Parts I, II, and III of this Agreement and Annexes A and B, such Annexes shall be controlling."

All other terms and conditions of the Agreement of May 31, 1978, as amended, remain the same.

If the foregoing is acceptable to your Government, I propose that this note and your reply thereto constitute an agreement between our two governments to be effective on the date of your note in reply.

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

Paul Boeker

The Bolivian Minister of Foreign Affairs and Worship to the American Ambassador

REPUBLICA DE BOLIVIA

MINISTERIO DE RELACIONES EXTERIORES Y CULTO

DGAE/B/885/

" AÑO DEL CENTENARIO DEL LITORAL CAUTIVO "

La Paz, 2 de mayo de 1979.

Excelentísimo Señor Embajador:

Tengo el honor de dar respuesta a la atenta nota No 14, de fecha de hoy que Vuestra Excelencia ha tenido la gentileza de hacer llegar a mi Despacho, cuyo texto es el siguiente:

" Excelencia: ---------- Tengo el honor de referirme al Convenio
" de Productos Agrícolas firmado por representantes de nuestros -
" dos gobiernos en fecha 31 de mayo de 1978, y enmendado el 1o de
" septiembre de 1978, y de proponer que el Capítulo II, Disposi-
" ciones Especiales de ese Convenio sea enmendado como sigue: —
" En el Item I, bajo la columna respectiva, insertar una nueva li
" nea como sigue: "Trigo/Harina de Trigo (Equivalente en Trigo)
" - 1979 - 89,000 - 12.0". En la linea titulada "Total" supri
" mir "Dólares 10.8 e insertar Dólares 22.8". ----------
" En el Item III, cambiar el nombre del Item de "Requisitos Norma
" les de Comercialización" a "Cuadro de Requisitos Normales" y ba
" jo la columna apropiada respectiva insertar una nueva linea que
" se lea "Trigo/Harina de Trigo (Equivalente en Granos) - 1979 -
" 159,700 - Toneladas Métricas". ----------
" En el Item IV, Limitaciones a la Exportación, Párrafo A, conti-
" nuando con las palabras "Año Calendario 1978 de los Estados Uni
" dos", insertar "y 1979". ----------
" En el Item VII, El Programa de Alimentos para el Desarrollo al
" cual se aplica la Compensación para los Fondos Utilizados, desig
" nar los párrafos de este Item Párrafos A y B, suprimir la últi-
" ma oración del Párrafo A, y substituir lo siguiente: ----------
" "No obstante las disposiciones del Item II B del Anexo A de es-
" te Convenio, el gobierno de Bolivia conviene en establecer una
" cuenta especial donde se depositarán a más tardar el noveno mes
" calendario después de la fecha del desembolso por la Commodity
" Credit Corporation, los fondos generados de la venta de produc-
" tos para el mismo por el Programa de Alimentos para el Desarro-
" llo, estipulado en el Anexo B de este Convenio. En el caso -
" de presentarse contradicciones entre las disposiciones de los -

Al Excelentísimo señor

D. PAUL BOEKER.

Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América.

P r e s e n t e . -

" Capítulos I,II y III de este Convenio y los Anexos A y B, estos
" dos Anexos prevalecerán". ————————————————
" Todos los demás términos y condiciones del Convenio del 31 de -
" mayo de 1978, enmendado, prevalecen. ————————————
" Si lo anteriormente citado es aceptable para su gobierno, esta
" nota y la contestación a la misma constituíran un acuerdo entre
" nuestros dos gobiernos en la fecha que se reciba la respuesta.__
" Acepte Excelencia las seguridades de mi más alta y distinguida
" consideración. ————————————————————————
" Firmado. PAUL BOEKER ———— Embajador Extraordinario y Ple-
" nipotenciario de los Estados Unidos de América. ————————".

Al manifestar a Vuestra Excelencia la conformidad de mi Gobierno con el texto de la Nota antes - transcrita, aprovecho la oportunidad para renovarle las seguridades de mi consideración más distinguida.

TRANSLATION

REPUBLIC OF BOLIVIA

Ministry of Foreign Affairs and Worship

DGAE/B/885/

La Paz, May 2, 1979

Mr. Ambassador:

I have the honor to reply to your note No. 14, of today's date, which Your Excellency was good enough to send to my office and which reads as follows:

[For the English language text, see pp. 5658-5659.]

Conveying to Your Excellency my Government's agreement with the text of the note transcribed above, I avail myself of this opportunity to renew to you the assurances of my most distinguished consideration.

R Botelho Gosalvez

His Excellency
Paul Boeker,
Ambassador Extraordinary and Plenipotentiary
of the United States of America,
La Paz.

MULTILATERAL

International Institute for the Unification of Private Law (UNIDROIT)

Amendments to articles 5, 11 and 16 of the Institute Statute. Adopted at the Nineteenth Session of the UNIDROIT General Assembly, Rome, February 18, 1969; Entered into force September 29, 1976.[1]

[1] After approval by two-thirds majority of the participating Governments, in accordance with art. 19 of the Statute.

RESOLUTION NO. 4 (1969)

THE GENERAL ASSEMBLY,

Having considered the proposals of amendments to Articles 5 and 11 of the Statute[1] drawn up by the Secretariat on request from the Government of India, as revised and retained and submitted by the Finance Committee, and having considered also amendments to be made to the Regulations (Articles 5bis; 25 para.1, 26; 28; 29; 31, 32; 38 and 39)[1] at the time of enforcement of the foregoing amendments to the Statute;

Having further considered the proposal of the Permanent Committee, likewise retained and submitted by the Finance Committee, to amend Article 16, para.7, of the Statute;[1]

Having finally considered the Explanatory Note on the foregoing amendments (AG 19/Doc. 5 Rev);

Having ascertained that the foregoing amendments are strictly linked to the enforcement of the new system of financial contributions as set in amendements to articles 5, 16 and 18 of the Statute, which have entered into force on 26th May, 1968;

Having ascertained that it is in fact advisable to link the principle of a more equitable apportionment of expenses concerning the operation of the Institute among all participating Governments to the right of the latter to control such expenses through the General Assembly, which directly represents the Governments;

Having ascertained, on the other hand, that it is neither equitable nor in line with the notion of participating Government that member States which have for many years failed to comply with their statutory obligations and have thereby lost their right to vote within the General Assembly, should however still continue to retain a decisive impact in the formation of the special majority required in the case of amendments to the Statute;

After deliberation,

[1] TIAS 5743, 6611, 6716, 15 UST 2505, 19 UST 7802; 20 UST 2529.

RESOLVES

(1) to amend Articles 5 paragraph 2, 11 paragraphs 2 and 4, and 16 paragraph 7 of the Statute, the new text of which will be, respectively:

"Article 5, paragraphe 2

2. The Assembly shall be called to an ordinary meeting in Rome by the President at least once a year, to approve the accounts of income and expenditure for the financial year and the Budget."

"Article 11, paragraphs 2 and 4

2. It[o] shall draw up the programme of work of the Institute.

.....

4. It[o] shall draw up a draft budget and forward it for approval to the General Assembly."

"Article 16, paragraph 7

7. Participating Governments which are more than two years in arrears with the payment of their contribution shall lose the right to vote in the General Assembly until they regularise their position. Furthermore, these Governments shall not be included in the formation of the majority required in compliance with Article 19 of this Statute."

(2) to amend Articles 5bis, 25 paragraph 1, 26, 28, 29, 31, 32, 38 and 39 of the Regulations, the new text of which, thus amended, will be the following, it being understood that these amendments shall enter unto force only on the day of the entry into force of the amendments of the Statute mentioned under (1) above.

"Article 5bis

The Committee appointed by the General Assembly pursuant to paragraph 3 of Article 16 of the Statute (Finance Committee) shall, apart from the tasks entrusted to it by the said Article and by the present Regulations, examine the Budget and the annual Accounts of income and expenditure and shall formulate its opinion thereon."

(o) The Governing Council. [Footnote in the original.]

"Article 25, paragraph 1

1. All receipts of the Institute shall be deposited in the banks selected by the Finance Committee."

"Article 26

The Institute's property and assets shall be handled in the manner decided by the Finance Committee."

"Article 28

1. Funds earmarked in the budget for unforeseen expenditure may not be utilised except with the President's authorisation and up to a maximum of 300,000 lire for each transaction.

2. Any expenditure above the figure mentioned in the foregoing paragraph, and any cases of special urgency or of estimates being exceeded, shall be referred to the Finance Committee which may authorise the corresponding expenditure up to the amount of the funds earmarked for unforeseen expenditure in the budget for the current financial year."

"Article 29

The scale of travel and subsistence allowances for the members of the Governing Council, of the Auditors, of members of the Working Committees and of members of the staff travelling on official business shall be drawn up by the Finance Committee."

"Article 31

Every year before 1st March, the Secretary General, in consultation with the Finance Committee, shall submit to the Governing Council proposals on the basis of which the Council shall draw up a draft budget. The draft shall then be forwarded, with the opinion of the Finance Committee, to the General Assembly for approval."

"Article 32

1. Should changes in the budget become necessary, the Secretary General shall submit them to the Governing Council or to the Permanent Committee, then for approval to the Finance Committee subject to confirmation by the General Assembly.

2. Any transfer from a Chapter to another of the Budget will be authorised by the Finance Committee or, in urgent cases, by the President, pending ratification of the Finance Committee. Transfers from an article to another of the same Chapter shall be authorised by the President."

3. (deleted)

"Article 38

The accounts shall be balanced as at 31st March and, after verification during the month of April, shall be submitted to the Auditors on 1st May, and then submitted for comments to the Finance Committee and to the General Assembly for approval."

"Article 39

The Auditors shall submit directly their report to the General Assembly. They may attend all meeting of the Assembly, of the Governing Council, of the Permanent Committee and of the Finance Committee, having the right to take the floor but not to vote. They may also submit to the said bodies, at any time, a report on matters which in their opinion call for action on their part."

Certified copy

RESOLUTION NO. 4 (1969)

L'ASSEMBLEE GENERALE,

Ayant pris connaissance des propositions d'amendement aux art. 5 et 11 au Statut Organique formulées par le Secrétariat à la demande du Gouvernement de l'Inde, revisées et faites siennes par la Commission des Finances, ainsi que des amendements qui devront être apportés au Règlement (art. 5bis, 25 par. 1er, 26, 28, 29, 31, 32, 38 et 39) au moment de l'entrée en vigueur des amendements au Statut susvisés;

Ayant aussi pris connaissance de la proposition du Comité Permanent, également faite sienne par la Commission des Finances, d'amender l'article 16, paragraphe 7 du Statut Organique;

Ayant pris enfin connaissance de la Note explicative concernant les amendements susvisés (AG 19/Doc. 5 Rev.);

Constatant que les amendements susvisés sont étroitement liés à la mise en oeuvre du nouveau système de contributions financières instauré par les amendements aux articles 5, 16 et 18 du Statut Organique, entrés en vigueur le 26 mai 1968;

Constatant qu'il convient, en effet, lier le principe de la distribution plus équitable des dépenses inhérentes au fonctionnement de l'Institut entre tous les Gouvernements participants au droit pour ces derniers de contrôler ces dépenses au moyen de l'Assemblée Générale qui est leur émanation directe;

Constatant, d'autre part, qu'il n'est ni équitable ni conforme à la notion de Gouvernement participant que des Etats membres en défaut depuis des années d'accomplir leurs obligations statutaires et ayant perdu de ce chef leur droit de vote au soin de l'Assemblée Générale, continuent à avoir un poids déterminant dans la formation de la majorité spéciale requise en cas de modifications du Statut Organique.

Après délibération,

D E C I D E

1) d'amender les articles 5 paragraphe 2, 11 paragraphes 2 et 4, et 16 paragraphe 7 du Statut Organique, dont le texte nouveau, ainsi amendé, sera, respectivement.

"Article 5, paragraphe 2

2. L'Assemblée se réunit à Rome en session ordinaire au moins une fois par an, sur convocation du Président, pour l'approbation des comptes annuels des recettes et des dépenses et du budget."

"Article 11, paragraphes 2 et 4

2. Il (1) arrête le programme de travail de l'Institut.

.....

4. Il (1) arrête le projet de budget et le transmet pour approbation à l'Assemblée Générale."

"Article 16, paragraphe 7

7. Les Gouvernements participants, en retard de plus de deux ans dans le versement de leur contribution, perdent le droit de vote au sein de l'Assemblée Générale jusqu'à la régularisation de leur position. En outre, il ne sera pas tenu compte de ces Gouvernements dans la formation de la majorité requise par l'article 19 du présent Statut."

2) d'amender les articles 5 bis, 25 par. 1er, 26, 28, 29, 31, 32, 38 et 39 du Règlement, dont le texte nouveau, ainsi amendé sera le suivant, en étant entendu que ces amendements n'entreront en vigueur que le jour de l'entrée en vigueur des amendements au Statut Organique visés au 1) ci-dessus.

"Article 5 bis

La Commission nommée par l'Assemblée Générale conformément à l'alinéa 3 de l'article 16 du Statut Organique (Commission des Finances) est chargée, indépendamment des tâches qui lui sont confiées par ledit article ainsi que par le présent Règlement, d'examiner le Budget et les Comptes annuels des recettes et des dépenses et de formuler un avis à leur sujet."

(1) Le Conseil de Direction.

"Article 25, par. 1er

1. Toutes les recettes de l'Institut seront déposées dans les banques choisies par la Commission des Finances."

"Article 26

La Commission des Finances déterminera les conditions dans lesquelles seront administrés les biens et valeurs qui entreraient dans le patrimoine de l'Institut."

"Article 28

1. Les sommes portées au budget pour imprévus ne peuvent être dépensées que sur autorisation du President dans la limite de trois cent mille lires pour chaque opération.

2. Pour chaque dépense supérieure au montant indiqué au paragraphe précédent, ainsi que pour les cas urgents et dépassant les prévisions, il en est référé à la Commission des Finances qui peut autoriser la dépense correspondante, à concurrence du crédit ouvert dans le budget de l'année financière en cours au titre des dépenses imprévues."

"Article 29

La Commission des Finances arrête le barème des indemnités de voyage et de séjour des membres du Conseil de Direction, des Commissaires aux Comptes, des membres des Comités d'étude et des fonctionnaires chargés de mission."

"Article 31

Avant le premier mars de chaque année, le Secrétaire Général, en consultation avec la Commission des Finances, soumet au Conseil de Direction des propositions sur la base desquelles le Conseil arrête le projet de budget. Ce projet est ensuite transmis, avec l'avis de la Commission des Finances, à l'Assemblée Générale aux fins d'approbation."

"Article 32

1. Au cas ou des modifications au budget deviendraient nécessaires, le Secrétaire Général les soumettra au Conseil de Direction ou au Comité Permanent et, pour approbation, a la Commission des Finances, sous réserve de confirmation par l'Assemblée Générale.

2. Tout virement entre les divers chapitres du budget sera autorisé par la Commission des Finances ou, en cas d'urgence, par le Président, sauf ratification de la Commission des Finances. Les virements entre les articles d'un même chapitre seront autorisés par le Président."

3. (biffé)

"Article 38

Les comptes seront clos le 31 mars, préparés pour la vérification pendant le mois d'avril, soumis aux Commissaires aux comptes le premier mai, et ensuite présentés pour avis a la Commission des Finances et à l'Assemblée Générale aux fins d'approbation."

"Article 39

Les Commissaires aux comptes présentent directement à l'Assemblée Générale leur rapport sur les comptes. Ils ont le droit d'assister à toutes les réunions de l'Assemblée, du Conseil de Direction, du Comité Permanent et de la Commission des Finances, avec le droit de parole mais non de vote. Ils peuvent également présenter auxdits organes, à tout moment, un rapport sur les matières au sujet desquelles ils estiment utile leur intervention."

Copie conforme à l'original.

PAPUA NEW GUINEA

Air Transport Services

Agreement signed at Port Moresby March 30, 1979;
Entered into force provisionally March 30, 1979;
Entered into force definitively June 27, 1979.

AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF PAPUA NEW GUINEA

The Government of the United States of America and the Government of Papua New Guinea,

Recognizing the importance of international air transportation between the two countries and desiring to conclude an agreement which will assure its continued development in the common welfare, and

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944, [1]

Have agreed as follows:

ARTICLE 1

DEFINITIONS

For the purpose of the present Agreement:

A. "Agreement" shall mean this Agreement, the Schedule attached hereto, and any amendments thereto.

B. "Aeronautical authorities" shall mean, in the case of the United States of America, the Civil Aeronautics Board or the Department of Transportation, whichever has jurisdiction, or their successor agencies, and in the case of Papua New Guinea, the Department of Transport and Civil Aviation, or, in both cases, any person or agency authorized to perform the functions exercised at present by those authorities.

[1] TIAS 1591, 6605, 6681, 61 Stat. 1180; 19 UST 7693, 20 UST 718. [Footnote added by the Department of State.]

C. "Designated airline" shall mean an airline that one Contracting Party has notified the other Contracting Party to be an airline which will operate in accordance with the provisions of this Agreement. Such notification shall be communicated in writing through diplomatic channels.

D. "Territory" shall mean the land areas under the sovereignty, jurisdiction or trusteeship of a Contracting Party and territorial waters adjacent thereto.

E. "International air service" shall mean an air service which passes through the airspace over the territory of more than one State.

F. "Stop for non-traffic purposes" shall mean a landing for any purpose other than taking on or discharging passengers, cargo or mail carried for compensation.

G. "Price or Pricing" means the fare, rate, or price and its conditions or terms of its availability charged or to be charged by an airline and or its agents for the public transport of passengers, baggage and/or cargo (excluding mail).

ARTICLE 2

GRANT OF RIGHTS

A. Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air services by the airlines of that other Contracting Party:

(1) The right to fly across its territory without landing; and

(2) The right to make stops in its territory for non-traffic purposes.

B. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of operating international air services in accordance with the provisions of this Agreement. The airline or airlines designated by one Contracting Party may make stops in the territory of the other Contracting Party for the purpose of taking on board and discharging international traffic in passengers, cargo or mail, separately or in combination.

ARTICLE 3

DESIGNATION AND AUTHORIZATION

Each Contracting Party shall have the right to designate an airline or airlines for the purpose of operating air services in accordance with the provisions of this Agreement. On receipt of a designation made by one Contracting Party and on receipt of an application or applications from the airline so designated for operating authorization and technical permission in the form and manner prescribed for such applications, the other Contracting Party shall, without undue delay, grant the appropriate operating and technical permissions, provided it is satisfied that:

(1) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Contracting Party considering the application or applications;

(2) substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or its nationals; and

(3) the other Contracting Party is maintaining and administering safety and security standards as set forth in Article 6(B).

ARTICLE 4

REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

Each Contracting Party shall have the right to revoke or suspend the operating or technical permissions referred to in Article 3 of this Agreement with respect to an airline designated by the other Contracting Party, or to impose conditions on such permissions, in the event that:

(1) that Contracting Party is not satisfied that substantial ownership and effective control of such airline are vested in the Contracting Party designating the airline or in nationals of that Contracting Party;

(2) such airline fails to comply with the laws and regulations referred to in Article 5 of this Agreement; or

(3) that other Contracting Party is not maintaining and administering safety and security standards as set forth in Article 6(B).

ARTICLE 5

APPLICATION OF LAWS

A. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airline or airlines designated by the other Contracting Party and shall be complied with by such aircraft upon entrance into or departure from and while within the territory of the first Contracting Party.

B. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of passengers, crew, cargo or mail of aircraft, including regulations relating to entry, clearance, immigration, passports, customs, and quarantine, shall be complied with by or on behalf of such passengers, crew, cargo or mail of the airlines of the other Contracting Party upon entrance into or departure from and while within the territory of the first Contracting Party.

ARTICLE 6

SAFETY

A. Certificates of airworthiness, certificates of competency, and licenses issued or rendered valid by one Contracting Party, and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the routes and services provided for in this

Agreement, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party

B. The competent aeronautical authorities of each Contracting Party may request consultations concerning the safety and security standards and requirements relating to aeronautical facilities, airmen, aircraft, and the operation of the designated airlines which are maintained and administered by the other Contracting Party. If, following such consultations, the competent aeronautical authorities of either Contracting Party find that the other Contracting Party does not effectively maintain and administer safety and security standards and requirements in these areas that are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation, they will notify the other Contracting Party of such findings and the steps considered necessary to bring the safety and security standards and requirements of the other Contracting Party to standards at least equal to the minimum standards which may be established pursuant to said Convention, and the other Contracting Party will take appropriate corrective action. Each Contracting Party reserves

the right to withhold or revoke the technical permission referred to in Articles 3 and 4 of this Agreement with respect to an airline designated by the other Contracting Party, or to impose conditions on such permission, in the event the other Contracting Party does not take such appropriate action within a reasonable time.

ARTICLE 7

AVIATION SECURITY

The Contracting Parties reaffirm their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air services and undermine public confidence in the safety of civil aviation. The Contracting Parties agree to provide maximum aid to each other with a view to preventing hijackings and sabotage to aircraft, airports and air navigation facilities and threats to aviation security. They reaffirm their commitments under and shall have regard to the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, [1] the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, [2] and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971. [3] The Contracting Parties shall also have regard to

[1] TIAS 6768; 20 UST 2941.
[2] TIAS 7192; 22 UST 1641.
[3] TIAS 7570; 24 UST 564.
[Footnotes added by the Department of State.]

applicable aviation security provisions established by the International Civil Aviation Organization. When incidents or threats of hijacking or sabotage against aircraft, airports or air navigation facilities occur, the Contracting Parties shall assist each other by facilitating communications intended to terminate such incidents rapidly and safely. Each Contracting Party shall give sympathetic consideration to any request from the other for special security measures for its aircraft or passengers to meet a particular threat.

ARTICLE 8

USER CHARGES

Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control, provided that such charges shall not be higher than the charges imposed for the use of such airports and facilities by its national aircraft engaged in similar international services.

ARTICLE 9

CUSTOMS DUTIES

A. Each Contracting Party shall exempt the designated airline or airlines of the other Contracting Party to the fullest extent possible under its national law from import

restrictions, customs duties, excise taxes, inspection fees, and other national duties and charges on fuel, lubricants, consumable technical supplies, spare parts including engines, regular equipment, ground equipment, stores, and other items intended for use solely in connection with the operation or servicing of aircraft of the airlines of such other Contracting Party engaged in international air service. The exemptions provided under this paragraph shall apply to items:

(1) introduced into the territory of one Contracting Party by or on behalf of the designated airlines of the other Contracting Party;

(2) retained on aircraft of the designated airlines of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party; or

(3) taken on board aircraft of the designated airlines of one Contracting Party in the territory of the other and intended for use in international air service; whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption.

B. The exemptions provided for by this Article shall also be available in situations where the designated airline or airlines of one Contracting Party have entered into arrangements with another airline or airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraph A, provided such other airline or airlines similarly enjoy such exemptions from such other Contracting Party.

ARTICLE 10

FAIR COMPETITION

There shall be a fair and equal opportunity for the airlines of each Contracting Party to operate international air services in accordance with the provisions of this Agreement.

ARTICLE 11

PRICING

A. Each Party shall allow the prices subject to this Agreement to be established by each airline based upon commercial considerations in the marketplace, and intervention by the Parties shall be limited to (1) prevention of predatory or discriminatory prices or practices, (2) protection of consumers from prices that are unduly high or restrictive due to the abuse of monopoly power; and (3) protection of airlines from prices that are artificially low because of direct or indirect governmental subsidy or support.

B. Each Party may require notification or filing with its aeronautical authorities of prices proposed to be charged by airlines of the other Party to or from its territory. A Party requiring such notification or filing of prices shall not discriminate among the airlines of either Party or with respect to airlines of third countries. Such notification or filing

may be required of airlines of either Party no more than forty-five (45) days before the proposed date of effectiveness in the case of passenger prices, and no more than sixty (60) days before the proposed date of effectiveness in the case of cargo prices. Each Party shall permit notifications or filings on shorter notice than set forth above when necessary to enable designated airlines to respond on a timely basis to competitive offerings. Neither Party shall require the notification of filing by airlines of the other Party of prices charged by charterers to the public for traffic originating in the territory of that other Party.

C. If either Party believes that a price proposed or charged by an airline of the other Party for the carriage of international traffic between the United States and Papua New Guinea, including traffic carried on an interline or intraline basis via intermediate points, is inconsistent with the considerations set forth in paragraph (A) of this Article, it shall notify the other Party of the reasons for its dissatisfaction as soon as possible. In the case of a proposed price, such notice of dissatisfaction shall be given to the other Party within thirty (30) days of receiving notification or filing of the price. Either Party may then request consultations which shall be held as soon as possible, and in no event later than sixty (60) days from receipt of the request. The Parties shall cooperate in securing information necessary for reasoned resolution of pricing consultations.

D. If the Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, based on the considerations set forth in paragraph (A) of this Article, each Party shall exercise its best efforts to put such agreement into effect.

E. In the event that,

(1) in the case of a proposed price, consultations are not requested or an agreement is not reached as a result of consultations; or

(2) in the case of a price already being charged when notice of dissatisfaction is given, consultations are not requested within thirty (30) days of receipt of the notice or an agreement is not reached as a result of consultations within sixty (60) days of receipt of the notice, either Party may take action to prevent the inauguration or continuation of the price for which a notice of dissatisfaction was given, but only with respect to traffic where the first point on the itinerary (as evidenced by the document authorizing transportation by air) is in its own territory. Neither Party shall take unilateral action to prevent the inauguration or continuation of any price proposed or charged by an airline of either Party, except as provided in this paragraph.

F. Notwithstanding the filing requirements that either Party may establish, each Party shall allow any airline of either Party to meet on a timely basis, using short-notice

filing procedures if necessary, any lower or more competitive price proposed or charged by any airline or charterer for the carriage of international traffic to or from its territory. For the purposes of this Article, the term "meet" includes the right to establish (1) an identical or substantially similar price on a direct, intraline or interline routing, notwithstanding differences in conditions relating to routing, roundtrip requirements, connections or aircraft type, or (2) such price through combination of prices.

G. Neither Party shall prevent an airline of a third country from meeting any price of a designated airline of either Party for carriage of international traffic between the United States and Papua New Guinea, provided that the third country allows designated airlines of the first Party to meet any price for carriage of international traffic between the territory of the other Party and that third country. In the event that such reciprocity is not accorded by the third country, neither Party shall take unilateral action to prevent the inauguration or continuation of any price proposed or charged by an airline of a third country between the United States and Papua New Guinea, except with respect to traffic where the first point on the itinerary (as evidenced by the document authorizing travel by air) is in its own territory.

ARTICLE 12

COMMERCIAL OPERATIONS

A. Each designated airline shall have the right to establish and maintain representatives in the territory of the other Contracting Party for management, promotional, information, and operational activities.

B. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, in its discretion, through its agents. Such airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies of other countries.

C. Any price specified in terms of the national currency of one of the Contracting Parties shall be established in an amount which reflects the effective exchange rate (including all exchange fees or other charges) at which the airlines of both Parties can convert and remit the revenues from their transport operations into the national currency of the other Party.

D. Each designated airline shall have the right to convert and remit to its country local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly and without restrictions at the rate of

exchange in effect for the sale of transportation at the time such revenues are presented for conversion and remittance and shall be exempted from taxation to the fullest extent permitted by national law. If a Contracting Party does not have a convertible currency and requires the submission of applications for conversion and remittance, the airlines of the other Contracting Party shall be permitted to file such applications as often as weekly free of burdensome or discriminatory documentary requirements.

ARTICLE 13

CHARTER AIR SERVICES

A. An airline or airlines of a Party designated for charter air services shall be permitted to operate charter air services in accordance with the rules applicable to charter traffic now or hereafter published by the aeronautical authorities of the Party in which the charter traffic originated, or in accordance with waivers of such rules granted for appropriate reasons. When such rules of one Party apply more restrictive terms, conditions, or limitations to one, or more, of its designated airlines, the designated airlines of the other Party shall be subject to the least restrictive of such terms, conditions or limitations. Moreover, if the aeronautical authorities of either Party promulgate rules applicable to charter traffic which

apply different conditions to different countries, each Party shall apply the most liberal rule to the designated airlines of the other Party.

B. Each Party grants to the other Party the right for the designated airlines of that other Party to uplift and discharge international charter traffic in passengers (and their accompanying baggage) and cargo at any point or points in the territory of the first Party for carriage between such points and any point or points in the territory of the other Party, either directly or with stopover at points outside the territory of either Party or with carriage of stopover or transiting traffic to points beyond the territory of the first Party.

C. Charter traffic:

(1) originating outside the territory of both Parties; or

(2) carried by an airline of one Party, originating in the territory of the other Party, and having a traffic stop beyond the territory of the first Party without an intermediate stopover in the territory of the first Party of at least two consecutive nights;

shall not be covered by this Agreement. However, each Party shall consider applications by designated airlines of the other Party to carry such traffic on the basis of comity and reciprocity.

D. Each Party shall minimize the administrative burdens of filing requirements and procedures on passenger or cargo charterers and designated airlines of the other Party.

E. A designated airline of one Party proposing to carry charter traffic originating in the territory of the other Party shall comply with the applicable rules of that other Party.

F. Neither Party shall require a designated airline of the other Party, in respect of the carriage of charter traffic originating in the territory of that other Party, to submit more than a declaration of conformity with the rules applicable to charter traffic of that other Party or of a waiver of these rules granted by the aeronautical authorities of that other Party.

G. Notwithstanding paragraph (F) above, each Party may require that a designated airline of the other Party provide such advance information with regard to flights as is essential for customs, airport, and air traffic control purposes.

H. Designated airlines shall comply with established procedures in regard to airport slotting and shall provide prior notification of flights or series of flights to the relevant authorities if so required.

I. Neither Party shall require prior approval of flights or notifications of information relating thereto by designated airlines of the other Party, except as provided in paragraphs (E), (F), (G), and (H) above.

ARTICLE 14

CONSULTATIONS

Either Contracting Party may at any time request consultations on the interpretation, application or amendment of this Agreement. Such consultations shall begin within a period of sixty (60) days from the date the other Contracting Party receives the request.

ARTICLE 15

SETTLEMENT OF DISPUTES

A. Any dispute arising under this Agreement, other than disputes where self-executing mechanisms are provided in Article 11, which is not resolved by a first round of formal consultations, may be referred by agreement of the Contracting Parties for decision to some person or body. If the Contracting Parties do not so agree, the dispute shall, at the request of either Contracting Party, be submitted to arbitration in accordance with the procedures set forth below.

B. Arbitration shall be by a tribunal of three arbitrators to be constituted as follows:

(1) within 30 days after the receipt of a request for arbitration, each Contracting Party shall name one arbitrator. Within 60 days after these two arbitrators have been nominated, they shall by agreement appoint a third arbitrator, who shall act as President of the arbitral tribunal,

(2) if either Contracting Party fails to name an arbitrator, or if the third arbitrator is not appointed in accordance with subparagraph (1) of this paragraph, either Contracting Party may request the President of the International Court of Justice to appoint the necessary arbitrator or arbitrators within 30 days. If the President is of the same nationality as one of the Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.

C. Except as otherwise agreed by the Contracting Parties, the arbitral tribunal shall determine the limits of its jurisdiction in accordance with this Agreement, and shall establish its own procedure. At the direction of the tribunal or at the request of either of the Contracting Parties, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held no later than 15 days after the tribunal is fully constituted.

D. Except as otherwise agreed by the Contracting Parties or prescribed by the tribunal, each Party shall submit a memorandum within 45 days of the time the tribunal is fully constituted. Replies shall be due 60 days later. The tribunal shall hold a hearing at the request of either Party or at its discretion within 15 days after replies are due.

E. The tribunal shall attempt to render a written decision within 30 days after completion of the hearing or, if no hearing is held, after the date both replies are submitted, whichever is sooner. The decision of the majority of the tribunal shall prevail.

F. The Contracting Parties may submit requests for clarification of the decision within 15 days after it is rendered and any clarification given shall be issued within 15 days of such request.

G. Each Contracting Party shall, consistent with its national law, give full effect to any decision or award of the arbitral tribunal. In the event that one Contracting Party does not give effect to any decision or award, the other Contracting Party may take such proportionate steps as may be appropriate.

H. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators, shall be shared equally by the Contracting Parties. Any expenses incurred by the President of the International Court of Justice in connection with the procedures of paragraph B (2) of this Article shall be considered to be part of the expenses of the arbitral tribunal.

ARTICLE 16

REGISTRATION WITH ICAO

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 17

TERMINATION

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organization. This Agreement shall terminate at midnight (at the place of receipt of the notice) immediately before the first anniversary of the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the end of this period.

ARTICLE 18

ENTRY INTO FORCE

This Agreement shall enter into force provisionally on the date it is signed and into full force on the date an exchange of diplomatic notes confirms its ratification.[1]

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

DONE at Port Moresby this 30th day of March in the year one thousand nine hundred and seventy-nine in two originals in the English language.

Mary S. Olmsted [2]

For the Government of
the United States of America

Niwia Ebia Olewale [3]

For the Government of
Papua New Guinea

[1] June 27, 1979.
[2] Mary S. Olmsted.
[3] Niwia Ebia Olewale.
[Footnotes added by the Department of State.]

SCHEDULE

A. An airline or airlines designated by the Government of the United States shall be entitled to operate international air services on each of the specified routes, in both directions, and to make scheduled landings in Papua New Guinea at the points specified in this paragraph:

1. From points in the United States via intermediate points to Papua New Guinea and beyond.1/

2. Points on any of the specified routes may, at the option of each designated airline, be omitted on any or all flights.

1/ Service, however, to points beyond Papua New Guinea, including Australia, will not commence prior to July 1, 1981, and the type of equipment which is presently contemplated to be operated will be comparable to B-727-100 type aircraft.

B. An airline or airlines designated by the Government of Papua New Guinea shall be entitled to operate international air services on each of the specified routes, in both directions, and to make scheduled landings in the United States at the points specified in this paragraph:

1. From Papua New Guinea to Honolulu

2. From Papua New Guinea to Guam.

HONDURAS

Agricultural Commodities

Agreement signed at Tegucigalpa February 27, 1979;
Entered into force February 27, 1979.
With minutes.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF HONDURAS FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Honduras have agreed to the sale of Agricultural Commodities specified below. This Agreement shall consist of Part I, Part II and Part III, together with Annexes "A" and "B":

The Government of the United States of America and the Government of Honduras:

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Government of Honduras (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketing 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 effort to

CONVENIO ENTRE EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA Y EL GOBIERNO DE LA REPUBLICA DE HONDURAS PARA LA VENTA DE PRODUCTOS AGRICOLAS

El Gobierno de los Estados Unidos de América y el Gobierno de la República de Honduras han convenio en la venta de los productos agrícolas adelante especificados. Este Convenio esta formado por los Capítulos I, II y III, junto con los Anexos "A" y "B".

El Gobierno de los Estados Unidos de América y el Gobierno de Honduras:

Reconociendo la conveniencia de ampliar el comercio de productos agrícolas entre los Estados Unidos de América (que en adelante se denomina el país exportador) y el Gobierno de Honduras (que en adelante se denomina el país importador), así como con otros países amigos, de una manera que no desplace el mercadeo normal del país exportador en estos productos ni altere indebidamente los precios mundiales de los productos agrícolas o las normas usuales del intercambio comercial con países amigos;

Considerando la importancia que para los países en desarrollo revisten sus

help themselves toward a greater degree of self-reliance; including efforts to meet their problems of food production;

esfuerzos para ayudarse a sí mismos, a fin de alcanzar un mayor grado de autosuficiencia, incluyendo esfuerzos encaminados a solucionar sus problemas de producción de alimentos;

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;

Reconociendo la política del país exportador de utilizar su productividad agrícola para combatir el hambre y la desnutrición en los países en vías de desarrollo, de estimular a estos países para mejorar su propia producción agrícola, y de prestarles asistencia en su desarrollo económico;

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;

Reconociendo la determinación del país importador de mejorar su propia producción, almacenaje y distribución de productos agrícolas alimenticios, incluyendo la reducción de desperdicios en todas las etapas de este proceso;

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

Deseando establecer los entendimientos que regirán las ventas de los productos agrícolas al país importador, de conformidad con lo dispuesto en el Título I de la Ley de Asistencia y Desarrollo del Comercio Agrícola, tal como ha sido enmendada (denominada en adelante la Ley),

[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*

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.

C. Application for purchase authorizations will be made within 90 days after the effective date of this Agreement, and,

y las medidas que los dos Gobiernos adoptarán individual y colectivamente para fomentar las políticas antes mencionadas;

Acuerdan lo siguiente:

CAPITULO I - DISPOSICIONES GENERALES

ARTICULO I

A. El Gobierno del país exportador se compromete a financiar la venta de productos agrícolas a compradores autorizados por el Gobierno del país importador, de conformidad con los términos y condiciones establecidas en este Convenio.

B. El financiamiento de los productos agrícolas listados en el Capítulo II de este Convenio estará sujeto a:

1. La emisión por parte del Gobierno del país exportador, de autorizaciones de compra y su aceptación por parte del Gobierno del país importador; y

2. La disponibilidad de los productos especificados en el momento de la exportación.

C. La solicitud para autorizaciones de compra se hará dentro de los 90 días posteriores a la fecha en que entre en

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.

vigor este Convenio y, con respecto a otros productos adicionales o cantidades de productos previstos en cualquier convenio suplementario, dentro de los 90 días posteriores a la fecha en que entre en vigor tal convenio suplementario. Las autorizaciones de compra incluirán disposiciones relativas a la venta y entrega de tales productos, así como a otros asuntos pertinentes.

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.

D. Salvo que el Gobierno del país exportador lo autorice, todas las entregas de productos vendidos bajo este Convenio se efectuarán dentro de los períodos de suministro especificados en el Cuadro de Productos del Capítulo 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

E. El valor de la cantidad total de cada producto cubierto por las autorizaciones de compra para un tipo determinado de financiamiento autorizado bajo este Convenio, no excederá del valor máximo del mercado de exportación especificado para ese producto y tipo de financiamiento en el Capítulo II. El Gobierno del país exportador podrá limitar el valor total de

by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodities sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in Part II.

cada producto a ser incluido en las autorizaciones de compra para un tipo específico de financiamiento, según lo requieran las bajas de precios u otros factores del mercadeo, en forma tal que las cantidades de tales productos vendidas conforme a un determinado tipo de financiamiento no excederán sustancialmente de la cantidad máxima aproximada aplicable, especificada en el Capítulo 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 requirements that the commodities be transported in United States flag vessels. The Government of the importing country shall

F. El Gobierno del país exportador asumirá el diferencial del transporte marítimo para los productos que el Gobierno del país exportador requiera que sean transportados en barcos de bandera de los Estados Unidos (aproximadamente el 50 por ciento del peso de los productos vendidos en virtud del Convenio). El diferencial del transporte marítimo es la cantidad, según la determine el Gobierno del país exportador, mediante la cual el costo del transporte marítimo es más alto (de lo que de otra manera sería el caso) debido al requisito de que los productos sean transportados en barcos

have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

de bandera de los Estados Unidos. El Gobierno del país importador no tendrá obligación alguna de reembolsar al Gobierno del país exportador por el diferencial del transporte marítimo pagado por el Gobierno del país exportador.

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.

G. Tan pronto como se haya contratado espacio para el transporte de carga en barcos de bandera de los Estados Unidos para los productos que deben ser transportados en barcos de dicha bandera y, en cualquier caso no más tarde de la presentación del barco para carga, el Gobierno del país importador o los compradores autorizados por el mismo abrirán una carta de crédito en dólares de los Estados Unidos, por el costo estimado del transporte marítimo de tales productos.

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

H. Cualquiera de los dos Gobiernos puede dar por terminado el financiamiento, venta y entrega de los productos comprendidos en este Convenio, si tal Gobierno considera que, como consecuencia del cambio de condiciones, es innecesario

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 authorizations.

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 an amount as it may determine, but in any event no later than one year after the final disbursement by the Commodity Credit Corporation under this

o indeseable continuar tal financiamiento, venta o entrega.

ARTICULO II

A. Pago Inicial

El Gobierno del país importador pagará o hará que se efectue el pago inicial como pudiera ser especificado en el Capítulo II de este Convenio. El Monto de este pago será la proporción del precio de compra (excluyendo cualquier costo de transporte marítimo que pueda haberse incluido en el mismo) igual al porcentaje especificado como Pago Inicial en el Capítulo II, y el pago se hará en dólares de los Estados Unidos, de conformidad con las correspondientes autorizaciónes de compra.

B. Pago en Moneda Local

El Gobierno del país importador pagará o hará que se pague, a solicitud del Gobierno del país exportador, en las cantidades que éste demonine, pero que en ningún caso será más tarde de un año posterior al desembolso final por parte de la Commodity Credit Corporation

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 request for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity

efectuado bajo este Convenio, o al finalizar el período de entregas, de las dos fechas la que ocurra más tarde, tal pago como pudiera ser especificado en el Capítulo II de este Convenio de conformidad con la Sección 103 (b) de la Ley (en adelante denominado Pago en Moneda Local). El Pago en Moneda Local será aquella proporción de la cantidad financiada por el país exportador igual al porcentaje especificado para Pago en Moneda Local en el Capítulo II. El pago se hará de conformidad con el párrafo H y para los propósitos especificados en la Subsección 104 (a), (b), (e) y (h) de la Ley, según se estipula en el Capítulo II de este Convenio. Tal pago se acreditará contra (a) el monto del pago de los intereses de cada año pagaderos durante el período previo a la fecha de vencimiento del pago de la primera amortización, comenzando con el primer año, más (b) los pagos combinados del principal e intereses, comenzando con el pago de la primera amortización, hasta que el valor del Pago en Moneda Local haya sido compensado.

Credit Corporation of the exporting country under this Agreement.

A menos que en el Capítulo II se especifique lo contrario, el Gobierno del país exportador no hará solicitudes de pago antes del primer desembolso efectuado por parte de la Commodity Credit Corporation del país exportador bajo este Convenio.

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 sales are also set forth in Part II.

C. Tipo de Financiamiento

Las ventas de los productos especificados en el Capítulo II se financiarán de acuerdo con el tipo de financiamiento allí indicado. En el Capítulo II también se establecen disposiciones especiales relacionadas con la venta.

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.

D. Disposiciones Respecto al Crédito

1. Respecto a los productos entregados durante cada año calendario bajo este Convenio, el principal del crédito (en adelante denominado principal) consistira del monto en dólares desembolsados por el Gobierno del país exportador por los productos (sin incluir los costos del transporte marítimo) menos cualquier proporción del Pago Inicial pagadero al Gobierno del país exportador

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

El principal se pagará de conformidad con el plan de pagos en el Capítulo II de este Convenio. El pago de primera amortización vencerá y será pagadero en la fecha especificada en el Capítulo II de este Convenio. Los pagos de amortizaciones subsiguientes vencerán y serán pagaderos en intervalos de un año a partir de entonces. Cualquier pago del principal podrá efectuarse previo a la fecha de vencimiento.

2. Los intereses sobre el pendiente de pago del principal adeudado al Gobierno del país exportador por concepto de los productos entregados durante cada año calendario, serán pagados en la forma siguiente:

a. En el caso del Crédito en Dólares, los intereses comenzarán a devengarse en la fecha de la última entrega de estos productos durante cada año calendario. Los intereses se pagarán a más tardar en la fecha de vencimiento del pago de cada amortización del principal, excepto que si la fecha del pago de la primera amortizacion ocurriese

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.

más de un año después de la fecha de la última entrega, el primer pago de intereses se hará a más tardar en la fecha de aniversario de la fecha en que se efectuó la última entrega y subsiguientemente el pago de los intereses se efectuará anualmente y a más tardar en la fecha de vencimiento del pago de cada amortización del principal.

b. En el caso de Crédito en Moneda Local Convertible, los intereses comenzarán a devengarse en la fecha del desembolso en dólares efectuado por el Gobierno del país exportador. Tales intereses serán pagados anualmente comenzando un año después de la fecha de la última entrega de productos durante cada año calendario, excepto que si los pagos de las amortizaciones por concepto de estos productos no vencen en algún aniversario de tal fecha de la última entrega, cualquier interés devengado en la fecha de vencimiento del pago de la primera amortización vencerá en la misma fecha en que vence el pago de la primera amortización y subsiguientemente tales

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.

intereses se pagarán en las fechas de vencimiento de los pagos de las amortizaciones subsiguientes.

3. Para el período de tiempo desde la fecha en que comienzan los intereses hasta la fecha de vencimiento del pago de la primera amortización, los intereses serán computados a la tasa de interes inicial especificada en el Capítulo II de este Convenio. Subsiguientemente, los intereses serán computados a la tasa de interes siguiente especificado en el Capítulo II de este Convenio.

E. Depósito de los Pagos

El Gobierno del país importador efectuará o hará que se efectuen pagos al Gobierno del país exportador en las monedas, cantidades y a las tasas de cambio previstas en este Convenio, en la forma siguiente:

1. Los pagos en dólares se remitirán al Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C., 20250, a menos que los dos Gobiernos convengan en otro método de pago.

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 disbursment 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

2. Los pagos en la moneda local del país importador (de aquí en adelante denominada moneda local) se depositarán en la cuenta del Gobierno de los Estados Unidos de América en cuentas que devenguen interés en bancos seleccionados por el Gobierno de los Estados Unidos de América en el país importador.

F. Producto de las Ventas

La cantidad total de ingresos obtenida por el país importador de la venta de productos financiados de conformidad con este Convenio, que será aplicada a los fines de desarrollo económico enunciados en el Capítulo II de este Convenio, no será inferior al equivalente en moneda local de los desembolsos en dólares efectuados por parte del Gobierno del país exportador en relación con el financiamiento de los productos (excluyendo el diferencial del flete marítimo), disponiéndose, sin embargo, que el producto de las ventas a ser así aplicado será reducido por el Pago en moneda local, si lo hubiere efectuado

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 procedures, 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 expenditures, of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in case of expenditure the budget sector in which they were used.

el Gobierno del país importador. La tasa de cambio a ser usada para calcular este equivalente en moneda local, será la tasa sobre la cual la autoridad monetaria central del país importador, o su agente autorizado, vende divisas por moneda local en relación con la importación comercial de los mismos productos. Cualquier ingreso así obtenido que sea dado en préstamo por el Gobierno del país importador or organizaciones privadas o no gubernamentales será prestado a tasas de interés aproximadamente equivalentes a aquellas cobradas por préstamos comparables en el país importador. El Gobierno del país importador proporcionará, de conformidad con los procedimientos informativos de su presupuesto para el año fiscal, en las oportunidades en que lo solicite el Gobierno del país exportador, pero con una frecuencia no inferior a la anual, un informe sobre el recibo y el desembolso del producto de las ventas, certificado por la autoridad auditora apropiada del Gobierno del país importador y, en caso de desembolsos, el sector del

presupuesto en el que fueran utilizados.

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.

G. Cómputos

El cómputo del pago inicial, del Pago en Moneda Local y de todos los pagos de principal e intereses bajo este Convenio, se efectuará en dólares de los Estados Unidos.

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 purchases 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

H. Pagos

Todos los pagos se efectuarán en dólares de los Estados Unidos o, si el Gobierno del país exportador optare por ello;

1. Los pagos se harán en monedas de terceros países fácilmente convertibles a una tasa de cambio mutuamente convenida, y serán usados por el Gobierno del país exportador para el pago de sus obligaciones o, en caso de Pagos en Moneda Local serán usados para los propósitos establecidos en el Capítulo II de este Convenio; o

2. Los pagos se harán en moneda local, a la tasa de cambio aplicable expecificada en el Capítulo I, Artículo III, literal G, de este Convenio, en

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:

vigor a la fecha del pago y, a opción del Gobierno del país exportador, serán convertidos en dólares de los Estados Unidos a la misma tasa de cambio, o serán utilizados por el Gobierno del país exportador para el pago de sus obligaciones o, en el caso de Pagos en Moneda Local, serán usados para los propósitos establecidos en el Capítulo II de este Convenio, en el país importador.

ARTICULO III

A. Comercio Mundial

Los dos Gobiernos tomarán las máximas precauciones para asegurar que las ventas de productos agrícolas conforme a este Convenio no desplacen el mercadeo normal del país exportador en estos productos ni alteren indebidamente los precios mundiales de productos agrícolas o las normas habituales de intercambio comercial con los países que el Gobierno del país exportador considera como naciones amigas (denominadas en este Convenio como naciones amigas). Para poner en práctica esta disposición el Gobierno del país importador deberá:

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 obtain 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

1. asegurar que el total de las importaciones procedentes del país exportador y de otras naciones amigas al país importador y pagadas con recursos del país importador sean por lo menos igual a las cantidades de productos agrícolas como pudieran ser especificadas en el cuadro de mercadeo normal indicado en el Capítulo II, durante cada período de importación especificado en dicho cuadro y durante cada subsiguiente período comparable, en el que se estén entregando productos financiados bajo este Convenio. Las importaciones de productos para satisfacer estos requisitos normales de mercadeo para cada período de importación serán adicionales a las compras financiadas bajo este Convenio.

2. adoptar medidas para asegurar que el país exportador obtenga una participación junta en cualquier incremento en las compras comerciales de productos agrícolas por parte del país importador.

3. adoptar todas las medidas posibles para impedir la reventa, la desviación en tránsito o el transbordo a

the use of 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); and

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 Goverments shall seek to assure conditions of commerce permitting private traders to function effec-

otros países o el uso para otros fines que no sean los internos, de los productos agrícolas comprados de conformidad con este Convenio (salvo cuando tal reventa, desviación en tránsito, transbordo o uso hayan sido especificamente aprobados por el Gobierno de los Estados Unidos de América); y

4. adoptar todas las medidas posibles para impedir la exportación de cualquier producto, de orígen nacional o extranjero, que se define en el Capítulo II de este Convenio, durante el período de limitación de las exportaciones especificado en el cuadro de Limitación de las Exportaciones, en el Capítulo II (excepto como pudiera sèr especificado en el Capítulo II o cuando tal exportación haya sido específicamente aprobada por le Gobierno de los Estados Unidos de América).

B. Comercio Privado

Al llevar a la práctica las disposiciones de este Convenio, los dos Gobiernos procurarán asegurar condiciones de comercio que permitan a los comerciantes

tively.

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:

particulares llevar a cabo sus actividades eficazmente.

C. Autoayuda

El Capítulo II describe el programa que el Gobierno del país importador está emprendiendo para mejorar su producción, almacenamiento y distribución de los productos agrícolas. El Gobierno del país importador proporcionará, en la forma y en la fecha que el Gobierno del país exportador solicite, un informe del progreso que el Gobierno del país importador está realizando para llevar a cabo tales medidas de autoayuda.

D. Informes

Además de cualesquiera otros informes convenidos entre los dos Gobiernos, el Gobierno del país importador suministrara, por lo menos trimestralmente, para el período de suministro especificado en el Capítulo II, Articulo I de este Convenio y para cualquier período subsiguiente comparable, durante el cual se estén importando o utilizando los productos comprados bajo

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 reconcilation of their respective

este Convenio:

1. la información siguiente respecto a cada embarque de productos recibidos bajo el Convenio: el nombre de cada barco; la fecha de arribo; el puerto de arribo; el producto y cantidades y el estado en que se recibió.

2. una declaración que indique el progreso alcanzado para satisfacer los requisitos normales de mercadeo;

3. una declaración acerca de las medidas que ha adoptado para poner en práctica las disposiciones contenidas en la sección A 2, y 3 de este Artículo; y

4. datos estadísticos sobre las importaciones por país de origen y las exportaciones por país de destino, de los productos que son iguales o similares a los importados bajo el Convenio.

E. Procedimientos para la Conciliación y Ajuste de Cuentas

Cada uno de los dos Gobiernos establecerá procedimientos apropiados para facilitar la conciliación de sus

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.

respectivos registros de las cantidades financiadas con respecto a los productos entregados durante cada año calendario. La Commodity Credit Corporation del país exportador y el Gobierno del país importador podrán realizar en las cuentas de crédito los ajuestes que mutuamente decidan son apropiados.

F. Definiciones

Para los efectos de este Convenio:

1. se considerará que la entrega ha tenido lugar en la fecha de carga indicada en el conocimiento de embarque marítimo que ha sido firmado, o lleve iniciales en nombre del transportador.

2. se considerará que la importación se ha efectuado cuando el producto haya ingresado al país y haya pasado por la aduana, si la hubiere, del país importador, y

3. se considerará que la utilización se ha efectuado, cuando el producto haya sido vendido al comercio dentro del país importador, sin restricciones en cuanto a su uso dentro del país, o se haya sido distribuido de otra manera al consumidor dentro del país.

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

G. Tipo de Cambio Aplicable

Para los fines de este Convenio, la tasa de cambio aplicable para determinar la cantidad de cualquier moneda local a ser pagada al Gobierno del país exportador, será una tasa de cambio en vigor a la fecha de pago por parte del país importador, que no sea menos favorable al Gobierno del país exportador que la más alta tasa de cambio legalmente obtenible en el país importador y la cual no sea menos favorable al Gobierno del país exportador que la más alta tasa de cambio obtenible por cualquier otra nación. Respecto a la moneda local:

1. Mientras el Gobierno del país importador mantenga un sistema de tipo de cambio unitario, la tasa de cambio aplicable será la tasa sobre la cual la autoridad monetaria central del país importador o su agente autorizado venda divisas por moneda local.

2. Si no se mantiene un tipo de cambio unitario la tasa de cambio aplicable será aquella (mutuamente convenida por los dos Gobiernos) que

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 (1) of the Act.

cumpla con los requisitos de la primera frase de esta Sección G.

H. Consultas

Los dos Gobiernos, a petición de cualquiera de ellos, consultarán respecto a cualquier asunto que surgiese en virtud del presente Convenio, incluyendo la aplicación de los arreglos que se llevan a cabo de conformidad con este Convenio.

I. Identificación y Publicidad

El Gobierno del país importador adoptará aquellas medidas que hayan sido mutuamente convenidas previo a la entrega, para la identificación de los productos alimenticios en los lugares de distribución en el país importador y para fines publicitarios, en la forma prevista en la Subsección 103 (1) de la Ley.

PART II - PARTICULAR PROVISIONS

CAPITULO II - CLAUSULAS PARTICULARES

ITEM I. COMMODITY TABLE:

ARTICULO I. TABLA DE PRODUCTOS

Commodity	Supply Period (United States Fiscal Year)	Approximate Quantity Metric Tons	Maximum Export Market Value (Millions)
Producto	Período de Suministro Año Fiscal de los Estados Unidos	Cantidad Aproximada Toneladas Métricas	Valor Máximo en el Mercado de Exportación (Millones)
Wheat/Wheat Flour (Wheat Basis)	1979	15,000	$ 2.0
TOTAL			$.2.0
Trigo/Harina de trigo(base de trigo)	1979	15,000	$ 2.0
TOTAL			$ 2.0

ITEM II. Payment Terms: Dollar Credit (DC)

A. Initial Payment - None.

B. Currency Use Payment - None.

C. Currency Use Offset - up to one hundred (100) percent of the value of financing provided under this Agreement plus interest to support the Food for Development Program identified in Item VII, below.

D. Number of installment payments-twenty (20).

E. Amount of each installment payment-approximately equal annual amounts.

F. Due date of first installment payment-one (1) year after date of last delivery of commodities in each calendar year.

G. Interest Rate - three (3) percent.

ARTICULO II. Términos de Pago: Crédito en Dólares

A. Pago Inicial: ninguno

B. Pago en Moneda Local: ninguno

C. Compensación del Pago en Moneda Local: Hasta cien (100) porciento del valor del financiamiento provisto bajo este Convenio más el interés para apoyar el Programa de Alimentos para el Desarrollo identificado en el Artículo VII, adelante.

D. Número de Pagos de Amortización: Veinte (20)

E. Monto de cada pago de amortización: Montos anuales aproximadamente iguales.

F. Fecha de Vencimiento del Primer pago de Amortización: Un (1) año a partir de la fecha de la última entrega de productos durante cada año calendario.

G. Tasa de Interés: Tres (3) porciento.

ITEM III. Usual Marketing Table:

ARTICULO III. Tabla de Mercadeo Normal:

Commodity	Import Period (United States Fiscal Year)	Usual Marketing Requirement Metric Tons
Producto	Período de Importación (Año Fiscal de los E.U.)	Requisitos Normales de Mercadeo Toneladas Métricas
Wheat/Wheat Flour	1979	40,500
Trigo/Harina de Trigo	1979	40,500

ITEM IV. Export Limitations:

A. Export Limitation Period: The export limitation period shall be United States fiscal year 1979 or any subsequent U. S. fiscal year in which commodities financed under this Agreement are being imported or utilized.

B. Commoditiés to which export limitation apply: For the purpose of Part I, Article III A (4) of this Agreement, the commodities which may not be exported are: for wheat/wheat flour - wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name).

ITEM V. SELF-HELP Measures:

The Government of the Republic of Honduras continues to accord high priority to increasing production of food. In implementing the following self-help measures, the Government will place specific emphasis on their 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

ARTICULO IV. Limitaciones de Exportación:

A. Período de Limitación de Exportación: El período de limitación de exportación será el año fiscal 1979 de los Estados Unidos o cualquier otro subsiguiente año fiscal de los EE.UU. durante el cual estén siendo importados o utilizados los productos financiados bajo este Convenio.

B. Productos a los que aplica la Limitación de Exportación: Para los propósitos del Capítulo I, Artículo III A (4) de este Convenio, los productos que no pueden ser exportados son: para el trigo/harina de trigo - trigo, harina de trigo, trigo aplastado, sémola, farina y bulgar (o los mismos productos bajo diferentes nombres).

ARTICULO V. Medidas de Autoayuda:

El Gobierno de la República de Honduras continúa otorgando alta prioridad al aumento de la producción de alimentos. Al poner en ejecución las siguientes medidas de autoayuda, el Gobierno pondrá énfasis específico en que las mismas contribuyan directamente al desarrollo del progreso en las áreas rurales de escasos recursos y en capacitar a la población de estas áreas para participar activamente en el

Government will:

A. Increase storage capacity for grain and continue with plans for developing an adequate grain storage and price stabilization program.

B. Continue work on the development of uniform grades and standards for basic grains in Central America.

C. Continue providing assistance to agricultural cooperative associations, small agro-industrial producers, and strengthen extension services.

D. Provide funds through local financial institutions to support private sector agricultural and agro-industrial development.

E. Improve the internal transportation system.

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

aumento de la producción agrícola por medio de la agricultura de pequeñas fincas.

El Gobierno:

A. Aumentará la capacidad de almacenamiento de granos y continuará con planes para desarrollar un almacenamiento de granos adecuado y un programa de estabilización de precios.

B. Continuará el trabajo en el desarrollo de grados uniformes y estándares para granos básicos en Centro América.

C. Continuará proporcionando asistencia a las asociaciones de cooperativas agrícolas, a los pequeños productores agro-industriales, y fortaleciendo los servicios de extensión.

D. Proveerá fondos a través de instituciones locales financieras para apoyar al sector agrícola privado y al desarrollo agro-industrial.

E. Mejorará el sistema interno de transporte.

ARTICULO VI. Fines de Desarrollo Económico para los cuales el País Importador utilizará los Fondos Resultantes:

A. Los fondos resultantes que acumule el país importador de la venta de productos

financed under this Agreement will be used for financing the Food for Development program set forth in Item VII, below, or, to the extent that such proceeds may not be used for such purpose, for financing the self-help measures set forth in Item V, above, and for activities in the Agriculture and Health Sector.

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

ITEM VII. Food for Development Program to which Currency Use Offset Applies

Annexes "A" and "B" set forth the understanding of the parties concerning the Food for Development Program to be undertaken by the Government of the importing country with the proceeds from the sale of agricultural commodities financed by this

financiados bajo este Convenio serán utilizados para financiar el Programa de Alimentos para el Desarrollo, establecido en el Artículo VII, a continuación, o en caso de que estos fondos no puedan ser utilizados para tal propósito, se utilizarán para financiar las medidas de autoayuda establecidas en el Artículo V, anterior, y para actividades en los sectores de Agricultura y Salud.

B. En la utilización de los fondos resultantes para estos propósitos, se dará énfasis en mejorar directamente el nivel de vida de la población de más bajos recursos del país recipiente así como su capacidad para participar en el desarrollo de su país.

ARTICULO VII. Programa de Alimentos para el Desarrollo al cual Se Aplica la Compensación del Pago en Moneda Local.

Los Anexos "A" y "B" establecen el entendimiento de las Partes concernientes al Programa de Alimentos para el Desarrollo a ser realizado por el Gobierno del país importador con los fondos resultantes de la venta de los productos agrícolas

Agreement. In the event of any inconsistencies between the provisions of Part I, II and III of this Agreement and Annexes "A" and "B", such annexes shall be controlling. In the event of any inconsistencies between Annex "B and the Program Proposal "The P.L. 480 Title I Core Loan-Forgiveness Proposal-Honduras", dated March 23, 1977, Annex "B" shall be the controlling document.

financiados bajo este Convenio. En el caso de que existiesen inconsistencias entre las cláusulas de los Capítulos I, II y III de este Convenio y los Anexos "A" y "B", dichos anexos regirán. En el caso de que existiesen inconsistencias entre el Anexo "B" y la Propuesta del Programa, "La Ley Pública 480 Título I Préstamo Nucleo-Propuesta de Condonación-Honduras" fechada el 23 de marzo de 1977, el Anexo "B" será el documento que regirá.

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 in the English and Spanish languages. In the event of discrepancy between the English and Spanish versions of this Agreement, the English will prevail.

CAPITULO III - DISPOSICIONES FINALES

A. Este Convenio podrá ser terminado por cualquiera de los dos Gobiernos mediante una notificación de terminación al otro Gobierno, por cualquier razón y por el Gobierno del país exportador si éste determinase que el programa de autoayuda descrito en el Convenio no se está desarrollando en forma adecuada. Tal terminación no reducirá ninguna de las obligaciones financieras contraídas por el Gobierno del país importador a la fecha de su terminación.

Este Convenio entrará en vigor al firmarse.

B. EN FE DE LO CUAL, los respectivos representantes, debidamente autorizados para tal efecto, han firmado el presente Convenio en los Idiomas Inglés y Español. En caso de discrepancia entre las versiones en Inglés y en Español de este Convenio, la versión en Inglés será la que prevalesca.

Done at Tegucigalpa this 27 day of February, 1979.

Dado en Tegucigalpa a los 27 días del mes de febrero de 1979.

FOR EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

John L. Lovaas
Director Interino de la AID en Honduras
Acting A.I.D. Director in Honduras

POR EL GOBIERNO DE HONDURAS

FOR THE GOVERNMENT OF HONDURAS

Lic. Valentín de J. Mendoza
Ministro de Hacienda y Crédito Público
Minister of Finance and Public Credit

ANNEX A
FOOD FOR DEVELOPMENT PROGRAM

The Government of the exporting country and the Government of the importing country:

Recognizing the policy of the exporting country to use its agricultural productivity in a manner which will establish a strong relationship between food assistance and efforts by the importing country to increase the availability of food for the poor, and to improve in other ways the quality of their lives; and

Having agreed upon a proposal for the intended use of commodities or funds generated from the sale of such commodities to increase the access of the poor in the importing country to a growing and improving food supply through activities designed to improve the production, protection and utilization of food; and to increase the well-being of the poor in the rural sector of the importing country; and

Desiring to set forth the understandings that will govern the sale of agricultural

ANEXO A
PROGRAMA DE ALIMENTOS PARA EL DESARROLLO

El Gobierno del País exportador y el Gobierno del País importador:

Reconociendo la política del país exportador para utilizar su productividad agrícola en una forma que establecerá una fuerte relación entre la asistencia en forma de alimentos y los esfuerzos por parte del país importador para aumentar la disponibilidad de alimentos para la población de escasos recursos, y para mejorar en otras formas la calidad de su vida; y

Habiendo convenido sobre una propuesta para el uso que se tiene en mira dar a los productos o fondos generados de la venta de tales productos para aumentar el acceso de la población de escasos recursos en el país importador hacia un creciente y mejorado suministro de alimentos a través de actividades diseñadas a mejorar la producción, protección y utilización de alimentos; y para aumentar el bienestar de la población de escasos recursos en el sector rural del país importador; y

Deseando establecer los entendimientos que gobernarán la venta de productos agrícolas

commodities in the importing country in order to carry out the above-mentioned proposal pursuant to the authority of the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter referred to as the Act), and the measures the two Governments will undertake to further the above-mentioned policies;

Agree as follows:

ITEM I. Responsibilities of the Government of the Exporting Country.

A. Subject to the availability of funds and commodities, the Government of the exporting country agrees to furnish credit under authority of Title I of the Act to the Government of the importing country for the purchase of agricultural commodities over the life of the Food for Development Program as set forth in Annex B of this Agreement.

B. On receipt of satisfactory evidence of disbursements for eligible uses from the special account by the Government of the importing country described below or the project and/or programs described in Annex B,

en el país importador para llevar a cabo la propuesta arriba mencionada de conformidad con la autoridad del Acta de Desarrollo del Comercio Agrícola y de Asistencia de 1954, tal como fué enmendada (de aquí en adelante denominada El Acta), y las disposiciones que los dos Gobiernos tomarán para complementar las políticas arriba mencionadas;

Convienen lo siguiente:

ARTICULO I. Responsabilidades del Gobierno del País Exportador.

A. Sujeto a la disponibilidad de fondos y productos, el Gobierno del país exportador conviene en proporcionar crédito, bajo la autoridad del Título I del Acta, al Gobierno del país importador para la compra de productos agrícolas durante la vida del Programa de Alimentos para el Desarrollo, tal como ha sido establecido en el Anexo B de este Convenio.

B. Al recibo de evidencia satisfactoria de desembolsos para usos elegibles de la cuenta especial por parte del Gobierno del país importador descrito más adelante o del proyecto y/o programas descritos en el

the Government of the exporting country will apply such disbursements against the Title I payment obligation incurred under this Agreement as set forth in Items II and III below.

ITEM II. Responsibilities of the Government of the Importing Country.

A. The Government of the importing country agrees to carry out the Program detailed in Annex B. In carrying out such Program, the Government of the importing country agrees that it will:

1. Use the total amount of the proceeds generated from the sale of agricultural commodities financed under this Agreement to finance the development activities specified in Annex B.

2. Submit on or before November 1 of each year during the period of this Agreement a comprehensive report to the Government of the exporting country on the activities and progress achieved under the Food for Development Program, for the United States fiscal year ending September 30 including, but not limited to, a comparison of results

Anexo B, el Gobierno del país exportador aplicará tales desembolsos contra el Título I, obligación de pago incurrida bajo este Convenio tal como se establece en los Artículos II y III a continuación.

ARTICULO II. Responsabilidades del Gobierno del País Importador.

A. El Gobierno del país importador conviene llevar a cabo el Programa detallado en el Anexo B. Para la realización de dicho programa, el Gobierno del país importador conviene en que:

1. Utilizará la cantidad total de los fondos provenientes de la venta de los productos agrícolas financiados bajo este Convenio para financiar el desarrollo de las actividades especificadas en el Anexo B.

2. Someterá el 1 de noviembre o antes de esta fecha cada año durante el período de este Convenio, un informe comprensivo al Gobierno del país exportador sobre las actividades y progreso alcanzados bajo el Programa de Alimentos para el Desarrollo durante el año fiscal de los Estados Unidos que termina el 30 de septiembre, incluyendo

with project targets, a specific accounting for funds generated, their uses, the outstanding balances at the end of the most recent fiscal year, and any recommendations of the Government of the importing country for modification and improvement of the Food for Development Program.

pero no limitada a una comparación de los resultados con las metas del proyecto, una contabilidad específica para los fondos generados, sus usos, los saldos pendientes al final del año fiscal más reciente, y cualesquiera recomendaciones del Gobierno del país importador para modificación o mejoramiento del Programa de Alimentos para el Desarrollo.

3. Maintain adequate records for not less than 3 years after completion of the Program, to permit review and audit by the Government of the exporting country of measures taken to implement the Food for Development Program.

3. Mantendrá registros adecuados durante no menos de tres años después de finalizado el Programa, a fin de permitir la revisión y auditaje, por parte del Gobierno del país exportador, de las medidas tomadas para ejecutar el Programa de Alimentos para el Desarrollo.

B. The Government of the importing country agrees to establish a special account in which it will deposit not later than six calendar months after the date of disbursement by the Commodity Credit Corporation the proceeds generated from the sale of the commodities provided to it for the Food for Development Program set forth in Annex B of this Agreement. Part I, Article II F of this Agreement shall not apply to sales proceeds

B. El Gobierno del país importador conviene en establecer una cuenta especial en la que depositará, a más tardar a los 6 meses calendarios posteriores a la fecha de desembolso por parte de la Commodity Credit Corporation, el producto generado por la venta de los productos a él otorgados para el Programa de Alimentos para el Desarrollo, establecido en el Anexo B de este Convenio. El

disbursed from the special account for the Food for Development Program.

Capítulo I, Artículo II F de este Convenio no aplicará al producto de las ventas desembolsado de la cuenta especial para el Programa de Alimentos para el Desarrollo.

ITEM III. Credit For Title I Loan Indebtedness.

The Governments of the exporting and importing countries agree that:

A. The Dollar equivalent of local currency disbursed for eligible uses identified in Annex B shall be calculated at the exchange rate specified in Part I, Article III G of this Agreement, applicable on the date of disbursement from the special account. The dollar equivalent of local currency disbursed for the eligible uses identified in Annex B shall be credited as payment for the purpose of Part I, Article II H of this Agreement against (1) 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 (2) the combined payments of principal and interest starting with the first installment payment until the value of the local currencies

ARTICULO III. Crédito para el Título I Endeudamiento del Préstamo

Los Gobiernos de los países exportador e importador convienen en que:

A. El equivalente en Dólares de la moneda local desembolsada para usos elegibles identificados en el Anexo B, deberá ser calculado en base a la tasa de cambio, especificada en el Capítulo I, Artículo III G de este Convenio, que sea aplicable en la fecha de desembolso de la cuenta especial. El equivalente en Dólares de la moneda local desembolsada para los usos elegibles identificados en el Anexo B deberá ser acreditado como pago para los fines del Capítulo I, Artículo II H de este Convenio contra (1) la cantidad del pago del interés de cada año que vence durante el período anterior a la fecha de vencimiento del primer pago de amortización empezando con el primer año, más (2) los pagos combinados

disbursed has been offset.

del principal e interés empezando con el primer pago de amortización hasta que el valor de la moneda local desembolsada haya sido compensada.

B. For the period during which disbursements are made in accordance with paragraph A, above, the Government of the importing country will furnish the Government of the exporting country a quarterly report of the deposits and disbursements made, certified by the appropriate audit authority of the Government of the importing country, and a description of the activities for which the disbursements were made.

B. Por el período durante el cual se efectuen desembolsos de acuerdo con el párrafo A anterior, el Gobierno del país importador proporcionará al Gobierno del país exportador un informe trimestral de los depósitos y desembolsos realizados, certificados por la autoridad auditora apropiada del Gobierno del país importador, y una descripción de las actividades para las que fueron hechos los desembolsos.

C. Not less than 60 days before the first Title I Loan Installment becomes due under the terms of Part II, Item II of this agreement, and annually thereafter, as may be appropriate, the Government of the exporting country will provide a schedule of amounts disbursed from the special account, showing application to Title I payment obligation.

C. No menos de 60 días previos al vencimiento del plazo del primer pago de amortización del Préstamo del Título I, bajo los términos de la Parte II, Artículo II de este Convenio, y anualmente de ahí en adelante, según sea apropiado, el Gobierno del país exportador proporcionará un cuadro de las cantidades desembolsadas de la cuenta especial, mostrando la aplicación a la obligación de pago del Título I.

D. The Government of the exporting country reserves the right to review use of

D. El Gobierno del país exportador se reserva el derecho de revisar la utilización

disbursements and to determine eligibility for application against Title I payment obligations under this Agreement. If the Government of the exporting country determines that a disbursement was made for an ineligible use, notice of such ineligibility shall be given by the Government of the exporting country to the Government of the importing country, and the two Governments shall, upon request of either, consult regarding such ineligibility. If the notice of ineligibility is not rescinded by the Government of the exporting country within 90 days of receipt of such notice by the Government of the importing country, disbursements for ineligible uses shall not be applied to the indebtedness, and, at the option of the Government of the exporting country, the equivalent amount shall be restored to the special account. To the extent that any disbursements for ineligible uses were previously applied by the Government of the exporting country against the Title I payment obligation such application will be cancelled.

de los desembolsos y determinar la elegibilidad para la aplicación contra la obligación de pago del Título I bajo este Convenio. Si el Gobierno del país exportador determina que se ha realizado un desembolso para un uso inelegible, dicha inelegibilidad deberá ser notificada por escrito por el Gobierno del país exportador al Gobierno del país importador, y los dos Gobiernos, a solicitud de cualquiera de ellos, consultarán sobre tal inelegibilidad. Si la nota de inelegibilidad no ha sido rescindida por el Gobierno del país exportador dentro de los 90 días del recibo d la nota por parte del Gobierno del país importador, los desembolsos para usos inelegibles no se aplicarán a la deuda, y, a opción del Gobierno del país exportador, la cantidad equivalente al desembolso, será devuelta a la Cuenta Especial. En el caso de que cualesquiera desembolsos por usos inelegibles hubiesen sido previamente aplicados por el Gobierno del país exportador contra la obligación de pago del Título I, tales aplicaciones serán canceladas.

E. The Government of the Exporting country shall have the right at reasonable times to inspect projects, and inspect and audit records, procedures, and methods pertaining to the disbursements made from the special account.

F. If currencies remain in the special account after completion of the program set forth in Annex B, the Government of the importing country shall use the remaining currencies for such economic development purposes as the two Governments may agree.

G. Annually at such time as the two Governments may agree, representatives of the parties will meet in a place mutually agreed upon, to discuss and review the progress of the Food for Development Program, to consider modifications and improvements, and to determine the amounts and kinds of commodities to be financed under this Agreement during that year of the Food for Development Program.

E. El Gobierno del país exportador tendrá el derecho en períodos razonables, de inspeccionar los proyectos, e inspeccionar y auditar los registros, procedimientos y métodos pertenecientes a los desembolsos efectuados de la Cuenta Especial.

F. Si después de haber finalizado el Programa establecido en el Anexo B quedasen fondos en la Cuenta Especial, el Gobierno del país importador utilizará dichos fondos remanentes para aquellos fines de desarrollo económico en que ambos Gobiernos pudieren convenir.

G. Anualmente, en fecha convenida por los dos Gobiernos, y en un lugar mutuamente acordado, los representantes de ambas partes se reunirán para discutir y revisar el progreso del Programa de Alimentos para el Desarrollo, para considerar modificaciones y mejoras, y para determinar las cantidades y clases de productos a ser financiados bajo este Convenio durante ese año del Programa de Alimentos para el Desarrollo.

ITEM IV. Implementation of the Food for Development Program

A. The Food for Development Program, which is further described in Annex B, will consist of activities of the Government of the importing country designed to develop and extend the technical base for small farmer agriculture, to improve small farmer access to necessary production inputs such as land and water, to improve the marketing system serving small farmers, to improve management and planning of the agricultural sector, to increase the number of trained small farmers and technicians, to control communicable disease, and to reduce the incidence and effects of malnutrition. Annex B amplifies the above description of the Food for Development Program.

B. From time to time, the parties may use jointly agreed-upon implementation letters to confirm and record their mutual understanding on aspects of the implementation

ARTICULO IV. Ejecucion del Programa de Alimentos para el Desarrollo

A. El Programa de Alimentos para el Desarrollo, que más adelante se describe en el Anexo B, consistirá de actividades del Gobierno del país importador, diseñadas para desarrollar y extender la base técnica de la agricultura para pequeños agricultores a fin de mejorar el acceso del pequeño agricultor a los insumos agrícolas necesarios como ser tierra y agua, para mejorar el sistema de mercadeo que sirve a los pequeños agricultores, para mejorar la administración y planificación del sector agrícola, para aumentar el número de pequeños agricultores y técnicos adiestrados, para controlar enfermedades contagiosas, y para reducir la incidencia y efectos de la desnutrición. El Anexo B amplía la anterior descripción del Programa de Alimentos para el Desarrollo.

B. En forma periódica, las partes podrán utilizar Cartas de Ejecución mutuamente convenidas para confirmar y registrar sus acuerdos mutuos sobre aspectos de la ejecución

of this agreement. Implementation letters will not be used to amend the text of this Agreement but can be used to record revisions or exceptions which are permitted by the Agreement.

C. For the purpose of negotiating and executing implementation letters, the Government of the importing country will be represented by the individual holding or acting in the office of Minister of the Ministry of Finance and Public Credit and the Government of the exporting country will be represented by the individual holding or acting in the office of the Director of the Mission of the Agency for International Development in Honduras, each of whom, by written notice, may designate additional representatives, Each party will provide the other party with the names of its representatives and their specimen signatures, and may accept as duly authorized any implementation letter signed by any one of such representatives of the other party prior to receipt of written notice of revocation of their authority.

ITEM V. Suspension of the Agreement

The Government of the exporting country shall

de este Convenio. No se utilizarán Cartas de Ejecución para enmendar el texto de este Convenio, pero pueden ser utilizadas para registrar las revisiones o excepciones que son permitidas por el Convenio.

C. Para los propósitos de negociación y ejecución de las Cartas de Ejecución, el Gobierno del país importador será representado por la persona que esté a cargo del Ministerio de Hacienda y Crédito Público y el Gobierno del país exportador será representado por la persona que este a cargo de la Oficina del Director de la Misión de la Agencia Para el Desarrollo Internacional en Honduras, cada uno de los cuales, por medio de notas escritas, podrán designar representantes adicionales. Cada parte brindará a la otra parte los nombres de sus representantes y los ejemplares de sus firmas y podrán aceptar como debidamente autorizadas cualquier Carta de Ejecución firmada por cualquiera de tales representantes de la otra parte siempre que con anterioridad no se haya recibido una nota escrita revocando su autoridad.

ARTICULO V. Suspensión del Convenio

El Gobierno del país exportador revisará

annually review the performance and implementation of this Agreement by the Government of the importing country. If the Government of the exporting country finds that the provisions of this Agreement are not being substantially met, no further financing under this Agreement shall be extended until the end of the following United States fiscal year or until the situation is remedied, whichever occurs first, unless the failure to meet the provisions is due to unusual circumstances beyond the control of the Government of the importing country.

anualmente el cumplimiento y ejecución de este Convenio por parte del Gobierno del país importador. Si el Gobierno del país exportador comprueba que las cláusulas de este Convenio no están siendo sustancialmente cumplidas, no se extenderá más financiamiento bajo este Convenio hasta el final del siguiente año fiscal de los Estados Unidos, o hasta que la situación haya sido corregida, lo que ocurra primero, a no ser que la falta de cumplimiento de las cláusulas se deba a circunstancias imprevistas fuera del control del Gobierno del país importador.

ANNEX B
PROGRAM DESCRIPTION

I. Purpose of Food for Development Program

The purpose of this Program is to enable the Government of Honduras to undertake price stabilization of basic grains through the establishment and development of the Instituto Hondureño de Mercadeo Agrícola, hereinafter referred to as the "Institute".

II. Summary Program Description

A. The Government of Honduras agrees to undertake the Program described below over a two-year period. Details of the Program can be found in the proposal entitled "The PL-480 Title I Core Loan-Forgiveness Proposal-Honduras", dated March 23, 1977. This Annex provides for use of local currencies from the sale of U. S. P.L. 480 commodities. The local funds so generated will be placed by the Government of Honduras in a special account established for this purpose. These funds provide capital for the Institute's operations for grain buying transactions, personnel, technical assistance,

ANEXO B
DESCRIPCION DEL PROGRAMA

I. Propósito del Programa de Alimentos para el Desarrollo

El propósito de este Programa es permitir al Gobierno de Honduras la realización de la estabilización de precios para granos básicos a través del Instituto Hondureño de Mercadeo Agrícola, en adelante, llamado el "Instituto".

II. Resumen de la Descripción del Programa

A. El Gobierno de Honduras conviene en emprender el Programa descrito a continuación por un período de dos años. Detalles de este programa pueden encontrarse en la propuesta titulada "La Ley Pública 480 Título I - Propuesta de Condonación del Préstamo - Honduras", de fecha 23 de marzo de 1977. Este Anexo provee para el uso de moneda local proveniente de la venta de productos de la Ley Pública 480 de los Estados Unidos. Los fondos locales así generados serán puestos por el Gobierno de Honduras en una cuenta especial esta-

training, equipment, repair of existing facilities, and for related operating costs. Disbursements from the special account for the establishment, operations, and strengthening of the Institute are considered appropriate for P.L. 480 Food for Development (Title III) offset purposes.

B. Disbursements will be certified for offset, in accordance with Annex "A", by the USAID Mission in Honduras for line items in the following table of disbursement targets.

blecida para este propósito. Estos fondos proveerán capital para las operaciones del Instituto para transacciones de compra de granos, pago de personal, asistencia técnica, capacitación, equipo, reparación de las facilidades existentes, y para gastos relacionados con su operación. Los desembolsos de la cuenta especial para el establecimiento, operación y fortalecimiento del Instituto se considerarán apropiados para los propósitos de condonación de la deuda de la Ley Pública 480 Alimentos para el Desarrollo (Título III).

B. Los desembolsos serán certificados para propósitos de condonación de la deuda, de acuerdo con el Anexo "A", por la Misión de la A.I.D. en Honduras para los renglones de productos en el siguiente Cuadro de Objetivos para Desembolsos.

DISBURSEMENT TARGETS
(Dols Million)

OBJETIVOS PARA DESEMBOLSOS
(en Millones de Dólares)

	FIRST YEAR OF OPERATION PRIMER AÑO DE OPERACION	SECOND YEAR OF OPERATION SEGUNDO AÑO DE OPERACION
Grain Buying Compra de granos	1.52	1.51
Personnel Personal	0.10	0.05
Technical Assistance/Training Asistencia Técnica/Capacitación	0.10	0.10
Facilities Repair Facilidades para Reparación	0.10	0.10
New Equipment Equipo Nuevo	0.10	0.15
Operating Costs Costos de Operación	0.15	0.05
TOTAL	2.07	1.96

C. Estimated schedule of disbursement of funds for certification for offset purposes is as follows:

C. El cronograma estimado para el desembolso de fondos para certificación para propósitos de condonación de la deuda es como sigue:

1. FIRST YEAR OF OPERATION

TARGET DATE	AMOUNT	PURPOSE
April-Sept. 1979	Dols. 1.72 million	Price support activities connected with main harvest Technical Assistance/ Training Facilities Repair
Feb-August 1979	Dols. 0.35 million	Personnel, New Equipment Operating Costs

1. PRIMER AÑO DE OPERACION

FECHA OBJECTIVO	CANTIDAD	PROPOSITO
Abril-Sept. 1979	Dols. 1.72 milliones	Actividades de apoyo de precios en conexión con la cosecha principal ó de primera. Asistencia Técnica/Capacitación. Facilidades para reparación.
Feb-Agosto 1979	Dols. 0.35 milliones	Personal, Equipo Nuevo, Gastos de Operacion.

2. SECOND YEAR OF OPERATION

Sept. 1980	Dols. 1.51 million	Price support activities connected with main harvest.
March 1980 - Sept. 1980	Dols. 0.45 million	Additional personnel, tech. assist.; training; facilities repair; new equipment; operating costs.

2. SEGUNDO AÑO DE OPERACION

Sept. 1980	U. S. 1.51 milliones	Actividades de apoyo de precios en conexión con la cosecha principal o de primera.
Mar. 1980 - Sept. 1980	U. S. 0.45 millones	Personal Adicional, Asistencia Técnica; Capacitación; Reparación de facilidades; Equipo Nuevo; Costos de Operación.

III. Food for Development Implementation Targets

A. The Government of Honduras will transfer to the Institute Lempiras 20 million equivalent to U. S. Dols. 10 million. This amount is to form part of the working capital of the Institute.

B. The Government of Honduras will prepare and furnish to the Government of the United States a plan of operation describing in detail the Price Stabilization Program, not later than six months after the effective date of the Agreement.

III. Objectivos de ejecución para Alimentos para el Desarrollo

A. El Gobierno de Honduras transferirá al Instituto 20 millones de Lempiras, equivalentes a 10 millones de Dólares. Este monto formará parte del capital de trabajo del Instituto.

B. El Gobierno de Honduras preparará y proporcionará al Gobierno de los Estados Unidos un plan de operación describiendo en detalle el Programa de Estabilización de Precios, a más tardar 6 meses posteriores a la fecha efectiva de este Convenio.

C. The Government of Honduras agrees to the following implementation targets:

1. During the first year of operation the Institute will:

A. Be staffed at all levels in accordance with a personnel plan adopted by the Institute including a professional staff capable of recommending a public purchase and sales policy.

B: Begin to implement a training program to be continued, if necessary, in the second year.

C. Provide technical assistance and training, based on a time phased plan, in the field of agricultural marketing to producers and public and private institutions.

D. Commence a Price Stabilization Program through the purchase and sale of basic grains, which will include the establishment of minimum guaranteed prices to producers, purchase and sale of grain according to the internal market situation, and import and

C. El Gobierno de Honduras está de acuerdo con los siguientes objetivos de ejecución:

1. Durante el primer año de operación, el Instituto:

A. Tendrá personal completo en todos sus niveles de acuerdo con un plan de personal adoptado por el Instituto, incluyendo personal profesional capaz de recomendar una compra pública y una política de ventas.

B. Empezará a ejecutar un programa de capacitación el cual, de ser necesario, continuará en el segundo año.

C. Proveerá asistencia técnica y capacitación, en base a un plan por fases, en el campo de mercadeo agrícola dirigido a productores e instituciones públicas y privadas.

D. Comenzará un Programa de Estabilización de Precios a través de la compra y venta de granos básicos, el cuál incluirá el establecimiento de precios mínimos de garantia para los productores, la compra y venta de granos de acuerdo con

export of basic grains or control of their export.

2. During the second year of operation the Institute will:

A. Continue existing activities.

B. Make available storage and processing facilities to private entities, with preference to producers, and take those steps which are necessary to assure the small farmer access to these facilities.

C. Issue certificates of deposit and bonds to producers for grains stored in bonded warehouses.

D. Borrow from lending institutions within or outside Honduras for additional capital needs as necessary.

E. Compile, classify, produce, and disseminate directly or in collaboration with other institutions, information on production, prices and marketing of agricultural products.

la situación interna del mercado, la importación y exportación de granos básicos o el control de su exportación.

2. Durante el segundo año de operación el Instituto:

A. Continuará las actividades existentes.

B. Hará disponible a las empresas privadas las facilidades de almacenamiento y procesamiento, con preferencia a los productores, y tomará aquellas medidas que sean necesarias para asegurar al pequeño agricultor su acceso a estas facilidades.

C. Emitirá certificados de depósito y bonos para los productores de granos almacenados en bodegas aseguradas.

D. Contratará préstamos con instituciones dentro o fuera de Honduras para las necesidades de capital adicional, como fuese necesario.

E. Recopilará, clasificará, producirá y diseminará directamente o en colaboración con otras instituciones, información sobre producción, precios y mercadeo de productos agrícolas.

IV. Monitoring

The USAID Mission will monitor the project on a continuing basis. Within the Mission the Program Office will monitor policy, programs, documentation, and marketing effects, while the Rural Development Division will provide technical oversight.

V. Reporting

In accordance with Item II A 2 of Annex A of this Agreement, the Government of Honduras will provide the Government of the United States with information in writing describing the purchasing, storage, and distribution facilities, including appropriate machinery, which have been constructed or acquired, and evidence demonstrating the program is operating efficiently. The Government of Honduras will also report detailed information on the price stabilization operational capacity of the Institute, and a description of the actual economic benefits received by both farmers and consumers, with specific attention given to low-income small farmers and consumers.

IV. Asesoría por parte de la A.I.D.

La Misión supervisará el proyecto en forma contínua. Dentro de la Misión, la oficina de Programación supervisará la política, los programas, la documentación y los efectos de mercadeo, mientras que la oficina de Desarrollo Rural proveerá supervisión técnica.

V. Informes

De acuerdo con el Artículo II A 2 del Anexo A de este Convenio, el Gobierno de Honduras proporcionará al Gobierno de los Estados Unidos, por escrito, la información describiendo la compra, almacenamiento y facilidades de distribución, incluyendo la maquinaria apropiada, que ha sido construida o adquirida, y evidencia que demuestre qu el Programa está operando eficientemente El Gobierno de Honduras también informara detalladamente sobre la capacidad operacional de estabilización de precios del Instituto, y una descripción de los beneficios económicos actuales recibidos tanto por los productores como por los

consumidores, con atención específica brindada a los pequeños agricultores y consumidores de bajos ingresos.

VI. Budget

The Government of Honduras will sell wheat provided under this Agreement to commercial millers at a price sufficient to cover commodity financing, and administrative costs. Thus anticipated proceeds indicated in the Summary Budget table following are calculated to be somewhat larger than the value of financing extended by the Commodity Credit Corporation.

VI. Presupuesto

El Gobierno de Honduras venderá trigo suministrado bajo este Convenio a los molineros a un precio suficiente para cubrir los costos de financiamiento y administración de los productos. Por lo tanto, el producto anticipado de las ventas indicado en la Tabla de Resumen del Presupuesto que a continuación sigue se calcula que es un tanto mayor que el financiamiento otorgado por el Commodity Credit Corporation.

SUMMARY BUDGET
(U. S. Dollar - Millions)

	FIRST YEAR	SECOND YEAR
Anticipated dollar financing	Dols. 2.00	Dols. 1.90
Anticipated Proceeds from Sales of Commodities	Dols. 2.07	Dols. 1.96

RESUMEN DEL PRESUPUESTO
(en millones de $)

	PRIMER AÑO	SEGUNDO AÑO
Financiamiento anticipado en Dólares	2.00	1.90
Ingresos anticipados de la venta de productos	2.07	1.96

ACTA de las negociaciones del Convenio del Programa de la Ley Pública 480 Título I/III para el año fiscal 1978, entre el Gobierno de Honduras y el Gobierno de los Estados Unidos.

1. El Gobierno de los Estados Unidos manifiesta que la meta general del Programa de Alimentos para el Desarrollo es aumentar la participación de la población de escasos recursos, especialmente en el sector rural, a una fuente mejorada de alimentos. Consecuentemente, el Gobierno de Honduras y el Gobierno de los Estados Unidos celebra este Convenio con el propósito de apoyar y fortalecer las actividades del IHMA, las que, a través de sus programas, se espera que beneficien en forma substancial a los pequeños agricultores.

2. El compromiso de los Estados Unidos para financiar los convenios multianuales de suministros está sujeto a la disponibilidad de fondos y productos. Al desarrollar el presupuesto de cada año para el Programa de la Ley Pública 480 se le dará prioridad a los compromisos del Título III. Queda entendido por ambos Gobiernos que, en el caso de que el Gobierno de los Estados Unidos no pueda proveer la cantidad total de financiamiento de dólares contemplada en la Tabla de Capítulo VI, Anexo B, entonces en la medida que esta circunstancia cambiante requiera modificación en el Programa de Alimentos para el Desarrollo descrito en el Anexo B, los representantes de los dos Gobiernos se reunirán y mutuamente recomendarán cualquier modificación necesaria para ser incorporada al Convenio mediante una enmienda al mismo.

3. La Misión de la Agencia para el Desarrollo Internacional en Honduras recibirá una copia del Plan de Personal a que se hace referencia en el Artículo III C I, Anexo B, para ser revisado y aprobado.

4. Para que la Misión de la Agencia para el Desarrollo Internacional en Honduras pueda estar informada acerca de los productos específicos cubiertos por las actividades de estabilización de precios

MINUTES of FY 1978 PL 480 Title I/III Agreement negotiations between the Government of Honduras and the Government of the United States.

1. The Government of the Unites States expresses that the overall goal of the Food for Development Program is to increase the access of the poor, especially in the rural sector, to an improved food supply. Therefore, the Government of Honduras and the Government of the United States enter into this Agreement with the objective of supporting and strengthening the activities of IHMA which, through its programs, is expected to substantially benefit small farmers.

2. The United States commitment to finance multiyear supply agreements is subject to the availability of funds and commodities. Title III commitments will be given first priority in developing each year's PL 480 budget. It is understood by both Governments that, in the event the United States Government is not able to provide the full amount of dollar financing contemplated in the Table of Part VI Annex B, then, to the extent this changed circumstance requires modification in the Food for Development Program described in Annex B, representatives of the two Governments will meet and mutually recommend any necessary modifications to be incorporated in the Agreement by amendment.

3. The Agency for International Development Mission to Honduras will receive a copy of the personnel plan referred to in Item III C I, Annex B for review and concurrence.

4. So that the Agency for International Development Mission to Honduras will be able to keep informed of the specific commodities covered by the price stabilization activities of IHMA, the Institute

del IHMA, éste Instituto proporcionará a la A.I.D. informes regulares sobre transacciones de granos básicos.

Es entendido por el Gobierno de los Estados Unidos que las palabras "granos básicos" se refieren al maíz y a los fríjoles para los primeros dos años de operación del Instituto, y que el Gobierno de Honduras notificará al Gobierno de los Estados Unidos si tiene intenciones de que las actividades de estabilización de precios del Instituto cubran otros granos.

5. Si hubiera una disminución en la producción interna de granos en Honduras que requiriera la importación de granos básicos cubiertos bajo las actividades del Instituto, los fondos disponibles bajo este Convenio no podrán ser utilizados para financiar las importaciones de productos de otros países que no sea los Estados Unidos.

6. Aunque las metas de desembolso del Artículo II B, Anexo B, no son niveles fijos rígidos, cualquier revision o reprogramación de los artículos estará sujeta a consultas previas entre los dos Gobiernos.

7. Queda entendido por ambos Gobiernos que los siguientes requisitos de información serán cumplidos en forma puntual:

a. El Gobierno de Honduras proporcionará a la Misión de la Agencia para el Desarrollo Internacional en Honduras un informe trimestral de los depósitos y desembolsos realizados de la cuenta especial, con una descripción de las actividades que ocasionaron los desembolsos. (Véase Anexo A, Artículo III B).

b. El Gobierno de Honduras proporcionará a la Misión de la AID en Honduras, cada año al 1 de noviembre o antes, durante el período de vigencia de este Convenio, un informe comprensivo sobre las actividades del Programa de Alimentos para el Desarrollo para el año fiscal de los Estados Unidos

will provide AID with its regular reports on basic grains transactions.

It is understood by the Government of the Unites States that the words "basic grains" are intended to refer to corn and beans for the first two years of the Institute's operation, and that the Government of Honduras will notify the Government of the United States if other grains are intended to be covered by the price stabilization activities of the Institute.

5. In the event that domestic production shortfall in Honduras should require imports of the basic grains covered under the activities of the Institute, funds available from this Agreement may not be used to finance imports of commodities from countries other than the United States.

6. Although the disbursement targets of Item II B, Annex B, are not rigidly fixed levels, any revision or reprogramming of the items will be subject to prior consultation between the two Governments.

7. It is understood by both Governments that the following reporting requirements will be fulfilled in a timely manner:

a. The Government of Honduras will furnish the Agency for International Development Mission to Honduras with a quarterly report of deposits and disbursements made from the special account with a description of the activities for which the disbursements were made. (See Annex A, Item III B).

b. The Government of Honduras will provide to the AID Mission to Honduras, on or before November 1 of each year during the period of this Agreement, a comprehensive report on the activities of the Food for Development Program for the United States fiscal year ending

que termina el 30 de septiembre del mismo año. (Véase el Anexo A, Artículo II A 2). Queda entendido por ambos Gobiernos que el informe a que se refiere el párrafo 7a. anterior, satisfará este requisito de información en el segundo año de operaciones.

c. Los representates de los dos Gobiernos se reunirán anualmente el 15 de noviembre durante el período de vigencia de este Convenio, para discutir el progreso del Programa de Alimentos para el Desarrollo. (Véase el Anexo A, Artículo III G).

d. Además de los informes anteriores, el Gobierno de Honduras cumplirá los requisitos de información establecidos en el Capítulo I, Artículo III D del Convenio.

8. Es responsabilidad del Gobierno de los Estados Unidos determinar si existen circunstancias inesperadas fuera del control del Gobierno de Honduras en cualquier incumplimiento de las cláusulas del Convenio. (Véase el Anexo A, Artículo IV "Suspensión del Convenio"). Si se invoca la cláusula de suspensión, el Gobierno de los Estados Unidos no considerará la renovación de financiamiento, aún después del final del siguiente año fiscal, a no ser que el Gobierno de Honduras demuestre su compromiso para continuar con el Programa de Alimentos para el Desarrollo.

September 30 of the same year. (See Annex A, Item II A 2). It is understood by both Governments that the report referred to above under 7a. will satisfy this reporting requirement in the second year of operation.

c. Representatives of the two Governments will meet annually on or about November 15 of each year during the period of this Agreement to discuss the progress of the Food for Development Program. (See Annex A Item III G).

d. In addition to the above reports, the Government of Honduras will meet the reporting requirement set forth in Part I Article III D of the Agreement.

8. It is the responsibility of the United States Government to determine whether unusual circumstances beyond the control of the Government of Honduras exist in any failure to meet the provisions of the Agreement. (See Annex A Item IV "Suspension of the Agreement"). If the suspension clause is invoked, the United States Government will not consider resumption of financing, even after the end of the following fiscal year, unless the Government of Honduras demonstrates commitment to proceed with the Food for Development Program.

GERMAN DEMOCRATIC REPUBLIC

Parcel Post

Agreement, with detailed regulations, signed at Washington May 4, 1979;
Approved and ratified by the President of the United States of America June 22, 1979;
Entered into force provisionally May 4, 1979;
Entered into force definitively August 15, 1979.

PARCEL POST AGREEMENT

BETWEEN

THE POSTAL SERVICE

OF THE

UNITED STATES OF AMERICA

AND

THE MINISTRY OF POSTS AND TELECOMMUNICATIONS

OF THE

GERMAN DEMOCRATIC REPUBLIC

Preamble

The Postal Service of the United States of America and the Ministry of Posts and Telecommunications of the German Democratic Republic, by virtue of the authority vested in the undersigned and proceeding from the results of the "Conference on Security and Cooperation in Europe," with the objective to arrange the parcel post traffic between the United States of America and the German Democratic Republic, have concluded the following Agreement:

Article 1.

The Agreement shall govern the exchange of parcels between areas for which the postal administrations of the United States of America and the German Democratic Republic exercise parcel post responsibilities.

Article 2. Definitions

As used herein the following terms shall have the indicated meanings:

1. Administration - an abbreviated form used to refer to one of the postal administrations of the countries signatory to this Agreement;

2. Chapters, articles, and sections - chapters, articles, and sections of this Agreement, except in the case of articles when the context indicates a reference to an article inserted or which can be inserted into a parcel;

3. Convention - the Universal Postal Convention[1] enacted by the Congress of the Universal Postal Union (UPU) from time to time and adopted by the Government of the United States of America and the Government of the German Democratic Republic;

4. Detailed Regulations of the Convention - the Detailed Regulations of the Universal Postal Convention enacted by the Congress of the Universal Postal Union (UPU) from time to time and adopted by the Government of the United States of America and the Government of the German Democratic Republic;

5. Exchange office - an international parcel post exchange office;

6. Gold franc - the postal monetary standard established in the Constitution of the Universal Postal Union adopted in Vienna on July 10, 1964, as amended from time to time; provided, however, that the administrations may agree by correspondence to adopt any monetary standard replacing the gold franc which may be established by the Universal Postal Union and any amounts or rates established in gold francs under this Agreement shall be converted into the new standard on a directly proportionate basis;

7 Ordinary parcel - an uninsured parcel, hereinafter called parcel;

8. Office of origin - the post office which receives the parcel from the sender;

[1] TIAS 5881, 7150, 8231, 16 UST 1291, 22 UST 1056; 27 UST 345.

9. Office of destination - the post office serving the destination address;

10. References to the regulations of either administration or to the internal legislation of either country are to the general regulations or legislation governing that matter which are applicable regardless of the country of origin;

11. Service - the service for the exchange of parcels established by this Agreement.

Part I. Charges and fees

Article 3. Composition of the charges and fees

1. The charges and fees which administrations are authorized to collect from the senders and addressees of parcels shall be made up of the principal charges in article 4 and, where appropriate, of:

(a) the air charges mentioned in article 5;

(b) the supplementary charges mentioned in articles 6 and 7;

(c) the charges and fees mentioned in article 19, section 5;

(d) the non-postal fees mentioned in article 8.

Article 4. Principal charges

1. Each administration shall fix the principal charges to be collected from senders.

2. The principal charges shall be closely linked with the rates and dues referred to in articles 31 through 35.

Article 5. Air charges

1. Each administration shall fix the charges to be collected from the sender for forwarding parcels by air.

2. Air charges shall be uniform for the whole of the territory of a country of destination whatever the routing used.

Article 6. Insured parcels

1. The charges on insured parcels established by the internal regulations of the administration of origin shall be collected from the sender in advance.

2. In addition, either administration undertaking to cover risks of force majeure shall be authorized to collect a charge for risks of force majeure.

Article 7. Supplementary charges

Administrations shall be authorized to collect the following supplementary charges:

(a) charge for presentation to Customs and for collection of customs duty to be collected by the administration of destination; the charge shall be collected at the time of delivery of the parcel to the addressee;

(b) storage charge on each parcel which has not been taken possession of within the prescribed period; this charge shall be collected by the administration which effects the delivery or return, on behalf of the administration in whose service the parcel has been kept beyond the prescribed period;

(c) advice of delivery charge, when the sender asks for an advice of delivery in accordance with article 16;

(d) inquiry charge, mentioned in article 24;

(e) charge for a request for withdrawal from the post or alteration of address;

(f) charge for a certificate of mailing, when a sender asks for a certificate of mailing for an ordinary parcel;

(g) charge for the return of a parcel to origin which may be collected by the administration of origin from the sender.

Article 8. Non-postal fees

1. The administration of destination shall be authorized to collect, from the addressee, the customs duty and other non-postal fees payable on each item delivered in the country of destination.

2. Each administration shall ensure that the customs duty and other non-postal fees are canceled in the case of a parcel:

(a) returned to origin;

(b) redirected to a third country;

(c) abandoned by the sender; or,

(d) lost in its service or destroyed because of total damage of the contents.

Part II. Operation of the service

Chapter I. Acceptance requirements

Article 9. Conditions of acceptance

In order to be accepted in the service, each parcel shall:

(a) be packed in a manner adapted to the nature of the contents and the conditions of transport;

(b) bear the name and address of the addressee and of the sender;

(c) satisfy the conditions of weight and size fixed under article 11;

(d) be prepaid with respect to all the charges required by the office of origin, either by means of postage stamps or by any other method authorized by the regulations of the administration of origin; and,

(e) contain no articles which come within the prohibitions in article 10 or the prohibitions applicable in one or more of the administrations called upon to take part in its transmission.

Article 10. Prohibitions

1. The insertion of the following articles is prohibited in all parcels:

(a) articles which, by their nature or their packing, may expose officials to danger, or soil or damage other parcels or postal equipment;

(b) documents having the character of current and personal correspondence, except an unsealed document, reduced to its essential elements and relating solely to the goods being conveyed: for example, the invoice, or the delivery bill;

(c) live animals;

(d) explosive, flammable, or other dangerous substances;

(e) obscene or immoral articles; and,

(f) articles of which the importation or circulation is prohibited in the country of destination.

2. Each administration shall communicate to the other the necessary information concerning customs or other regulations, as well as the prohibitions or restrictions governing entry or transit of postal items in its service.

3. The insertion of the following articles is prohibited in uninsured parcels: coins, banknotes, currency notes, securities of any kind payable to bearer, platinum, gold or silver (manufactured or not), precious stones, jewels, and other valuable articles.

Article 11. Limits of size and weight

1. A parcel sent by parcel post: (a) shall not exceed 1.07 meters for any one dimension nor 2 meters for the sum of the length and the greatest circumference measured in a direction other than that of the length; and (b) shall not exceed 20 kilograms in weight.

2. The administrations may agree by exchange of correspondence to change the size and weight limits established in section 1.

Article 12. Treatment of parcels wrongly accepted

1. When a parcel containing a prohibited article listed in section 1 of article 10 has been wrongly admitted to the post, the prohibited article shall be dealt with according to the legislation of the country of the administration establishing its presence; however, a parcel containing a prohibited article listed in subsections (d) or (e) of article 10, section 1, shall in no circumstances be forwarded to its destination, delivered to the addressee, or returned to origin.

2. When a parcel contains a single item of correspondence prohibited by section 1 (b) of article 10, the correspondence shall be forwarded subject to the collection of the postage required under the internal regulations of the administration establishing its presence, and the parcel shall not be returned to origin on this account.

3. When a wrongly accepted parcel is neither delivered to the addressee nor returned to origin, the administration of origin shall be informed how the parcel has been dealt with and of the restriction or prohibition which required such treatment.

4. The return to origin of a wrongly accepted parcel shall be free of charge to the administration of origin.

Article 13. Sender's instructions at the time of posting

1. At the time of posting of a parcel, the sender shall be required to indicate the treatment to be given in case of non-delivery.

2. One of the following instructions only may be given:

(a) return to the sender;

(b) deliver to an alternate addressee; or,

(c) treat as abandoned by the sender.

3. If no instruction has been given, or if the instruction on the parcel is defaced, the parcel shall be treated as provided in article 17, section 3.

Article 14. Insured parcels

1. The following rules shall govern the insured value of insured parcels:

(a) each administration shall limit the insured value of each insured parcel to an amount which may not exceed 500 gold francs; and,

(b) a sender may be permitted to insure only part of the actual value of the contents of a parcel, but may not insure a parcel for more than the actual value of its contents.

2. Fraudulently placing insurance for a value greater than the actual value of the parcel may be subject to any legal proceedings prescribed by the internal legislation of the country concerned for such frauds.

3. A fraudulent insurance claim may be subject to any legal proceedings prescribed by the internal legislation of the country in which the claim is made.

4. A receipt shall be handed over free of charge to each sender of an insured parcel at the time of posting.

5. The administrations may, by exchange of correspondence, agree to increase or decrease the maximum amount of insurance established in section 1, but in no event shall the maximum amount exceed 1,000 gold francs.

Chapter II. Conditions of delivery and redirection

Article 15. General rules for delivery; period of retention

1. As a general rule, each parcel shall be delivered to the addressee as soon as possible according to the regulations of the administration of destination for the delivery of parcels in its service.

2. When an addressee has been notified of the arrival of a parcel, it shall be held at his disposal for the period of retention provided by the internal regulations of the administration of destination, which retention period shall not exceed 60 days.

Article 16. Advice of delivery

1. The sender of an insured parcel may request an advice of delivery on payment at the time of posting of the charge established in article 7(c).

2. There shall be no inquiry charge for an inquiry by the sender about an advice of delivery which has not been received within a normal period.

Article 17. Return to origin of undeliverable parcels

1. A parcel refused by a sole addressee shall be returned immediately to the administration of origin.

2. An undeliverable insured parcel shall be returned as an insured parcel.

3. After the expiration of the retention period for parcels established under article 15, each undeliverable parcel shall be returned to the administration of origin if the sender has given none of the instructions prescribed by article 13, or if such instructions have been defaced.

4. Neither administration shall assess any rates or charges against the other administration for the return of parcels to origin.

Article 18. Abandonment by the sender of an undelivered parcel

1. If the sender has instructed under article 13, section 2(c), that a parcel which it has not been possible to deliver to the addressee should be treated as abandoned, that parcel shall be treated by the administration of destination according to its internal regulations.

2. Neither administration shall make any claim against the other for such parcels.

Article 19. Redirection in consequence of change of address by the addressee, delivery to an alternate addressee, or of the alteration of an address

1. If an addressee has changed his address, an address is altered under article 23, or a sender has requested delivery to an alternate addressee under article 13, section 2, a parcel may be redirected either within the country of destination or out of that country.

2. A parcel may be redirected within the country of destination at the request of the sender, at the request of the addressee, or automatically if the regulations of that country permit.

3. A parcel may be redirected out of the country of destination only at the request of the sender or of the addressee; in this case the parcel may be transmitted only in compliance with the conditions prescribed by the new country of destination and intermediate countries for such further transmission.

4. The sender may forbid any redirection.

5. For the first and any subsequent redirection of each parcel, the following may be collected:

(a) the charges authorized by the internal regulations of the administration of destination for redirection of parcels generally in the case of redirection within the country of destination; or,

(b) the rates referred to in articles 31 through 35 which are entailed in the further transmission, in the case of redirection out of the country of destination; and,

(c) the charges referred to in Part I which the administration of destination does not agree to cancel.

6. The rates and charges assessed pursuant to section 5 may be collected from the addressee.

Article 20. Parcels arriving out of course and to be redirected

1. Each parcel arriving out of course as a result of an error on the part of the sender or the dispatching administration shall be redirected to its proper destination by the most direct route used by the administration which has received the parcel.

2. Each air parcel arriving out of course shall be redirected by air.

3. Each parcel redirected in application of this article shall be subject to the rates for forwarding to its proper destination and the rates and charges mentioned in article 19, section 5.

4. These rates and charges shall be collected from the administration of origin, which administration may collect them from the sender if misdirection was a result of an error by the sender.

Article 21. Return to origin in consequence of a suspension of service

The return of a parcel to its origin in consequence of a suspension of service pursuant to article 39 shall be free of charge to the administration of origin for any parcel dispatched prior to its receipt of the notice of the suspension.

Chapter III. Special provisions

Article 22. Parcels containing items whose early deterioration or decay is expected

If the early deterioration or decay of a parcel's contents may reasonably be expected, those contents may be sold immediately on behalf of the sender, even in the course of their transmission on either the outward or the return journey, without prior notice or legal formality. If for any reason their sale is impossible, such contents shall be destroyed.

Article 23. Withdrawal from the post; alteration or correction of address

1. The sender of a parcel may, in accordance with the provisions of the Convention governing requests for withdrawal from the post or alteration or correction of address, ask for its return to origin or ask to have its address altered or corrected, provided he pays the charge fixed pursuant to article 7(e) of this Agreement.

2. Such requests must be transmitted to an office specifically designated by each administration to receive such requests.

3. Each administration shall designate and maintain at least one such office.

Article 24. Inquiries

1. Each administration shall accept inquiries relating to any parcel addressed to a person within its territory which was posted in the service of the other administration.

2. An inquiry shall be accepted only within a period of a year from the day after that on which the parcel was posted.

3. If the inquiry relates to several parcels of the same category posted at the same time at the same office by the same sender and addressed to the same addressee and sent by the same route, the charge shall be collected only once.

4. Unless the sender has paid in full the advice of delivery charge prescribed in article 7(c), each inquiry may be subject to the collection of the "inquiry" charge established in article 7(d).

Part III. Liability

Article 25. Principle and extent of liability of postal administrations

1. a. The administrations shall not be liable for any loss of, theft from, or damage to an ordinary parcel.

b. The administrations shall be liable for any loss of, theft from, or damage to an insured parcel, except as provided in article 26.

2. For insured parcels, the sender shall be entitled (subject to section 5 of this article) to an indemnity not exceeding the insured value, in gold francs, of the articles lost, stolen, or damaged; no indemnity under this Agreement shall compensate for any loss of profits or other indirect or consequential losses. In the case of any damaged insured article, the indemnity may be limited to the amount necessary to repair the article.

3. Except in the case of a damaged article that may be fully repaired at a cost less then the cost of replacement, the indemnity shall be calculated according to the current price, converted into gold francs, of goods of the same kind at the place and time at which the insured parcel was accepted for conveyance; failing a current price, the indemnity shall be calculated according to the ordinary value of goods whose value is assessed on the same basis.

4. When an indemnity is due for the loss, theft, or complete damage of an insured parcel, the sender shall also be entitled to the repayment of the charges paid with the exception of the insurance charge.

5. The sender shall be entitled to waive his rights as prescribed in section 2 in favor of the addressee or a third party. Satisfactory written evidence of such waiver must be provided by the party asserting the existence of the waiver before the indemnity will be paid.

Article 26. Non-liability of postal administrations for insured parcels

1. Administrations shall cease to be liable for insured parcels which they have delivered according to the conditions set forth in their internal regulations for items of the same kind. Liability shall however be maintained:

(a) when theft or damage is discovered either before delivery or at the time of delivery of an insured parcel or when, internal regulations permitting, the addressee, or the sender if the parcel is returned to origin, makes reservations in taking delivery of an insured parcel which has been rifled or damaged; or,

(b) when the addressee or, in the case of return to origin, the sender, although having given a proper discharge, notifies the delivery administration without delay that he has found theft or damage and establishes to its satisfaction that such theft or damage did not occur after delivery.

2. The administrations shall not be liable:

(a) for the loss, theft, or damage of an insured parcel:

(i) in case of force majeure: the administration in whose service the loss, theft or damage occurred shall decide, according to the laws of its country, whether the loss, theft, or damage was due to circumstances amounting to a case of force majeure; these circumstances shall be communicated to the administration of origin if it so requests; nevertheless, the administration of origin shall still be liable if it has undertaken to cover risks of force majeure pursuant to article 6, section 2;

(ii) when an administration cannot account for a parcel owing to the destruction of official records by force majeure, provided that proof of its liability has not been otherwise produced;

(iii) when the damage has been caused by the fault or negligence of the sender or arises from the nature of the contents of the parcel;

(iv) in the case of a parcel which has been fraudulently insured for a sum greater than the actual value of its contents;

(v) when the sender has made no inquiry within the period prescribed in article 24, section 2;

(b) for a parcel seized under the legislation of the country of destination of which the origin administration has been advised under article 10, section 2;

(c) for a parcel confiscated or destroyed by an appropriate authority in the case of a parcel whose contents fall within one or more of the prohibitions specified in article 10, sections 1(a), and (c)-(f); or,

(d) in the case of sea or air conveyance when the administrations have made it known that they are unable to accept liability for insured parcels on board the ships or aircraft used by them.

3. Each administration, when providing transit services for insured parcels originating in or destined to the other administration, shall not be liable for the loss, theft, or damage of such transit parcels; however, the administrations may accept liability for such parcels by mutual consent by way of correspondence.

4. Liability for insured parcels which are redirected to a third country by the administration of destination at the request of the sender or addressee shall be limited to the indemnity recoverable from the third country.

5. Postal administrations shall not be liable for customs declarations, in whatever form these are made, nor for decisions made by the Customs on examination of parcels submitted to customs control.

Article 27. Determination of liability between the administrations

1. Until the contrary is proved, liability shall rest with the administration which, having received an insured parcel without making a reservation and being furnished with all the prescribed means of inquiry, cannot prove either delivery to the addressee or, where appropriate, correct transfer to another administration.

2. If the loss, theft, or damage occurs in the course of conveyance without it being possible to establish in which country's territory or service it happened, the administrations shall share the payment of indemnity equally.

3. If the theft or damage is discovered by the administration of destination upon an inspection of the parcel conducted immediately after its arrival, the liability shall rest with the administration of origin, unless a transit administration has become liable.

4. If the loss, theft, or damage of an insured parcel occurs in the territory or service of an intermediate administration which does not accept insured parcels or which has adopted a maximum insured value lower than the amount of the loss, the administration of origin shall bear the loss not covered by the intermediate administration.

5. The administration which has paid the indemnity shall take over the rights, up to the amount of the indemnity, of the person who has received it in any action which may be taken against the addressee, the sender, or third parties.

Article 28. Payment of indemnity

1. Subject to the right of recourse against the administration which is liable, the obligation to pay the indemnity and to refund the charges and fees, shall rest either with the administration of origin, or, in the case mentioned in article 25, section 5, the administration of destination.

2. This payment shall be made as soon as possible and, at the latest, within six months from the day following the day of inquiry.

3. When the administration responsible for payment does not undertake to cover the risks of force majeure, and when, at the end of the period prescribed in section 2, the question of whether the loss, theft, or damage is due to such causes has not been decided, it may exceptionally postpone settlement of the indemnity beyond that period, but the postponement shall not exceed six additional months.

4. The administration of origin or destination, as the case may be, shall be authorized to indemnify the rightful claimant on behalf of the other administration which, although duly informed, has allowed five months to pass without finally settling the matter or without informing the administration of origin or destination, as the case may be, that the loss, theft, or damage appeared to be due to force majeure.

Article 29. Reimbursing the administration which paid the indemnity

1. The administration responsible for payment, or on behalf of which payment is made, shall reimburse the administration which made the payment the amount of indemnity actually paid to the rightful claimant; this payment shall be made within four months of the dispatch of the notice of payment.

2. Immediately after paying the indemnity, the paying administration shall communicate to the administration which is liable the date and the amount of the payment made.

Article 30. Possible recovery of the indemnity from the sender or from the addressee

1. If, after the payment of the indemnity, a parcel or part of a parcel previously considered lost, is found, the person to whom indemnity has been paid shall be informed of the fact, and shall be further advised that he may take delivery of it within a period of three months on his repayment of the amount of the indemnity he received, or, if the insured contents of the parcel are damaged, on his repayment of the amount of the indemnity less an amount necessary to pay for the necessary repairs.

2. If the sender or the addressee takes delivery of the parcel or part of the parcel recovered against repayment of all or part of the amount of the indemnity, that sum shall be refunded to the administration which bore the loss.

3. If the indemnified person refuses to take delivery of the parcel, it shall become the property of the administration which bore the loss.

Part IV. Rates due to administrations

Article 31. Terminal rates

1. Each administration, in its exchange of parcels by air and surface means, shall have the right to collect from the other administration a terminal rate for the costs it

incurs for the surface conveyance, handling, and delivery of parcels destined to addresses in its areas of responsibility.

2. The terminal rate shall be established in the form of a single rate stated in gold francs per kilogram.

3. The terminal rate shall be applicable to the gross weight in kilograms of all parcels destined to addresses within the receiving administration.

4. The terminal rate shall be calculated as provided in article 130 of the Detailed Regulations.

5. In addition to the terminal rate provided for above, the U. S. Postal Service may collect a supplemental rate for parcels received from the other administration arriving at an exchange office in one of the 48 contiguous states of the United States and conveyed by surface to areas for which the U. S. Postal Service is responsibile for providing parcel post services outside the 48 contiguous states.

6. The supplemental rate shall be stated in gold francs per kilogram and shall be applicable to the gross weight in kilograms of all parcels received which are destined to such areas.

Article 32. Transit land rates

1. Each administration shall establish a transit land rate for the conveyance of transit parcels from the other administration by land in accordance with article 131 of the Detailed Regulations.

2. The transit land rate shall be fixed at an established rate per kilogram, applicable to the total gross weight of such transit parcels in each dispatch, or shall be fixed at a rate per parcel for each of the weight steps established in the Postal Parcels Agreement of the Universal Postal Union. These rates shall be expressed in gold francs.

3. The transit land rate shall be payable by the administration of origin.

Article 33. Sea rates

1. Each administration shall establish a sea rate for the conveyance of transit parcels from the other administration by sea in accordance with article 132 of the Detailed Regulations.

2. The sea rate shall be fixed at an established rate per kilogram applicable to the total gross weight of the parcels for which transit sea services are provided, or shall be fixed at a rate per parcel for each of the weight steps established in the Postal Parcels Agreement of the Universal Postal Union. These rates shall be expressed in gold francs.

3. The sea rate shall be payable by the administration of origin.

Article 34. Adjustment of terminal, transit land, and sea rates

1. Each administration may adjust its rates established under articles 31, 32, and 33 when such an increase is necessary due to an increase in the costs of services.

2. To be applicable, any such adjustment of the rates must:

(a) be made in accordance with the provisions governing the establishment of rates set forth in articles 130 through 132 of the Detailed Regulations;

(b) be communicated to the other administration at least three months in advance; and,

(c) remain in force for at least one year.

Article 35. Air conveyance dues

1. Each administration of destination shall be entitled to reimbursement of air conveyance dues for the air conveyance of parcels dispatched by the other administration at the rate established under the provisions of the UPU Postal Parcels Agreement governing air conveyance dues (currently set forth in article 52 of the Lausanne Postal Parcels Agreement).

2. For parcels from the other administration arriving at an exchange office in one of the 48 contiguous states of the United States and conveyed by air to areas for which the U. S. Postal Service is responsible for providing parcel post services outside the 48 contiguous states, the U. S. Postal Service may collect from the other administration supplemental air conveyance dues based on the actual additional distance of air conveyance to such areas at the rate established in the provisions of the UPU Postal Parcels Agreement governing air conveyance dues (currently set forth in article 52 of the Lausanne Postal Parcels Agreement).

Part V. Miscellaneous provisions

Article 36. Application of the Acts of the Universal Postal Union

The Universal Postal Union Constitution, General Regulations, and Universal Postal Convention and its Detailed Regulations will be applied, if necessary, mutatis mutandis, in all cases not expressly governed by this Agreement or its Detailed Regulations.

Article 37. Transit parcels

1. Each administration shall provide transit service to or from any country with which it exchanges parcels, for parcels addressed to or originating in the other administration.

2. Each administration shall provide a list of the countries for which transit service will be provided.

Article 38. No additional rates, charges, or fees

The administrations may only collect the rates, charges, and fees provided in this Agreement.

Article 39. Temporary suspension of the service

Should extraordinary circumstances justify it, either administration may suspend temporarily its operation of the parcel post service, provided that notice of such suspension is given immediately to the other administration.

Article 40. Detailed Regulations

1. Details of implementation of this Agreement shall be governed by the Detailed Regulations which accompany this Agreement.

2. The provisions of the Detailed Regulations may be amended by mutual consent of the administrations by means of correspondence.

Article 41. Languages

The administrations and their subordinated offices shall make use of the German or English languages in case of mutual correspondence. The correspondence from the German Democratic Republic to the United States of America shall be prepared in German, and the correspondence from the United States of America to the German Democratic Republic in English.

Article 42. Additional rules and regulations

Either administration is authorized to adopt implementing rules and regulations for its domestic operation of the service not inconsistent with this Agreement or its Detailed Regulations.

Part IV. Final provisions

Article 43. Entry into force and duration of the Agreement

1. The provisions of this Agreement shall be applied on a provisional basis from the date on which it is signed by the authorized representatives of both administrations.

2. This Agreement shall enter into force on the date of exchange of correspondence indicating its ratification or approval.

3. This Agreement shall expire six months after the date on which either of the administrations notifies the other of termination.

Done in duplicate in the English and German languages, both being equally authentic, and signed at Washington, D. C., on the 4th day of May, 1979.

For the United States of America:

[1]
Postmaster General

For the Ministry of Posts
and Telecommunications of
the German Democratic Republic:

[2]
Ambassador Extraordinary
and Plenipotentiary of
the German Democratic
Republic to the United
States of America

[1] W F. Bolger.
[2] Horst Grunert.

DETAILED REGULATIONS

OF THE

PARCEL POST AGREEMENT

BETWEEN

THE POSTAL SERVICE

OF THE

UNITED STATES OF AMERICA

AND

THE MINISTRY OF POSTS AND TELECOMMUNICATIONS

OF THE

GERMAN DEMOCRATIC REPUBLIC

Preamble

By virtue of the authority vested in them, the signatories have prepared the following Detailed Regulations for the execution of the Parcel Post Agreement between the Postal Service of the United States of America and the Ministry of Posts and Telecommunications of the German Democratic Republic.

Chapter I. Preliminary provisions

Article 101. Information to be supplied by the administrations

1. Each administration shall communicate to the other administration in writing:

(a) the necessary information concerning the customs or other regulations, as well as the prohibitions or restrictions governing the entry and transit of parcels in the territory of its country and other areas for which it has parcel post responsibility;

(b) an extract of the provisions of its laws or regulations applicable to the conveyance of parcels;

(c) the charges and fees authorized under article 3 of the Agreement; and,

(d) the rates and dues established under articles 31 through 35 of the Agreement.

2. Any change of the information mentioned in section 1 shall be communicated in writing immediately to the other administration.

Chapter II. Treatment of parcels by the office of origin, general conditions of admission and posting

Article 102. Addresses of the sender and of the addressee

1. To be admitted for mailing, each parcel shall bear, in roman letters and in arabic figures on the parcel itself or on a label firmly attached to it, the complete addresses of the addressee and of the sender. An address written in pencil shall not be allowed.

2. The office of posting shall advise the sender to put inside each parcel a copy of his address and that of the addressee.

Article 103. General packing conditions

1. Each parcel shall be packed and closed in a manner befitting the weight, shape, and nature of the contents as well as the mode and duration of conveyance.

2. Each parcel shall be packed and closed so as not to present any danger if it contains any article of a kind likely to injure officials called upon to handle it or to soil or damage any other parcel or any postal equipment.

3. Each parcel shall have, on its packing or wrapping, sufficient space for service instructions and for affixing stamps and labels.

Article 104. Special packing

Each parcel which contains one of the following substances shall be made up as indicated below.

(a) Articles of glass or other fragile objects shall be surrounded by cushioning material adequate to

absorb and distribute shocks and vibrations encountered during transport and to prevent contact between the objects themselves or between the objects and the sides of the container; they shall be packed in a box of metal, wood, strong plastic material or strong fiberboard. The cushioning immediately surrounding the objects shall be a soft low density material, such as cotton or creped wadding, with a more structured higher density cushioning material, such as diecut corrugated fiberboard, rubberized hair or styrofoam, suspending the objects a minimum of five centimeters from each side of the container.

(b) Liquids and substances which easily liquefy shall be enclosed in two containers. The inner container shall be a bottle, flask, or other perfectly leak-proof container. The outer container shall be a special box of metal, wood, strong plastic material, or strong corrugated fiberboard, containing enough sawdust, cotton, or any other appropriate protective material to absorb the liquid should the inner container break. The lid of the box shall be fixed so that it cannot easily work loose.

(c) Dry coloring powders shall be admitted only in perfectly leak-proof metal boxes, placed in turn in boxes of wood, strong plastic material, or strong corrugated fiberboard with sawdust or some other

appropriate absorbent and protective material between the two containers.

(d) Dry non-coloring powders shall be placed in containers of metal, wood, strong plastic material, or fiberboard; these containers shall themselves be enclosed in a box made of one of those materials.

(e) Radioactive materials shall be placed in parcels to the wrapping of which shall be affixed a special white label bearing in bold letters the words "radioactive materials" or matieres radioactives," which label shall be crossed out by the destination administration should the packing be returned to the administration of origin. Such parcels shall also bear on the outside wrapping a request in bold letters for their return in the event of non-delivery. The sender shall indicate his name and address and the contents of the parcel on the inner wrapping.

Article 105. Formalities to be complied with by the sender

1. Each parcel shall be accompanied by a customs declaration on UPU form C2/CP3 or a similar form. The customs declaration shall be securely attached to the parcel.

2. The contents of each parcel shall be shown in detail on the customs declaration.

3. Although the administrations assume no responsibility for the accuracy of customs declarations, they shall inform senders of the correct way to complete these declarations.

4. The sender shall indicate how the parcel is to be dealt with in the event of non-delivery as provided in article 14 of the Agreement.

Article 106. Formalities to be complied with by the office of origin

The office of origin shall be responsible for indicating the posting date on each parcel or on the parcel dispatch note attached to such parcel.

Article 107. Insured parcels

Each insured parcel shall be subject to the following special rules regarding make-up:

(a) the parcel shall be sealed in a manner sufficient to reveal any traces of tampering;

(b) the materials used for sealing, as well as the labels and the postage stamps, if any, affixed to each insured parcel shall be placed so that they cannot conceal any damage to the packing; the labels and postage stamps shall not be folded over two sides of the packing so as to cover an edge;

(c) the parcel shall be provided with a stamp impression or label bearing the serial number of the parcel, and in bold letters the word "insured" or "valeur declaree", the stamp impression or label shall be placed on the parcel, on the same side as, and close to, the address;

(d) the insured value shall be expressed in the currency of the country of origin and written on the parcel in words with roman lettering and in arabic figures;

(e) the amount of the insured value shall be converted into gold francs by the office of origin; the result of the conversion shall be shown in figures at the side of or below those representing the value in the currency of the country of origin.

Article 108. Fraudulent insurance

When circumstances of any kind disclose a fraudulent declaration of a value greater than the actual value of the contents of the parcel, the administration of origin shall be notified as soon as possible.

Article 109. Other formalities

1. Each air parcel shall bear the words "air mail" or "par avion."

2. Each insured parcel for which the sender requests an advice of delivery at the time of posting shall bear very conspicuously either the indication "advice of delivery," "avis de reception," "return receipt requested," or the stamp impression "A.R." The office of origin shall complete a copy of UPU form C 5 or a similar form to accompany each insured parcel.

Article 110. Withdrawal from the post; alteration of address

1. A request for the alteration of an address or the withdrawal of a parcel from the post shall be dealt with in accordance with the provisions governing withdrawal from the post and alteration of address in the Detailed Regulations of the Agreement (currently set forth in articles 140 and 141 of the Detailed Regulations of the Lausanne Convention)

2. Any telegraphic request for the alteration of an address of an insured parcel shall be confirmed by post by the first available dispatch. The confirmatory request shall be prepared on or in the form of a UPU form C7 used to request an alteration of the address of a letter post item, or a similar form; it shall bear, underlined in colored pencil, the note "Confirmation de la demande telegraphique du . . .;" and it shall be accompanied by a perfect facsimile of the envelope or wrapper or of the address of the item.

Chapter III. Treatment of parcels by the exchange offices

Article 111. Routing of transit parcels

Each administration shall forward by the routes and means that it uses for its own parcels each parcel transferred to it by another administration to be conveyed in transit across its territory.

Article 112. Exchange offices; method of transmission

1. The exchange of dispatches of parcels shall be carried out by the designated exchange offices of each administration.

2. Each administration shall designate the exchange offices to be used in the service and inform the other administration of the location of each such exchange office.

3. Each administration shall give the other administration at least three months advance written notice of redesignation of or addition to its exchange offices.

4. Parcels may only be exchanged in closed mails.

5. Transit parcels shall be transmitted in closed mails, unless the administrations agree to effect exchanges of parcels in transit a decouvert.

Article 113. Parcel bills

1. For each dispatch of parcels to be forwarded by surface, the total net weight in kilograms shall be entered by the dispatching exchange office on a parcel bill in the form of UPU form CP 11 or a similar form. For air parcels the dispatching exchange office shall indicate the same information on "air parcel bill" UPU form CP 20 or a similar form.

2. Insured parcels shall be listed on a separate parcel bill.

3. Returned parcels may be listed on a separate parcel bill.

4. Each parcel bill shall be numbered according to an annual series by each dispatching exchange office; the last number of the year shall be shown on the first parcel bill of the following year. In the case of sea or air services, the name of the ship or airline carrying the mail shall be shown on the parcel bill.

5. Each insured parcel, returned parcel, parcel forwarded in transit a decouvert, or redirected parcel shall be entered individually on the parcel bill. The entry for each insured parcel shall indicate its insurance number The entry for each redirected or returned parcel shall be marked "redirected" or "reexpedie," or "returned" or "retour" in the observation column. However, each fully prepaid redirected parcel shall be recorded as though it had originated in the redirecting administration.

6. The administration of origin shall prepare, for closed mails to be forwarded in transit through the other administration a parcel bill indicating the total gross weight in kilograms of the transit parcels, a copy of which shall be sent by air to the receiving exchange office of that administration.

7. The number of bags making up each dispatch shall be shown on the parcel bill.

Article 114. Transmission in closed mails

1. In the normal circumstances of transmission in closed mails, the bags shall be marked, closed, and labeled in the manner prescribed for letter bags in the provisions for make-up and labeling of mails in the Detailed Regulations of the Convention currently set forth in article 149, section 3 and 4, and article 155, sections 1, 6, and 7 of the Detailed Regulations of the Lausanne Convention), subject to the following special provisions:

(a) the labels shall be yellow ochre in color;

(b) for receptacles other than bags some other special methods of closing may be adopted, provided that the contents are sufficiently protected; and,

(c) the label or address of a closed bag which contains air parcels shall bear the indication "air mail" or "par avion."

2. In general, insured parcels shall be dispatched in separate bags. Where uninsured and insured parcels are dispatched in the same bag, the insured parcels shall be placed in an inner bag appropriately sealed. Each bag which includes insured parcels, whether alone or together with uninsured parcels, shall be marked with the letter "V."

3. The weight of each bag containing parcels shall not exceed 30 kilograms.

4. Each administration shall inform the other administration by correspondence as to the number of copies of the parcel bill and the method of transmission required by its service.

5. The parcel bags may be placed in large containers for purposes of transportation. The administrations shall agree on the date on which the exchange of containers is to begin at least three months in advance of such date.

Article 115. Delivery of dispatches

1. Each surface parcel dispatch shall be accompanied by a delivery bill on UPU form C 18 or a similar form.

2. Each dispatch shall be delivered in good condition. However, a dispatch may not be refused because of damage or theft.

3. Each air parcel dispatch shall be accompanied by an air mail delivery bill in UPU form AV 7 or a similar form in accordance with the provisions governing AV 7 delivery bills in the Detailed Regulations of the Convention (currently set forth in article 188 of the Detailed Regulations of the Lausanne Convention).

Article 116. Check of dispatches by exchange offices

1. Each exchange office receiving a dispatch shall immediately check each bag and its fastening. It shall also check the origin and destination of the bags making up the dispatch and entered on the delivery bill, and the parcels and various documents which accompany them.

2. When a bag of insured parcels is opened, the constituent parts of the fastening (seal, label, etc.) shall be kept together.

3. When an administration acting as an intermediary for the other has to repack a dispatch it shall check the contents if it believes that these have not remained intact. It shall make out a verification note on UPU form CP 13 or a similar form. A copy of this note shall be sent to the exchange office from which the dispatch was received, one copy shall be sent to the office of origin, and a copy shall be inserted in the repacked dispatch. The verification note shall also be used to report the loss of a dispatch, or of one or more of the bags comprising it, or any other irregularity.

4. If the exchange office of destination discovers an error or omission in the parcel bill it shall immediately make the necessary correction, taking care to cross out the incorrect entry in such a way as to leave the original entry legible. The correction shall be made in the presence of two officials. Unless there is an obvious error in the correction, it shall be accepted in preference to the original entry The exchange office shall also carry out a routine check when a bag or its fastening gives grounds for suspecting that the contents have not remained intact or that some other irregularity has occurred. Any irregularity which has been established, as well as the loss of a dispatch or of one or more of the bags comprising it, or the loss of a parcel bill, shall be notified without delay to the dispatching exchange office by a verification note prepared in duplicate. If the dispatch was received from an intermediate exchange office, a copy of this note shall also be sent to that exchange office. If a parcel bill is missing, the receiving exchange office shall, in addition, prepare a new parcel bill, a copy of which shall be sent to the exchange office of origin and to the intermediate exchange office from which the dispatch was received.

5. Each verification note and its duplicate shall be sent under registered cover by the most rapid route. When a receiving exchange office has not sent a verification note by the first available dispatch, it shall be considered, until the contrary is proved, as having received the bags or parcels in good condition.

6. The exchange office to which a verification note is sent shall return it as promptly as possible after having examined it and indicated thereon its observations, if any The returned verification note shall be attached to the parcel bill to which it relates. A correction made to a parcel bill which is unsupported by documentary evidence shall not be considered valid.

7 The discovery, at the time of a check, of any irregularity whatsoever may in no event be the cause of the return of a parcel to origin except that parcels which exceed the weight or size limits set forth in article 11 of the Agreement may be returned to origin if the regulations of the administration of destination so provide.

Article 117. Discrepancies in the weight data of parcels or dispatches

When an administration establishes a discrepancy in the weight of a parcel or of a dispatch that is recorded on a parcel bill received from the other administration, the weight as corrected by the receiving administration shall be valid.

Article 118. Notification of irregularities for which administrations may be liable

An exchange office which, on the arrival of a dispatch, discovers the absence of, theft from, or damage to one or more parcels shall proceed as follows.

(a) It shall indicate in as much detail as possible on the verification note the condition in which it found the outer packing of the dispatch. Unless this is impossible for a stated reason, the bag, the string, the lead or other seal, and the label shall be kept intact for a period of six weeks from the date of verification and shall be sent to the administration of origin if it so requests.

(b) The exchange office, moreover, shall send a duplicate of the verification note to the last intermediate exchange office, if any, at the same time as to the dispatching exchange office.

Article 119. Receipt by an exchange office of a damaged or insufficiently packed parcel

1. An exchange office which receives a damaged or insufficiently packed parcel shall forward it, after having repacked it if necessary, preserving as far as possible the original packing, the address, and the labels. The weight of the parcel before and after its repacking shall be shown on the actual packing of the parcel and shall be followed by the note "Repacked at . . ." or "Remballe a . . ," the parcel shall be stamped with an impression of the date-stamp of the repacking exchange office and signed by the officials who did the repacking.

2. If the condition of a parcel is such that the contents could have been removed or damaged or if a parcel shows a discrepancy in weight such as to suggest the removal of part or all of the contents, the receiving exchange office shall open it and check the contents. The result of this check shall be reported to the dispatching exchange office on UPU form CP 14 or a similar form, a copy of which shall be attached to the parcel.

Article 120. Check of dispatches of parcels forwarded in bulk

1. The provisions of articles 116, 118 and 119 shall be applicable only to rifled and damaged parcels and parcels entered individually on the parcel bills. The other items shall be simply checked in bulk.

2. When an exchange office establishes a discrepancy between the number of insured parcels given on the parcel bill and the number of insured parcels found in the dispatch, a verification note shall be prepared to correct the total number of insured parcels.

Article 121. Redirection of a parcel arriving out of course

1. The redirecting administration shall report each parcel arriving out of course in a verification note to the administration from which the parcel has been received.

2. The redirecting administration shall treat each parcel arriving out of course as if it had arrived in transit a decouvert. It shall credit the true administration of destination and, where

appropriate, the intermediate administrations taking part in redirection of the parcel with the relative conveyance rates. The redirecting administration shall then seek to recover the charges for the redirection of missent parcels specified in article 19, section 5 of the Agreement from the administration which missent the parcel. If for any reason the redirecting administration is unable to recover such charges from the administration which missent the parcel, it shall recover them from the administration of origin.

Article 122. Return of empty bags

1. Each administration shall provide the bags necessary for the dispatch of its parcels; each bag shall be marked to indicate its ownership.

2. Empty bags shall be returned, in bundles enclosed in one of the receptacles, to the administration to which they belong by the next dispatch and, if possible, by the route followed on their original transmission.

3. Empty bags shall always be returned free of charge.

4. Otherwise, the return of empty bags shall be governed by the provisions for the return of empty bags in the Detailed Regulations of the Convention (currently set forth in article 161 of the Detailed Regulations of the Lausanne Convention)

Chapter IV. Treatment of parcels by the office of destination

Article 123. Reservations on delivery of a rifled or damaged parcel

1. In the cases specified in article 26, section 1(a) of the Agreement, the office of destination shall prepare a report, on UPU form CP 14 or a similar form, of the joint inspection and have it countersigned by the addressee. One copy of the report shall be handed to the addressee or, if the item is refused or redirected, attached to the parcel. One copy shall be retained by the administration which prepared the report.

2. A parcel subjected to the treatment specified in section 1 shall be returned to the sender if the addressee refuses to countersign the report.

Article 124. Treatment of an advice of delivery after delivery of an insured parcel with an advice of delivery

Immediately following the delivery of a parcel with an advice of delivery, the office of destination shall return the UPU form C 5 which accompanied the parcel, duly completed, to the address shown by the sender by the quickest route and without charge to the sender. A blue airmail label or impression shall be affixed to advices of delivery returned by air.

Article 125. Return of parcels to origin

1. An office which returns a parcel for any reason whatsoever shall give, either written by hand or by means of a stamped impression or a label on the parcel and on the parcel bill which

accompanies it, the reason for non-delivery The reason shall be stated in French or English and shall be made in a clear and concise form, such as: "not known" or "inconnu," "refused" or "refuse," "traveling", or "en voyage," "gone away" or "parti," "unclaimed" or "non reclame," "deceased" or "decede," etc.

2. The office of destination shall strike out the address particulars with which it is concerned and write "Return" or "Retour" on the front of each such parcel, it shall also apply its date-stamp beside the indication "Return" or "Retour."

3. A parcel shall be returned in its original packing accompanied by the original customs declaration. If for any reason a parcel has to be repacked, the name of the office of origin of tne parcel and the date of its posting shall be indicated on the new packing.

4. If an air parcel is returned by surface, the "air mail" or "par avion" label and any notes relating to transmission by air shall be struck through with two thick horizontal lines.

Article 126. Treatment of requests for withdrawal from the post or for alteration of address

On receipt of a request for a withdrawal from the post or for an alteration of an address, the administration of destination shall search for the parcel in question, and honor the request if it can.

Article 127 Sale; destruction

1. When a parcel has been sold or destroyed in accordance with the provisions of article 22 of the Agreement, a report of the sale or destruction shall be prepared. A copy of the report shall be sent to the office of origin.

2. The proceeds of the sale shall be applied to defray the charges on the parcel and the costs incurred in selling it; the balance, if any, of the proceeds shall be sent to the office of origin, which shall pay it to the sender, after deducting the costs of forwarding the balance.

Chapter V. Inquiries

Article 128. Treatment of inquiries

Each inquiry about a parcel shall be dealt with in accordance with the provisions for inquiries set forth in the Detailed Regulations of the Convention (currently set forth in article 143 of the Detailed Regulations of the Lausanne Convention)

Article 129. Inquiries concerning an advice of delivery not received

When a sender inquires about an advice of delivery which he has not received within a reasonable time, the inquiry shall be dealt with in accordance with the provisions governing advices of delivery set forth in the Detailed Regulations of the Convention (currently set forth in article 131, section 5 of the Detailed Regulations of the Lausanne Convention).

Chapter VI. Determination of rates

Article 130. Determination of terminal rates

Each administration shall establish a single terminal rate as follows:

1. During a data collection period of eight consecutive weeks each administration shall complete and forward to the other administration a UPU form CP 11 listing by weight step all parcels destined to addresses in the other administration. The receiving administration shall record the following information for all such parcels and compute its terminal rate pursuant to the directions set forth in sections 2 through 6 of this article:

(a) the total number of parcels which fall within each of the following weight steps:

	up to 1 kilogram
above 1	up to 3 kilograms
above 3	up to 5 kilograms
above 5	up to 10 kilograms
above 10	up to 15 kilograms
above 15	up to 20 kilograms

(b) the gross weight in kilograms of all parcels recorded in paragraph (a) above.

2. (a) Determine a charge per parcel for parcels within each weight step by applying __% (a percentage agreed upon by the administrations) of the postage charge which would be applicable in the domestic parcel service of the receiving administration to a parcel of median weight for each weight step which is transmitted the average distance over which

parcels from the other administration are conveyed internally (if distance is a factor in determining domestic parcel charges),

(b) or apply a rate per parcel in the individual weight classes which correspond to the terminal rate portion specified in the Postal Parcels Agreement of the Universal Postal Union as indicated in Table CP 1.

3. Compute the total charges for each weight step by multiplying the total number of parcels within that weight step recorded under section 1(a) times the charge per parcel within that weight step determined under section 2.

4. Add the total charges for each weight step determined under section 3 to obtain the aggregate charge for all parcels received during the data collection period.

5. The rates determined in accordance with paragraph 4 shall, if necessary, be converted from the currency of the country concerned into gold francs.

6. To determine the terminal rate per kilogram, divide the aggregate charge in gold francs determined under section 5 by the gross weight recorded under section 1(b) and round the resulting rate to the nearest one tenth of a gold franc.

7 Each administration shall apply the terminal rate it derives in section 6 to the gross weight of all parcels received from the other administration as provided in article 31 of the Agreement.

Article 131. Determination of transit land rates

Each administration shall establish a single transit land rate as follows:

1. For a data collection period of eight consecutive weeks, each administration sending parcels in transit through the other administration shall complete and forward to the other administration a UPU form CP 12 or a similar form listing the transit parcels by weight step and the total gross weight of the transit parcels in the dispatch. During the data collection period, each transit administration shall record the following information for all parcels from the other administration for which it provides transit land services and shall compute its transit land rate pursuant to the directions set forth in sections 2 through 5 of this article:

(a) the total number of transit parcels which fall within each of the weight steps set forth in section 1(a) of article 130; and,

(b) the gross weight in kilograms of all parcels recorded in paragraph (a) above.

2. Determine the weighted average distance transit parcels from the other administration are conveyed over land during the data collection period.

3. Determine the total transit land rate for all transit parcels within each weight step by multiplying the number of transit parcels in each weight step times the rate determined by applying the table for transit land rates in the UPU Postal Parcels Agreement (currently set forth in article 47 of the Lausanne Postal Parcels Agreement) to the data from section 1 (a) and 2 of this article.

4. Add the total transit rates for each weight step determined under section 3 to obtain the aggregate transit land rate in gold francs for all transit parcels received during the data collection period.

5. To determine the transit land rate per kilogram, divide the aggregate transit land rate in gold francs determined under section 4 by the gross weight recorded under section 1(b) and round the resulting rate to the nearest one tenth of a gold franc.

6. Each administration shall apply the transit land rate it derives in section 5 to the gross weight of all transit parcels conveyed by land as provided in article 32 of the Agreement.

Article 132. Determination of sea rates

Each administration shall establish a single sea rate as follows:

1. During a data collection period of eight consecutive weeks, each administration sending parcels in transit by the sea services of the other administration shall complete and forward to the other administration a UPU form CP 12 listing such transit parcels by weight step and indicating the total gross weight of such transit parcels. During the statistical period, each administration shall record the following information for all transit parcels from the other administration for which it provides transit sea services and shall compute its sea rate pursuant to sections 2 through 5 of this article:

(a) the total number of transit parcels which fall within each of the weight steps set forth in section 1(a) of article 130; and

(b) the gross weight in kilograms of all parcels recorded in paragraph (a) above.

2. Determine the weighted average distance transit parcels from the other administration are conveyed by sea during the statistical period.

3. Determine the total sea rate for all transit parcels within each weight step by multiplying the number of transit parcels in each weight step times the rate determined by applying the table for sea rates in the UPU Postal Parcels Agreement (currently set forth in article 49 of the Lausanne Postal Parcels Agreement) to the data from sections 1(a) and 2 of this article.

4. Add the total sea rates for each weight step determined under section 3 to obtain the aggregate transit sea rate in gold francs for all transit sea parcels received during the data collection period.

5. To determine the sea rate per kilogram, divide the aggregate sea rate in gold francs determined unuer section 4 by the gross weight recorded under section 1(b) and round the resulting rate to the nearest one tenth of a gold franc.

6. Each administration shall apply the sea rate it derives in section 5 to the gross weight of all transit parcels conveyed by sea as provided in article 33 of the Agreement.

Chapter VII. Accounting

Article 133. Rates and dues credited to other administrations by the administration of origin

1. In the exchange of closed mails, the administration of origin shall credit the administration of destination and each intermediate administration with the terminal rates, transit land and sea rates, and air conveyance dues which are due to them.

2. In the case of exchange in transit a decouvert the administration of origin shall credit:

(a) the administration of destination of the dispatch with the rates referred to in section 1 as well as rates due to the subsequent intermediate administrations and to the administration of destination; and,

(b) the intermediate administrations preceding the administration of destination of the dispatch with the rates referred to in section 1.

Article 134. Allocation and recovery of rates, and charges in case of redirection

1. When rates and charges have not been paid at the time of redirection, the redirecting administration shall proceed as indicated below for the allocation and recovery of such rates and charges.

2. For each parcel redirected to a third country the redirecting administration shall seek to recover the rates and charges set forth in article 19, section 5 of the Agreement from the addressee or the administration to which the parcel

is forwarded. If for any reason the redirecting administration is unable to recover such charges from the addressee or the administration to which the parcel is forwarded, it shall recover them from the administration of origin.

3. The redirecting administration shall credit the intermediate administrations with the rates payable to them.

4. In the case of redirection of a missent parcel, the allocation and recovery of the rates and charges shall be made in accordance with article 121, section 2.

Article 135. Preparation of accounts

1. Each administration shall prepare quarterly for all items received from the other administration:

(a) for surface parcels, a statement of amounts due on a UPU form CP 15 or a similar form giving, by dispatching office and per dispatch, the gross weight of the parcels entered on the parcel bills, with an indication of the appropriate rate and the total of amounts due for that quarter;

(b) for air parcels, a statement of amounts due prepared on a UPU form CP 15 (bis) or a similar form giving, by dispatching office and per dispatch, the gross weight of parcels entered on the air parcel bills, with a statement of the appropriate rate and the total of amounts due for that quarter.

2. In the event of alteration of a parcel bill, the number and date of the verification note prepared to report such alteration shall be shown in the "Observations" column of the form for statement of amounts due.

3. The statements of amounts due shall be summarized in an account prepared, in duplicate, on a UPU form CP 16 or a similar form.

4. The summarized account, accompanied by the statement of amounts due to which it relates (but without the parcel bills), shall be sent by the most rapid route to the administration of origin for examination within two months following the quarter to which it relates. "Nil" accounts shall not be prepared. In the amounts stated in the balance of the summarized account, centimes shall be ignored. Any discrepancies shall be noted in a statement of differences, which shall be prepared on a UPU form CP 17 or a similar form. Each statement of differences shall be sent in duplicate to the administration concerned, which shall incorporate the amount stated therein in its next summarized account; no statement of differences shall be prepared when the total amount of the discrepancies does not exceed ten gold francs per account.

5. After the summarized accounts have been checked and accepted, they shall be returned, together with the related statements of amounts due, to the administration which prepared them within two months of the date of dispatch. If the

administration which has sent the summarized account does not receive any notice of amendment during this period, the summarized account shall be regarded as fully accepted.

6. The summarized accounts shall be summarized in a quarterly general account prepared by the creditor administration on a UPU form CP 18 or a similar form, which shall be transmitted immediately to the debtor administration.

7 When it is necessary to recover payments from the administration responsible in accordance with article 29 of the Agreement and several amounts are involved, these shall be summarized on a UPU form CP 22 or a similar form and the total amount shall be carried forward to the summarized account.

Article 136. Accounts for air parcel dispatches

An account for air conveyance dues for air parcel dispatches shall be drawn up according to the provisions for accounting for air conveyance dues set forth in the Detailed Regulations of the Convention.

Article 137 Settlement of accounts

1. The amount of the balance of the general accounts shall be paid by the debtor administration to the creditor administration in accordance with the provisions for settlement of accounts in the Convention.

2. The preparation and dispatch in duplicate of a general account may be carried out, without waiting for the summarized accounts to be returned accepted, as soon as an administration, which has all the accounts relative to the period concerned, finds that it is the creditor. The check of the general account by the debtor administration, the return of one of the two copies to the creditor administration, and the payment of the balance shall be carried out by the debtor administration within a period of three months after its receipt of the general account.

Chapter VIII. Miscellaneous provisions

Article 138. Definitions

The definitions set forth in article 2 of the Agreement shall be applicable to these Detailed Regulations.

Article 139. Period of retention of documents

1. Documents of the service shall be kept for a minimum period of eighteen months from the day following the date to which they refer.

2. A document concerning a dispute or an inquiry shall be kept until the matter has been settled. If the inquiring administration, duly informed of the result of an inquiry, allows six months to elapse from the date of the communication without raising any objections, the matter shall be regarded as settled.

Article 140. Amendments

These Detailed Regulations may be amended by mutual consent by means of correspondence between officials of each administration who have been authorized to make such amendments.

Chapter XI. Final provisions

Article 141. Entry into force and duration of the Detailed Regulations

1. The provisions of the Detailed Regulations shall be applied on a provisional basis from the date on which they are signed by the authorized representatives of both administrations.

2. These Detailed Regulations shall come into force on the same date as the Parcel Post Agreement to which they refer.

3. These Detailed Regulations, and any amendments hereto pursuant to article 140, shall have the same duration as the Parcel Post Agreement to which they refer.

Done in duplicate in the English and German languages, both being equally authentic, and signed at Washington, D. C., on the 4th day of May, 1979.

For the United States of America:

Postmaster General

For the Ministry of Posts
and Telecommunications of
the German Democratic Republic:

Ambassador Extraordinary
and Plenipotentiary of
the German Democratic
Republic to the United
States of America

Postpaketabkommen

zwischen

dem Postdienst der Vereinigten Staaten von Amerika

und

dem Ministerium für Post- und Fernmeldewesen der

Deutschen Demokratischen Republik

Der Postdienst der Vereinigten Staaten von Amerika und das Ministerium für Post- und Fernmeldewesen der Deutschen Demokratischen Republik haben auf Grund der den Unterzeichneten übertragenen Vollmacht und
ausgehend von den Ergebnissen der Konferenz über Sicherheit und Zusammenarbeit in Europa
mit dem Ziel, den Postpaketverkehr zwischen den Vereinigten Staaten von Amerika und der Deutschen Demokratischen Republik zu regeln,
das folgende Abkommen abgeschlossen.

Artikel 1

Das Abkommen regelt den Austausch von Paketen zwischen den Gebieten, für die die Postverwaltungen der Deutschen Demokratischen Republik und der Vereinigten Staaten von Amerika den Postpaketverkehr ausüben.

Artikel 2. Definitionen

Die in diesem Abkommen verwendeten Begriffe haben folgende Bedeutung

1. Verwaltung - eine abgekürzte Form, die zum Verweis auf eine der Postverwaltungen der Länder benutzt wird, die Unterzeichner dieses Abkommens sind;

2. Kapitel, Artikel und Abschnitte - Kapitel, Artikel und Abschnitte dieses Abkommens, außer Artikel, wenn sich der Kontext auf einen eingelegten Artikel bezieht oder der in ein Paket eingelegt werden kann;

3 Vertrag - der von Zeit zu Zeit durch den Kongreß des Weltpostvereins (UPU) erlassene und durch die Regierung der Vereinigten Staaten von Amerika und die Regierung der Deutschen Demokratischen Republik angenommene Weltpostvertrag,

4. Vollzugsordnung des Vertrages - die Vollzugsordnung des Weltpostvertrages, die durch den Kongreß des Weltpostvereins (UPU) von Zeit zu Zeit erlassen wird und durch die Regierung der Vereinigten Staaten von Amerika und die Regierung der Deutschen Demokratischen Republik angenommen wurde,

5. Auswechslungsamt - ein internationales Auswechslungsamt für Postpakete;

6. Goldfranken - die am 10. Juli 1964 in Wien in der Verfassung des Weltpostvereins festgelegte und angenommene postalische Währung und der von Zeit zu Zeit erfolgten Ergänzung, vorbehaltlich jedoch dessen, daß die Verwaltungen auf dem Schriftwege vereinbaren können, eine den Goldfranken ersetzende andere Währung anzunehmen, die durch den Weltpostverein festgelegt werden kann. Alle in diesem Abkommen in Goldfranken festgelegten Beträge und Gebühren sind auf direkter proportionaler Grundlage in die neue Währung umzurechnen;

7. Gewöhnliches Paket - ein nicht versichertes Paket, nachfolgend Paket genannt;

8. Einlieferungsamt - das Postamt, das das Paket vom Absender empfängt;

9. Bestimmungsamt - das Postamt, das die Bestimmungsanschrift bedient;

10. Verweise auf die Bestimmungen der beiden Postverwaltungen oder auf die innerstaatlichen Gesetzgebungen der beiden Länder beziehen sich auf die allgemeinen Bestimmungen oder Gesetzgebung, die diese Sache regeln und ungeachtet des Ursprungslandes zutreffend sind,

11. Dienst - der Dienst für den Austausch der durch dieses Abkommen festgelegten Pakete.

Teil I Gebühren und Abgaben

Artikel 3. Zusammensetzung der Gebühren und Abgaben

1. Die Gebühren und Abgaben, die die Verwaltungen von den Absendern und Empfängern von Paketen erheben dürfen, bestehen aus den Grundgebühren nach Artikel 4 und gegebenenfalls aus:

   a) den Luftpostzuschlägen nach Artikel 5;

   b) den zusätzlichen Gebühren nach Artikel 6 und 7,

   c) den Gebühren und Abgaben nach Artikel 19, Abschnitt 5;

   d) den nicht postalischen Abgaben nach Artikel 8.

Artikel 4. Grundgebühren

1. Jede Verwaltung setzt die von den Absendern zu erhebenden Grundgebühren fest.

2. Die Grundgebühren müssen mit den in Artikel 31 bis 35 genannten Gebührenanteilen und Abgaben in enger Beziehung stehen.

Artikel 5. Luftpostgebühren

1. Jede Verwaltung setzt die für die Weiterleitung der Pakete auf dem Luftwege von den Absendern zu erhebenden Luftpostgebühren fest.

2. Die Luftpostgebühren sollen für das gesamte Territorium eines Bestimmungslandes einheitlich sein, und zwar ohne Rücksicht auf den benutzten Leitweg.

Artikel 6. Wertpakete

1. Für Wertpakete werden vom Absender die durch die innerstaatlichen Bestimmungen des Einlieferungslandes festgesetzten Gebühren im voraus erhoben.

2. Außerdem kann jede Verwaltung, die die Haftung für die durch Fälle höherer Gewalt verursachten Schäden übernimmt, eine Gebühr für Gefahren durch Fälle höherer Gewalt erheben.

Artikel 7. Zusätzliche Gebühren

Die Verwaltungen dürfen folgende zusätzlichen Gebühren erheben.

a) Zollvorführgebühr und Gebühr für die Einziehung der durch die Bestimmungsverwaltung zu erhebenden Zollgebühr. Die Gebühr wird bei der Zustellung des Paketes an den Empfänger erhoben.

b) Lagergebühr für jedes Paket, das nicht innerhalb der vorgeschriebenen Frist abgeholt worden ist. Diese Gebühr wird von der zustellenden oder zurücksendenden Verwaltung zugunsten der Verwaltung erhoben, in deren Dienst das Paket über die vorgeschriebene Frist hinaus aufbewahrt wurde.

c) Rückscheingebühr, wenn der Absender einen Rückschein nach Artikel 16 verlangt,

d) Nachfragegebühr nach Artikel 24;

e) Gebühr für Antrag auf Zurückziehen von der Post oder Ändern der Anschrift;

f) Gebühr für den Einlieferungsschein, wenn der Absender einen Einlieferungsschein für ein gewöhnliches Paket verlangt;

g) Gebühr für die Rücksendung eines Paketes an den Einlieferungsort, die von der Einlieferungsverwaltung vom Absender erhoben werden kann.

Artikel 8. Nicht postalische Abgaben

1. Die Bestimmungsverwaltung kann vom Empfänger die Zollgebühr und andere nicht postalische Abgaben erheben, mit denen jede Sendung im Bestimmungsland belastet wird.

2. Jede Verwaltung garantiert, daß die Zollgebühr und andere nicht postalische Abgaben niedergeschlagen werden, wenn sie ein Paket betreffen, das

   a) an den Einlieferungsort zurückgesandt,

   b) nach einem dritten Land nachgesandt,

c) vom Absender preisgegeben oder

d) in ihrem Bereich in Verlust geraten oder wegen vollständiger Beschädigung des Inhalts vernichtet worden ist.

Teil II Ausführung des Dienstes

Kapitel I Zulassungsbedingungen

Artikel 9. Annahmebedingungen

Um zum Dienst zugelassen zu werden, muß jedes Paket:

a) eine der Natur des Inhalts und den Beförderungsbedingungen angepaßte Verpackung haben,

b) die Namen und die Anschriften des Empfängers und des Absenders tragen;

c) den durch Artikel 11 festgesetzten Bedingungen für Gewicht und Ausmaße entsprechen,.

d) mit allen vom Einlieferungsamt beanspruchten Gebühren freigemacht sein, entweder durch Postwertzeichen oder ein anderes nach den Vorschriften der Einlieferungsverwaltung zugelassenes Verfahren und

e) darf es keine Gegenstände enthalten, die unter die im Artikel 10 aufgezählten Verbote oder die im Gebiet einer oder mehrerer an der Beförderung beteiligter Verwaltungen geltenden Verbote fallen.

Artikel 10. Verbote

1. Die Aufnahme der nachstehend aufgeführten Gegenstände ist in allen Paketen verboten:

   a) Gegenstände, die wegen ihrer Beschaffenheit oder ihrer Verpackung eine Gefahr für die Postangestellten darstellen oder andere Pakete oder Posteinrichtungen beschmutzen oder beschädigen können,

b) Schriftstücke, die die Eigenschaft einer eigentlichen oder persönlichen Mitteilung haben, außer einem offenen Schriftstück, das sich inhaltlich auf die wesentlichen Angaben beschränkt und sich ausschließlich auf die beförderten Waren bezieht: z.B. Rechnung oder Lieferschein,

c) lebende Tiere;

d) explodierbare, leicht entzündliche oder andere gefährliche Stoffe;

e) unzüchtige und unsittliche Gegenstände und

f) Gegenstände, deren Einfuhr oder Umlauf im Bestimmungsland verboten ist.

2. Jede Verwaltung teilt der anderen die erforderlichen Informationen über die Zoll- oder anderen Vorschriften sowie die Verbote oder Beschränkungen mit, die die Einfuhr oder den Transit von Postsendungen durch ihren Dienst regeln.

3. Die Aufnahme folgender Gegenstände ist in nicht versicherten Paketen verboten: Geldstücke, Banknoten, Papiergeld, auf den Inhaber lautende Wertpapiere aller Art, Platin, Gold oder Silber (verarbeitet oder nicht verarbeitet), Edelsteine, Juwelen und andere wertvolle Gegenstände.

Artikel 11. Grenzen der Ausmaße und des Gewichts

1. Ein durch die Paketpost befördertes Paket darf

a) weder 1,07 Meter in irgendeiner Ausdehnung, noch 2 Meter für die Summe der Länge und des größten, nicht in der Länge gemessenen Umfangs überschreiten und

b) 20 Kilogramm nicht übersteigen.

2. Die Verwaltungen können auf dem Schriftwege eine Änderung der im Abschnitt 1 festgelegten Grenzen der Ausmaße und des Höchstgewichts vereinbaren.

Artikel 12. Behandlung zu Unrecht angenommener Pakete

1. Ist ein Paket, das einen verbotenen Gegenstand nach Artikel 10, Abschnitt 1 enthält, zu Unrecht von der Post angenommen worden, so ist der verbotene Gegenstand nach der Gesetzgebung des Landes zu behandeln, dessen Verwaltung sein Vorhandensein feststellt, jedoch wird ein Paket, das einen verbotenen Gegenstand nach Artikel 10, Abschnitt 1, Buchstabe d) oder e) enthält, in keinem Fall an den Bestimmungsort weitergeleitet, noch dem Empfänger zugestellt oder an den Einlieferungsort zurückgesandt.

2. Enthält ein Paket eine einzelne, nach Artikel 10, Abschnitt 1 (b) verbotene Briefsendung, wird diese vorbehaltlich der Erhebung einer Gebühr entsprechend den innerstaatlichen Vorschriften der Verwaltung, die ihr Vorhandensein feststellt, weitergeleitet. Das Paket darf aus diesem Grunde nicht an den Einlieferungsort zurückgesandt werden.

3. Wurde ein zu Unrecht angenommenes Paket weder dem Empfänger zugestellt noch an den Einlieferungsort zurückgesandt, ist die Einlieferungsverwaltung darüber zu informieren, wie das Paket behandelt wurde und welche Beschränkung oder welches Verbot eine solche Behandlung erforderlich machten.

4. Die Rücksendung eines zu Unrecht angenommenen Paketes an den Einlieferungsort ist für die Einlieferungsverwaltung gebührenfrei.

Artikel 13. Verfügungen des Absenders bei der Einlieferung

1. Bei der Einlieferung eines Paketes hat der Absender anzugeben, wie es im Fall der Unzustellbarkeit behandelt werden soll.

2. Er kann nur eine der folgenden Verfügungen treffen:

   a) Rücksendung an den Absender;

   b) Zustellung an einen anderen Empfänger oder

   c) Preisgabe durch den Absender.

3. Wurde keine Verfügung getroffen oder ist die Angabe auf dem Paket unleserlich, wird das Paket nach Artikel 17, Abschnitt 3 behandelt.

Artikel 14. Wertpakete

1. Für die Wertangabe bei Wertpaketen gelten folgende Bestimmungen:
   a) Jede Verwaltung beschränkt die Wertangabe für jedes Wertpaket auf einen Betrag, der 500 Goldfranken nicht übersteigen darf und
   b) einem Absender ist erlaubt, nur einen Teil des wirklichen Wertes des Paketinhalts zu versichern, er darf jedoch ein Paket nicht über den wirklichen Wert des Paketinhalts hinaus versichern.
2. Eine in betrügerischer Weise abgeschlossene Versicherung für einen Wert, der den wirklichen Wert des Paketes übersteigt, unterliegt den durch die innerstaatliche Gesetzgebung für solche Betrügereien vorgeschriebenen gesetzlichen Verfahren des betreffenden Landes.
3. Ein in betrügerischer Weise gestellter Versicherungsanspruch unterliegt den gesetzlichen Verfahren, die durch die innerstaatliche Gesetzgebung des Landes vorgesehen sind, in dem der Anspruch erhoben wird.
4. Jedem Absender eines Wertpaketes ist bei der Einlieferung unentgeltlich ein Einlieferungsschein auszuhändigen.
5. Die Verwaltungen können auf dem Schriftwege vereinbaren, den Höchstbetrag für die in Abschnitt 1 festgelegte Versicherung zu erhöhen oder zu vermindern, der Höchstbetrag darf jedoch keinesfalls 1000 Goldfranken übersteigen.

Kapitel II. Bedingungen für die Aushändigung und Weiterleitung

Artikel 15. Allgemeine Aushändigungsbestimmungen; Aufbewahrungsfrist

1. Jedes Paket wird im allgemeinen entsprechend den in der Bestimmungsverwaltung geltenden Bestimmungen für die Zustellung von Paketen durch ihren Dienst so schnell wie möglich dem Empfänger ausgehändigt.

2. Ein Paket, dessen Eingang dem Empfänger mitgeteilt wurde, wird für die durch die innerstaatlichen Vorschriften der Bestimmungsverwaltung vorgesehene Aufbewahrungsfrist, die 60 Tage nicht überschreiten darf, zu seiner Verfügung gehalten.

Artikel 16. Rückschein

1. Der Absender eines Wertpaketes kann gegen Entrichtung einer nach Artikel 7 c) festgesetzten Gebühr bei Einlieferung einen Rückschein verlangen.

2. Für eine Nachfrage durch den Absender über einen Rückschein, der nicht innerhalb der üblichen Frist empfangen worden ist, darf keine Gebühr erhoben werden.

Artikel 17. Rücksendung unzustellbarer Pakete an den Einlieferungsort

1. Ein durch einen einzigen Empfänger verweigertes Paket ist unverzüglich an die Einlieferungsverwaltung zurückzusenden.

2. Ein unzustellbares Wertpaket ist als Wertpaket zurückzusenden.

3. Nach Ablauf der Aufbewahrungsfrist für Pakete nach Artikel 15 ist jedes unzustellbare Paket an die Einlieferungsverwaltung zurückzusenden, wenn der Absender keine der in Artikel 13 vorgeschriebenen Verfügungen getroffen hat oder wenn die Verfügung unleserlich geworden ist.

4. Keine der Verwaltungen erlegt der anderen für die Rücksendung von Paketen nach dem Einlieferungsort Gebührenanteile oder Gebühren auf.

Artikel 18. Preisgabe eines unzustellbaren Paketes durch den Absender

1. Hat der Absender ein Paket nach Artikel 13, Abschnitt 2 c), das dem Empfänger nicht ausgehändigt werden konnte, preisgegeben, so wird dieses Paket nach den innerstaatlichen Vorschriften der Bestimmungsverwaltung behandelt.

2. Keine der Verwaltungen erhebt gegenüber der anderen einen Anspruch für solche Pakete.

Artikel 19. Nachsendung infolge Wohnungswechsel des Empfängers, Zustellung an eine zweite Anschrift oder infolge Änderung der Anschrift

1. Beim Wohnungswechsel des Empfängers oder bei Änderung der Anschrift nach Artikel 23 oder wenn ein Absender die Zustellung an einen zweiten Empfänger nach Artikel 13, Abschnitt 2 verlangt hat, kann ein Paket sowohl innerhalb des Bestimmungslandes als auch über dieses Land hinaus nachgesandt werden.

2. Innerhalb des Bestimmungslandes kann ein Paket auf Verlangen des Absenders, auf Verlangen des Empfängers oder, wenn es die Vorschriften dieses Landes erlauben, von Amts wegen nachgesandt werden.

3. Außerhalb des Bestimmungslandes darf ein Paket nur auf Verlangen des Absenders oder des Empfängers nachgesandt werden, in diesem Fall kann das Paket nur entsprechend den im neuen Bestimmungsland und in den Durchgangsländern vorgeschriebenen Bedingungen für eine derartige Weiterbeförderung übersandt werden.

4. Der Absender kann jede Nachsendung untersagen.

5. Für die erste und jede etwaige weitere Nachsendung jedes Paketes können erhoben werden:
   a) bei Nachsendung innerhalb des Bestimmungslandes die nach den innerstaatlichen Vorschriften der Bestimmungsverwaltung für die Nachsendung festgesetzten Gebühren,

b) bei Nachsendung außerhalb des Bestimmungslandes die Gebührenanteile nach Artikel 31 bis 35, die die weitere Übermittlung zur Folge haben und

c) die von der Bestimmungsverwaltung nicht niedergeschlagenen Gebühren nach Teil I.

6. Die in Abschnitt 5 genannten Gebühren und Gebührenanteile werden vom Empfänger erhoben.

Artikel 20. Fehlgeleitete und nachzusendende Pakete

1. Jedes aus Versehen von seiten des Absenders oder der Absendeverwaltung fehlgeleitete Paket ist von der Verwaltung, die es empfangen hat, auf dem kürzesten, von ihr benutzten Weg an seinen richtigen Bestimmungsort zu leiten.

2. Jedes fehlgeleitete Luftpostpaket wird auf dem Luftweg weitergeleitet.

3. Jedes in Anwendung dieses Artikels nachgesandte Paket unterliegt den Gebührenanteilen für das Nachsenden an seinen richtigen Bestimmungsort und den in Artikel 19, Abschnitt 5 erwähnten Gebührenanteilen und Gebühren.

4. Diese Gebührenanteile und Gebühren werden von der Einlieferungsverwaltung erhoben, die sie vom Absender erheben kann, wenn die Fehlleitung durch ein Versehen des Absenders geschah.

Artikel 21. Rücksendung an den Einlieferungsort wegen Einstellung des Dienstes

Die Rücksendung eines Paketes an seinen Einlieferungsort infolge Einstellung des Dienstes nach Artikel 39 ist für die Einlieferungsverwaltung für jedes vor dem Erhalt der Mitteilung über die Einstellung versandtes Paket gebührenfrei.

Kapitel III. Besondere Bestimmungen

Artikel 22. Pakete mit Gegenständen, deren baldiger Verderb oder Fäulnis zu erwarten ist

Die in einem Paket enthaltenen Gegenstände, deren Verderb oder Fäulnis bald zu erwarten ist, können auch unterwegs auf dem Hin- und Rückweg ohne vorherige Benachrichtigung oder Rechtsförmlichkeiten zugunsten des Absenders sofort verkauft werden. Ist der Verkauf aus irgendeinem Grunde nicht möglich, werden solche Inhalte vernichtet.

Artikel 23. Zurückziehen von Paketen, Ändern oder Berichtigen der Anschrift

1. Der Absender eines Paketes kann entsprechend den Bestimmungen des Vertrages, die die Anträge auf Zurückziehung oder Änderung oder Berichtigung der Anschrift regeln, die Zurückziehung verlangen oder seine Anschrift ändern oder berichtigen lassen, wenn er die gemäß Artikel 7 e) dieses Abkommens festgesetzte Gebühr bezahlt.
2. Derartige Anträge müssen an ein Postamt übermittelt werden, das durch jede Verwaltung zur Entgegennahme solcher Anträge besonders benannt wurde.
3. Jede Verwaltung benennt und unterhält mindestens ein derartiges Postamt.

Artikel 24. Nachfragen

1. Jede Verwaltung nimmt Nachfragen für Pakete entgegen, die an eine Person in ihrem Territorium gerichtet sind und bei der anderen Verwaltung eingeliefert wurden.
2. Eine Nachfrage ist nur innerhalb eines Jahres, vom Tage nach dem Tag der Einlieferung des Paketes an gerechnet, zulässig.
3. Bezieht sich die Nachfrage auf mehrere Pakete der gleichen Kategorie, die durch den gleichen Absender zur gleichen Zeit im gleichen Postamt eingeliefert wurden und an den gleichen Empfänger gerichtet und über den gleichen Weg geleitet wurden, wird die Gebühr nur einmal erhoben.

4. Für jede Nachfrage wird eine "Nachfragegebühr" nach Artikel 7 d) erhoben, sofern der Absender nicht bereits die Rückscheingebühr gemäß Artikel 7 c) voll entrichtet hat.

Teil III. Haftung

Artikel 25. Grundsatz und Umfang der Haftung der Postverwaltungen

1. a. Die Verwaltungen haften nicht für den Verlust, die Beraubung oder die Beschädigung eines gewöhnlichen Paketes.

   b. Außer den in Artikel 26 vorgesehenen Fällen haften die Verwaltungen für den Verlust, die Beraubung oder Beschädigung eines Wertpaketes.

2. Für Wertpakete hat der Absender vorbehaltlich Abschnitt 5 dieses Artikels Anspruch auf einen Entschädigungsbetrag, der die Wertangabe in Goldfranken für den Verlust, die Beraubung oder die Beschädigung der Gegenstände nicht übersteigt. Keine Entschädigung gemäß dieses Abkommens wird für entgangenen Gewinn oder anderen mittelbaren oder Folgeschäden geleistet. Bei einem beschädigten versicherten Gegenstand kann der Schadensersatzbetrag auf den für die Reparatur des Gegenstandes erforderlichen Betrag begrenzt werden.

3. Außer in dem Fall, wo ein beschädigter Gegenstand zu Kosten vollständig wiederhergestellt werden kann, die geringer sind als die Kosten für die Ersetzung, wird der Entschädigungsbetrag nach dem in Goldfranken umgerechneten handelsüblichen Preis für Waren derselben Art am Ort und zur Zeit der Einlieferung des Wertpaketes berechnet; in Ermangelung eines handelsüblichen Preises wird der Entschädigungsbetrag auf derselben Grundlage nach dem geschätzten gewöhnlichen Wert der Ware berechnet.

4. Wenn für Verlust, Beraubung oder vollständige Beschädigung eines Wertpaketes Ersatz zu leisten ist, hat der Absender auch Anspruch auf Erstattung der entrichteten Gebühren mit Ausnahme der Versicherungsgebühr.

5. Der Absender ist berechtigt, seine in Abschnitt 2 vorgesehenen Rechte an den Empfänger oder einen Dritten abzutreten. Bevor der Entschädigungsbetrag ausgezahlt wird, muß derjenige der den Anspruch geltend macht, einen befriedigenden schriftlichen Beweis für eine solche Abtretung vorweisen.

Artikel 26. Nichthaftung der Postverwaltungen für Wertpakete

1. Die Verwaltungen haften nicht für Wertpakete, die sie entsprechend ihren innerstaatlichen Vorschriften für gleichartige Sendungen ausgehändigt haben. Die Haftung bleibt jedoch bestehen:
   a) wenn eine Beraubung oder eine Beschädigung entweder vor oder bei der Aushändigung eines Wertpaketes festgestellt wird, oder wenn, soweit dies nach den innerstaatlichen Vorschriften gestattet ist, der Empfänger oder, im Falle der Rücksendung an den Einlieferungsort, der Absender bei der Aushändigung eines beraubten oder beschädigten Wertpaketes Vorbehalte macht oder
   b) wenn der Empfänger oder im Fall der Rücksendung an den Einlieferungsort der Absender ungeachtet ordnungsgemäß gegebener Empfangsbestätigung der Verwaltung, die ihm das Paket ausgehändigt hat, unverzüglich mitteilt, daß er eine Beraubung oder einen Schaden festgestellt hat und der Verwaltung zufriedenstellend nachweist, daß die Beraubung oder die Beschädigung nicht nach der Aushändigung geschehen ist.
2. Die Verwaltungen haften nicht:
   a) für Verlust, Beraubung oder Beschädigung eines Wertpaketes:
      (i) im Falle höherer Gewalt. Die Verwaltung, in deren Dienst der Verlust, die Beraubung oder die Beschädigung eingetreten ist, entscheidet nach der Gesetzgebung ihres Landes, ob der Verlust, die Beraubung oder die Beschädigung auf Umstände zurückzuführen ist, die einen Fall höherer Gewalt darstellen; diese Umstände werden der Einlieferungsverwaltung zur Kenntnis gebracht, wenn diese es verlangt. Die Haftung

bleibt jedoch für die Einlieferungsverwaltung bestehen, die gemäß Artikel 6, Abschnitt 2, die Haftung für Schäden aus Fällen höherer Gewalt übernommen hat;

(ii) wenn, sofern der Nachweis ihrer Haftung nicht anderweitig erbracht worden ist, eine Verwaltung infolge der Vernichtung der Dienstpapiere aufgrund höherer Gewalt über den Verbleib eines Paketes keine Rechenschaft ablegen kann;

(iii) wenn der Schaden durch einen Fehler oder die Nachlässigkeit des Absenders verursacht worden ist oder aus der Natur des Paketinhalts herrührt;

(iv) für ein Paket, das in betrügerischer Weise mit einem höheren als dem wirklichen Wert des Inhalts versichert worden ist;

(v) wenn der Absender innerhalb der in Artikel 24, Abschnitt 2, vorgesehenen Frist keine Nachfrage gehalten hat;

b) für ein entsprechend der Gesetzgebung des Bestimmungslandes beschlagnahmtes Paket, von der die Einlieferungsverwaltung gemäß Artikel 10, Abschnitt 2, unterrichtet worden ist.

c) für ein von der zuständigen Behörde beschlagnahmtes oder vernichtetes Paket, dessen Inhalt unter ein oder mehrere der in Artikel 10, Abschnitt 1 a) und c) bis f) genannten Verbote fällt;

d) im Fall der Beförderung auf dem See- oder Luftwege, wenn die Verwaltungen bekanntgegeben haben, daß sie nicht in der Lage sind, die Haftung für Wertpakete an Bord der von ihnen benutzten Schiffe oder Flugzeuge zu übernehmen.

3. Jede Verwaltung ist nicht haftbar für den Verlust, die Beraubung oder die Beschädigung von Transitpaketen, wenn sie Transitdienste für Wertpakete bereitstellt, die bei der anderen Verwaltung eingeliefert werden oder für sie bestimmt sind. Die Verwaltungen können jedoch im gemeinsamen Einvernehmen auf dem Schriftwege die Haftung für solche Pakete anerkennen.

4. Die Haftung für Wertpakete, die durch die Bestimmungsverwaltung auf Verlangen des Absenders oder Empfängers nach einem dritten Land weitergeleitet werden, ist auf den vom dritten Land wiedererlangbaren Entschädigungsbetrag begrenzt.

5. Die Postverwaltungen übernehmen keine Haftung für Zollinialtserklärungen, gleichgültig, in welcher Form diese ausgefertigt sind, und für Entscheidungen, die von den Zollbehörden bei der Prüfung der zollpflichtigen Pakete getroffen werden.

Artikel 27. Festlegung der Haftung zwischen den Verwaltungen

1. Bis zum Beweis des Gegenteils haftet die Verwaltung, die - nachdem sie ein Wertpaket ohne Vorbehalte übernommen hat und in Besitz aller vorschriftsmäßigen Nachforschungsunterlagen ist - weder die Aushändigung an den Empfänger noch gegebenenfalls die ordnungsgemäße Weiterleitung an eine andere Verwaltung nachweisen kann.

2. Wenn der Verlust, die Beraubung oder die Beschädigung im Verlaufe der Beförderung eingetreten ist ohne feststellen zu können, in wessen Territorium oder bei wessen Dienst es geschah, teilen sich die Verwaltung die Zahlung des Ersatzbetrages zu gleichen Teilen.

3. Wenn die Beraubung oder die Beschädigung von der Bestimmungsverwaltung bei einer sofort nach dem Eintreffen des Paketes vorgenommenen Überprüfung entdeckt wird, haftet die Einlieferungsverwaltung dafür, sofern nicht eine Transitverwaltung haftbar zu machen ist.

4. Wenn der Verlust, die Beraubung oder die Beschädigung eines Wertpaketes auf dem Territorium oder im Dienst einer Vermittlungsverwaltung eingetreten ist, die Wertpakete nicht zuläßt oder die einen Höchstbetrag der Wertangabe angenommen hat, der geringer ist als der Betrag des Verlustes, trägt die Einlieferungsverwaltung den durch die Vermittlungsverwaltung nicht gedeckten Verlust.

5. Die Verwaltung, die die Entschädigung gezahlt hat, tritt bis zur Höhe des Entschädigungsbetrages in die Rechte des Entschädigten, der die Entschädigung erhalten hat, gegen den Empfänger, den Absender oder gegen Dritte ein.

Artikel 28. Zahlung der Entschädigung

1. Vorbehaltlich des Rechts auf Rückgriff gegen die haftende Verwaltung ist entweder die Einlieferungsverwaltung oder in dem im Artikel 25, Abschnitt 5, genannten Fall die Bestimmungsverwaltung zur Zahlung der Entschädigung und zur Erstattung der Gebühren und Abgaben verpflichtet.

2. Diese Zahlung soll möglichst bald und spätestens innerhalb von sechs Monaten, vom Tage nach der Nachfrage an gerechnet, geleistet werden.

3. Wenn die Verwaltung, die für die Zahlung verantwortlich ist, für Schäden aus Fällen höherer Gewalt nicht haftet, und wenn bis zum Ablauf der in Abschnitt 2 vorgesehenen Frist die Frage, ob der Verlust, die Beraubung oder die Beschädigung auf einem derartigen Fall beruht, noch nicht entschieden ist, kann sie ausnahmsweise die Regelung der Entschädigung über diese Frist hinausschieben, jedoch darf der Aufschub sechs Monate zusätzlich nicht übersteigen.

4. Die Einlieferungsverwaltung oder gegebenenfalls die Bestimmungsverwaltung kann den Anspruchsberechtigten im Namen der anderen Verwaltung entschädigen, die, obwohl ordnungsgemäß darüber informiert, fünf Monate verstreichen ließ, ohne die Angelegenheit endgültig zu regeln oder ohne die Einlieferungs- oder gegebenenfalls die Bestimmungsverwaltung zu informieren, daß der Verlust, die Beraubung oder die Beschädigung auf einen Fall höherer Gewalt zu beruhen scheint.

Artikel 29. Erstattung des Ersatzbetrages an die Verwaltung, die die Entschädigung gezahlt hat

1. Die für die Zahlung verantwortliche Verwaltung oder die Verwaltung, in deren Namen die Zahlung geleistet wird, erstattet der Verwaltung, die die Zahlung geleistet hat, den tatsächlich an den Anspruchsberechtigten gezahlten Ersatzbetrag. Diese Zahlung muß innerhalb von vier Monaten, von der Absendung der Mitteilung über die Zahlung an gerechnet, geleistet werden.

2. Unmittelbar nach Zahlung des Ersatzbetrages muß die zahlende Verwaltung der haftenden Verwaltung Datum und Betrag der Zahlung mitteilen.

Artikel 30. Mögliche Wiedereinziehung des Ersatzbetrages vom Absender oder Empfänger

1. Wird nach Zahlung der Entschädigung ein Paket oder ein Teil des Paketes, das vorher als verloren angesehen wurde, wieder aufgefunden, so wird derjenige, an den die Entschädigung gezahlt wurde, darüber informiert. Er wird weiterhin darüber informiert, daß er das Paket innerhalb von drei Monaten gegen Erstattung des erhaltenen Ersatzbetrages in Empfang nehmen kann oder wenn der versicherte Inhalt des Paketes beschädigt ist, gegen Erstattung des Ersatzbetrages, der geringer ist als ein notwendiger Betrag zur Bezahlung erforderlicher Reparaturen.

2. Übernimmt der Absender oder Empfänger das Paket oder den wiederaufgefundenen Teil des Paketes gegen Rückzahlung des gesamten oder eines Teiles des Ersatzbetrages, so wird der Betrag der Verwaltung erstattet, die den Verlust getragen hat.

3. Verweigert der Entschädigte die Übernahme des Paketes, so geht dieses in das Eigentum der Verwaltung über, die den Verlust getragen hat.

Teil IV. Gebührenanteile, die den Verwaltungen zustehen

Artikel 31. Endgebührenanteile

1. Jede Verwaltung hat für ihren Austausch von Paketen durch Beförderungsmittel des Luft- und Erdweges das Recht, von der anderen Verwaltung einen Endgebührenanteil für die ihr bei der Beförderung auf dem Erdweg entstehenden Kosten, für die Behandlung und Zustellung der Pakete, die an Empfänger in ihrem Verantwortungsbereich gerichtet sind, zu erheben.

2. Der Endgebührenanteil wird in Form eines einfachen Gebührenanteils in Goldfranken pro Kilogramm festgelegt.

3. Der Endgebührenanteil wird angewandt auf das Bruttogewicht in Kilogramm aller an Empfänger innerhalb der Empfangsverwaltung gerichteten Pakete.

4. Der Endgebührenanteil wird entsprechend Artikel 130 der Vollzugsordnung berechnet.

5. Zusätzlich zu dem oben vorgesehenen Endgebührenanteil kann der US-Postdienst eine zusätzliche Gebühr für Pakete erheben, die von der anderen Verwaltung empfangen wurden und in einem Auswechslungsamt eines der 48 angrenzenden Staaten der Vereinigten Staaten ankommen und auf dem Erdweg in Gebiete befördert werden, für die der US-Postdienst für die Bereitstellung des Paketdienstes außerhalb der 48 angrenzenden Staaten verantwortlich ist.

6. Der zusätzliche Endgebührenanteil wird in Goldfranken pro Kilogramm erhoben und trifft auf das Bruttogewicht in Kilogramm für alle empfangenen Pakete zu, die für solche Gebiete bestimmt sind.

Artikel 32. Landtransitgebührenanteile

1. Jede Verwaltung setzt entsprechend Artikel 131 der Vollzugsordnung einen Landtransitgebührenanteil für die Beförderung von Transitpaketen von der anderen Verwaltung auf dem Landwege fest.

2 Der Landtransitgebührenanteil wird festgelegt als Gebührenanteil je Kilogramm, anwendbar auf das Gesamtbruttogewicht derartiger Transitpakete jedes Kartenschlusses oder wird festgelegt als Gebührenanteil je Paket für jede der im Postpaketabkommen des Weltpostvereins genannten Gewichtsstufen. Diese Gebührenanteile werden in Goldfranken angegeben.

3 Der Landtransitgebührenanteil geht zu Lasten der Einlieferungsverwaltung.

Artikel 33 Seegebührenanteile

1. Jede Verwaltung setzt entsprechend Artikel 132 der Vollzugsordnung einen Seegebührenanteil für die Beförderung von Transitpaketen von der anderen Verwaltung auf dem Seewege fest.

2. Der Seegebührenanteil wird festgelegt als Gebührenanteil je Kilogramm, anwendbar auf das Gesamtbruttogewicht der Pakete, für die Seetransit bereitgestellt wird oder wird festgelegt als ein Gebührenanteil je Paket für jede der im Postpaketabkommen des Weltpostvereins genannten Gewichtsstufen. Diese Gebührenanteile werden in Goldfranken angegeben.

3 Der Seegebührenanteil geht zu Lasten der Einlieferungsverwaltung.

Artikel 34. Änderung der Endgebührenanteile, Landtransitgebührenanteile und Seegebührenanteile

1. Jede Verwaltung kann ihre nach Artikel 31, 32 und 33 festgesetzten End-, Landtransit- und Seegebührenanteile ändern, wenn eine solche Erhöhung infolge der Erhöhung der Kosten der Dienste erforderlich ist.

2. Um anwendbar zu sein, muß jede Änderung der Gebührenanteile.
   a) in Übereinstimmung mit den Bestimmungen erfolgen, die die Festsetzung der Gebührenanteile entsprechend Artikel 130 bis 132 der Vollzugsordnung regeln;
   b) der anderen Verwaltung mindestens drei Monate vorher mitgeteilt werden und
   c) mindestens 1 Jahr gelten

Artikel 35 Kosten für die Luftpostbeförderung

1. Jede Verwaltung hat Anspruch auf Erstattung der Kosten für die Luftpostbeförderung der durch die andere Verwaltung abgesandten Pakete und zwar auf den entsprechend den Bestimmungen des Postpaketabkommens der UPU, die die Kosten für die Luftpostbeförderung regeln, festgesetzten Gebührenanteil (zur Zeit entsprechend Artikel 52 des Postpaketabkommens von Lausanne)

2. Für Pakete von der anderen Verwaltung, die in einem Auswechslungsamt eines der 48 angrenzenden Staaten der Vereinigten Staaten von Amerika ankommen und auf dem Luftweg in Gebiete befördert werden, für die der US-Postdienst für die Bereitstellung von Postpaketdiensten außerhalb der 48 angrenzenden Staaten verantwortlich ist, kann der US-Postdienst von der anderen Verwaltung zusätzliche Kosten für die Luftpostbeförderung auf der Grundlage der tatsächlichen zusätzlichen Entfernung der Luftpostbeförderung in solche Gebiete erheben und zwar zu einem entsprechend den Bestimmungen des Postpaketabkommens der UPU, die die Kosten für die Luftpostbeförderung regeln, festgesetzten Kostensatz (zur Zeit entsprechend Artikel 52 des Postpaketabkommens von Lausanne)

Teil V Verschiedene Bestimmungen

Artikel 36. Anwendung des Vertragswerkes der UPU

Die Verfassung der UPU, die Allgemeine Verfahrensordnung sowie der Weltpostvertrag und dessen Vollzugsordnung sind gegebenenfalls sinngemäß in allen Fällen, die nicht ausdrücklich durch dieses Abkommen oder seine Vollzugsordnung geregelt sind, anwendbar.

Artikel 37 Transitpakete

1. Jede Verwaltung stellt für Pakete, die an die andere Verwaltung gerichtet sind oder bei der anderen Verwaltung eingeliefert werden, Transitdienst nach oder von jedem Land bereit, mit dem sie Pakete austauscht.

2. Jede Verwaltung stellt ein Verzeichnis der Länder bereit, für die Transitdienst bereitgestellt wird.

Artikel 38. Zusätzliche Gebührenanteile, Gebühren und Abgaben

Die Verwaltungen dürfen nur die in diesem Abkommen vorgesehenen Gebührenanteile, Gebühren und Abgaben erheben.

Artikel 39 Zeitweilige Einstellung des Dienstes

Sollten es außergewöhnliche Umstände rechtfertigen, kann jede Verwaltung zeitweilig ihren Betrieb für den Postpaketdienst einstellen, vorausgesetzt, die andere Verwaltung wird umgehend über die Einstellung in Kenntnis gesetzt.

Artikel 40. Vollzugsordnung

1. Einzelheiten der Durchführung dieses Abkommens werden durch die Vollzugsordnung geregelt, die diesem Abkommen beigefügt ist.

2. Die Bestimmungen der Vollzugsordnung können im gemeinsamen Einvernehmen der Verwaltungen auf dem Schriftwege ergänzt werden.

Artikel 41. Sprachen

Die Verwaltungen und deren nachgeordneten Dienststellen bedienen sich im gegenseitigen Schriftwechsel der englischen oder deutschen Sprache.

Der Schriftwechsel von den Vereinigten Staaten von Amerika nach der Deutschen Demokratischen Republik wird in Englisch und der Schriftwechsel von der Deutschen Demokratischen Republik nach den Vereinigten Staaten von Amerika wird in Deutsch geführt.

Artikel 42. Zusätzliche Vorschriften und Bestimmungen

Beide Verwaltungen sind berechtigt, innerstaatliche Durchführungsbestimmungen und -vorschriften für die Durchführung des Postpaketverkehrs zwischen den Vereinigten Staaten von Amerika und der Deutschen Demokratischen Republik, die mit dem Abkommen und seiner Vollzugsordnung vereinbar sind, einzuführen.

Teil VI. Schlußbestimmungen

Artikel 43 Inkrafttreten und Dauer des Abkommens

1. Die Bestimmungen dieses Abkommens werden mit dem Tage der Unterzeichnung durch die bevollmächtigten Vertreter beider Verwaltungen vorläufig angewendet.

2. Das Abkommen tritt an dem Tage des Austausches von Schriftwechsel über die erfolgte Ratifizierung oder Bestätigung in Kraft.

3. Das Abkommen endet sechs Monate nach dem Tage, an dem eine der Verwaltungen der anderen Verwaltung die Kündigung übermittelt hat.

Ausgefertigt in zwei Exemplaren in englischer und deutscher Sprache, wobei beide Ausfertigungen gleichermaßen gültig sind und unterzeichnet in am

Für die Vereinigten Staaten von Amerika

Postmaster General

Für das Ministerium für Post- und Fernmeldewesen der Deutschen Demokratischen Republik

Ausserordentlicher und Bevollmaechtigter Botschafter der Deutschen Demokratischen Republik in den Vereinigten Staaten von Amerika

Vollzugsordnung zum Postpaketabkommen zwischen dem Postdienst der Vereinigten Staaten von Amerika und dem Ministerium für Post- und Fernmeldewesen der Deutschen Demokratischen Republik

Präambel

Die Unterzeichneten haben kraft der ihnen übertragenen Vollmacht die folgende Vollzugsordnung für die Realisierung des Postpaketabkommens zwischen dem Postdienst der Vereinigten Staaten von Amerika und dem Ministerium für Post- und Fernmeldewesen der Deutschen Demokratischen Republik ausgearbeitet.

Kapitel I. Einleitende Bestimmungen

Artikel 101 Informationen, die von den Verwaltungen zu liefern sind

1 Jede Verwaltung übermittelt der anderen Verwaltung schriftlich:

a) die notwendigen Informationen über Zollvorschriften und andere Vorschriften sowie Verbote beziehungsweise Beschränkungen, denen die Einfuhr und der Transit von Paketen auf dem Territorium ihres Landes und anderer Gebiete, für die sie die Verantwortung für den Postpaketverkehr ausübt, unterliegt;

b) einen Auszug aus den Bestimmungen ihrer Gesetze beziehungsweise Verordnungen, über die Beförderung von Paketen;

c) die laut Artikel 3 des Abkommens zulässigen Gebühren und

d) die gemäß Artikel 31 bis 35 des Abkommens festgelegten Gebühren und Abgaben.

2. Alle Veränderungen der in Abschnitt 1 genannten Informationen werden der anderen Verwaltung unverzüglich schriftlich mitgeteilt.

Kapitel II Behandlung der Pakete beim Einlieferungsamt; Allgemeine Zulassungs- und Einlieferungsbestimmungen

Artikel 102. Anschrift des Absenders und des Empfängers

1 Um zum Versand zugelassen zu werden, ist jedes Paket mit den vollständigen Anschriften des Empfängers und Absenders in lateinischen Buchstaben und arabischen Ziffern entweder auf dem Paket selbst oder einer haltbar daran befestigten Fahne zu versehen. Mit Bleistift geschriebene Anschriften sind nicht zugelassen.

2. Das Einlieferungsamt soll dem Absender empfehlen, in jedes Paket ein Doppel seiner Anschrift und der des Empfängers zu legen.

Artikel 103. Allgemeine Verpackungsbedingungen

1 Jedes Paket ist in einer dem Gewicht, der Form und Art des Inhaltes sowie der Art und Dauer der Beförderung entsprechenden Weise zu verpacken und zu verschließen.

2. Jedes Paket ist so zu verpacken und zu verschließen, daß jede Gefahr ausgeschlossen ist, wenn es Gegenstände enthält, die die mit der Behandlung betrauten Postangestellten verletzen beziehungsweise andere Pakete oder Posteinrichtungen beschmutzen oder beschädigen könnten.

3. Jedes Paket muß auf seiner Verpackung oder Umhüllung genügend Platz für dienstliche Vermerke und zum Anbringen der Marken und Klebezettel bieten.

Artikel 104. Besondere Verpackung

Jedes Paket, das einen der folgenden Stoffe enthält, ist wie nachfolgend angegeben, zu verpacken:

(a) Gegenstände aus Glas oder andere zerbrechliche Gegenstände sind mit elastischem Material zu umgeben, das Erschütterungen und Vibrationen, die während des Transports entstehen, aufnehmen und verteilen und Berührungen der Gegenstände untereinander beziehungsweise der Gegenstände mit den Behälterseiten verhindern kann. Sie sind in einen Behälter aus Metall, Holz, starker Plaste beziehungsweise starken Faserplatten zu verpacken. Das Verpackungsmaterial, das die Gegenstände unmittelbar umgibt, muß weiches, lockeres Material, wie Baumwolle beziehungsweise Schaumgummi sein, mit dichterem Verpackungsmaterial mit besserer Struktur, wie Spritzguß-wellfaserplatten, gummiertem Haar oder Styrolschaum, das die Gegenstände mindestens 5 cm von jeder Behälterseite entfernt hält.

(b) Flüssigkeiten und leicht schmelzbare Stoffe sind in einen Doppelbehälter zu verpacken. Der innere Behälter muß eine Flasche, ein Kolben oder ein anderer völlig dichter Behälter sein. Der äußere Behälter muß ein Spezialbehälter aus Metall, Holz, fester Plaste beziehungsweise festen Wellfaserplatten mit einem ausreichenden Gehalt an Sägemehl, Baumwolle beziehungsweise einem anderen geeigneten Schutzmaterial sein, um beim Bruch des inneren Behälters die Flüssigkeit aufsaugen zu können. Der Deckel des Behälters ist so zu befestigen, daß er sich nicht leicht lockern kann.

(c) Färbende trockene Pulver sind nur in völlig dichten Metallbehältern zugelassen, die ihrerseits in Behälter aus Holz, fester Plaste beziehungsweise starken Wellfaserplatten mit Sägemehl beziehungsweise einem anderen aufsaugenden und schützenden Stoff zwischen den beiden Behältern zu verpacken sind.

(d) Nichtfärbende trockene Pulver sind in Behälter aus Metall, starker Plaste beziehungsweise Faserplatten zu verpacken; diese Behälter sind wiederum in einen Behälter aus einem dieser Materialien zu verpacken.

(e) Radioaktive Stoffe sind in Paketen zu verpacken, deren Verpackung mit einem speziellen weißen Klebezettel mit der deutlichen Aufschrift "radioactive materials" beziehungsweise "matières radioactives" zu versehen ist, der von der Bestimmungsverwaltung durchzustreichen ist, wenn die Verpackung der Einlieferungsverwaltung zurückgesandt wird. Diese Pakete müssen auch auf der Verpackung in deutlicher Aufschrift die Bitte um Rücksendung bei Unzustellbarkeit enthalten. Der Absender muß auf der inneren Verpackung seinen Namen und die Anschrift sowie den Inhalt des Paketes angeben.

Artikel 105. Formalitäten, die vom Absender einzuhalten sind

1 Jedes Paket muß von einer Zollinhaltserklärung auf einem Formblatt C 2/CP 3 der UPU oder einem ähnlichen Formblatt begleitet sein. Die Zollinhaltserklärung ist haltbar am Paket zu befestigen.

2. Der Inhalt jedes Paketes ist detailliert auf der Zollinhaltserklärung anzugeben.

3. Obwohl die Verwaltungen für die Exaktheit der Zollinhaltserklärungen keine Verantwortung übernehmen, müssen sie die Absender über das richtige Ausfüllen dieser Erklärungen informieren.

4. Der Absender muß angeben, wie das Paket im Falle der Unzustellbarkeit gemäß Artikel 14 des Abkommens zu behandeln ist.

Artikel 106. Formalitäten, die vom Einlieferungsamt einzuhalten sind

Das Einlieferungsamt ist verantwortlich für die Angabe des Einlieferungsdatums auf jedem Paket oder der haltbar am Paket befestigten Paketkarte.

Artikel 107 Wertpakete

Jedes Wertpaket unterliegt bezüglich der Verpackung folgenden besonderen Vorschriften:

(a) das Paket ist ausreichend zu versiegeln, damit alle Spuren eines Betruges angezeigt werden;

(b) die für das Siegeln verwendeten Materialien sowie die Klebezettel und gegebenenfalls Postwertzeichen, die auf Wertpakete aufgeklebt werden, sind so anzubringen, daß sie Beschädigungen der Verpackung nicht verbergen. Die Klebezettel und Postwertzeichen dürfen nicht von der einen Seite der Verpackung auf die andere übergreifen und auf diese Weise den Rand verdecken;

(c) das Paket ist mit einem Stempelaufdruck beziehungsweise einem Klebezettel mit der Seriennummer des Paketes und der deutlichen Aufschrift "Insured" beziehungsweise "Valeur déclarée" zu versehen; der Stempelaufdruck ist auf dem Paket auf der gleichen Seite wie die Anschrift anzubringen und in ihrer Nähe;

(d) die Wertangabe hat in der Währung des Einlieferungslandes zu erfolgen und ist auf dem Paket in lateinischer Schrift und mit arabischen Ziffern zu vermerken;

(e) der Betrag der Wertangabe ist vom Einlieferungsamt in Goldfranken umzurechnen; das Ergebnis der Umrechnung ist in Zahlen neben oder unter der Wertangabe in der Währung des Einlieferungslandes anzugeben.

Artikel 108. Betrügerische Wertangabe

Wenn auf Grund irgendwelcher Umstände eine betrügerische Angabe eines höheren als des tatsächlichen Wertes des Inhaltes des Paketes entdeckt wird, so ist die Einlieferungsverwaltung davon umgehend in Kenntnis zu setzen.

Artikel 109 Andere Formalitäten

1. Jedes Luftpostpaket ist mit der Aufschrift "Air mail" beziehungsweise "par avion" zu versehen.

2. Jedes Wertpaket, für das der Absender einen Rückschein bei der Einlieferung verlangt, ist sehr deutlich mit dem Vermerk"advice of delivery", "Avis de réception", "return receipt requested" beziehungsweise dem Stempelaufdruck "A.R." zu versehen. Das Einlieferungsamt füllt ein Formblatt C 5 der UPU oder ein ähnliches Formblatt aus, das jeweils das Wertpaket begleitet.

Artikel 110. Zurückziehung; Anschriftsänderung

1. Ein Antrag auf Anschriftsänderung beziehungsweise Zurückziehung eines Paketes ist in Übereinstimmung mit den Bestimmungen für Zurückziehung und Anschriftsänderung der Vollzugsordnung des Vertrages zu behandeln (gegenwärtig in den Artikeln 140 und 141 der Vollzugsordnung des Vertrages von Lausanne festgelegt)

2. Jedes telegraphische Verlangen auf Anschriftsänderung eines Wertpaketes ist auf dem Postwege durch den nächstmöglichen Kartenschluß zu bestätigen. Der Bestätigungsantrag ist nach dem Muster eines Formblattes C 7 der UPU oder ein ähnliches Formblatt, das für die Beantragung einer Anschriftsänderung einer Briefpostsendung verwendet wird, zu stellen; er hat mit einem Farbstift unterstrichen den Vermerk "Confirmation of the telegraphic request of the . " beziehungsweise "Confirmation de la demande télégraphique du ..." zu enthalten, ihm ist eine vollständige Nachbildung des Umschlages beziehungsweise der Umhüllung oder der Anschrift der Sendung beizulegen.

Kapitel III Behandlung der Pakete durch die Auswechslungsämter

Artikel 111 Leitung der Transitpakete

Jede Verwaltung befördert auf dem Wege und mit den Mitteln, die sie für ihre eigenen Pakete einsetzt, Pakete, die ihr durch eine andere Verwaltung zum Transit durch ihr Gebiet übermittelt werden.

Artikel 112. Auswechslungsämter; Methode der Weiterleitung

1. Der Austausch von Paketkartenschlüssen ist von den von jeder Verwaltung benannten Auswechslungsämtern durchzuführen.

2. Jede Verwaltung benennt Auswechslungsämter für diesen Dienst und teilt der anderen Verwaltung den Ort des jeweiligen Auswechslungsamtes mit.

3. Jede Verwaltung informiert die andere Verwaltung mindestens drei Monate vorher schriftlich über Umbenennungen von Auswechslungsämtern oder Neueinrichtungen.

4. Pakete sind ausschließlich in verschlossenen Kartenschlüssen auszutauschen.

5. Transitpakete sind in verschlossenen Kartenschlüssen weiterzuleiten, wenn die Verwaltungen keinen Paketaustausch im offenen Transit vereinbaren.

Artikel 113. Frachtkarten

1 Für jeden Paketkartenschluß, der auf dem Erdweg zu versenden ist, ist vom Abgangs-Auswechslungsamt auf einer Frachtkarte nach dem Muster des Formblattes CP 11 der UPU oder in ähnlicher Form das Gesamtnettogewicht in Kilogramm einzutragen. Für Luftpostpakete hat das Abgangs-Auswechslungsamt die gleichen Angaben auf einem Formblatt CP 20 der UPU "Luftfrachtkarte" oder in ähnlicher Form zu machen.

2. Wertpakete sind auf einer gesonderten Frachtkarte einzutragen.

3. Zurückgesandte Pakete können auf einer gesonderten Frachtkarte eingetragen werden.

4. Jede Frachtkarte ist von jedem Abgangs-Auswechslungsamt entsprechend einer jährlichen Nummernreihe zu numerieren; die letzte Nummer eines Jahres ist auf der ersten Frachtkarte des nächsten Jahres anzugeben. Im Falle der Beförderung auf dem See- oder Luftwege ist der Name des Schiffes oder der Fluggesellschaft auf der Frachtkarte anzugeben, die die Post befördern.

5. Jedes Wertpaket, zurückgesandte, im offenen Transit versandte oder weitergeleitete Paket ist einzeln in die Frachtkarte einzutragen. Jedes Wertpaket ist mit der Werteinlieferungsnummer einzutragen. Die Eintragung jedes weitergeleiteten beziehungsweise zurückgesandten Paketes hat den Vermerk "redirected" beziehungsweise "rêexpédié" beziehungsweise "returned" oder "retour" in der Spalte "Bemerkungen" zu enthalten. Jedes voll vorausbezahlte, weitergeleitete Paket ist so zu registrieren, als ob es von der weiterleitenden Verwaltung ausgeht.

6. Die Einlieferungsverwaltung bereitet für verschlossene Kartenschlüsse, die durch die andere Verwaltung im Transit zu versenden sind, eine Frachtkarte vor, die das Gesamtbruttogewicht der Transitpakete in Kilogramm angibt, wovon ein Doppel dem Eingangs-Auswechslungsamt dieser Verwaltung auf dem Luftwege zu übermitteln ist.

7 Die Anzahl der Beutel, die jeder Kartenschluß enthält, ist in der Frachtkarte anzugeben.

Artikel 114. Beförderung in verschlossenen Kartenschlüssen

1 Bei der üblicherweise erfolgenden Beförderung in verschlossenen Kartenschlüssen sind die Beutel in der für Briefbeutel in den Bestimmungen für die Fertigung und Bezeichnung der Kartenschlüsse in der Vollzugsordnung des Vertrages (gegenwärtig in Artikel 149, Absatz 3 und 4 und Artikel 155, Absatz 1, 6 und 7 der Vollzugsordnung des Vertrages von Lausanne) vorgeschriebenen Weise zu kennzeichnen, zu verschließen und mit einer Fahne zu versehen, vorbehaltlich der nachfolgenden Sonderbestimmungen:

(a) die Fahnen müssen ockergelbe Farbe haben;

(b) für andere Behälter als Beutel können andere besondere Verschlußarten angewendet werden, vorausgesetzt, daß der Inhalt ausreichend geschützt ist und

(c) die Fahne beziehungsweise Anschrift eines verschlossenen Beutels, der Luftpostpakete enthält, muß den Vermerk "air mail" oder "par avion" tragen.

2. Im allgemeinen sind Wertpakete in besonderen Beuteln zu versenden. Werden einfache Pakete und Wertpakete im gleichen Beutel versandt, so sind die Wertpakete in einen entsprechend versiegelten inneren Beutel zu legen. Jeder Beutel, der Wertpakete, entweder ausschließlich oder zusammen mit einfachen Paketen enthält, ist mit dem Buchstaben "V" zu kennzeichnen.

3. Das Gewicht jedes Beutels, der Pakete enthält, darf nicht mehr als 30 Kilogramm betragen.

4. Jede Verwaltung informiert die andere Verwaltung brieflich über die Anzahl der Doppel der Frachtkarte und die Beförderungsart, die von ihrem Dienst gefordert werden.

5. Für den Transport können die Paketbeutel in große Container gelegt werden. Über die Aufnahme des Austausches von Containern verständigen sich die Verwaltungen mindestens drei Monate vor dem beabsichtigten Zeitpunkt.

Artikel 115 Übergabe der Kartenschlüsse

1. Alle Kartenschlüsse des Erdweges müssen von einer Übergabenachweisung auf einem Formblatt C 18 der UPU oder ein ähnliches Formblatt begleitet sein.

2. Alle Kartenschlüsse sind in gutem Zustand zu übergeben. Ein Kartenschluß darf jedoch wegen Beschädigung oder Beraubung nicht zurückgewiesen werden.

3. Alle Luftpostkartenschlüsse müssen von einer Übergabenachweisung für Luftpostkartenschlüsse auf einem Formblatt AV 7 der UPU oder ein ähnliches Formblatt in Übereinstimmung mit den für Übergabenachweisungen AV 7 geltenden Bestimmungen in der Vollzugsordnung des Vertrages (gegenwärtig in Artikel 188 der Vollzugsordnung des Vertrages von Lausanne festgelegt) begleitet sein.

rtikel 116. Prüfung der Kartenschlüsse durch die Auswechslungsämter

1. Jedes Auswechslungsamt prüft sofort nach Eingang eines Kartenschlusses jeden Beutel und seinen Verschluß. Es prüft auch den Abgangs- und Bestimmungsort der Beutel, des Kartenschlusses, die auf der Übergabenachweisung eingetragen sind und die Pakete und verschiedenen Begleitpapiere.

2. Wenn ein Beutel mit Wertpaketen geöffnet wird, sind die Bestandteile des Verschlusses (Siegel, Fahne usw.) zusammen aufzubewahren.

3. Wenn eine Verwaltung, die als Vermittler für die andere auftritt, einen Kartenschluß neu zu verpacken hat, hat sie den Inhalt zu prüfen, wenn sie glaubt, daß er nicht unversehrt geblieben ist. Sie fertigt eine Meldung auf einem Formblatt CP 13 der UPU oder ein ähnliches Formblatt aus. Eine Durchschrift dieser Meldung ist dem Auswechslungsamt zu übermitteln, von dem der Kartenschluß eingegangen ist. Eine Durchschrift ist dem Einlieferungsamt zu übermitteln und eine Durchschrift ist in den neu verpackten Kartenschluß einzulegen. Die Meldung ist auch für Mitteilungen über den Verlust eines Kartenschlusses oder eines oder mehrerer Beutel, die er enthält, oder andere Unregelmäßigkeiten zu verwenden.

4. Wenn das Bestimmungs-Auswechslungsamt einen Fehler oder eine Auslassung in der Frachtkarte entdeckt, nimmt es sofort die notwendige Berichtigung vor, wobei es darauf achtet, daß die falsche Eintragung so durchgestrichen wird, daß die ursprüngliche Eintragung leserlich bleibt. Die Berichtigung ist im Beisein von zwei Postangestellten vorzunehmen. Sie gilt vor der ursprünglichen Eintragung, wenn sie keinen offensichtlichen Fehler aufweist. Das Auswechslungsamt hat auch eine Routineprüfung durchzuführen, wenn ein Beutel beziehungsweise sein Verschluß zu der Vermutung Anlaß gibt, daß der Inhalt nicht unversehrt geblieben ist beziehungsweise eine andere Unregelmäßigkeit aufgetreten ist. Die festgestellten Unregelmäßigkeiten sowie der Verlust eines Kartenschlusses beziehungsweise eines oder mehrerer zugehöriger Beutel oder der Verlust einer Frachtkarte ist dem Abgangs-Auswechslungsamt unverzüglich durch eine doppelt auszufertigende Meldung zur Kenntnis zu geben. Ist der Kartenschluß von einem Transit-Auswechslungsamt eingegangen, so ist auch diesem Auswechslungsamt eine Durchschrift dieser Meldung zu übermitteln. Fehlt eine Frachtkarte, so fertigt das Eingangs-Auswechslungsamt zusätzlich eine neue Frachtkarte aus, wovon ein Doppel dem Einlieferungs-Auswechslungsamt und dem Transit-Auswechslungsamt, von dem der Kartenschluß eingegangen ist, übermittelt wird.

5. Die Meldungen und die Doppel sind auf dem schnellsten Wege als Einschreiben zu versenden. Wenn ein Eingangs-Auswechslungsamt mit dem nächstmöglichen Kartenschluß keine Meldung abgesandt hat, wird bis zum Beweis des Gegenteils angenommen, daß die Beutel oder Pakete in gutem Zustand erhalten wurden.

6. Das Auswechslungsamt, dem eine Meldung übermittelt wurde, hat sie nach Prüfung und gegebenenfalls Eintragung seiner Bemerkungen so bald als möglich zurückzusenden. Die Meldung ist der Frachtkarte, auf die sie sich bezieht, als Anlage beizufügen. Eine auf einer Frachtkarte vorgenommene Berichtigung, die nicht durch schriftliche Beweisstücke belegt wird, wird nicht als gültig betrachtet.

7 Die Entdeckung von Unregelmäßigkeiten bei einer Prüfung kann keinesfalls der Grund für die Rücksendung eines Paketes an das Einlieferungsamt sein. Ausgenommen sind Pakete, die die in Artikel 11 des Abkommens festgelegten Grenzen für das Gewicht beziehungsweise die Ausmaße überschreiten, die an das Einlieferungsamt zurückgeschickt werden können, wenn das in den Vorschriften der Bestimmungsverwaltung festgelegt ist.

Artikel 117 Unterschiede in den Gewichtsangaben von Paketen beziehungsweise Kartenschlüssen

Wenn eine Verwaltung einen Unterschied des Gewichtes eines Paketes oder eines Kartenschlusses feststellt, das auf einer Frachtkarte eingetragen ist, die von der anderen Verwaltung eingegangen ist, so hat das von der Empfangsverwaltung korrigierte Gewicht Gültigkeit.

Artikel 118. Meldung von Unregelmäßigkeiten, für die die Verwaltungen verantwortlich sind

Ein Auswechslungsamt, das beim Eingang eines Kartenschlusses das Fehlen, die Beraubung beziehungsweise die Beschädigung von einem oder mehreren Paketen feststellt, verfährt wie folgt:

(a) Es legt so eingehend wie möglich den Zustand, in dem die äußere Verpackung des Kartenschlusses vorgefunden wurde, auf der Meldung dar. Wenn das aus einem bestimmten Grund nicht möglich ist, werden der Beutel, der Bindfaden, die Plombe oder ein anderes Siegel und die Fahne vom Zeitpunkt der Prüfung an sechs Wochen lang unberührt aufbewahrt und auf Wunsch an die Einlieferungsverwaltung zurückgesandt.

(b) Außerdem übermittelt das Auwechslungsamt dem letzten Transit-Auswechslungsamt zur gleichen Zeit wie dem Abgangs-Auswechslungsamt ein Doppel der Meldung.

Artikel 119 Erhalt eines beschädigten oder unzureichend verpackten Paketes durch ein Auswechslungsamt

1. Ein Auswechslungsamt, in dem ein beschädigtes beziehungsweise unzureichend verpacktes Paket eingeht, leitet es weiter, nachdem es gegebenenfalls neu verpackt wurde, wobei die Originalverpackung, die Anschrift und die Klebezettel weitgehend erhalten werden sollten. Das Gewicht des Paketes vor und nach seiner Neuverpackung wird auf der eigentlichen Verpackung des Paketes angegeben, gefolgt von dem Vermerk "Repacked at " beziehungsweise "Remballé à " Das Paket wird mit dem Tagesstempel des Auswechslungsamtes, das die Neuverpackung vorgenommen hat, gestempelt und von den Postangestellten abgezeichnet, die die Neuverpackung durchgeführt haben.

2. Ist der Zustand eines Paketes so, daß der Inhalt herausgenommen oder beschädigt sein könnte beziehungsweise zeigt ein Paket einen Gewichtsunterschied an, der vermuten läßt, daß der Inhalt teilweise oder ganz herausgenommen wurde, so öffnet es das Empfangs-Auswechslungsamt und prüft seinen Inhalt. Das Ergebnis dieser Überprüfung wird dem Absende-Auswechslungsamt auf einem Formblatt CP 14 der UPU oder einem ähnlichen Formblatt mitgeteilt. Eine Kopie davon wird dem Paket beigefügt.

Artikel 120. Prüfung von Paketkartenschlüssen, die summarisch eingetragen versandt werden

1. Die Bestimmungen der Artikel 116, 118 und 119 gelten nur für beraubte und beschädigte Pakete und Pakete, die einzeln in den Frachtkarten eingetragen sind. Die anderen Pakete werden einfach summarisch geprüft.

2. Wenn ein Auswechslungsamt einen Unterschied zwischen der Anzahl der Wertpakete, die auf der Frachtkarte angegeben ist, und der Anzahl der Wertpakete feststellt, die in der Sendung vorgefunden wurde, wird eine Meldung zur Berichtigung der Gesamtzahl der Wertpakete ausgefertigt.

Artikel 121 Nachsendung eines fehlgeleiteten Paketes

1 Die nachsendende Verwaltung meldet alle fehlgeleiteten Pakete auf einer Meldung der Verwaltung, von der das Paket übersandt wurde.

2. Die nachsendende Verwaltung behandelt alle fehlgeleiteten Pakete, als ob sie im offenen Transit eingegangen wären. Sie schreibt der eigentlichen Bestimmungsverwaltung und gegebenenfalls der an der Nachsendung beteiligten Vermittlungsverwaltung die anteiligen Beförderungsgebühren gut. Die nachsendende Verwaltung versucht dann, die in Artikel 19, Absatz 5 des Abkommens festgelegten Gebühren für die Nachsendung fehlgeleiteter Pakete von der Verwaltung einzuziehen, die das Paket fehlgeleitet hat. Wenn die nachsendende Verwaltung aus einem bestimmten Grunde nicht in der Lage ist, diese Gebühren von der Verwaltung, die das Paket fehlgeleitet hat, einzuziehen, so zieht sie sie von der Einlieferungsverwaltung ein.

Artikel 122. Rücksendung der leeren Beutel

1 Jede Verwaltung liefert die für den Versand ihrer Pakete notwendigen Beutel. Jeder Beutel ist mit dem Zeichen des Eigentümers zu kennzeichnen.

2. Leere Beutel werden in Bunden, die in einem Behälter verschlossen werden, an die Verwaltung mit der nächsten Post und nach Möglichkeit auf dem Leitweg, auf dem sie ursprünglich übersandt wurden, zurückgesandt.

3. Leere Beutel werden stets kostenlos zurückgesandt.

4. Anderenfalls hat die Rücksendung leerer Beutel nach den Bestimmungen für die Rücksendung der leeren Beutel in der Vollzugsordnung des Vertrages (gegenwärtig in Artikel 161 der Vollzugsordnung des Vertrages von Lausanne festgelegt) zu erfolgen.

Abschnitt IV Behandlung der Pakete durch das Bestimmungsamt

Artikel 123. Vorbehalte bei Aushändigung eines beraubten oder beschädigten Paketes

1. In den in Artikel 26, Absatz 1 (a) des Abkommens festgelegten Fällen hat das Bestimmungsamt eine Verhandlungsschrift über das Ergebnis der gemeinsamen Prüfung unter Verwendung des Formblatts CP 14 der UPU oder eines ähnlichen Formblattes aufzustellen und läßt sie vom Empfänger gegenzeichnen. Eine Abschrift der Verhandlungsschrift ist dem Empfänger auszuhändigen, oder wenn das Paket verweigert oder nachgesandt wird, dem Paket beizulegen. Eine Abschrift wird von der Verwaltung aufbewahrt, die die Verhandlungsschrift aufgenommen hat.

2. Ein Paket, das der in Absatz 1 dargelegten Behandlung unterzogen wird, ist an den Absender zurückzusenden, wenn sich der Empfänger weigert, die Verhandlungsschrift gegenzuzeichnen.

Artikel 124. Behandlung eines Rückscheines nach Aushändigung eines Wertpaketes mit Rückschein

Das Bestimmungsamt sendet sofort nach Aushändigung eines Paketes mit Rückschein das Formblatt C 5 der UPU oder ein ähnliches Formblatt, das das Paket begleitet hat, vorschriftsmäßig ausgefüllt an die vom Absender angegebene Anschrift auf schnellstem Wege und für den Absender gebührenfrei zurück. Rückscheine, die auf dem Luftweg zurückgesandt werden, sind mit einem blauen Luftpostklebezettel oder einem Stempelaufdruck zu versehen.

Artikel 125. Rücksendung von Paketen an den Einlieferungsort

1. Ein Amt, das ein Paket aus irgendeinem Grunde zurücksendet, gibt den Grund für die Unzustellbarkeit handschriftlich oder durch einen Stempelaufdruck oder einen Klebezettel auf dem Paket und der Paketkarte an. Der Grund wird auf Französisch oder Englisch und in klarer und präziser Form angegeben, wie: "not known" oder "inconnu", "refused" oder "refusé","traveling" oder "en voyage", "gone away" oder "parti", "unclaimed" oder "non reclamé", "deceased" oder "décédé" usw.

2. Das Bestimmungsamt streicht die betreffenden Angaben zur Anschrift aus und vermerkt "Return" oder "Retour" auf der Aufschriftseite jedes derartigen Paketes. Es bringt außerdem neben dem Vermerk "Return" oder "Retour" einen Abdruck seines Tagesstempels an.

3. Ein Paket ist in seiner Originalverpackung mit der ursprünglichen Zollinhaltserklärung zurückzusenden. Wenn ein Paket aus irgendeinem Grunde neu zu verpacken ist, ist der Name des Einlieferungsamtes des Paketes und das Datum seiner Einlieferung auf der neuen Verpackung anzugeben.

4. Wird ein Luftpostpaket auf dem Erdwege zurückgesandt, so sind der Klebezettel "Air mail" oder "par avion" und alle Vermerke, die sich auf die Beförderung auf dem Luftweg beziehen, mit zwei dicken Querstrichen durchzustreichen.

Artikel 126. Behandlung von Anträgen auf Zurückziehung oder Anschriftsänderung

Bei Erhalt eines Antrages auf Zurückziehung beziehungsweise Anschriftsänderung forscht die Bestimmungsverwaltung nach dem betreffenden Paket und gibt nach Möglichkeit dem Antrag statt.

Artikel 127 Verkauf; Vernichtung

1 Ist ein Paket nach den Bestimmungen von Artikel 22 des Abkommens verkauft oder vernichtet worden, so wird eine Verhandlungsschrift über den Verkauf oder die Vernichtung aufgenommen. Eine Kopie der Verhandlungsschrift wird dem Einlieferungsamt übermittelt.

2. Der Verkaufserlös wird für die Deckung der auf dem Paket lastenden und der bei seinem Verkauf angefallenen Kosten verwendet. Der verbliebene Überschuß wird dem Einlieferungsamt übermittelt, das ihn nach Abzug der Kosten für die Überweisung dem Absender zurückerstattet.

Abschnitt V Nachfragen

Artikel 128. Behandlung der Nachfragen

Alle Nachfragen nach einem Paket sind entsprechend den in der Vollzugsordnung des Vertrages festgelegten Bestimmungen für Nachfragen (gegenwärtig in Artikel 143. der Vollzugsordnung des Vertrages von Lausanne festgelegt) zu behandeln.

Artikel 129 Nachfragen nach einem noch nicht eingegangenen Rückschein

Wenn ein Absender nach einem Rückschein nachfragt, den er innerhalb einer angemessenen Zeit nicht erhalten hat, ist die Nachfrage entsprechend den für Rückscheine geltenden Bestimmungen, die in der Vollzugsordnung des Vertrages festgelegt sind (gegenwärtig in Artikel 131, Absatz 5 der Vollzugsordnung des Vertrages von Lausanne festgelegt) zu behandeln.

Abschnitt VI. Festlegung von Gebührenanteilen

Artikel 130. Festlegung von Endgebührenanteilen

Jede Verwaltung legt einen einzigen Endgebührenanteil wie folgt fest:

1. Während eines Erfassungszeitraumes von 8 aufeinanderfolgenden Wochen füllt jede Verwaltung ein Formblatt CP 11 der UPU oder ein ähnliches Formblatt aus, worin alle Pakete an Empfänger in der anderen Verwaltung nach Gewichtsstufen eingetragen werden und übermittelt es der anderen Verwaltung. Die Empfangsverwaltung trägt folgende Angaben für alle derartigen Pakete ein und berechnet ihren Endgebührenanteil nach den in Absatz 2 bis 6 dieses Artikels festgelegten Richtlinien:

(a) Gesamtzahl der Pakete, die auf die folgenden Gewichtsstufen entfallen:

	bis zu 1 Kilogramm
über 1	bis zu 3 Kilogramm
über 3	bis zu 5 Kilogramm
über 5	bis zu 10 Kilogramm
über 10	bis zu 15 Kilogramm
über 15	bis zu 20 Kilogramm.

(b) Das Bruttogewicht aller im obigen Abschnitt (a) eingetragenen Pakete in Kilogramm.

2. (a) Es wird ein Gebührenanteil je Paket für Pakete innerhalb jeder Gewichtsstufe durch Anwendung von - % (von den Verwaltungen vereinbarter Prozentsatz) der Freimachungsgebühr festgelegt, die für den innerstaatlichen Paketverkehr der Empfangsverwaltung für ein Paket mittleren Gewichts für jede Gewichtsstufe erhoben wird, das über eine mittlere Entfernung befördert wird, über die Pakete der anderen Verwaltung innerstaatlich geleitet werden (wenn die Entfernung ein Faktor bei der Festlegung der innerstaatlichen Paketgebühren ist) oder

(b) ein Gebührenanteil je Paket in den einzelnen Gewichtsstufen angewendet, der dem Endgebührenanteil gemäß Postpaketabkommen der UPU entspricht und aus dem Tableau CP 1 hervorgeht.

3. Die Gesamtgebühr für jede Gewichtsstufe wird berechnet durch Multiplikation der Gesamtzahl der Pakete der Gewichtsstufe, die unter Absatz 1 (a) erfaßt wurde, mit dem Gebührenanteil je Paket dieser Gewichtsstufe, der unter Absatz 2 festgelegt wurde.

4. Die Gesamtgebührenanteile für jede Gewichtsstufe, die unter Absatz 3. bestimmt wurden, sind zu addieren, um die Gesamtgebührenanteile für alle Pakete zu erhalten, die im Ermittlungszeitraum eingegangen sind.

5. Die unter Absatz 4. ermittelten Gebührenanteile werden von der Landeswährung, erforderlichenfalls in Goldfranken umgerechnet.

6. Zur Festlegung des Endgebührenanteils je Kilogramm werden die unter Absatz 5. bestimmten Gesamtgebührenanteile in Goldfranken durch das unter Absatz 1 (b) eingetragene Bruttogewicht dividiert und der erzielte Gebührenanteil wird auf das nächste Zehntel eines Goldfranken aufgerundet.

7 Jede Verwaltung wendet den Endgebührenanteil an, den sie in Absatz 6. für das Bruttogewicht aller von der anderen Verwaltung eingegangenen Pakete ermittelt, wie es in Artikel 31 des Abkommens vorgesehen ist.

Artikel 131 Festlegung von Landtransitgebührenanteilen

Jede Verwaltung legt einen Landtransitgebührenanteil wie folgt fest:

1 Für einen Erfassungszeitraum von 8 aufeinanderfolgenden Wochen füllt jede Verwaltung, die Pakete im Transit über die andere Verwaltung versendet, ein Formblatt CP 12 aus, worin alle Transitpakete nach Gewichtsstufen und dem Gesamtbruttogewicht der Transitpakete des Kartenschlusses eingetragen werden und übersendet es der anderen Verwaltung. Im Erfassungszeitraum trägt jede Transitverwaltung folgende Daten für alle Pakete von der anderen Verwaltung ein, für die sie den Landtransit übernimmt und berechnet nach den in Absatz 2. bis 5. dieses Artikels festgelegten Richtlinien ihren Landtransitgebührenanteil.

(a) die Gesamtzahl der Transitpakete, die auf jede in Absatz 1 (a) von Artikel 130. festgelegte Gewichtsstufe entfallen und

(b) das Bruttogewicht aller im obigen Absatz (a) erfaßten Pakete in Kilogramm.

2. Es wird die mittlere gewogene Entfernung für Transitpakete der anderen Verwaltung bestimmt, die während des Erfassungszeitraumes auf dem Landwege befördert werden.

3. Es wird die gesamte Landtransitgebühr für alle Pakete jeder Gewichtsstufe ermittelt durch Multiplikation der Anzahl der Transitpakete in jeder Gewichtsstufe mit dem Anteil, der bestimmt wird aus der Anwendung der Tabelle der Landtransitgebührenanteile im Postpaketabkommen der UPU (gegenwärtig in Artikel 47 des Postpaketabkommens von Lausanne festgelegt) auf die Daten aus den Absätzen 1 (a) und 2. dieses Artikels.

4. Es werden die gesamten Transitgebührenanteile für jede Gewichtsstufe, die in Absatz 3. bestimmt wurden, addiert, um den gesamten Landtransitgebührenanteil in Goldfranken für alle Transitpakete zu erhalten, die während des Erfassungszeitraumes eingegangen sind.

5. Zur Festlegung des Landtransitgebührenanteils in Kilogramm wird der gesamte Landtransitgebührenanteil in Goldfranken, der in Absatz 4. bestimmt wurde, dividiert durch das unter Absatz 1. (b) erfaßte Bruttogewicht, und der so erzielte Gebührenanteil wird auf das nächste Zehntel eines Goldfranken aufgerundet.

6. Jede Verwaltung wendet den in Absatz 5. bestimmten Landtransitgebührenanteil auf das Bruttogewicht aller auf dem Erdweg beförderten Transitpakete an, wie das in Artikel 32. des Abkommens festgelegt ist.

Artikel 132. Festlegung von Seegebührenanteilen

Jede Verwaltung legt einen einzigen Seegebührenanteil wie folgt fest:

1 Für einen Erfassungszeitraum von 8 aufeinanderfolgenden Wochen füllt jede Verwaltung, die Pakete im Transit auf dem Seewege über die andere Verwaltung versendet, ein Formblatt CP 12 aus, worin alle derartigen Transitpakete nach Gewichtsstufen und dem Gesamtbruttogewicht derartiger Transitpakete eingetragen werden und übersendet es der anderen Verwaltung. Im Erfassungszeitraum trägt jede Ver-

waltung folgende Daten für alle Transitpakete von der anderen Verwaltung ein, für die sie den Seetransit übernimmt und berechnet ihren Seegebührenanteil nach den Absätzen 2. bis 5. dieses Artikels:

(a) die Gesamtzahl der Transitpakete, die auf jede in Absatz 1 (a) von Artikel 130. festgelegte Gewichtsstufe entfallen und

(b) das Bruttogewicht aller im obigen Absatz (a) erfaßten Pakete in Kilogramm.

2. Es wird die mittlere gewogene Entfernung für Transitpakete der anderen Verwaltung bestimmt, die während des Erfassungszeitraumes auf dem Seewege befördert werden.

3. Es wird die gesamte Seegebühr für alle Transitpakete jeder Gewichtsstufe ermittelt durch Multiplikation der Anzahl der Transitpakete in jeder Gewichtsstufe mit dem Anteil, der bestimmt wird aus der Anwendung der Tabelle der Seegebührenanteile im Postpaketabkommen der UPU (gegenwärtig in Artikel 49 des Postpaketabkommens von Lausanne festgelegt) auf die Daten aus den Absätzen 1 (a) und 2. dieses Artikels.

4. Es werden die gesamten Seegebührenanteile für jede Gewichtsstufe, die in Absatz 3 bestimmt wurden, addiert, um den gesamten Seegebührenanteil in Goldfranken für alle Pakete im Transit auf dem Seewege zu erhalten, die während des Erfassungszeitraumes eingegangen sind.

5. Zur Festlegung des Seegebührenanteils in Kilogramm wird der gesamte Seegebührenanteil in Goldfranken, der in Absatz 4. bestimmt wurde, dividiert durch das unter Absatz 1 (b) erfaßte Bruttogewicht, und der so erzielte Gebührenanteil wird auf das nächste Zehntel eines Goldfranken aufgerundet.

6. Jede Verwaltung wendet den in Absatz 5. bestimmten Seegebührenanteil auf das Bruttogewicht aller auf dem Seeweg beförderten Transitpakete an, wie das in Artikel 33. des Abkommens festgelegt ist.

Kapitel VII. Abrechnung

Artikel 133. Vergütung der Gebührenanteile und Kosten durch die Einlieferungsverwaltung an die anderen Verwaltungen

1. Beim Austausch verschlossener Kartenschlüsse vergütet die Einlieferungsverwaltung der Bestimmungsverwaltung und allen Transitverwaltungen die End-, Land- und Seetransitgebührenanteile sowie die Kosten für die Beförderung auf dem Luftwege, die ihnen zustehen.

2. Beim Austausch im offenen Transit vergütet die Einlieferungsverwaltung:

(a) der Bestimmungsverwaltung des Kartenschlusses die in Absatz 1 genannten Anteile sowie die Anteile, die den nachfolgenden Transitverwaltungen und der Bestimmungsverwaltung zustehen und

(b) den der Bestimmungsverwaltung des Kartenschlusses vorangehenden Transitverwaltungen die in Absatz 1 genannten Anteile.

Artikel 134. Vergütung und Wiedereinziehung von Gebührenanteilen und Abgaben bei Nachsendung

1 Wenn die Gebührenanteile und Abgaben zum Zeitpunkt der Nachsendung nicht entrichtet wurden, verfährt die nachsendende Verwaltung bei der Vergütung und Wiedereinziehung dieser Gebührenanteile und Abgaben wie nachfolgend dargelegt.

2. Für jedes Paket, das in ein Drittland nachgesandt wird, versucht die nachsendende Verwaltung die in Artikel 19., Absatz 5. des Abkommens festgelegten Gebührenanteile und Abgaben dem Empfänger beziehungsweise der Verwaltung, der das Paket zugesandt wird, anzurechnen. Wenn die nachsendende Verwaltung aus irgendeinem Grund diese Gebühren vom Empfänger beziehungsweise der Verwaltung, an die das Paket gesandt wird, nicht anrechnen kann, so zieht sie diese von der Einlieferungsverwaltung ein.

3. Die nachsendende Verwaltung vergütet den Transitverwaltungen die ihnen zustehenden Gebühren.

4. Bei Nachsendung eines fehlgeleiteten Paketes erfolgt die Vergütung und Wiedereinziehung von Gebührenanteilen entsprechend Artikel 121., Absatz 2.

Artikel 135. Aufstellen von Rechnungen

1. Jede Verwaltung stellt für alle von der anderen Verwaltung eingegangenen Pakete vierteljährlich auf
   (a) für Pakete des Erdweges ein Nachweis der geschuldeten Beträge auf einem Formblatt CP 15 der UPU oder ein ähnliches Formblatt mit Angabe des auf den Frachtkarten eingetragenen Bruttogewichtes und des entsprechenden Gebührenanteils sowie der für dieses Quartal fälligen Gesamtsumme nach Absendeämtern und Kartenschlüssen;
   (b) für Luftpostpakete ein Nachweis der geschuldeten Beträge auf einem Formblatt CP 15 der UPU oder ein ähnliches Formblatt mit Angabe des auf den Luftfrachtkarten eingetragenen Bruttogewichtes und des entsprechenden Gebührenanteils sowie der für dieses Quartal fälligen Gesamtsumme nach Absendeämtern und Kartenschlüssen.

2. Bei Änderung einer Frachtkarte wird die Nummer und das Datum der über diese Änderung ausgefertigten Meldung in der Spalte "Bemerkungen" des Formblattes Nachweis der geschuldeten Beträge angegeben.

3. Die Nachweise der geschuldeten Beträge werden auf einer zweifach auf einem Formblatt CP 16 der UPU oder einem ähnlichen Formblatt aufgestellten Rechnung zusammengefaßt.

4. Die Rechnungszusammenstellung wird mit den Nachweisen der geschuldeten Beträge, auf die sie sich bezieht (jedoch ohne die Frachtkarten) auf dem schnellsten Wege der Einlieferungsverwaltung zur Prüfung innerhalb von zwei Monaten, die dem Quartal folgen, auf das sie sich bezieht, übermittelt. "Leer"-rechnungen werden nicht aufgestellt. Im Schlußbetrag der Rechnungszusammenstellung werden Centimen nicht berücksichtigt. Über alle Unterschiede werden Unterschiedsnachweisungen auf einem Formblatt CP 17 der UPU oder einem ähnlichen Formblatt ausgestellt. Alle Unterschiedsnachweisungen werden in zweifacher Ausfertigung der betreffenden Verwaltung übersandt, die den ausgewiesenen Betrag in ihre nächste Rechnungszusammenstellung aufnimmt. Wenn der gesamte Unterschiedsbetrag zehn Goldfranken je Rechnung nicht übersteigt, wird keine Unterschiedsnachweisung ausgestellt.

5 Nach ihrer Prüfung und Annahme werden die Rechnungszusammenstellungen mit den dazugehörigen Nachweisen der geschuldeten Beträge an die Verwaltung, die sie ausgefertigt hat, innerhalb von zwei Monaten nach der Absendung zurückgesandt. Wenn die Verwaltung, die die Rechhungszusammenstellung übermittelt hat, keine Änderungsmeldung in dieser Zeit erhält, ist die Rechnungszusammenstellung als voll angenommen zu betrachten.

6. Die Rechnungszusammenstellungen werden zu einer vierteljährlichen Hauptrechnung, die von der Gläubigerverwaltung auf einem Formblatt CP 18 der UPU oder ein ähnliches Formblatt aufzustellen ist, zusammengefaßt. Sie ist umgehend der Schuldnerverwaltung zu übermitteln.

7. Wenn Zahlungen von der nach Artikel 29 des Abkommens verantwortlichen Verwaltung zu erstatten sind und es sich um mehrere Beträge handelt, so sind diese auf einem Formblatt CP 22 der UPU oder ein ähnliches Formblatt zusammenzufassen und die Gesamtsumme ist auf die Rechnungszusammenstellung zu übertragen.

Artikel 136. Abrechnung über Luftpostpaketkartenschlüsse

Die Abrechnung der Kosten für die Beförderung von Luftpostpaketkartenschlüssen auf dem Luftweg erfolgt gemäß den Bestimmungen für die Abrechnung der Kosten der Beförderung auf dem Luftweg in den Artikeln 200 bis 204 der Vollzugsordnung des Vertrages von Lausanne.

Artikel 137 Begleichung der Rechnungen

1 Der Saldo der Hauptrechnungen wird von der Schuldnerverwaltung an die Gläubigerverwaltung nach den Bestimmungen für die Begleichung von Rechnungen im Vertrag (gegenwärtig in Artikel 12 des Vertrages von Lausanne festgelegt) gezahlt.

2. Das Aufstellen und die Absendung einer Hauptrechnung in zweifacher Ausführung kann, ohne die Rücksendung der anerkannten Rechnungszusammenstellungen abzuwarten, erfolgen, sobald eine Verwaltung, der alle Rechnungen für den betreffenden Zeitraum vorliegen, feststellt, daß sie der Gläubiger ist. Die Prüfung der Hauptrechnung durch die Schuldnerverwaltung, die Rücksendung einer der beiden Ausfertigungen an die Gläubigerverwaltung und die Zahlung der Restschuld erfolgen von der Schuldnerverwaltung innerhalb von drei Monaten nach Erhalt der Hauptrechnung.

Kapitel VIII. Verschiedene Bestimmungen

Artikel 138. Definitionen

Die in Artikel 2. des Abkommens aufgeführten Definitionen gelten für diese Vollzugsordnung.

Artikel 139. Aufbewahrungsfrist der Dienstpapiere

1 Die Dienstpapiere sind mindestens 18 Monate aufzubewahren, gerechnet von dem Tag an, auf den sie sich beziehen.

2. Die Papiere über einen Streitfall oder eine Anfrage sind aufzubewahren, bis die Angelegenheit geregelt ist. Wenn die anfragende Verwaltung nach ordnungsgemäßer Information über das Ergebnis einer Anfrage 6 Monate verstreichen ließ, gerechnet vom Zeitpunkt der Mitteilung, ohne Einwände zu erheben, ist die Angelegenheit als erledigt zu betrachten.

Artikel 140. Änderungen

Diese Vollzugsordnung kann im gegenseitigen Einvernehmen durch Schriftwechsel zwischen Beauftragten jeder Verwaltung, die bevollmächtigt wurden, diese Änderungen vorzunehmen, geändert werden.

Kapitel XI. Schlußbestimmungen

Artikel 141 Inkrafttreten und Geltungsdauer der Vollzugsordnung

1 Die Bestimmungen der Vollzugsordnung werden mit dem Tage ihrer Unterzeichnung durch die bevollmächtigten Vertreter beider Verwaltungen vorläufig angewendet.

2. Diese Vollzugsordnung tritt am gleichen Tage in Kraft wie das Postpaketabkommen, auf das sie sich bezieht.

3. Diese Vollzugsordnung und alle Änderungen dazu haben nach Artikel 140. die gleiche Geltungsdauer wie das Postpaketabkommen, auf das sie sich beziehen.

Ausgefertigt in zwei Exemplaren in englischer und deutscher Sprache, wobei beide Ausfertigungen gleichermaßen gültig sind und unterzeichnet in am 1979.

Für die Vereinigten Staaten von Amerika

Postmaster General

Für das Ministerium für Post- und Fernmeldewesen der Deutschen Demokratischen Republik

Ausserordentlicher und Bevollmaechtigter Botschafter der Deutschen Demokratischen Republik in den Vereinigten Staaten von Amerika

The foregoing Agreement between the United States of America and the German Democratic Republic for the exchange of Parcel Post items and the Detailed Regulations of the Agreement have been negotiated and concluded with my advice and consent and are hereby approved and ratified.

In testimony whereof I have caused the seal of the United States to be hereunto affixed.

[SEAL]

JIMMY CARTER

By the President
CYRUS VANCE
Secretary of State
WASHINGTON, *June 22, 1979.*

MEXICO

Housing and Urban Development

Agreement signed at México February 16, 1979;
Entered into force February 16, 1979.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA
AND THE UNITED MEXICAN STATES FOR COOPERATION
IN THE FIELD OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Governments of the United States and Mexico have pledged increased cooperation through the consultative mechanism established by their two Presidents;

WHEREAS, under an Agreement reached on June 15, 1972, the Governments of the United States and Mexico have agreed to exchanges in the field of science and technology;[1]

WHEREAS, the Parties recognize a mutual interest in exchanging information and research related to housing and urban planning and development, and in particular, a mutual interest in sharing information and other cooperative efforts related to planning and development of urban areas on the border between the United States and Mexico;

WHEREAS, the Parties intend to establish arrangements that will facilitate the sharing of information and other cooperative efforts related to housing and urban affairs;

THE PARTIES HAVE AGREED AS FOLLOWS:

1. Implementation

The Executive Agents of the Parties in implementation of this Agreement are the Secretary of Housing and Urban Development for the United States, and the Secretary of Human Settlements and Public Works for Mexico.

[1] TIAS 7362; 23 UST 934.

2. Joint Steering Committee

a. A Joint Steering Committee is hereby established. The purpose of this Committee is to facilitate the exchange of information, and other cooperation as may be agreed pursuant to this Agreement, in urban areas on the border.

b. The Joint Steering Committee will have four members. After appropriate consultation, each Party will designate two members, and one of these will be designated by each of the Parties as Co-chairperson. The second member for each side shall act as an alternate to the Co-chairperson when necessary

c. Each Co-chairperson will designate an Executive Secretary. The Executive Secretaries will maintain close communication and be responsible for facilitating the work of the Joint Steering Committee.

d. The Co-chairperson will establish procedures for carrying out the work of the Committee, including setting the time, place and agenda for Committee meetings.

e. The Joint Steering Committee will meet annually, unless otherwise agreed.

3. Joint Working Groups

a. The Joint Steering Committee may establish Joint Working Groups to carry out tasks assigned by the Committee.

b. The Parties recognize that state, municipal and other local authorities of both sides will be interested in and should be involved in cooperative action under this Agreement. In order to establish balanced and effective Working Groups pursuant to the preceding paragraph (3.a.) the Co-chairpersons, or their alternates, will consult before designating the respective members of a Working Group. After appropriate consultation, the Co-chairpersons may invite representatives of federal agencies; representatives of state or municipal governments; members of private organizations; or individual private citizens to participate in a Working Group.

4. Cooperative Programs and Projects

a. The Joint Steering Committee will select all programs and projects for cooperative action under this Agreement. In approving a specific cooperative effort the Joint Steering Committee will define each program or project in detail, including the scope and priority of effort, a schedule for completion, and membership of any Working Group assigned responsibility for the action.

b. A cooperative program or project may be established to carry out one or more of the following activities:

- Exchange of information related to urban programs or projects in border areas.
- Joint meetings and seminars.
- Joint research and study projects.

- Exchange visits by experts, advanced students, representatives of public or private organizations, or private citizens.

- Other activities as may be agreed by the Joint Steering Committee.

5. Management

a. The Joint Steering Committee will be responsible for the general management of programs and projects undertaken pursuant to this Agreement.

b. Each Working Group assigned responsibility for a project or program will keep the Joint Steering Committee fully informed of its work and will seek additional guidance from the Committee as necessary. All Working Group progress reports, conclusions and recommendations will be submitted first to the Joint Steering Committee.

6. Costs

a. Unless otherwise agreed, each Party or participating institution, organization, firm or individual will bear the costs of its participation, including personnel costs, in activities pursuant to this Agreement.

b. Work under this Agreement is subject to the availability of funds and other resources on each side.

7 Effective Date and Extensions

This Agreement will enter into force upon signature and will remain in force for three years. It will be automatically extended for successive three year periods unless either Party notifies the other of its intent to terminate the Agreement not later than six months prior to its expiration.

DONE in duplicate at Mexico, D. F. on February 16, 1979 in the English and Spanish languages, both texts being equally authentic.

[1]

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

[2]

FOR THE GOVERNMENT OF THE UNITED MEXICAN STATES

[1] Cyrus Vance.
[2] S. Roel.

ACUERDO ENTRE LOS ESTADOS UNIDOS DE AMERICA Y LOS ESTADOS UNIDOS MEXICANOS EN TORNO A LA COOPERACION EN MATERIA DE VIVIENDA Y DESARROLLO URBANO

Considerando que el Gobierno de los Estados Unidos de América y el Gobierno de los Estados Unidos Mexicanos en un mecanismo de consulta entre sus respectivos Presidentes se han comprometido a fomentar una mayor colaboración entre ambos países;

Considerando que, por un Acuerdo firmado el 15 de junio de 1972, el Gobierno de los Estados Unidos de América y el Gobierno de los Estados Unidos Mexicanos acordaron hacer intercambios en el campo de ciencia y tecnología;

Considerando que las Partes reconocen la existencia de un interés común en el intercambio de información y trabajos de investigación en materia de vivienda y planificación y desarrollo urbano, y en particular la existencia de un interés común en compartir información y otras actividades en cooperación con respecto a la planificación y el desarrollo de zonas urbanas en la frontera entre los Estados Unidos de América y México;

Considerando que las Partes proyectan establecer arreglos para facilitar el compartir información y otras actividades en cooperación en materia de vivienda y asuntos urbanos;

LAS PARTES HAN ACORDADO LO SIGUIENTE:

1. - Implementación

Los Agentes Ejecutivos de las Partes para la implementación de este Acuerdo son el Secretario de Asentamientos Humanos y Obras Públicas para México y el Secretario de la Vivienda y el Desarrollo Urbano para los Estados Unidos.

2. - Comité Directivo Conjunto

a. - Por la presente se establece un Comité Directivo Conjunto. El propósito de dicho Comité es el de facilitar el intercambio de información y otros medios de cooperación que se establezcan en conformidad con el presente Acuerdo, en zonas urbanas en la frontera.

b. - El Comité Directivo Conjunto estará integrado por cuatro miembros. Despues de celebrar las consultas correspondientes cada una de las Partes nombrará dos miembros, uno de los cuales será nombrado Copresidente por la Parte respectiva. El segundo de los miembros por cada Parte actuará como suplente al Copresidente cuando sea necesario.

c. - Cada uno de los Copresidentes nombrará su Secretario Ejecutivo. Los Secretarios Ejecutivos mantendrán estrechas relaciones y serán responsables de facilitar la labor del Comité Directivo Conjunto.

d.- Los Copresidentes establecerán procedimientos para llevar a cabo la tarea del Comité, incluyendo la fijación de fecha, lugar y temario de las reuniones del Comité.

e.- A menos que se disponga de otro modo, el Comité Directivo Conjunto se reunirá anualmente.

3.- Grupos Conjuntos de Trabajo

a.- El Comité Directivo Conjunto podrá establecer Grupos Conjuntos de Trabajo para realizar las tareas que les encomiende el Comité.

b.- Las Partes reconocen que las autoridades estatales, municipales y otras autoridades locales de ambos lados estarán interesadas y deberían participar en actividades cooperativas a realizarse bajo el presente Acuerdo. Con objeto de establecer Grupos de Trabajo eficaces y equilibrados de conformidad con el párrafo anterior (3.a.), los Copresidentes o sus suplentes, previa consulta, designarán a los respectivos miembros de un Grupo de Trabajo. Después de celebradas las consultas pertinentes los Copresidentes podrán invitar a representantes de los organismos federales, representantes de gobiernos estatales o municipales, miembros de organizaciones privadas, o a ciudadanos particulares, a participar en un Grupo de Trabajo.

4.- Programas y Proyectos en Régimen Cooperativo

a.- El Comité Directivo Conjunto seleccionará los programas y proyectos de cooperación a emprenderse, de conformidad con el presente Acuerdo. Al otorgar su aprobación a una actividad en cooperación específica, el Comité Directivo Conjunto definirá detalladamente cada programa o proyecto, incluyendo el alcance y la prioridad de la tarea a realizar, un programa para su conclusión, así como la composición del Grupo de Trabajo encargado de la acción.

b.- Se podrá establecer un programa o proyecto en cooperación para llevar a cabo una o más de las siguientes actividades:

- Intercambio de información relacionada con programas o proyectos urbanos en zonas fronterizas.
- Reuniones y seminarios conjuntos.
- Proyectos conjuntos de investigación y estudio.
- Visitas de intercambio de expertos, estudiantes universitarios, representantes de organizaciones públicas o privadas o ciudadanos particulares.
- Otras actividades que pueda acordar el Comité Directivo Conjunto.

5.- Administración

a.- El Comité Directivo Conjunto estará encargado de la administración general de programas y proyectos emprendidos con arreglo al presente Acuerdo.

b.- Cada Grupo de Trabajo al que se haya encomendado un programa o proyecto, mantendrá al Comité Directivo Conjunto plenamente informado de sus labores y recabará del Comité la orientación adicional que fuere necesaria. Todos los informes sobre el avance de las actividades del Grupo de Trabajo, las conclusiones a que haya llegado, y sus recomendaciones se someterán primeramente al Comité Directivo Conjunto.

6.- Costos

a.- A menos que se disponga de otro modo, cada Parte o institución participante, organización, empresa o individuo, sufragará los costos de su participación, incluso los costos de personal, en las actividades realizadas de conformidad con el presente Acuerdo.

b.- El trabajo a realizarse en virtud de este Acuerdo estará sujeto a la disponibilidad de fondos y otros recursos de cada una de las Partes.

7 - Fecha de Entrada en Vigor y Prórrogas

El presente Acuerdo entrará en vigor al ser firmado por ambas Partes y tendrá una vigencia de tres años. Se prorrogará automáticamente por períodos sucesivos de tres años, a menos que una de las Partes notifique a la otra su intención de dar por terminado el Acuerdo a más tardar seis meses antes de su expiración.

Hecho por duplicado en México, Distrito Federal, a los dieciseis días del mes de febrero del año mil novecientos setenta y nueve en los idiomas inglés y español, siendo ambos textos igualmente auténticos.

POR EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA

POR EL GOBIERNO DE LOS ESTADOS UNIDOS MEXICANOS

INDIA

Meteorology: Monsoon Experiment (MONEX–79)

Agreement signed at New Delhi May 24, 1979;
Entered into force May 24, 1979.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA ON COOPERATION IN THE CONDUCT OF THE MONSOON EXPERIMENT (MONEX-79)

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

Considering that the World Meteorological Organization (WMO) is planning a regional scientific research project, known as "The Monsoon Experiment", relating to the study of monsoon circulation within the framework of the Global Atmospheric Research Programme;

Considering further that the purpose of the Monsoon Experiment is to acquire reliable and comprehensive data for research and improved understanding of the southwest monsoon, particularly to ascertain the effect of the monsoon on the earth-atmosphere-ocean system; and

Being conscious of the fact that bilateral cooperation between the two countries in certain programmes of the Experiment shall contribute significantly to its success:

Have agreed as follows:

1. During their participation in the Monsoon Experiment (hereinafter referred to as the "Experiment" or "MONEX-79"), the Government of the United States of America and the Government of India shall cooperate with each other, in the scientific plans relating to the following programmes:

i. Aircraft programme;

ii. Boundary Layer programme;

iii. Satellite programme; and

iv. Aerosol monitoring programme.

Scientific plans for Programmes (ii), (iii) and (iv) above, have been set out in detail in Appendix III to this Agreement, which appendix forms an integral part hereof.

2. Cooperation between the United States of America and India in the programmes mentioned in Paragraph 1 of this Agreement shall be directed toward recording meteorological observations, in and around India, for increasing understanding of the structure of the atmosphere during different phases of the southwest monsoon and analysing the data thus collected in order to improve the predictability of both monsoonal and global weather.

3. The two Governments shall implement cooperation referred to above in accordance with the provisions of this Agreement and in keeping with the principles of each other's sovereign equality, security and territorial integrity.

4. Duration of the Experiment:

The observational phase of the Experiment shall extend over the period from approximately 1 May 1979 to 1 September 1979.

5. U.S. MONEX-79 Personnel in India:

Responsibility for coordinating the logistics and field operations of all United States personnel and equipment involved in MONEX-79 is vested in the United States MONEX Project. The U.S. MONEX Project is operated by the National Centre for Atmospheric Research (NCAR). NCAR is a private, non-profit organization that is managed by the University Corporation for Atmospheric Research under contract with the National Science Foundation (NSF), a civilian agency of the United States Government.

5.1 Entry/Re-entry:

5.1.1 United States personnel, scientific and technical, participating in MONEX-79 will be granted permission to enter and work in India. The U.S. MONEX Project will submit a consolidated personnel list for this purpose.

5.1.2 During the conduct of the Experiment, it may be necessary for United States personnel - scientific and technical - temporarily to leave and re-enter India on work connected with the execution of the MONEX-79 programme. Therefore, multiple entry visas will be granted to specified personnel who may have to perform such duties. Such personnel will carry proper identification from the U.S. MONEX Project

and will be exempted, for the duration of their stay in India in connection with the Experiment, from complying with Foreigners Regional Registration formalities if their stay does not exceed 90 days. Their movements will, however, be notified to the Director General of Meteorology, New Delhi, who, in turn, will notify the Ministry of Home Affairs about such movements.

5.2 Security Procedures:

Scientific and technical personnel of the U.S. MONEX Project working at the international airports at Bombay, Calcutta, Madras and New Delhi for MONEX-79 scientific programmes will be issued suitable identity cards and clearance by the Director of Civil Aviation Security in the Office of the Director General of Civil Aviation (DGCA).

6. Utilization of U.S.-owned - India Rupee funds for the United States scientific programme:

The Government of India approves the use of U.S.-owned-India Rupee funds to the extent of Rs.15.3 million for expenditure in India in connection with the scientific programmes of the United States to be conducted during MONEX-79.

7. Equipment, stores and other goods required in connection with MONEX-79:

7.1 The U.S. MONEX Project will be permitted to bring into India equipment, materials, stores and other goods required in connection with the scientific programmes of MONEX-79. Customs Clearance Permits, as appropriate, will be provided by the Chief Controller of Imports and Exports, India, for the capital equipment and expendables to be brought into the country by the U.S. MONEX Project.

7.2 Fiscal Exemptions:

7.2.1 Customs Duty:

7.2.1.1 Capital equipment including that placed on board aircraft, scientific and maintenance equipment, stores and other goods required by the U.S. MONEX Project for use during the Experiment shall be permitted to be brought into India free of customs and other import duties subject to these being used purely for research purposes and subsequently re-exported after conclusion of the Experiment.

7.2.1.2 Items of a consumable nature and spare parts required by the U.S. MONEX Project in connection with MONEX-79 will be exempted from customs and other import duties as are actually shown to have been consumed or used up during the Experiment.

7.2.1.3 The U.S. MONEX Project shall comply with such customs formalities as are stipulated in Appendix I to this Agreement.

7.2.2 Excise Duty:

7.2.2.1 The U.S. MONEX Project will be exempted from payment of excise duty on aviation fuel, lubricants and such other excisable products which are drawn from non-duty paid stock of manufacturers or from bonded warehouses, subject to compliance with such formalities as are stipulated by the Government of India.

7.2.2.2 The U.S. MONEX Project shall comply with such excise formalities as are stipulated in Appendix II to this Agreement.

7.3 Sales Tax:

The U.S. MONEX Project shall pay sales tax, as necessary, on purchases made by it in India as referred to in Paragraph 7.2.2 above as well as any other purchases that it may have to make during its observational programmes for MONEX-79.

8. Matters relating to the conduct of the Experiment:

8.1 Aircraft Programme:

During the scientific programme for MONEX-79, the U.S. MONEX Project will be permitted to deploy three types of aircraft - the NASA Convair 990, NCAR Lockheed/Electra, and NOAA Lockheed P-3 belonging to the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF) and the National Oceanic and Atmospheric Administration (NOAA), respectively - civilian government research agencies of the United States.

8.1.1 General Considerations:

8.1.1.1 Permission will be accorded for entry into Indian international airports of aircraft referred to in Paragraph 8.1.

8.1.1.2 The main bases of operation of these three aircraft will be Bombay, Calcutta and possibly New Delhi and Madras.

8.1.1.3 The United States aircraft operating as a part of the scientific programme over Indian territory will adhere to routes and flight plans as approved by the Director General of Civil Aviation.

8.1.1.4 Flight plans for each scientific research mission will be filed by the Commander of the aircraft at least two hours in advance.

8.1.2 Ground operational facilities for United States research aircraft:

8.1.2.1 The U.S. MONEX Project will be exempted from payment of landing and parking charges for about 125 landings for the 3 aforementioned aircraft at all the four international airports and designated alternate airports connected with their scientific missions during MONEX-79.

8.1.2.2 In addition, facilities with regard to navigational and other aids at the airport and enroute will be made available free of charge.

8.1.2.3 The handling agents identified by the U.S. MONEX Project for handling its aircraft during MONEX-79 will be permitted to do so.

8.1.2.4 Apart from the normal facilities given to United States aircraft by Indian handling agents, parking facilities will be provided as necessary, subject to availability, by the International Airport Authority of India and the designated handling agent, at Bombay (Santacruz), Calcutta (Dum Dum), Madras (Meenambakkam), and New Delhi (Palam).

8.1.2.5 Storage space, open and covered, as required, shall be provided, subject to availability, in the above Indian airports or in their vicinity at fees or charges normally levied for such arrangements.

8.1.3 Inspection of Aircraft:

8.1.3.1 Inspection of all three United States aircraft will be carried out by an Indian team authorized to do so, notwithstanding the right of Indian customs to inspect at the time of entry and departure of the aircraft.

8.1.3.2 The Indian Officer and other experts detailed by the Indian Government will be fully briefed by the American team on the various sensors and systems and their operation. All assistance will be provided to India for examination and familiarization of the sensors and systems on board the aircraft. These details will also be furnished in the form of a technical document to India for study on or about 1 May 1979.

8.1.4 Indian personnel on board United States Aircraft:

The CV 990 and Electra, on each of their scientific missions, shall carry three Indian scientists/representatives including a security officer. The P-3 aircraft on each of its scientific missions shall carry two Indian scientists/representatives including a security officer. However, on missions that require an overnight stay at a secondary airport, the need for additional flight and ground crew will restrict the available space to only one representative from India. The Indian scientists/representatives will participate in the scientific work done on board the research aircraft.

8.2 Other Scientific Programmes:

The U.S. MONEX Project is permitted to carry out the ground observational programmes as listed in Paragraph 1 of this Agreement with their own equipment set up in India as listed in Appendix III to this Agreement. A scientist coordinator and a group of Indian scientists will be associated with each programme in data acquisition and analysis work. A joint research programme for each research area will be formulated in consultation with the U.S. MONEX Project.

9. Data Exchange Procedures:

9.1 Exchange during MONEX-79:

9.1.1 United States to India:

9.1.1.1 Copies of magnetic tapes of all raw data recorded by United States aircraft during their missions pursuant to this Agreement and by equipment installed on the ground in India for other U.S. MONEX-79 programmes shall be made available to India. India will provide blank tapes and qualified support personnel and meet the expenses involved in making such copies. Copies of all such recorded tapes shall be made jointly by United States and Indian experts

aboard the United States aircraft or at other tape copying facilities, the Tata Institute of Fundamental Research, Bombay or Jadavpur University, Calcutta. The United States team will make available to India software programmes as required to reduce and process the raw data on the copied tapes. The raw data tapes shall be serially numbered as and when they are produced and a catalogue thereof filed on completion of the aircraft missions and other scientific programmes and before the United States team leaves India. All original raw data tapes will be returned to the United States team prior to its departure from India.

9.1.1.2 Copies of all films taken during the aerial missions pursuant to this Agreement shall be made available to India. Film to be used in such missions shall be serially numbered and initialled by an Indian security officer before commencement of the missions. When the Indian security officer on board the aircraft so requests for reasons of Indian national security, all cameras used in such missions, including side and forward looking, shall be switched off. A catalogue of these films will be filed on completion of the subject missions and before the United States team leaves India.

9.1.1.3 Data available to the MONEX Level II-a/Quick look Data Centre shall be given to India by the Chief Scientist of the U.S. MONEX Project at the site of the Technical MONEX Operational Planning Centres at Bombay and Calcutta. So far as United States aircraft programmes are concerned, these will include copies of dropwindsonde and flight level data processed either on board the United States aircraft or after landing.

9.1.1.4 Copies of all other raw and processed data recorded during the other scientific programmes of the U.S. MONEX Project and by equipment installed on the ground in India shall be given to India.

9.1.2 India to United States:

9.1.2.1 One complete set of all processed meteorological data including special upper air soundings from land stations and Indian aircraft and all meteorological data recorded by Indian ships shall be given to the United States. These data will be exchanged at the same time and place as the exchange specified in Paragraph 9.1.1.3.

9.2 Exchange of Processed Data:

9.2.1 One complete set of all processed data taken during United States-India scientific programmes of MONEX-79 will be made available to India.

9.2.2 All exchanges of processed data taken during MONEX-79 shall be carried out according to the internationally agreed upon procedures set out in the International Data Management Plan for Summer MONEX. The Plan calls for the following:

9.2.2.1 Complete copies of Level II-a, Quick Look Data and final Level II-b data sets will be given to India free of charge.

9.2.2.2 All near real time or operational data will go to the International MONEX Level II-a Data Centre located at the Meteorological Office, New Delhi. These data will be available to specified research workers during the Field Phase of the Experiment.

9.2.2.3 International exchange of data will be through the World Data Centres A and B located in the United States and USSR respectively.

10. Joint Research Efforts:

In accordance with the aims of the WMO and participating nations in MONEX, the United States and India are encouraged to set up specific cooperative research programmes for the analysis of MONEX-79 data. These efforts will be coordinated by the National Science Foundation for the United States and the Ministry of Tourism and Civil Aviation (Meteorological Department) and the Department of Science and Technology for India.

11. Duration of the Agreement:

The Agreement shall come into force upon signature of both the parties and shall remain in force until both parties mutually determine that MONEX-79 has been completed and in all events will be operative until 15 September 1979 in so far as the observational phase is concerned. In so far as the data exchange is concerned, the Agreement shall remain in force until such time as the exchanges are fully

completed to the satisfaction of the two parties.

12. Provision for Amendments to the Agreement:

This Agreement may be amended by mutual agreement of the two parties.

13. Settlement of Differences:

Any differences concerning the interpretation or application of the provisions of this Agreement shall be settled through consultations between the parties.

14. Settlement of Claims:

If any injury is caused to any Indian citizen or other person, or any damage is caused to the property of the Indian Government or any Indian citizen or other person, by United States Government aircraft or personnel participating in the Experiment in connection with the implementation of the Experiment as provided for in this Agreement, the two Governments shall enter into consultations in order to compensate adequately any meritorious claims of the affected parties. Similarly, the two Governments shall enter into consultations in order to compensate adequately any meritorious claims for injury to United States citizens or damage to United States property arising from Indian participation in activities under this Agreement.

Done at New Delhi, India on 24 May 1979 in two originals, in the English and Hindi languages, both texts being equally authentic, provided that in the event of any discrepancy, the English text shall prevail.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Robert F. Goheen
Ambassador

FOR THE GOVERNMENT OF INDIA

S.M.L. Bhatnagar
Chairman, MONEX Management Committee
Secretary, Ministry of Tourism and Civil Aviation

Appendix I
Reference Paragraph 7.2.1.3

UNITED STATES-INDIA AGREEMENT FOR MONEX-79

PROCEDURE FOR CUSTOMS CLEARANCE

*****

A. Importation into India:

1. The importers or their authorized agent shall file with the Customs House at the port or airport of entry a bill of entry in the usual prescribed form and subscribe on copies of the same in bold red letters - "GOODS FOR MONSOON EXPERIMENT - MONEX-79".

2. The bill of entry shall also show the detailed particulars of such goods such as description, markings, number and value.

3. At the same time as above, such undertaking as acceptable to the Collector of Customs of the port or airport of importation will be furnished to the effect that re-export of the goods (excluding items of a consumable nature and spare parts which will be consumed or used up during the Experiment) will be made immediately after experiments are over and satisfactory evidence as acceptable to the Collector of Customs provided that the goods have either been re-exported or consumed or used up during the experiments, and failing that to pay the duty leviable thereon.

4. Clearance from customs would be given after usual examination/inspection by Customs.

B. Re-export from India:

5. The importer or its authorized agent will also file a shipping bill in the usual manner for re-export.

6. The shipping bill shall clearly mention the particulars of the bill of entry under which the goods being re-exported were originally imported.

7. Re-export of the goods should preferably take place through the port or airport of importation.

C. General Instructions:

8. The importers shall adhere to any procedure laid down by the Collector of Customs of the port or airport of importation for proper listing and identification to ensure re-export of the goods imported in connection with the Experiment.

Appendix II
Reference Paragraph 7.2.2.2

UNITED STATES-INDIA AGREEMENT FOR MONEX-79

Procedural formalities to be followed to qualify for the exemption from payment of the excise duty on aviation fuel, lubricants and such other excisable products which will be drawn from non-duty paid stocks of manufacturers or from bonded warehouses.

*****

1. The Liaison Officer in India of the U.S. MONEX Project must identify and report to the Under Secretary, (CX) 3, Ministry of Finance (Department of Revenue), New Delhi, the excisable products in respect of which they propose to claim the exemption.

2. The Liaison Officer in India of the U.S. MONEX Project may detail the locations of factories or bonded warehouses from where it proposes to draw supplies of non-duty paid stock of products identified for exemption as per Sr. No. 1 and to be used for MONEX-79 operations. The names of the Jurisdictional Collectorates/Divisions of Central Excise wherein the above factories or warehouses are situated may be reported along with the locations of factories or warehouses to the Under Secretary (CX) 3, Ministry of Finance (Department of Revenue), North Block, New Delhi.

3. The maximum requirements of the goods listed as per Sr. No. 1 with respect to quantity and value and the period during which there will be off-take from the above locations may also be reported to the Under Secretary (CX) 3, Ministry of Finance (Department of Revenue).

4. The current rate of excise duties chargeable on such goods may also be indicated along with the tariff items (if possible), by the Liaison Officer to the Under Secretary (CX) 3,of Ministry of Finance.

5. The Liaison Officer in India of the U.S. MONEX Project will be the competent authority or nominate the competent authority to certify that the excisable goods drawn for use for MONEX-79 operations have in fact been so used.

6. The above named authority may also give the necessary authorisation to the manufacturer to enable him to produce it to the competent excise authority to satisfy him that the drawal of the excisable goods for use in the MONEX-79 operations is itself for such purpose.

7. To facilitate easy operation of the procedure, the list of excisable goods shall be limited to bulk items involving substantial amount of revenue to be foregone and will not include sundry items.

Appendix III
Reference Paragraph 8.2

UNITED STATES-INDIA AGREEMENT FOR MONEX-79

United States MONEX-79 programmes for India in addition to the aircraft programme:

*****

1. INTRODUCTION:

There are four main programmes referred to the Indian National MONEX Project for inclusion in the bilateral Agreement between the United States and India concerning MONEX-79. This document briefly describes the scientific programmes in India, other than the aircraft programme, sponsored by the United States Government as part of its support to MONEX-79.

Each programme will be described using the following format:

- United States agency sponsor
- Chief scientific contact in United States (in all cases contact with this person must be made through the U.S. MONEX Project Office)
- Scientific objectives of the Project
- Observations to be made
- Method of data dissemination
- Location of equipment and time period for operation
- Equipment specifications
- United States personnel needed

2. THE UNITED STATES MONEX-79 PROGRAMMES IN INDIA:

2.1 Boundary Layer Programme:

a) Sponsor: National Science Foundation, Department of Energy

b) Chief Scientific Contact : Dr. S. Sethuraman, Brookhaven National Laboratory, Long Island, New York

c) Scientific Objectives: to measure characteristics of surface layer atmospheric turbulence in order to -

- Determine exchange coefficients for use in numerical models of the planetary boundary layer.

- Determine surface layer turbulent flux profiles for use in numerical models.

- Determine physical characteristics of surface layer turbulence in order to improve numerical models and parameterization of surface layer fluxes in terms of large scale meteorological variables.

d) Observations to be made:

- Water vapour flux

- Sensible heat flux

- Momentum flux

- Mean wind speed

- Mean wind direction

- Turbulence

- Air Temperature

- Mean relative humidity

These observations will be made from a 20 meter tower located on beach. A possibility exists that similar measurements will be made from a special moored buoy located offshore of the beach (to include surface wave height measurements).

e) Method of data dissemination: Raw data will be reduced and processed in the United States then transferred to India and the World Data Centres A and B in accordance with the internationally agreed upon procedures in the International Data Management Plan for Summer MONEX.

f) Location of equipment and time period of operation: The exact site of operations will be the result of collaboration between Dr. Sethuraman and Dr. Roddam Narasimha of the Indian Institute of Science, Bangalore. Suggested site is Digha.

Observations will be made from 1 July to 31 July,1979.

g) Equipment Specifications: 20 m tower and moored spar buoy fitted with fast response wind measuring devices (3 dimensional), temperature probes and humidity instrument. Possible use of hot film anemometer. The moored buoy will have accelerometers to monitor buoy motion.

h) United States personnel needed: Approximately 4 to 6.

2.2 Aerosol Monitoring Programme:

a) Sponsor: National Science Foundation, National Oceanic and Atmospheric Administration, University of Miami.

b) Chief Scientific Contact: Dr. Joseph Prospero, School of Marine and Atmospheric Science , University of Miami, Florida.

c) Scientific Objectives: To determine -

- The transport characteristics of dust outbreaks over the Arabian Sea and Bay of Bengal during the monsoon in order to relate these outbreaks to meteorological factors.

- The radiative characteristics associated with these dust outbreaks and their effects on the dynamics of the monsoon circulation.

d) Observations to be made -

- Aerosol sampling

- Atmospheric turbidity measurements

e) Method of data dissemination: Raw data will be reduced in the United States then transferred to India and the World Data Centres A and B in accordance with the internationally agreed upon procedures in the International Data Management Plan for Summer MONEX.

f) Location of equipment and time period of operation: Equipment will be located on all Indian ships participating in MONEX-79, and observations will be made for the duration of the Experiment.

g) Equipment Specifications:

1. Aerosol Sampler

- High volume air pump (1 m^3/min) with an 8" x 10" Whatman No. 41 filter attached.

- Dimensions: 90 cm x 40 cm x 40 cm with filter head about 1.8 m above pump module.

- Weight: 25 Kg.

- Power: 110 or 220 VAC, 50-60 Hz, 400 VA.

- Cost: unknown at present.

2. Sun Photometer (for turbidity measurements)

- Similar to WMO standard Volz. photometer.

- Peak reading indicator.

- Three filters (Band pass 10 to 40 μm): 300 μm, 500 μm, 800 μm.

- Digital clock.

- Power: unknown at present.

- Dimensions and weight: unknown except equipment designed to be hand held.

h) United States personnel needed: Three to four (at present no United States personnel are needed to make observations on Indian ships).

2.3 Geostationary Satellite Imagery Programme:

a) Sponsor: National Science Foundation, United States MONEX Project.

b) Chief Scientific Contact: Dr. J.P. Kuettner, Director, United States MONEX Project.

c) Scientific Objectives: The use of high quality geostationary satellite (visible and infra-red) imagery

is very important to the various operational programmes in MONEX-79. This imagery will be used to support operational scientific decisions. The major programmes this Project will support will be:

- Aircraft programme

- Ship operations

- Radiometersonde intensive observation programme

d) Observations to be made: High quality visible and infra-red cloud imagery at least four times a day in the field phase. Observations will be made available, one to two years after the field phase. The equipment also can receive TIROS-N, METEOR and GMS imagery.

e) Method of data dissemination: During the field phase, copies of the photographs will be made available to the International Level II - a Data Management Centre in New Delhi. These copies will be microfilmed and become part of the Quick-look Data Set which will be made available to India and the World Data Centres A and B according to internationally agreed upon procedures set out in the International Data Management Plan for Summer MONEX.

f) Location of the equipment: Bombay near the Santacruz Airport (exact spot not yet decided).

g) Equipment specifications:

- Manufacturer: EMR Inc. (USA)

- Receiving frequency: S - Band: 1697. 5 MHz; VHF: 137.50 MHz; 137.62 MHz; 137.15 MHz; 137.30 MHz; 136.00 MHz; 139.50 MHz.

- Band width: approx., 10 KHz

- Dimensions:

Antenna - 2 meter diameter, fixed parabolic Receiver; Processor and Display - 2 m (high) x .5 m (wide) x .5 m (deep); may need air conditioned enclosure for proper environment.

- Power: 220 VAC, 50 Hz, 5 amps

- Weight: approx., 250 Kg. not including enclosure.

h) United States personnel needed: Two to three for maintenance and coordination of shift work personnel (possibly international in character).

संयुक्त राज्य अमरीका की सरकार और भारत सरकार के बीच मानसून प्रयोग (मोनेक्स-79) करने में सहयोग करने से सम्बद्ध करार

संयुक्त राज्य अमरीका की सरकार और भारत सरकार,

इस बात को ध्यान में रखते हुए कि विश्व मौसम विज्ञान संगठन भूमंडलीय वायुमंडल अनुसंधान कार्यक्रम की रूपरेखा के अंतर्गत मानसून परिसंचरण के अध्ययन से संबद्ध "मानसून प्रयोग" नामक एक क्षेत्रीय वैज्ञानिक अनुसंधान प्रायोजना की योजना बना रहा है ;

इस बात को भी ध्यान में रखते हुए कि "मानसून प्रयोग" का उद्देश्य अनुसंधान के लिए विश्वसनीय और व्यापक आंकड़े प्राप्त करना तथा दक्षिण पश्चिम मानसून के विषय में और ज्ञान प्राप्त करना, विशेष रूप से भू वायुमंडल महासागर व्यवस्था पर मानसून के प्रभाव का पता लगाना है ; और

इस तथ्य की ओर से सजग कि प्रयोग के कतिपय कार्यक्रमों में दोनों देशों के बीच द्विपक्षीय सहयोग से इसकी सफलता में महत्वपूर्ण योगदान मिलेगा ;

नीचे लिखे अनुसार परस्पर सहमत हुई हैं :

1. संयुक्त राज्य अमरीका की सरकार और भारत सरकार मानसून प्रयोग (जिसे "प्रयोग" अथवा मोनेक्स-79 कहा गया है) में भाग

लेने के दौरान नीचे लिखे कार्यक्रमों से संबद्ध वैज्ञानिक योजनाओं में एक दूसरे के साथ सहयोग करेंगी:

(i) एयरक्राफ्ट कार्यक्रम ;
(ii) बाउन्डरी लेयर कार्यक्रम ;
(iii) उपग्रह कार्यक्रम ; और
(iv) एयरोसोल मानीटरिंग कार्यक्रम

उक्त (ii), (iii) और (iv) कार्यक्रमों के लिए वैज्ञानिक योजनाएं इस करार के अनुबंध III में विस्तार से दी गई हैं जो इसका एक अभिन्न अंग है ।

2. इस करार के पैरा 1 में उल्लिखित कार्यक्रमों में भारत और संयुक्त राज्य अमरीका के बीच सहयोग का लक्ष्य दक्षिण-पश्चिम मानसून की विभिन्न स्थितियों में वायुमंडल की रचना को बेहतर ढंग से समझने तथा इस प्रकार एकत्र किए गए आंकड़ों का विश्लेषण करने के लिए भारत और उसके आस-पास मौसम विज्ञान संबंधी प्रेक्षणों को रिकार्ड करने की ओर होगा ताकि मानसून संबंधी और भूमंडलीय मौसम दोनों ही की पूर्वानुमानता में सुधार किया जा सके ।

3. दोनों सरकारें इस करार के प्रावधानों के अनुसार तथा एक दूसरे की प्रभुसत्ता की समानता, सुरक्षा और प्रादेशिक अखंडता के सिद्धांतों के अनुरूप उपर्युक्त सहयोग करेंगी ।

4 प्रयोग की अवधि

यह प्रयोग 1 मई, 1979 से लेकर 1 सितम्बर, 1979 तक चलेगा ।

5 भारत में संयुक्त राज्य अमरीका के मौनेक्स-79 कार्मिक

संयुक्त राज्य के सभी कार्मिकों के सभारतंत्र और क्षेत्र कार्यों को तथा मौनेक्स-79 में प्रयुक्त होने वाले उपस्करों को समन्वित करने का उत्तरदायित्व संयुक्त राज्य की मौनेक्स प्रायोजना पर होगा । राष्ट्रीय वायुमंडलीय अनुसंधान केन्द्र संयुक्त राज्य अमरीका की मौनेक्स प्रायोजना को चला रहा है । राष्ट्रीय वायुमंडल अनुसंधान केन्द्र एक गैर सरकारी, लाभ-रहित संगठन है जिसका प्रबंध संयुक्त राज्य अमरीका की सरकार की एक असैनिक एजेन्सी राष्ट्रीय विज्ञान संस्था के साथ संविदा के अधीन वायुमंडलीय अनुसंधान विश्वविद्यालय निगम द्वारा किया जाता है ।

5.1. प्रवेश/पुनः प्रवेश

5.1.1. मौनेक्स-79 में भाग लेने वाले संयुक्त राज्य अमरीका के वैज्ञानिक एवं तकनीकी कार्मिकों को भारत आने तथा काम करने की अनुमति प्रदान की जाएगी । संयुक्त राज्य अमरीका की मौनेक्स प्रायोजना इस उद्देश्य के लिए कार्मिकों की एक समेकित सूची प्रस्तुत करेगी ।

5.1.2 इस प्रयोग के दौरान मौनेक्स-79 कार्यक्रम के निष्पादन से सम्बद्ध कार्य के लिए संयुक्त राज्य अमरीका के वैज्ञानिक एवं तकनीकी कार्मिकों को अस्थायी रूप से भारत से जाने तथा फिर भारत आने की आवश्यकता पड़ सकती है। इसलिए इस प्रकार की ड्यूटी करने वाले विशिष्ट कार्मिकों को बहु-प्रवेश वीज़ा प्रदान किए जाएंगे। ऐसे कार्मिकों के पास संयुक्त राज्य अमरीका मौनेक्स प्रायोजना का समुचित पहचान-पत्र होगा और इन्हें प्रयोग के संबंध में भारत में रहने की अवधि के लिए, यदि यह अवधि 90 दिन से अधिक न हो तो, विदेशी क्षेत्रीय पंजीकरण औपचारिकताओं का पालन करने से छूट दी जाएगी। लेकिन उनकी गतिविधियों की सूचना महानिदेशक, मौसमविज्ञान कार्यालय, नई दिल्ली को दी जाएगी जो फिर गृह मंत्रालय को ऐसी गतिविधियों के विषय में सूचित करेगा।

5.2 सुरक्षा प्रक्रिया

मौनेक्स-79 वैज्ञानिक कार्यक्रमों के संबंध में बम्बई, कलकत्ता और मद्रास और नई दिल्ली के अंतर्राष्ट्रीय हवाई अड्डों पर कार्यरत संयुक्त राज्य अमरीका के वैज्ञानिक एवं तकनीकी कार्मिकों को महानिदेशक, सिविल विमानन के कार्यालय में सिविल विमानन सुरक्षा निदेशक द्वारा समुचित पहचान-पत्र और अनुमति पत्र जारी किए जाएंगे।

6 संयुक्त राज्य अमरीका के वैज्ञानिक कार्यक्रमों के लिए अमरीकी स्वामित्व के अंतर्गत भारतीय रूपया कोष का उपयोग ।

भारत सरकार ने मोनेक्स-79 के दौरान चलाए जाने वाले संयुक्त राज्य अमरीका के वैज्ञानिक कार्यक्रम के संबंध में 15.3 मिलियन रूपये तक अमरीकी स्वामित्व के अंतर्गत भारतीय कोष में से भारत में खर्च किए जाने की स्वीकृति दी है ।

7. मोनेक्स-79 के संबंध में अपेक्षित उपस्कर/भंडार तथा अन्य सामान

7.1 संयुक्त राज्य अमरीका की मोनेक्स प्रायोजना को मोनेक्स-79 के वैज्ञानिक कार्यक्रम के संबंध में अपेक्षित उपस्कर/सामग्री/भंडार तथा अन्य सामान भारत लाने की अनुमति दी जाएगी । संयुक्त राज्य अमरीका की मोनेक्स प्रायोजना द्वारा भारत में लाए गए पूंजीगत उपस्करों और अपचेय वस्तुओं के लिए सीमा शुल्क निकासी अनुज्ञा-पत्र प्रमुख आयात निर्यात नियंत्रक द्वारा जैसा उचित होगा, प्रदान किए जाएंगे ।

7.2 वित्तीय कूट

7.2.1. सीमा शुल्क

7.2.1.1. पूंजीगत सामान, जिसमें विमान पर लदा हुआ सामान,

वैज्ञानिक एवं परिरक्षण संबंधी उपस्कर, सामान तथा प्रयोग के दौरान अमरीकी मौनेक्स प्रायोजना को जरूरत पड़ने वाली दूसरी सामग्री भी शामिल है, भारत में सीमा शुल्क/ अन्य आयात शुल्कों के बिना लाया जा सकेगा बशर्ते कि यह पूर्णतः अनुसंधान संबंधी उद्देश्यों में इस्तेमाल किया जाए और बाद में प्रयोग पूरा होने पर इन्हें पुनः निर्यात कर दिया जाए ।

7•2•1•2• मौनेक्स -79 के संबंध में अमरीकी मौनेक्स प्रयोजना के लिए आवश्यक उपभोग्य किस्म की उन मदों तथा अतिरिक्त चीजों पर, जिन्हें वास्तव में प्रयोग में प्रयुक्त/समाप्त हो गई दिखाया गया हो, सीमा शुल्क तथा अन्य आयात शुल्क नहीं लगेगा ।

7•2•1•3• अमरीकी मौनेक्स प्रायोजना इस करार के परिशिष्ट । में बतायी गई सीमा शुल्क संबंधी औपचारिकताओं का पालन करेगी ।

7•2•2 उत्पादन शुल्क

7•2•2•1 अमरीकी मौनेक्स प्रोजेक्ट को विमानन ईंधन, स्नेहक पदार्थों तथा ऐसे अन्य उत्पादों पर उत्पादन शुल्क नहीं देना होगा जो विनिर्माताओं के उस भंडार से लिए जाएंगे जिन पर उत्पादन शुल्क नहीं दिया जाता अथवा बंधक माल गोदाम से लिये जाएंगे बशर्ते कि वे सब औपचारिकताएं पूरी कर दी गई हों जो भारत सरकार द्वारा बतायी गई हों ।

7• 2• 2• 2• अमरीकी मौनेक्स प्रायोजना इस करार के परिशिष्ट II में बतायी गई उत्पादन शुल्क संबंधी औपचारिकताओं का पालन करेगी ।

7• 3 बिक्री कर

अमरीकी मौनेक्स प्रायोजना को उपर्युक्त पैरा 7• 2• 2• में उल्लिखित उन खरीदों पर जो वह भारत में करेगा तथा उन खरीदों पर जो उसे मौनेक्स-79 के लिए अपने प्रेक्षण कार्यक्रमों के दौरान करनी पड़ सकती हों आवश्यकतानुसार बिक्री कर देना होगा ।

8• प्रयोग करने से संबद्ध मामले

8• 1 एयरक्राफ्ट कार्यक्रम

मौनेक्स-79 के लिए वैज्ञानिक कार्यक्रम के दौरान अमरीकी मौनेक्स प्रायोजना को तीन प्रकार के एयरक्राफ्ट-एन ए एस ए कानवायर 990, एन सी ए आर लौकहीड/इलेक्ट्रा और एनओएए लौकहीड पी-3 का प्रयोग करने की अनुमति दी जाएगी । ये एयरक्राफ्ट क्रमशः नेशनल एरोनाटिक्स और स्पेस एडमिनिस्ट्रेशन, द नेशनल साइन्स फाउन्डेशन तथा द नेशनल ओशेनिक एण्ड एटमोस्फरिक एडमिनिस्ट्रेशन के हैं जो संयुक्त राज्य अमरीका की सिविलियन सरकार की अनुसंधान एजन्सियां हैं ।

8• 1• 1 सामान्य विचार

8• 1• 1• 1 पैराग्राफ 8• 1 में उल्लिखित एयरक्राफ्ट को भारत के अंतर्राष्ट्रीय

हवाई अड्डों में प्रवेश की अनुमति दी जाएगी ।

8• 1• 1• 2 इन तीन एयरक्राफ्टों के मुख्य कार्य स्थान बम्बई, कलकत्ता तथा संभवतः नई दिल्ली और मद्रास होंगे ।

8• 1• 1• 3 भारतीय क्षेत्र के ऊपर वैज्ञानिक कार्यक्रम के एक भाग के रूप में कार्य करने वाला अमरीकी एयरक्राफ्ट सिविल विमानन महानिदेशक द्वारा अनुमोदित मार्गों पर चलेगा तथा उड़ान कार्यक्रमों का पालन करेगा ।

8• 1• 1• 4 प्रत्येक वैज्ञानिक अनुसंधान मिशन के लिए उड़ान कार्यक्रम जहाज़ के कमान्डर द्वारा कार्यक्रम से कम से कम दो घंटे पहले पंजीकृत किए जाएंगे ।

8• 1• 2 अमरीकी अनुसंधान एयरक्राफ्ट के लिए भूमि पर कार्यात्मक सुविधाएं ।

8• 1• 2• 1 अमरीकी मोनेक्स प्रायोजना को उपर्युक्त तीन एयरक्राफ्टों के चारों अंतर्राष्ट्रीय हवाई अड्डों पर तथा मोनेक्स-79 में उनके वैज्ञानिक मिशनों से सम्बद्ध नामोद्दिष्ट स्थानापन्न हवाई अड्डों पर लगभग 125 बार उतरने के लिए लैंडिंग और पार्किंग प्रभार देने से छूट होगी ।

8•1• 2• 2 इसके अतिरिक्त, हवाई अड्डों तथा मार्ग में विमान संचालन और अन्य सहायता की सुविधाएं निशुल्क दी जाएंगी ।

8• 1• 2• 3 अमरीकी मोनेक्स प्रायोजना द्वारा मोनेक्स-79 के दौरान अपने एयरक्राफ्टों के प्रबंध के लिए नियुक्त प्रबंधक अभिकर्त्ताओं को ऐसा

करने की अनुमति दी जाएगी ।

8•1•2•4 भारतीय प्रबंधक अभिकर्त्ताओं द्वारा अमरीकी एयरक्राफ्ट को दी जाने वाली सामान्य सुविधाओं के अतिरिक्त, जैसा आवश्यक होगा, पार्किंग की सुविधाएं दी जाएंगी बशर्ते कि ये सुविधाएं भारत के अंतर्राष्ट्रीय एयरपोर्ट प्राधिकरण तथा बंबई (शांताक्रुज) कलकत्ता (डमडम), मद्रास (मीनाम्बक्कम) और नई दिल्ली (पालम) पर नामोद्दिष्ट अभिकर्त्ता द्वारा उपलब्ध करायी गई हों ।

8•1•2•5 भंडार के लिए स्थान, खुला और ढका हुआ जैसा अपेक्षित होगा, प्रदान किया जाएगा बशर्ते कि यह उपरोक्त भारतीय हवाई अड्डों पर तथा उनके आसपास उपलब्ध हों । इस पर आमतौर से ऐसी व्यवस्थाओं के लिए लगाया जाने वाला शुल्क अथवा प्रभार लिया जाएगा ।

8•1•3 एयरक्राफ्ट का निरीक्षण

8•1•3•1 भारतीय सीमा शुल्क विभाग के किसी एयरक्राफ्ट के भारत में उतरने तथा यहां से उड़ने के समय निरीक्षण करने के अधिकार के बावजूद एक भारतीय दल तीनों अमरीकी एयरक्राफ्टों का निरीक्षण करेगा जिसे इस काम के लिए प्राधिकृत किया गया हो ।

8•1•3•2 भारत सरकार द्वारा नियुक्त भारतीय अधिकारी तथा अन्य विशेषज्ञों को विभिन्न सेन्सरों और व्यवस्थाओं तथा उनकी क्रियाविधि के संबंध में अमरीकी दल द्वारा पूर्ण ब्रीफिंग की जाएगी । एयरक्राफ्ट पर सेन्सरों

और व्यवस्थाओं की जांच करने तथा उन्हें सुपरिचित बनाने में भारत को सभी प्रकार की सहायता दी जाएगी । ये ब्यौरे । मई, 1979 को या इसके आस-पास भारत की तकनीकी दस्तावेजों के रूप में भी अध्ययन के लिए प्रस्तुत किए जाएंगे ।

8•1•4 अमरीकी एयरक्राफ्ट पर भारतीय कार्मिक

सीवी 990 और इलेक्ट्रा में उसके प्रत्येक वैज्ञानिक मिशन में तीन भारतीय वैज्ञानिक प्रतिनिधि रहेंगे जिसमें एक सुरक्षा अधिकारी शामिल होगा । पी-3 एयरक्राफ्ट में उसके प्रत्येक वैज्ञानिक मिशन में कम से कम दो भारतीय वैज्ञानिक/प्रतिनिधि रहेंगे जिसमें एक सुरक्षा अधिकारी शामिल होगा । लेकिन ऐसे मिशनों में जिनमें किसी बीटे हवाई अड्डे पर रात ठहरने की आवश्यकता हो तो अतिरिक्त उड़ान की और भू-कर्मीदलकी आवश्यकता को देखते हुए भारत के केवल एक प्रतिनिधि के लिए ही स्थान उपलब्ध होगा । भारतीय वैज्ञानिक/प्रतिनिधि अनुसंधान एयरक्राफ्ट पर किए जाने वाले वैज्ञानिक कार्य में हिस्सा लेंगे ।

8•2 अन्य वैज्ञानिक कार्यक्रम

अमरीकी मौनेक्स प्रोजेक्ट को इस करार के परिशिष्ट III में सूचीबद्ध भारत में बने उपस्करों से इस करार के पैरा । में सूचीबद्ध भू-प्रेक्षण कार्यक्रम चलाने की अनुमति होगी । आंकड़े प्राप्त करने और विश्लेषण कार्य के प्रत्येक कार्यक्रम में एक वैज्ञानिक समन्वयकर्त्ता और भारतीय वैज्ञानिकों का एक दल रहेगा । प्रत्येक अनुसंधान क्षेत्र में एक संयुक्त अनुसंधान कार्यक्रम

अमरीकी मौनेक्स प्रायोजना के साथ परामर्श करके तैयार किया जाएगा ।

9. आंकड़ा आदान-प्रदान क्रियाविधि :

9.1. मौनेक्स-79 के दौरान आदान-प्रदान

9.1.1 अमरीका से भारत को :

9.1.1.1 इस करार के अनुपालन में अपने लक्ष्य की प्राप्ति के क्रम में अमरीकी विमान द्वारा तथा अमरीकी मौनेक्स-79 के अन्य कार्यक्रमों के लिए भारत में जमीन पर स्थापित अन्य उपस्करों के माध्यम से जो कच्चे आंकड़े एकत्र किये जायेंगे उसकी चुम्बकीय टेपों की प्रतियां भारत को उपलब्ध करायी जायेंगी । ये प्रतियां बनाने के लिए भारत खाली टेपों की और योग्य सहायक कर्मचारियों की व्यवस्था करेगा तथा इन प्रतियों को बनाने पर जो खर्च आयेगा उसे वहन करेगा । रिकार्ड किये गये ऐसे सभी टेपों की प्रतियां अमरीकी विमान पर अथवा टेपों की प्रतियां तैयार करने के सुविधा-स्थलों पर जैसे टाटा इन्स्टीट्यूट आफ फण्डामेंटल रिसर्च बम्बई तथा जादवपुर विश्वविद्यालय कलकत्ता में भारतीय और अमरीकी विशेषज्ञों द्वारा सम्मिलित रूप से तैयार किये जायेंगे । अमरीकी दल भारत को टेपों की प्रतिलिपियों के कच्चे आंकड़ों को संसाधित और अनुकूलित करने के लिए अपेक्षित यंत्रेतर कार्यक्रम उपलब्ध करायेगा । कच्चे आंकड़ों के टेप जैसे-जैसे तैयार होते जायेंगे वैसे-वैसे उनपर क्रम से संख्या डाल दी जायेगी और विमान के उद्देश्य तथा दूसरे वैज्ञानिक कार्यक्रम पूरे होने पर और अमरीकी टीम के भारत से रवाना होने से पूर्व इनकी एक सूची तैयार करके रख दी जायेगी । कच्चे आंकड़ों के सभी मूल टेप अमरीकी दल को, उसके भारत से रवाना होने से पूर्व, सौंप दिये जायेंगे ।

9.1.1.2 इस करार के अनुपालन में विमान द्वारा इस कार्य के उद्देश्य से जो भी चित्र लिये जाएँगे उन सभी की प्रतियाँ भारत को उपलब्ध करायी जाएँगी। इन कार्यों के लिए जिन फिल्मों का प्रयोग किया जाएगा उनपर क्रमवार संख्या अंकित रहेगी और काम शुरू होने से पहले उन सब पर भारतीय सुरक्षा अधिकारी अपना आद्याक्षर करेगा। विमान पर सवार भारतीय सुरक्षा अधिकारी भारत की राष्ट्रीय सुरक्षा की दृष्टि से जब कहेगा तब उन कार्यों के लिए प्रयुक्त सभी कैमरे, जिनमें सामने और दायीं बायीं ओर काम करने वाले कैमरे भी शामिल है, बंद कर दिये जायेंगे। संबद्ध विषय का निर्दिष्ट कार्य पूरा होने पर और अमरीकी दल के भारत से रवाना होने के पूर्व इन फिल्मों की सूची तैयार की जाएगी।

9.1.1.3 मोनेक्स लेवल II-ए/ क्विक लुक अंक केन्द्र के पास जो भी आँकड़े उपलब्ध होंगे वह बम्बई तथा कलकत्ता में तकनीकी मोनेक्स संचालक योजना केन्द्रों के स्थलों पर अमरीकी मोनेक्स प्रायोजना के मुख्य वैज्ञानिक द्वारा भारत को दी जाएँगी। जहाँ तक अमरीकी विमान कार्यक्रमों का संबंध है इनमें ड्राप विंडसाड तथा उड़ान स्तर के आँकड़ों की प्रतियाँ भी शामिल होंगी जो चाहे अमरीकी विमान पर उड़ते समय संसाधित किये गए हों अथवा उसके जमीन पर उतर आने के बाद।

9.1.1.4 अमरीकी मोनेक्स प्रायोजना के अन्य वैज्ञानिक कार्यक्रमों के दौरान तथा भारत में जमीन पर स्थापित उपस्कर द्वारा एकत्र सभी कच्चे और संसाधित आँकड़ों की प्रतियाँ भारत को दी जाएँगी।

9.1.2 भारत से संयुक्त राज्य अमरीका :

9.1.2.1 मौसम विज्ञान संबंधी सभी संसाधित आंकड़ों का एक पूरा सेट जिसमें भू-केन्द्रों से और भारतीय विमानों से ऊपरी विशेष वायु नाद तथा भारतीय जहाजों द्वारा एकत्र किये गये मौसम संबंधी आंकड़े अमरीका को दिये जायेंगे। इन आंकड़ों का आदान-प्रदान भी पैराग्राफ 9.1.1.3 में निर्दिष्ट आदान-प्रदान के समय और स्थान पर ही किया जाएगा।

9.2 संसाधित आंकड़ों का आदान-प्रदान :

9.2.1 मौनेक्स-79 के अमरीका-भारत वैज्ञानिक कार्यक्रमों के दौरान एकत्र सभी संसाधित आंकड़ों का पूरा सेट भारत को उपलब्ध कराया जाएगा।

9.2.2 मौनेक्स-79 के दौरान संसाधित आंकड़ों के सभी आदान-प्रदान ग्रीष्म मौनेक्स के लिए अंतर्राष्ट्रीय अंक-प्रबंध योजना में निर्धारित अंतर्राष्ट्रीय रूप से सहमत प्रक्रिया के अनुरूप किये जाएंगे। इस योजना में निम्नलिखित व्यवस्था है :

9.2.2.1 लेवल-II ए, क्विक लुक डाटा और अंतिम स्तर II बी की सभी प्रतियों के सेट भारत को निःशुल्क दिये जाएंगे।

9.2.2.2 प्रायः सभी वास्तविक समय अथवा संचालन आंकड़े अंतर्राष्ट्रीय मौनेक्स लेवल II ए अंक केन्द्र को भेजे जायेंगे जोकि मौसम विज्ञान कार्यालय, नई दिल्ली में स्थित है। ये आंकड़े इस प्रयोग के क्षेत्र कार्य-चरण के दौरान विशिष्ट अनुसंधान कार्यकर्त्ताओं को उपलब्ध रहेंगे।

9. 2. 2. 3 आंकड़ों का अंतर्राष्ट्रीय आदान-प्रदान क्रमशः संयुक्त राज्य अमरीका और सोवियत समाजवादी गणतंत्र संघ में स्थित वर्ल्ड डाटा सेन्टर "ए" और "बी" के माध्यम से किया जाएगा।

10. संयुक्त अनुसंधान प्रयास

विश्व मौसम विज्ञान संगठन तथा मोनेक्स में भाग लेने वाले राष्ट्रों के उद्देश्यों के अनुरूप भारत और संयुक्त राज्य अमरीका की मोनेक्स-79 के आंकड़ों का विश्लेषण करने के लिए विशिष्ट सहकारी अनुसंधान कार्यक्रम तैयार करने के लिए प्रोत्साहित किया गया है। इस दिशा में किए जाने वाले प्रयासों को भारत की ओर से पर्यटन एवं सिविल विमानन मंत्रालय (मौसम विभाग) तथा विज्ञान एवं प्रौद्योगिकी विभाग द्वारा और संयुक्त राज्य अमरीका की ओर से राष्ट्रीय विज्ञान संस्था द्वारा समन्वित किया जाएगा।

11. करार की अवधि :

यह करार दोनों पक्षों द्वारा हस्ताक्षर करने के बाद लागू होगा और तब तक लागू रहेगा जबतक दोनों पक्ष परस्पर यह तय न करलें कि मोनेक्स-79 समाप्त किया जा चुका है और जहां तक प्रेक्षण स्थिति का संबंध है यह करार सभी स्थितियों में 15 सितम्बर, 1979 तक व्यवहार में रहेगा। जहां तक आंकड़ों के आदान-प्रदान का संबंध है, यह करार उस समय तक लागू रहेगा जब तक इस प्रकार के आदान-प्रदान दोनों पक्षों के लिए संतोषजनक रूप से पूर्णतः पूरे न कर लिए जाएं।

2. करार में संशोधन के लिए प्रावधान

इस करार में दोनों पक्षों की परस्पर सहमति से संशोधन किया जाएगा।

13 मतभेदों का निपटारा

इस करार के प्रावधानों की व्याख्या अथवा अनुप्रयोग के संबंध में सभी मतभेदों को पक्षों द्वारा परस्पर सलाह-मशविरा करके दूर किया जाएगा ।

14 दावों का निपटान

इस करार में निहित व्यवस्था के अनुसार इस प्रयोग के क्रियान्वयन के सिलसिले में प्रयोग में भाग लेने वाले संयुक्त राज्य अमरीका के सरकारी विमान अथवा कार्मिकों के द्वारा अगर किसी भारतीय नागरिक या अन्य व्यक्ति को किसी तरह की चोट लग जाती है अथवा भारत सरकार-- अथवा किसी भारतीय नागरिक या अन्य व्यक्ति की सम्पत्ति को कोई क्षति पहुंचती है, तो क्षतिग्रस्त पक्षों के दावों की पर्याप्त रूप से क्षतिपूर्ति करने के लिए दोनों सरकारें परस्पर परामर्श करेंगी । इसी तरह, इस करार के अंतर्गत किये जाने वाले कार्यकलापों में भारतीय पक्ष की भागीदारी के कारण अमरीकी नागरिकों के घायल होने अथवा संयुक्त राज्य अमरीका की सम्पत्ति को क्षति पहुंचने की स्थिति में भी उचित दावों की पर्याप्त रूप से क्षतिपूर्ति करने के लिए दोनों सरकारें परस्पर परामर्श करेंगी ।

आज, 24.5 1979को, नई दिल्ली, भारत में अंग्रेजी और हिन्दी भाषाओं में दो-दो प्रतियों में सम्पन्न हुआ, दोनों पाठ समान रूप से प्रामाणिक है लेकिन किसी असंगति की स्थिति में अंग्रेजी पाठ सर्वोपरि होगा ।

संयुक्त राज्य अमरीका की सरकार के लिए

Robert F. Goheen

(राबर्ट एफ० गोहीन)

राजदूत

भारत सरकार के लिए

एस० एम० एल० भटनागर

(एस०एम० एल० भटनागर)

अध्यक्ष, मौनेक्स प्रबंध समिति

सचिव, पर्यटन एवं नागरिक विमानन

मौनेक्स - 79 के लिए परिशिष्ट ।

भारत - अमरीकी करार पैरा 7,2,1,3 देखें

सीमा - शुल्क निकासी सम्बन्धी प्रक्रिया

क भारत में आयात करना

1. आयातक अथवा उनके प्राधिकृत एजेन्ट प्रवेश पत्तन/हवाई अड्डे पर सीमा - शुल्क कार्यालय में सामान्य निर्धारित फार्म में आगम - पत्र प्रस्तुत करेंगे तथा इसकी प्रतियों पर स्पष्ट अक्षरों में लाल स्याही से "मानसून सम्बन्धी प्रयोग के लिए सामान - मौनेक्स - 79" लिखेंगे ।

2. इस आगम - पत्र में उक्त सामान का विस्तृत ब्यौरा, जैसे कि उसका विवरण, चिह्न, संख्या और कीमत आदि भी दिया जाएगा ।

3. इसके साथ ही जिस पत्तन/हवाई अड्डे पर आयात किया जाएगा उसके सीमा - शुल्क समाहर्ता को स्वीकार्य इस आशय का वचन देना होगा कि परीक्षणों के समाप्त होने के तत्काल बाद वस्तुओं (उपभोग्य प्रकृति की उन मदों और फालतू पुर्जों को छोड़ कर जिनका उपभोग/इस्तेमाल परीक्षण के दौरान किया जाएगा) का पुनः निर्यात किया जाएगा और इसके लिए ऐसा संतोषजनक प्रमाण देना होगा जो सीमा - शुल्क समाहर्ता को स्वीकार्य हो बशर्ते कि वस्तुओं का पुनः निर्यात कर दिया जाय अथवा परीक्षणों के दौरान उनका उपभोग अथवा इस्तेमाल किया जाय और ऐसा न करने पर उन्हें देय शुल्क का भुगतान करना होगा ।

4. सीमा-शुल्क कार्यालय द्वारा सामान्य जाँच/निरीक्षण के बाद सीमा-शुल्क निकासी की अनुमति दी जाएगी ।

(ख) भारत से पुनः निर्यात

5. आयातक अथवा उनके प्राधिकृत एजेन्ट पुनः आयात करने के लिए सामान्य रूप से लदान-बिल भी दाखिल करेंगे ।

6. लदान-बिल में आगम पत्र के उन विवरणों का स्पष्ट उल्लेख किया जाएगा जिसके अन्तर्गत पुनः निर्यात किए जा रहे सामान प्रारम्भ में आयात किए गए थे ।

7. सामान का पुनः निर्यात अधिमानतः आयात के पत्तनों/हवाई अड्डों से किया जाएगा ।

(ग) सामान्य निदेश

8. आयातक समुचित ढंग से सूची बनाने और इस प्रयोग के सम्बन्ध में आयात किए गए सामान के पुनः निर्यात का सुनिश्चय करने के उद्देश्य से इन्हें पहचान चिह्न अंकित करने के लिए आयात पत्तन/हवाई अड्डे के सीमा-शुल्क समाहर्त्ता द्वारा निर्धारित सभी प्रक्रियाओं का पालन करेंगे ।

मौनेक्स-79 के लिए
भारत-अमरीकी करार

परिशिष्ट II
पैरा 7,2,2,2, देखें

गैर ड्यूटी प्रदत्त स्टाक के निर्माताओं अथवा बंधक मालगोदाम से लिए गए विमानन-ईंधन, स्नेहक पदार्थ तथा उत्पाद-शुल्क देय इसी प्रकार के उत्पादों पर उत्पाद शुल्क के भुगतान से छूट प्राप्त करने के लिए पूरी की जाने वाली कार्यविधि सम्बन्धी औपचारिकताएँ

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1. भारत में अमरीकी मौनेक्स प्रायोजना के सम्पर्क अधिकारी को अवर सचिव, सी एक्स 3 वित्त मंत्रालय (राजस्व विभाग), नई दिल्ली को उन उत्पादों के विषय में बताना होगा जिन पर उत्पादन शुल्क देय है तथा जिन पर वे इससे छूट प्राप्त करना चाहते हैं ।

2. भारत में अमरीकी मौनेक्स प्रायोजना के सम्पर्क अधिकारी उन फैक्टरियों/ बंधक गोदामों के स्थान का ब्यौरा देगा, जहाँ से ऐसा गैर ड्यूटी प्रदत्त स्टाक लेना चाहता हो, जिन्हें जिन पर क्रम संख्या 1 के अनुसार उत्पादन शुल्क देने से छूट के लिए निर्धारित किया गया हो तथा जिनका प्रयोग मौनेक्स-79 कार्यों के लिए करना हो । फैक्टरियों अथवा गोदामों के स्थान सहित उन क्षेत्रीय समाहर्त्ता कार्यालयों/ केन्द्रीय उत्पादन शुल्क प्रभागों के नाम, जिनमें उपर्युक्त फैक्टरियाँ अथवा गोदाम स्थित हैं, अवर सचिव (सी एक्स) 3 , वित्त मंत्रालय (राजस्व विभाग) नार्थ ब्लाक, नई दिल्ली को बताए जाएँगे ।

3. अवर सचिव (सी एक्स) 3, वित्त मंत्रालय (राजस्व विभाग) को इस बात की भी सूचना देनी होगी कि क्रम संख्या । में अंकित सामग्री की अधिक से अधिक कितनी मात्रा में आवश्यकता होगी और उनका मूल्य क्या होगा तथा इन्हें कितने समय में उपर्युक्त स्थानों से उठा लिया जाएगा ।

4. सम्पर्क अधिकारी टैरिफ मदों के साथ (यदि सम्भव हो) ऐसे सामानों पर लिए जाने वाले उत्पादन शुल्क की वर्तमान दर भी अवर सचिव (सी एक्स) 3, वित्त मंत्रालय को बतायेंगे ।

5. अमरीकी मोनेक्स प्रायोजना का भारत स्थित सम्पर्क अधिकारी इस बात को प्रमाणित करने के लिए सक्षम प्राधिकारी होगा अथवा वह सक्षम प्राधिकारी को नामांकित करेगा कि मोनेक्स-79 संक्रियाओं में इस्तेमाल के सिलसिले में लिए गए उत्पाद शुल्क देय सामान का वास्तव में इसी कार्य के लिए इस्तेमाल किया गया है ।

6. उपर्युक्त प्राधिकारी विनिर्माता को आवश्यक प्राधिकार पत्र भी दे सकता है जिससे वह उसे सक्षम उत्पादन शुल्क प्राधिकारी के समक्ष प्रस्तुत कर उसे सन्तुष्ट कर सके कि मोनेक्स-79 संक्रियाओं के लिए आहरण की गयी उत्पादन शुल्क लगी वस्तुओं का इस्तेमाल वस्तुतः उन्हीं कार्यों के लिए किया गया है ।

7. इस प्रक्रिया को सरलतापूर्वक क्रियान्वित करने के लिए उत्पादन शुल्क देय मदों की सूची को ऐसी बड़ी मदों तक ही सीमित रखा जाएगा जिसमें काफी रकम खर्च हो तथा इस सूची में छोटी-छोटी मदें शामिल नहीं की जायेंगी ।

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मौनेक्स-79 के लिए
भारत-अमरीकी करार

परिशिष्ट III

पैरा 8, 2, देखें

एयरक्राफ्ट कार्यक्रम के अतिरिक्त भारत के लिए अमरीकी मौनेक्स-79 कार्यक्रम

I. परिचय

मौनेक्स-79 के विषय मे भारत तथा संयुक्त राज्य अमरीका के बीच द्विपक्षीय करार में शामिल करने के लिए भारतीय राष्ट्रीय मौनेक्स प्रायोजना के लिए उल्लिखित कार्यों के अन्तर्गत चार मुख्य कार्यक्रम हैं। इस प्रलेख में संक्षेप में मौनेक्स-79 में सहयोग के लिए अपनी भूमिका के रूप में संयुक्त राज्य अमरीका की सरकार द्वारा भारत में प्रायोजित वैज्ञानिक कार्यक्रमों (एयरक्राफ्ट कार्यक्रमों को छोड़कर) का उल्लेख किया गया है।

प्रत्येक कार्यक्रम का विवरण नीचे लिखे अनुसार होगा :-

— संयुक्त राज्य अमरीका की एजेन्सी द्वारा प्रायोजित
— संयुक्त राज्य अमरीका में वैज्ञानिक सम्पर्क प्रमुख (सभी मामलों में इस व्यक्ति के साथ संयुक्त राज्य अमरीका मौनेक्स प्रायोजना कार्यालय के माध्यम से सम्पर्क किए जायेंगे)
— प्रायोजना के वैज्ञानिक उद्देश्य
— इस सम्बन्ध में किए जाने वाले प्रेक्षण
— अंक-प्रसार पद्धति
— उपस्कर के लिए स्थान और कार्य की अवधि
— उपस्कर संबंधी विशिष्टियाँ
— इस कार्य के लिए संयुक्त राज्य अमरीका से जिन कार्मिकों की आवश्यकता हो।

2. भारत में संयुक्त राज्य अमरीका के मौनेक्स कार्यक्रम –

2.1. बाउंडरी लेयर कार्यक्रम

(क) प्रायोजक : राष्ट्रीय विज्ञान संस्था, उर्जा विभाग

(ख) वैज्ञानिक सम्पर्क प्रमुख डा० एस० सेतु रमन ब्रुकहेवन नेशनल लेबोरेटरी, लॉंग आइलैंड, न्यूयार्क

(ग) वैज्ञानिक उद्देश्य, निम्नलिखित कार्यों के लिए पृष्ठीय स्तर वायुमंडलीय प्रक्षोभ की विशेषताओं का अध्ययन –

- ग्रहीय परिसीमा स्तर के संख्यात्मक निदर्श में प्रयोग के लिए भंवर गुणांक निर्धारित करना ।
- संख्यात्मक निदर्श में प्रयोग करने के लिए पृष्ठीय स्तर प्रक्षोभ प्रवाह परिच्छेदिका का पता लगाना ।
- संख्यात्मक निदर्शों मे सुधार करने तथा बड़े पैमाने के मौसम विज्ञान संबंधी परिवर्तनों के अनुसार पृष्ठीय स्तर प्रवाह के प्राचलीकरण के लिए पृष्ठीय स्तर प्रक्षोभ के भौतिक लक्षणों का पता लगाना ।

(घ) इस सम्बन्ध में किए जाने वाले प्रेक्षण :

- जल वाष्प प्रवाह
- संवेद्य ऊष्मा प्रवाह
- संवेग प्रवाह
- माध्य वायु- चाल
- माध्य वायु की दिशा

- प्रदीप्त
- वायु का तापक्रम
- माध्य आपेक्षिक आर्द्रता

ये प्रेक्षण बीच पर स्थित एक 20 मीटर ऊँची मीनार से किए जाएँगे । इसी प्रकार के माप बीच के अपतट पर स्थित एक विशेष रूप से बंधे हुए प्लाव से भी लिए जाने की सम्भावना है (जिससे कि पृष्ठीय तरंगों की ऊँचाई की माप को भी शामिल किया जा सके)

(ङ) अंक प्रसार की प्रक्रिया : कच्चे आँकड़े संयुक्त राज्य अमरीका में अनुकूलित तथा संसाधित किए जाएँगे और फिर ग्रीष्मकालीन मौनेक्स सम्बन्धी अन्तर्राष्ट्रीय अंक प्रबन्ध योजना के अन्तर्गत अन्तर्राष्ट्रीय रूप से सहमत प्रक्रियाओं के अनुसार भारत और विश्व आँकड़ा केन्द्र 'क' और 'ख' को सौंप दिए जाएँगे ।

(च) उपस्कर की स्थिति और संकार्य की अवधि : भारतीय विज्ञान संस्थान के डा0 सेतुरमन और डा0 रोड्डम नरसिंह के बीच परामर्श से यह तय किया जाएगा कि यह कार्य किस स्थान पर पूरा किया जाएगा । फिलहाल इसके लिए प्रस्तावित स्थान दीघा है ।

1 जुलाई से 31 जुलाई, 1979 तक प्रेक्षण किए जाएँगे ।

(छ) उपस्कर सम्बन्धी विशिष्टियाँ : 20 मीटर की मीनार तथा पहले की प्रतिक्रिया सहित मूर स्थार उत्पल्व जिसमें हवा मापने की युक्तियों की व्यवस्था हो तापक्रम की परख तथा आर्द्रता मापी उपकरण । हॉट फिल्म एनिमोमीटर का संभावित उपयोग । मूर उत्पल्व में उत्पल्व की गति को मानीटर करने के लिए त्वरणमापी यंत्र लगे होंगे ।

(ज) अपेक्षित अमरीकी कार्मिक : लगभग 4 से 6

2. 2 वायु-विलय (एरोसाल) मानीटरिंग कार्यक्रम

(क) प्रायोजक-राष्ट्रीय विज्ञान संस्थान, राष्ट्रीय महासागरीय एवं वायुमंडलीय प्रशासन, मियामी विश्व विद्यालय ।

(ख) वैज्ञानिक सम्पर्क प्रमुख डा० जोसेफ प्रोस्पेरो, समुद्रीय एवं वायुमंडलीय विज्ञान विद्यालय, मियामी, विश्वविद्यालय फ्लोरिडा

(ग) वैज्ञानिक उद्देश्य : निम्नलिखित तथ्यों का पता लगाना –

– मानसून के दौरान अरब सागर और बंगाल की खाड़ी के ऊपर धूल के प्रादुर्भाव का मौसमविज्ञान सम्बन्धी घटकों से सम्बन्ध दिखाने के लिए उनके वहन सम्बन्धी लक्षण ।

– धूल के इन प्रादुर्भावों तथा मानसून परिसंचरण पर उनके प्रभावों से सम्बद्ध विकिरणी लक्षण ।

(घ) किए जाने वाले प्रेक्षण –

– वायु-विलय प्रदर्श

– वायुमंडलीय अविलता सम्बन्धी माप

(ङ) अंक प्रसार प्रक्रिया : कच्चे आंकड़े संयुक्त राज्य अमरीका में अनुकूलित किए जाएंगे और फिर ग्रीष्मकालीन मोनेक्स के लिए अन्तर्राष्ट्रीय अंक प्रबन्ध योजना के अन्तर्गत अन्तर्राष्ट्रीय रूप से सहमत प्रक्रियाओं के अनुसार भारत और विश्व आंकड़ा केन्द्र क और ख को सौंप दिए जाएंगे ।

(च) उपस्कर की स्थिति एवं कार्य की अवधि –

— ग्रीष्म कालीन मोनेक्स में भाग लेने वाले सभी भारतीय जहाज पर उपस्कर रखे जायेंगे तथा प्रयोग के अवधि के दौरान प्रेषण किए जायेंगे ।

(छ) उपस्कर सम्बन्धी विशिष्टियाँ –

— वायु-विलय प्रदर्श: उच्च आयतन वायु पम्प (1 एम 3/मिन) जिसमें 8"×10" का वाटमैन सं0 41 का फिल्टर लगा होगा ।

— लम्बाई चौड़ाई : 90 से0 मी0 × 40 से0 मी0 × 40 से0मी0 जिसमें पम्प मोड्यूल के ऊपर लगभग 1.8 मी0 का फिल्टर हेड होगा ।

— वजन : 25 कि0 ग्रा0

— शक्ति : 110 अथवा 220 वी ए सी, 50 एच जेड, 400 वी ए

— लागत खर्च : अभी ज्ञात नहीं है ।

सूर्य फोटोमीटर (आविलता मापने के लिए)

— डब्ल्यू एम ओ स्टेन्डर्ड वोल्ज फोटोमीटर के समान

— पीक रीडिंग इन्डीकेटर

— तीन फिल्टर (बैन्ड पास 10 से 40/यू एम): 300/यू एम 500/यू एम 800/यू एम

— अंकीय घड़ी

— शक्ति : इस समय ज्ञात नहीं है ।

— लम्बाई चौडाई एवं वजन : हाथ से चलाये जाने वाले उपस्कर के अतिरिक्त अन्य के बारे में मालूम नहीं है ।

(ज) संयुक्त राज्य अमरीका के तीन से चार कार्मिकों की आवश्यकता है (इस समय भारतीय जहाजों पर प्रेषण करने के लिए किसी अमरीकी कार्मिक की आवश्यकता नहीं है ।)

2. तुल्यकाली उपग्रह बिम्ब - सृजन कार्यक्रम

(क) प्रायोजक : राष्ट्रीय विज्ञान संस्था, अमरीकी मौनेक्स प्रायोजना

(ख) वैज्ञानिक सम्पर्क प्रमुख : डा० जे० पी० क्युट्नेर निदेशक, अमरीकी मौनेक्स प्रायोजना

(ग) वैज्ञानिक उद्देश्य : उच्च गुणों वाले तुल्यकाली उपग्रह (दृश्य एवं अवरक्त) बिम्ब-सृजन का उपयोग मौनेक्स - 79 के विभिन्न संकार्यात्मक कार्यक्रमों के लिए बहुत महत्वपूर्ण है । इस बिम्ब-सृजन का उपयोग संकार्यात्मक वैज्ञानिक निर्णयों के समर्थन के लिए किया जाएगा । यह प्रायोजना निम्नलिखित प्रमुख कार्यक्रमों में सहायता देगी ;

— एयरक्राफ्ट कार्यक्रम

— जहाज प्रचालन

— रेडियोमीटरसोन्ड गहन प्रेषण कार्यक्रम

(घ) किए जाने वाले प्रेक्षण : क्षेत्र प्रावस्था में दिन में कम से कम चार बार उच्च गुणों वाले दृश्य एवं अवरक्त बादलों के बिम्ब सृजन । इन प्रेक्षणों के अभिलेख क्षेत्र प्रावस्था के एक से दो वर्ष बाद उपलब्ध कराये जाएंगे । यह उपस्कर टायरस-एन मीटियोर एण्ड जी एम एस बिम्ब-सृजन भी प्राप्त कर सकता है ।

(ङ) अंक प्रसार प्रक्रिया : क्षेत्र प्रावस्था के दौरान नई दिल्ली स्थित अन्तर्राष्ट्रीय लेवल II -आंकड़ा प्रबन्ध केन्द्र को फोटोग्राफ की प्रतियां उपलब्ध करायी जाएंगी । ये प्रतियां माइक्रोफिल्म की जाएंगी तथा ये क्विक-लुक डेटा सेट का एक हिस्सा हो जाएगा जो ग्रीष्मकालीन मौनेक्स के लिए अन्तर्राष्ट्रीय अंक प्रबन्ध योजना में बताई गई अन्तर्राष्ट्रीय रूप से सहमत प्रक्रियाओं के अनुसार भारत तथा विश्व आंकड़ा केन्द्र को उपलब्ध कराया जाएगा ।

(च) उपस्कर की स्थिति : बम्बई में सांताक्रुज हवाई अड्डे के पास (ठीक-ठीक स्थान अभी तय नहीं किया गया है) ।

(छ) उपस्कर संबंधी विशिष्टियाँ :

— विनिर्माता : इ एम आर सहयोजित (संयुक्त राज्य अमरीका)

— प्राप्य बारम्बारता : एस-बैण्ड-1697·5 एम एच जेड़
वी एच एफ-137·50 एम एच जेड़;
137·30 एम एच जेड़ ; 137·62
एम एच जेड ; 137·15 एम एच जेड;
137·30 एमचे एच जेड; 136·00
एम एच जेड; 139·50 एम एच जेड

— बैंड की चौड़ाई : लगभग 10 के एच जेड

— विमा :

एन्टीना - 2 मीटर व्यास, स्थिर, परवलीय, रिसीवर, प्रोसेसर, और डिस्प्ले 2 मी0 (ऊँचा) x. 5 मी0 (चौड़ा) x 5 मी0 (गहरा) ; समुचित पर्यावरण के लिए वातानुकूलित अन्तः क्षेत्र की आवश्यकता हो सकती है ।

— शक्ति : 220 वी ए सी, 50 एच जेड, 5 एम्पीयर

— वजन : लगभग 250 कि0ग्रा0 इसमें अन्तः क्षेत्र का वजन शामिल नहीं है ।

(ज) शिफ्टकार्य करने वाले कार्मिकों की व्यवस्था एवं समन्वयन के लिए संयुक्त राज्य अमरीका के दो से तीन कार्मिकों (सम्भवतः अंतर्राष्ट्रीय योग्यता के) की आवश्यकता होगी ।

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UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Shipping: Jurisdiction Over Vessels in United States Deepwater Ports

Agreement effected by exchange of notes
Signed at Washington May 14 and 25, 1979;
Entered into force May 25, 1979.

The Secretary of State to the British Ambassador

May 14, 1979

Excellency:

I have the honor to refer to the discussions which have taken place between representatives of our two Governments in connection with the establishment of deepwater ports off the coast of the United States and the jurisdictional requirements of the United States Deepwater Port Act of 1974, [1] and to confirm that the two Governments are in agreement that vessels registered in the United Kingdom, the West Indies Associated States or its other territories or flying the flag of the United Kingdom and the personnel on board such vessels utilizing the Louisiana Offshore Oil Port (LOOP, Inc.), a deepwater port facility established under the Deepwater Port Act of 1974, for the purposes stated therein shall, whenever they may be present within the safety zone of such deepwater port, be subject to the jurisdiction of the United States and the United Kingdom on the same basis as when in coastal ports of the United States.

His Excellency
Peter Jay,
British Ambassador.

[1] 88 Stat. 2126; 33 U.S.C. § 1501 *et seq.*

It is the understanding of the Government of the United States and of the Government of the United Kingdom that this agreement shall not apply to vessels registered in the United Kingdom, the West Indies Associated States or its other territories or flying the flag of the United Kingdom merely passing through the safety zone of the Louisiana Offshore Oil Port without calling at or otherwise utilizing the port.

If the foregoing is acceptable to the Government of the United Kingdom, I have the honor to propose that this note, together with your reply thereto, shall constitute an Agreement between our two Governments, to enter into force upon the date of your reply to that effect, and to remain in force until terminated by six months' written notice by either party to the other.

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

For the Secretary of State:

James R. Atwood

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
WASHINGTON, D.C. 20008
TELEPHONE (202) 462-1340

FROM THE AMBASSADOR

25 May 1979

Sir,

I have the honour to acknowledge receipt of your Note of 14 May 1979, the terms of which are as follows:

'I have the honour to refer to the discussions which have taken place between representatives of our two Governments in connection with the establishment of deepwater ports off the coast of the United States and the jurisdictional requirements of the United States Deepwater Port Act of 1974, and to confirm that the two Governments are in agreement that vessels registered in the United Kingdom, the West Indies Associated States or its other territories or flying the flag of the United Kingdom and the personnel on board such vessels utilizing the Louisiana Offshore Oil Port (Loop, Inc.), a deepwater port facility established under the Deepwater Port Act of 1974, for the purposes stated therein shall, whenever they may be present within the safety zone of such deepwater ports, be subject to the jurisdiction of the United States and the United Kingdom, on the same basis as when in coastal ports of the United States.

It is the understanding of the Government of the United States and of the Government of the United Kingdom that this agreement shall not apply to vessels registered in the United Kingdom, the West Indies Associated States or its other territories or flying the flag of the United Kingdom merely passing through the safety zone of the Louisiana Offshore Oil Port without calling at or otherwise utilizing the port.

The Honorable Cyrus R Vance
Secretary of State of the United States of America
Washington DC

TIAS 9525

If the foregoing is acceptable to the Government of the United Kingdom I have the honour to propose that this Note, together with your reply thereto, shall constitute an Agreement between our two Governments to enter into force upon the date of your reply to that effect, and to remain in force until terminated by six months' written notice by either party to the other.

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

I have the honour to inform you that the foregoing proposals are acceptable to the Government of the United Kingdom, who therefore agree that your Note, together with the present reply, shall constitute an Agreement between the two Governments in this matter, which shall enter into force from today and remain in force until terminated by six months' written notice by either party to the other.

Accept, Sir, the assurance of my highest consideration.

Peter Jay

Peter Jay

PORTUGAL

Shipping: Jurisdiction Over Vessels in United States Deepwater Ports

Agreement effected by exchange of notes
Signed at Washington June 22 and July 11, 1979;
Entered into force July 11, 1979.

The Secretary of State to the Portuguese Ambassador

June 22, 1979

Excellency:

I have the honor to refer to the discussions which have taken place between representatives of our two Governments in connection with the establishment of deepwater ports off the coast of the United States and the jurisdictional requirements of the United States Deepwater Port Act of 1974,[1] and to confirm that the two governments are in agreement that vessels registered in or flying the flag of Portugal and the personnel on board such vessels utilizing the Louisiana Offshore Oil Port (LOOP, Inc.), a deepwater port facility established under the Deepwater Port Act of 1974 for the purposes stated therein shall, whenever they may be present within the safety zone of such deepwater port, be subject to the jurisdiction of the United States and Portugal, on the same basis as when in coastal ports of the United States.

His Excellency
Joao Hall Themido,
Ambassador of Portugal.

[1] 88 Stat. 2126; 33 U.S.C. § 1501 *et seq.*

It is the understanding of the Government of the United States and of the Government of Portugal that this agreement shall not apply to vessels registered in or flying the flag of Portugal merely passing through the safety zone of the Louisiana Offshore Oil Port without calling at or otherwise utilizing the port.

If the foregoing is acceptable to your Government, I have the honor to propose that this note, together with your reply thereto, shall constitute an Agreement between our two Governments, to enter into force upon the date of your reply to that effect, and to remain in force until terminated by six months' written notice by either party to the other.

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

For the Secretary of State:

Richard K. Bank

The Portuguese Ambassador to the Secretary of State

EMBAIXADA DE PORTUGAL
WASHINGTON

Excellency,

I have the honour to acknowledge receipt of your Note of June 22, the terms of which are as follows:

"I have the honor to refer to the discussions which have taken place between representatives of our two Governments in connection with the establishment of deepwater ports off the coast of the United States and the jurisdictional requirements of the United States Deepwater Port Act of 1974, and to confirm that the two Governments are in agreement that vessels registered in or flying the flag of Portugal and the personnel on board such vessels utilizing the Louisiana Offshore Oil Port (LOOP, Inc.), a deepwater port facility established under the Deepwater Port Act of 1974 for the purposes stated therein, shall,whenever they may be present within the safety zone of such deepwater port, be subject to the jurisdiction of the United States and Portugal, on the same basis as when in coastal ports of the United States.

It is the understanding of the Government of the United States and of the Government of Portugal that this agreement shall not apply to vessels registered in or flying the flag of Portugal merely passing through the safety zone of the Louisiana Offshore Oil Port without calling at or otherwise utilizing the port.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note, together with your reply thereto, shall constitute an Agreement between our two Governments,

to enter into force upon the date of your reply to that effect, and to remain in force until terminated by six months' written notice by either party to the other.

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

I have the honor to state that the Portuguese Government agrees to this arrangement and will regard your Note and this reply as constituting an agreement between our respective Governments on these matters.

Accept, Excellency, the assurances of my highest consideration.

Washington, D.C., July 11, 1979.

João Hall Teixeira do
Ambassador of Portugal

His Excellency

Cyrus Vance

Secretary of State

TIAS 9526

GUYANA

Agricultural Commodities

Agreement signed at Georgetown June 1, 1979;
Entered into force June 1, 1979.

AGREEMENT BETWEEN THE GOVERNMENT OF

THE UNITED STATES OF AMERICA

AND THE GOVERNMENT OF GUYANA

FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Guyana agree to the sale of the agricultural commodities specified below. This Agreement shall consist of the Preamble and Parts I and III of the Agreement signed January 27, 1978,[1] together with the following Part II:

PART II - PARTICULAR PROVISIONS

Item I - Commodity Table:

Commodity	Supply Period (United States Fiscal Year)	Approximate Maximum Quantity (Metric tons)	Maximum Export Market Value (thousands)
Wheat/Flour	1979	870	US$ 192
Soybean/Cotton-Seed Oil	1979	2,400	2,108
Total			US$ 2,300

Item II - Payment Terms: Dollar Credit (DC)

A. Initial Payment - Five (5) Percent.

B. Currency Use Payment - Five (5) Percent - Section 104(A)

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 the date of last delivery of commodities in each calendar year.

F. Initial interest rate - Two (2) percent.

G. Continuing interest rate - Three (3) percent.

Item III - Usual Marketing Table

Commodity	Import Period (United States Fiscal Year)	Usual Marketing Requirement
Wheat/Wheat Flour (wheat basis)	1979	51,000 metric tons
Edible Vegetable Oil and/or Oil bearing seeds (oil equivalent basis)	1979	2,600 metric tons of which 270 metric tons shall be imported from the U.S.

[1] TIAS 9145; 29 UST 5725.

Item IV - Export Limitations

A. Export Limitation Period. The export limitation period shall be United States Fiscal Year 1979, or any subsequent United States Fiscal Year during 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, the commodities which may not be exported are: for Wheat Flour - wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name); and for Soybean/Cottonseed Oil - all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, sesameseed oil, rapeseed oil, and any other edible vegetable oils or oil-bearing seeds from which these oils are produced.

Item V - Self-Help Measures

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

B. The Government of Guyana Agrees to:

1. The continued expansion of agricultural extension services designed to provide the small farmer with technical advice as well as production and marketing facilities, including seeds, fertilizer, pesticides, commodity price information, and the means of delivering produce to a market site;

2. The continued research aimed at the improvement of varieties of rice and foodcrops best suited for local soil and climatic conditions;

3. Improvement and/or repair of irrigation/drainage and water facilities which will contribute to bringing into production and/or maintaining agricultural areas or which contribute to providing safe water supplies for rural areas;

4. A major effort to expand farm-to-market roads and open up sizable areas of new land to production for local consumption as well as export to CARICOM members; and

5. Renovation and/or extension of a seawall designed to prevent tidal flooding of coastal farm areas.

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 Item V above, and for the Economic Development Budget.

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 Georgetown, in duplicate, the 1st day of June, 1979.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

John R. Burke
Ambassador

FOR THE GOVERNMENT OF GUYANA

H. D. Hoyte
Minister of Economic Development and Cooperatives

INDONESIA

Agricultural Commodities

Agreement amending the agreement of May 17, 1977, as amended, and exchange of letters of December 16, 1977.
Effected by exchange of notes
Signed at Jakarta July 19, 1979;
Entered into force July 19, 1979.

The American Ambassador to the Indonesian Minister for Foreign Affairs ad interim

Jakarta, July 19, 1979

No. 590

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, February 23, 1978, July 13, 1978 and December 6, 1978[1] and to propose that Part II, Particular Provisions, be further amended as follows:

A. Item I, Commodity Table: Under appropriate column headings make the following changes:

(1) On line titled "Rice" and under appropriate column headings change "745,000" to "795,000" and "$220.04" to "235.04."

(2) On line titled "Total" and under column titled "Maximum Export Market Value" change "$291.5" to "$306.5."

B. Item II, Payment Terms: Following the heading "Convertible Local Currency Credit (CLCC)" delete lines A through G and substitute the following:

"(A) For the agreement signed May 17, 1977 and all Amendments thereto through the Fifth Amendment signed December 6, 1978:

(1) Initial Payment - Fifteen (15) percent.

(2) Currency Use Payment - Ten (10) percent for section 104(A) purposes.

His Excellency

M. Pangrabean

Minister for Foreign Affairs Ad Interim

Department of Foreign Affairs

Jakarta

[1] TIAS 8677, 8913, 8984, 9169; 28 UST 6172; 29 UST 6059.

(3) Number of Installment Payments - Twenty (20).

(4) Amount of each Installment Payment - Approximately equal annual amounts.

(5) Due date of the First Installment Payment - Six (6) years after the date of the last delivery of commodities in each calendar year.

(6) Initial Interest Rate - Three (3) percent.

(7) Continuing Interest Rate - Four (4) percent.

(B) For the Sixth Amendment to the Agreement signed May 17, 1977 and any 1979 subsequent Amendments thereto:

(1) Initial Payment - Five (5) percent.

(2) Currency Use Payment - Ten (10) percent for section 104(A) purposes.

(3) Number of Installment Payments - Twenty-eight (28).

(4) Amount of each Installment Payment - approximately equal annual amounts.

(5) Due date of the First Installment Payment - Eight (8) years after date of last delivery of commodities in each calendar year.

(6) Initial Interest Rate - Two (2) percent.

(7) Continuing Interest Rate - Three (3) percent."

All other terms and conditions of the May 17, 1977 Agreement as amended remain the same.

Further, that the letters dated December 16, 1977, exchanged

between ourselves which incorporated the list of development projects that will be undertaken with the PL-480[1] commodities under the Second Amendment to the Title I, PL-480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Sixth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the project small/medium swampy area reclamation and development - $15,000,000.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

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

[2]

Attachment

[1] 68 Stat. 454; 7 U.S.C. § 1701 *et seq.*
[2] Edward E. Masters.

8. SMALL/MEDIUM SWAMPY AREA RECLAMATION & DEVELOPMENT - $15 MILLION.

The purpose of this project is to construct new irrigation systems and rehabilitate existing structures to reclaim swamp and tidal lands in Sumatera and Kalimantan. An estimated 5 million hectares of tidal swamps are on the coastlines of these two islands. Of this total, approximately 1.3 million hectares have been identified as having potential for development. The reclamation system will consist of a main canal which will function principally as a drainage system connecting a tidal river with the swamp area, access roads, a network of secondary canals to permit the distribution of fresh water from the river at high tide and drainage into this same network during low tide, the clearing of vegetation and land leveling.

Tidal reclamation has been identified as playing an important role in expanding the irrigated rice production area and the transmigration resettlement efforts.

This project will create both short term employment and income for those engaged in construction and long term farm employment for those working on the land after it is prepared. In addition, drainage of swamp lands will help improve rural health by reducing malaria mosquitos breeding areas.

For 1979/80, the completion of 14,490 hectares has been targeted for attribution.

The Indonesian Minister for Foreign Affairs ad interim to the American Ambassador

MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, July 19, 1979.

No. : D. 0823/79/01.

Your Excellency ,

I have the honour to acknowledge receipt of Your Excellency's Note of July 19, 1979 which reads as follows :

" I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, February 23, 1978, July 13, 1978 and December 6, 1978 and to propose that Part II, Particular Provisions, be further amended as follows :

A. Item I, Commodity Table : Under appropriate column headings make the following changes :

(1) On line titled "Rice" and under appropriate column headings change "745,000" to "795,000" and "$220.04" to "$235.04."

(2) On line titled "Total" and under column titled "Maximum Export Market Value" change "$291.5" to "$306.5."

B. Item II, Payment Terms : Following the heading : "Convertible Local Currency Credit (CLCC)" delete lines A through G and substitute the following : "(A) For the Agreement signed May 17, 1977 and all Amendments thereto through the Fifth Amendment signed December 6, 1978 :

(1) Initial Payment - Fifteen (15) percent
(2) Currency Use Payment - Ten (10) percent for section 104 (A) purposes.

His Excellency

Edward E. Masters
The United States Ambassador

J a k a r t a

TIAS 9528

(3) Number of Installment Payments - Twenty (20)
(4) Amount of each Installment Payment - Approximately equal annual amounts.
(5) Due date of the First Installment Payment - Six (6) Years after the date of the last delivery of commodities in each Calender Year.
(6) Initial Interest Rate - Three (3) percent
(7) Continuing Interest Rate - Four (4) percent

(B) For the Sixth Amendment to the Agreement signed May 17, 1977 and any 1979 subsequent Amendments thereto :

(1) Initial Payment - Five (5) percent
(2) Currency Use Payment - Ten (10) percent for section 104 (A) purposes.
(3) Number of Installment Payments - Twenty-eight (28)
(4) Amount of each installment payment - approximately equal annual amounts
(5) Due date of first installment - Eight (8) years after date of last delivery of commodities in each Calender Year.
(6) Initial Interest Rate - Two (2) percent
(7) Continuing Interest Rate - Three (3) percent.

2. All other terms and conditions of the May 17, 1977 Agreement as amended remain the same.
Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL-480 commodities under the second Amendment to the Title I, PL-480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Sixth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the project small/medium swampy area reclamation and development $. 15,000,000.

If the foregoing is acceptable to your Government, I have the honour to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply. Accept, Excellency, the renewed assurance of my highest consideration ".

I have further the honour to confirm that the proposed amendment as described in Your Note are acceptable to my Government and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this Note.

Please, Excellency, accept the renewed assurance of my highest consideration.

M. PANGGABEAN
Minister for Foreign
Affairs ad interim.

PORTUGAL

Agricultural Commodities

Agreement signed at Lisbon July 26, 1979;
Entered into force July 26, 1979.
With summary minutes of negotiations.

AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE REPUBLIC OF PORTUGAL
FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Portugal have agreed to the sale of agricultural commodities specified below. This agreement shall consist of the preamble, and Parts I and III of the agreement signed March 18, 1976,[1] together with the following Part II:

PART II - PARTICULAR PROVISIONS

ITEM I. COMMODITY TABLE:

Commodity	Supply Period (U.S. Fiscal Years)	Approximate Maximum Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Wheat/Wheat flour (wheat basis)	1979 and 1980	80,000	Dols. 14.64
Corn/sorghum	1979 and 1980	186,000	Dols. 25.36
		Total	Dols. 40.00

ITEM II. PAYMENT TERMS: CONVERTIBLE LOCAL CURRENCY CREDIT

1. Initial Payment - Five (5) percent.
2. Currency Use Payment - Ten (10) percent for section 104(A) purposes.
3. Number of Installment Payments - Fifteen (15).

[1] TIAS 8264; 27 UST 1565.

4. Amount of Each Installment Payment - Approximately equal annual amounts.
5. Due Date of the First Installment Payment - Three (3) years after the date of last delivery of commodities in each calendar year.
6. Interest Rate Throughout Period of Agreement - Five (5) percent.

ITEM III. USUAL MARKETING TABLE:

Commodity	Import Period (United States Fiscal Years)	Usual Marketing Requirement (Quantities to Be Imported Each Year)
Wheat/wheat flour	1979 and 1980	383,000 metric tons
Feed grains	1979 and 1980	1,163,000 metric tons

ITEM IV. EXPORT LIMITATIONS:

A. Export Limitation Period:

The export limitation period shall be United States fiscal years 1979 and 1980, or any subsequent United States fiscal year during 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, the commodities which may not be exported are: for wheat/wheat flour - wheat, wheat flour, rolled wheat, semolina, farina, or bulgur (or the same products

under a different name); and for corn/sorghum - corn, cornmeal, barley, grain sorghum, rye, and oats (including mixed feeds containing predominantly such grains).

ITEM V. SELF-HELP MEASURES:

A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to promoting development in poor rural areas and to stimulating the participation of farmers in achieving increased agricultural production in accordance with the objectives and norms established by the Government of Portugal in its national and regional programs for agricultural development.

B. The Government of Portugal agrees to:

1. Open a special line of credit for private entrepreneurs and agricultural cooperatives to finance medium and long term investment in agricultural production, marketing, and processing facilities.
2. Construct bulk grain handling facilities at an appropriate deep water port and continue construction of inland handling and maintenance facilities.
3. Construct support infrastructures for cattle breeding as aids to farmers in marketing their products.

4. Construct wholesale food markets near population centers as aids to growers and consumers.
5. Develop the capability of collecting and analyzing agricultural data necessary for the formulation of rural and agricultural development policies, and to establish a nationwide service to provide farmers with frequent and current market information.
6. Organize a study program designed to identify, prepare, and analyze integrated rural development programs.
7. Develop the fisheries sector, including production, processing, and marketing.
8. Encourage applied agricultural research and improve the efficiency of rural extension services.

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 Item V of the agreement, and for the following economic development sectors: agriculture and fisheries.

B. The allocation of proceeds generated under this agreement, except as otherwise agreed herein, will be used in support of the Government of Portugal's agricultural development plan, and will support:

1. Investments directly related to regional production programs being initiated in accordance with the above-mentioned plan; and
2. Elements of national programs which are directly related to infrastructure development.

C. 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 Lisbon, in duplicate, this twenty sixth day of July, 1979.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Edward M. Rowell
Charge d'Affaires, a.i.

FOR THE GOVERNMENT OF PORTUGAL:

Antonio de Almeida
Secretary of State for the Treasury

SUMMARY MINUTES

of negotiations between the Government of Portugal and the Government of the United States regarding an agreement for sales of agricultural commodities under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480 - 83rd Congress)[1]

Session: July 17, 1979
Lisbon, Portugal

Representing the Government of Portugal

Dr. Francisco Baltazar Moita, Ministry of Foreign Affairs

Dr. Carlos Nunes Portela, Ministry of Foreign Affairs

Dra. Maria de Lurdes Serra, Ministry of Foreign Affairs

Dr. Jose Manuel F. Mendes Barata, Ministry of Finance

Dra. Maria da Glória Morão, Ministry of Finance

Dr. Jaime Tavares Duarte, Ministry of Agriculture & Fisheries

Eng. Augusto dos Santos Varela, Ministry of Agriculture and Fisheries

Dr. António d'Avillez, EPAC

Dr. Carlos Alberto A. Filipe, IFADAP

Dr. Manuel E. Meneses, IFADAP

Representing the Government of the United States

Mr. Robert J. Wicks

Ms. Stephanie Mayfield

Mr. Charles Buchanan Jr.

[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*

Summary Minutes:

The initial negotiating session was opened by Dr. Francisco Moita of the Ministry of Foreign Affairs. After welcoming the United States Government negotiators, Dr. Moita gave the floor to the U.S. spokesman.

Opening remarks as follows were submitted in verbal form.

Although the purpose of PL 480 loans is not balance of payments assistance, the agreements of the past 3 years have implicitly contributed to easing Portugal's balance of payments difficulties and, recently, the balance of payments situation has improved.

More important, however, is the contribution of PL 480 loans have and can continue to make toward development of the Portuguese agricultural sector. Recent actions taken by the Government of Portugal (GOP) are welcome positive evidence of our mutual commitment to the developmental application of the locally generated currency from the several PL 480 programs.

Since mechanisms for efficient investment of the locally generated currencies are in place and are beginning to function, we urge continued expedient application of the funds to avoid prejudicing any future agreements.

Without further general remarks, let us turn to a discussion of the talking points which we have prepared.

Assuming we can all agree on these points, we also would like to submit for your consideration a draft of the proposed agreement.

The proposed agreement for FY 79 incorporates by reference the preamble, and Parts I and III of March 18, 1976, agreement. Together with the proposed Part II, the preamble and standard Parts I and III constitute a new agreement.

The following issues and conditions relative to the proposed Part II are requisites to the new agreement.

A. Financing for the commodities proposed for inclusion in this agreement, wheat and feed grains, is subject to availability of those commodities at the time of shipment, as well as to the issuance and acceptance of purchase authorizations (PA's).

B. The Government of Portugal (GOP) is requested to designate person(s) (in the United States) who will be able to consult (on a cognizant basis) with the United States Department of Agriculture (USDA) concerning the rules and procedures governing procurement. Such person(s) should 1) receive (from the GOP) any instructions, information, or authority necessary to facilitate timely implementation of the agreement; 2) have authority to request and sign PA's and related documents; 3) if necessary, have complete instructions/information/authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing of shipping agents, if applicable; 4) be cognizant

of commodity specifications, contracting and delivery periods, as well as the banks handling letter(s) of credit for both commodities and freight. PA's shall not be issued prior to such consultations. Also, in this connection, it is strongly recommended that the GOP not require consular legalization of documents (unless required by general law), as was requested by the GOP for purchases under the last agreement. Such a requirement can cause unnecessary delays in payment to suppliers and can result in higher costs to the extent that suppliers may consider the condition unacceptable for the purposes of releasing the cargo.

C. It will be necessary for the GOP to designate person(s) (in Portugal) who shall be able and willing to provide in a prompt manner to the USG representatives information regarding:

1) arrival and offloading of PL 480 purchased commodities;

2) publicizing arrivals of PL 480 purchased commodities;

3) measures taken to assure that PL 480 commodities are not resold or transshipped;

4) compliance with export limitations and usual marketing requirements;

5) imports and exports of PL 480 and like commodities;

6) generation and utilization of local currency resulting from the sales of PL 480 commodities;

7) currency use payments;

8) reconciliation of accounts and repayments.

The above required information will be provided as reports, and are to be submitted to the U.S. Embassy as follows:

--- ADP, shipping and arrival printouts, should be returned to the U.S. Embassy as soon as possible, but not later than 30 days after the last unloading indicated on the report;

--- compliance reports should be submitted quarterly (commencing January 15 for the period October 1-December 31);

--- self-help reports should be submitted to the U.S. Embassy by December 1;

--- receipts and expenditure proceeds report should be submitted to the U. S. Embassy when requested by USG but not less often than annually, coincident with GOP fiscal year budget reporting procedures.

D. If GOP utilizes a purchasing or shipping agent for commodities purchased under the agreement, the GOP must, prior to the issuance of PA's, provide Office of the General Sales Manager, U.S. Department of Agriculture (OGSM/USDA) with a copy of the proposed agency agreement(s). All such agreements with purchasing and/or shipping agents must be approved by the OGSM. (The purpose of this requirement is to prevent conflicts of interest.) Additionally, commissions, fees or other payments to selling agents are prohibited in any purchase of food/feed grains under the proposed agreement.

E. Concerning purchase authorizations, the following conditions are applicable:

-- PA's will be issued only after U.S. Embassy has received in writing the following information:

1) type and grade of commodity (based on official U.S. standards) to be purchased;
2) proposed contracting and delivery schedules;
3) names and addresses of Portuguese and U.S. banks which shall be handling financing operations of the PL 480 purchases;
4) assurance that GOP authorities are prepared to make immediate transfers of funds from Portugal's own resources to cover 100 percent of the ocean transportation costs, including demurrage, as well as the 5 percent initial payment (IP) for purchases under the agreement.

-- Delivery should be made prior to October 1, 1979. (Value of commodities delivered, with USDA approval, after October 1, 1979, may be deducted from amounts available for any agreement for FY 80, and under those circumstances full export restrictions and usual marketing requirements shall continue through fiscal year 1980.)

-- PA's will not be issued in the event of major problems concerning GOP performance under the agreement. (Such problems include, but are not limited to, delinquent

payments, unfulfilled reporting requirements, exportation of products prohibited by Part II, Item IV, of the proposed agreement, or failure to meet UMRs.)

-- PA's or uncommited balances of PA's may be cancelled by the USDA at any time that a commodity is determined to be no longer available for PL 480 programs.

-- PA's may be limited to certain types of grades of commodity involved.

-- Value of the total quantity of each commodity covered by PA's may not exceed the maximum export values specified in Part II of the agreement. Thus, in case unit prices become higher than those projected, purchases will be limited to the dollar values specified in the agreement. In the case of price declines, PA's may limit financing to an amount which would not permit purchases to substantially exceed quantities specified in the agreement.

F. Although commodities are purchased from private U.S. suppliers, prices agreed upon between buyer and seller are subject to review by USDA.

G. For each purchase, the designated importing agency (DIA) must authorize the U.S. bank referred in para. E.3. to open necessary letter(s) of credit in name of the U.S. exporter(s) specifying the amount to be paid by the Commodity Credit Corporation (OGSM/USDA) and the net amount (5 percent) to be paid by the DIA's U.S. bank. The DIA must also insure

that letter(s) of credit (L/C) are opened and confirmed by their designated U.S. bank immediately after the contracting under each PA is concluded and before vessels arrive to be loaded.

H. Purchases under the agreement must be made on the basis of invitation for bids (IFBs) which are publicly announced in the United States.

-- All bid offerings must be received and publicly opened in the United States. --All awards of contracts under IFBs must be consistent with open, competitive and responsible bid procedures. --The terms of all IFBs, including those for ocean freight, must be approved by OGSM before final acceptance by GOP representative(s) in the U.S.

I. Regarding Ocean Transportation

-- Letters of credit for one hundred percent of the freight must be opened in favor of the supplier of the ocean transportation prior to vessel presentation for loading. Delays in opening the letters of credit may result in ship-owners action preventing loading or release of commodities. Late or improper opening of L/Cs can result in carriers cancelling transportation.

-- The U.S. will pay the differential between U.S. and foreign flag freight rates on the shipment of 50 percent of the commodities that by law must be transported in U.S.-flag vessels.

-- Charters of U.S. as well as non-U.S. flag vessels must have OGSM approval prior to final acceptance by the GOP representative in the U.S.

J. The following amount and values are proposed for commodities to be included in the FY 79 PL 480, Title I, agreement:

COMMODITY	APPROXIMATE MAXIMUM QUANTITY	MAXIMUM EXPORT VALUE (U.S. MILLION DOLLARS)
Wheat Wheat/flour	80,000 MT	14.64
Corn/sorghum	186,000 MT	25.36

K. The financial terms shall be the same as in FY 78 agreement:

-- The interest rate remains at 5 percent;

-- The annual installment payments (15) shall be approximately equal amounts;

-- The first installment payment shall be made 3 years from the date of the last delivery (on board) of commodities in each calendar year;

-- The initial payment (IP) shall be 5 percent;

-- The currency use payment (CUP) shall remain as in the previous agreement (10 percent).

L. Regarding Payments

-- The GOP will be required to open a L/C to cover the 5 percent inital payment to each U.S. supplier. PA's also specify the percentage of purchase price (5 percent) that is to be paid by the importing government--to the U.S. supplier.

The L/C for this amount is, in fact, the initial payment.

-- A currency use payment (CUP), equivalent to 10 percent of the amount financed (which for each purchase is 95 percent) is to be paid to the U.S. Embassy and shall be credited against interest charges during the grace period and against both interest and principal thereafter.

M. U.S. legislation requires that identification and publicity be given to transactions under the agreement. In this regard the GOP is requested to announce publicly each delivery of commodities purchased under the agreement. In this connection, the GOP is expected to provide the U.S. Embassy periodically with statements on the actions taken to meet these requirements.

N. Usual marketing requirements (UMRs) are established to insure that sales under the agreement will not unduly disrupt world price, normal patterns of trade with friendly countries, or dollar sales of U.S. agricultural commodities.

The following UMRs are designated for the proposed agreement:

-- wheat/wheat flour, 383,000 MT;

-- feed grains, 1,163,000 MT.

The UMRs designated are the minimum quantities that Portugal must import, through commercial channels, during U.S. fiscal year 1979 and U.S. fiscal year 1980 (assuming imports are not completed in FY 79) from the U.S. or other

eligible countries as mutually agreed.

UMRs must be met even though the amount available under PL 480 may not be fully utilized. Purchases to meet UMR requirements are to be financed by Portugal from its own resources. (CCC or other commercial credits are acceptable for meeting UMR requirements.)

-- Violation of UMR provisions, failure to prevent resale, diversion, or transshipment of PL 480, or export of same or like commodities of either domestic or foreign origin during the export limitation period specified in the agreement, could result in withholding PA's and would be taken into account during consideration of future PL 480 programs.

-- Imports credited to UMRs are considered to be valid only from the time of their customs clearance into Portugal.

O. Export Limitations

It is understood that Portugal will refrain from exporting commodities which are the same or like those included in the agreement. Those commodities which may not be exported are: wheat, wheat flour, rolled wheat, semolina, farina, bulgur (or the same product called by a different name), corn, cornmeal, barley, grain sorghum, rye, oats (or mixed feeds containing predominantly such grains).

It is agreed to permit exports of malting barley or barley for processing in coffee, provided that cash or commercial credit purchases of U.S. feed grains will exceed the UMRs

by like amounts and, that such exports are noted in quarterly compliance reports.

P. Supply period

The proposed agreement provides for a FY 79 and FY 80 supply period. While we hope all commodities can be shipped during FY 79 (on board bill of lading prior to October 1, 1979) this provision allows for uninterrupted shipments into FY 80. However, shipments after September 30, 1979, may be charged against the FY 80 allocation for PL 480.

Q. While conclusion of this agreement is not dependent upon Portuguese purchases of U.S. commodities, the U.S. is a traditional and dependable supplier of agricultural products and seeks a fair share of any commercial increase in Portugal's imports of commodities.

R. Self-help

The self-help measures proposed for the 1979 agreement are essentially those proposed by the Planning Group of the Ministry of Agriculture and Fisheries.

They are as follows:

1. GOP will open a special line of credit for private entrepreneurs and agricultural cooperatives to finance medium and long term investments in agricultural production marketing and processing facilities.

2. Construct bulk grain handling facilities at an

appropriate deep water port and continue construction of inland handling and maintenance facilities.

3. Construct support infrastructures for cattle breeding as aids to farmers in marketing their products.

4. Construct wholesale food markets near population centers as aids to growers and consumers.

5. Develop the capability of collecting and analysing agricultural data necessary for the formulation of rural and agricultural development policies, and to establish a nationwide service to provide farmers with frequent and current market information.

6. Organize a study program designed to identify, prepare, and analyze integrated rural development programs.

7. Develop the fisheries sector, including production, processing, and marketing.

8. Encourage applied agricultural research and improve the efficiency of rural extension services.

The application of locally generated currencies (self-help funds) in a timely manner is an issue of paramount importance to the USG. In this connection, the U.S. Embassy would appreciate assurances that funds from all future agreements will be applied in a manner consistent with:

-- Law No. 14/78 of March 23;

-- Portaria No. 131-A/79 of March 23;

-- Despacho Conjunto of Ministries of Finance and Planning, Agriculture and Fisheries, and Commerce and Tourism, of April 12, 1979.

Following a review of the talking points by GOP negotiators a few points were clarified and the talking points were accepted as presented above.

Negotiators then proceeded to review a draft of the proposed agreement. GOP negotiators noted that the draft agreement did not contain modifications to the commodity table which had been informally requested. U.S. negotiators assured GOP representatives that in its final form, the table would be the same as presented in the talking points.

GOP negotiators also noted that the exception to export limitations for barley was not included in the draft agreement. U.S. negotiators explained that mention of the exception for barley was included in the talking points and would become part of the minutes, thus making the exception an official part of the proposed agreement.

U.S. negotiators then explained that the self-help measures, in the final version of the proposed agreement, would include those agreed upon informally but inadvertently excluded from the proposed text received by the Embassy, from Washington. Additionally, USG negotiators explained that the final language of the agreement would not include references to the committee referred to in Part VI B of the proposed text but would be modified in view of recent GOP actions. USG negotiators then read revised text for Section VI B of the proposed agreement which was acceptable to GOP negotiators.

Before closing the negotiating session it was agreed that a U.S. representative would on July 20 deliver to the Ministry of Foreign Affairs for final review, 1) a copy of the minutes of the July 17 meeting (to be initialed by the heads of each delegation) and 2) a final copy of the proposed agreement incorporating the above mentioned modifications. It was further agreed that the final text of the proposed agreement would be reviewed at a meeting of the GOP negotiators during the afternoon of July 20.

With modifications mentioned above (and already approved by Washington) the GOP negotiators indicated their approval of the agreement as proposed. With concurrence of GOP negotiators (expected on or before July 23), the Ministry of Foreign Affairs will communicate to the U.S. Embassy their willingness to sign the agreement.

SOCIALIST REPUBLIC OF ROMANIA

Maritime Transport

Agreements extending the agreement of June 4, 1976.
Effected by exchange of notes
Dated at Bucharest June 4, 1979;
Entered into force June 4, 1979.
And exchange of notes
Dated at Bucharest August 3 and 4, 1979;
Entered into force August 4, 1979.

The American Embassy to the Romanian Ministry of Foreign Affairs

No. 40

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Socialist Republic of Romania and has the honor to refer to the bilateral Agreement between the United States and the Socialist Republic of Romania concerning Maritime Transport, with related letters, signed at Washington June 4, 1976,[1] hereafter referred to as the Agreement.

The United States Government has proposed to the Government of the Socialist Republic of Romania that the Agreement be amended and extended for a second three-year term. Discussions to extend the Agreement are ongoing, and it does not appear that they will be completed before June 4, 1979, when the Agreement will expire. As it is not the wish of the United States that the commerce between the two nations be disrupted pending the outcome of such discussions, the Embassy of the United States proposes that the Agreement be extended as originally worded for 60 days, or until the parties amend and extend the Agreement for a second three-year term.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, the Embassy of the United States further proposes that this note together with the note of acceptance of the Government of the Socialist Republic of Romania constitute an agreement between the two governments extending the Agreement for 60 days, accordingly.

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[1] TIAS 8254; 27 UST 1415.

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

EMBASSY OF THE UNITED STATES OF AMERICA,
BUCHAREST, *June 4, 1979*

The Romanian Ministry of Foreign Affairs to the American Embassy

REPUBLICA SOCIALISTĂ ROMANIA

MINISTERUL
AFACERILOR EXTERNE

Nr.6/3628

Ministerul Afacerilor Externe al Republicii Socialiste România prezintă salutul său Ambasadei Statelor Unite ale Americii la Bucureşti şi are onoarea să se refere la Nota Ambasadei din 4 iunie 1979, cu următorul conţinut :

"Ambasada Statelor Unite ale Americii prezintă complimentele sale Ministerului Afacerilor Externe al Republicii Socialiste România şi are onoarea să se refere la Acordul bilateral dintre Statele Unite şi Republica Socialistă România privind transporturile maritime, împreună cu scrisorile conexe, semnat la 4 iunie 1976, denumit în continuare Acordul.

Guvernul Statelor Unite a propus Guvernului Republicii Socialiste România ca Acordul să fie modificat şi prelungit pentru o a doua perioadă de trei ani. Discuţiile pentru prelungirea Acordului sînt în curs şi nu apare posibil să se termine înainte de 4 iunie 1979, cînd Acordul va expira. Intrucît dorinţa Statelor Unite este ca comerţul dintre cele două ţări să nu fie perturbat pînă la încheierea acestor discuţii, Ambasada Statelor Unite propune ca Acordul să fie prelungit, fără nici o modificare, pentru o perioadă de 60 de zile, sau pînă cînd părţile vor modifica şi prelungi Acordul pentru o a doua perioadă de trei ani.

Dacă propunerea de mai sus este acceptabilă pentru Guvernul Republicii Socialiste România, Ambasada Statelor Unite propune, de asemenea, ca această notă împreună cu nota de acceptare a Guvernului Republicii Socialiste România să constituie o înţelegere între cele două guverne care prelungeşte, în consecinţă, Acordul pentru o perioadă de 60 de zile.

AMBASADEI
STATELOR UNITE ALE AMERICII

Ambasada Statelor Unite ale Americii foloseşte această ocazie pentru a reînnoi Ministerului Afacerilor Externe asigurarea celei mai înalte consideraţii".

Ministerul Afacerilor Externe doreşte să informeze Ambasada Statelor Unite că propunerea este acceptabilă pentru Guvernul Republicii Socialiste România.

Ministerul Afacerilor Externe foloseşte acest prilej pentru a reînnoi Ambasadei Statelor Unite asigurarea înaltei sale consideraţiuni.

Bucureşti, 4 iunie 1979

TRANSLATION

Socialist Republic of Romania

Ministry of
Foreign Affairs

No. 6/3628

The Ministry of Foreign Affairs of the Socialist Republic of Romania presents its compliments to the Embassy of the United States of America at Bucharest and has the honor to refer to the Embassy's note of June 4, 1979, which reads as follows:

[For the English language text, see pp. 5970-5971.]

The Ministry of Foreign Affairs wishes to inform the Embassy of the United States that the proposal is acceptable to the Government of the Socialist Republic of Romania.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States the assurances of its high consideration.

Bucharest, June 4, 1979

[Initialed]
[SEAL]

The American Embassy to the Romanian Ministry of Foreign Affairs

No. 64

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Socialist Republic of Romania and has the honor to refer to the bilateral Agreement between the United States and the Socialist Republic of Romania concerning Maritime Transport, with related letters, signed at Washington June 4, 1976, hereafter referred to as the Agreement.

The United States Government has proposed to the Government of the Socialist Republic of Romania that the Agreement be amended and extended for a five-year term. Discussions to extend the Agreement are ongoing. It does not appear that they will be completed before August 4, 1979, when the present extension of the Agreement will expire. As it is not the wish of the United States that the commerce between the two nations be disrupted pending the outcome of such discussions, the Embassy of the United States proposes that the Agreement be extended as originally worded until September 4, 1979, or until the parties amend and extend the Agreement for a five-year term whichever occurs first.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, the Embassy of the United States further proposes that this note

together with the note of acceptance of the Government of the Socialist Republic of Romania constitute an agreement between the two governments extending the Agreement until not later than September 4, 1979.

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

Embassy of the United States of America,
Bucharest, August 3, 1979

The Romanian Ministry of Foreign Affairs to the American Embassy

REPUBLICA SOCIALISTA ROMÂNIA

MINISTERUL AFACERILOR EXTERNE

Nr.6/4862

Ministerul Afacerilor Externe al Republicii Socialiste România prezintă salutul său Ambasadei Statelor Unite ale Americii la Bucureşti şi are onoarea să se refere la Nota Ambasadei nr.64 din 3 august 1979, cu următorul conţinut:

"Ambasada Statelor Unite ale Americii prezintă complimentele sale Ministerului Afacerilor Externe al Republicii Socialiste România şi are onoarea să se refere la Acordul bilateral între Statele Unite şi Republica Socialistă România privind transporturile maritime, împreună cu scrisorile conexe, semnat la 4 iunie 1976 la Washington, denumit în continuare Acordul.

Guvernul Statelor Unite a propus Guvernului Republicii Socialiste România ca Acordul să fie modificat şi prelungit pentru o perioadă de cinci ani. Discuţiile pentru prelungirea Acordului sînt în curs. Nu apare posibil să se termine înainte de 4 august 1979, cînd actuala prelungire a Acordului va expira. Întrucît dorinţa Statelor Unite este ca comerţul între cele două state să nu fie perturbat pînă la încheierea acestor discuţii, Ambasada Statelor Unite propune ca Acordul să fie prelungit, fără nici o modificare, pînă la 4 septembrie 1979 sau pînă cînd părţile vor modifica şi prelungi Acordul pentru o perioadă de cinci ani, oricare dintre cele două termene s-ar împlini mai întîi.

Dacă propunerea de mai sus este acceptabilă Guvernului Republicii Socialiste România, Ambasada Statelor Unite propune, de asemenea, ca această notă împreună cu nota de acceptare a

AMBASADEI
STATELOR UNITE ALE AMERICII
ÎN ORAS

Guvernului Republicii Socialiste România să constituie un acord între cele două guverne care prelungeşte Acordul pînă la 4 septembrie 1979.

Ambasada Statelor Unite ale Americii foloseşte acest prilej pentru a reînnoi Ministerului Afacerilor Externe asigurarea celei mai înalte consideraţii".

Ministerul Afacerilor Externe al Republicii Socialiste România doreşte să informeze Ambasada Statelor Unite ale Americii că propunerea este acceptabilă pentru Guvernul Republicii Socialiste România.

Ministerul Afacerilor Externe al Republicii Socialiste România foloseşte acest prilej pentru a reînnoi Ambasadei Statelor Unite asigurarea înaltei sale consideraţii.

Bucureşti, 4 august 1979

TRANSLATION

The Socialist Republic of Romania

The Ministry of Foreign Affairs

No. 6/4862

The Ministry of Foreign Affairs of the Socialist Republic of Romania presents its compliments to the Embassy of the United States of America at Bucharest and has the honor to refer to the Embassy's note No. 64 of August 3, 1979, which reads as follows:

[For the English language text, see pp. 5975-5976.]

The Ministry of Foreign Affairs of the Socialist Republic of Romania wishes to inform the Embassy of the United States of America that the proposal is acceptable to the Government of the Socialist Republic of Romania.

The Ministry of Foreign Affairs of the Socialist Republic of Romania avails itself of the opportunity to renew to the Embassy of the United States the assurances of its high consideration.

Bucharest, August 4, 1979

[Initialed]
[SEAL]

The Embassy of the
United States of America
Bucharest

SOCIALIST REPUBLIC OF ROMANIA

Maritime Transport

Agreement amending and extending the agreement of June 4, 1976, as extended.
Effected by exchange of notes
Dated at Washington August 30, 1979;
Entered into force August 30, 1979.

The Department of State to the Romanian Embassy

The Department of State refers the Embassy of the Socialist Republic of Romania to the bilateral agreement between the United States and the Socialist Republic of Romania concerning maritime transport, with related letters, signed at Washington June 4, 1976 [1] (The Agreement).

The United States Government has been pleased with the operation of this Agreement to date. Accordingly, the Department of State proposes that this Agreement be extended for a period of five years.

The Department of State further proposes that Article 8, Paragraph 2 be amended to read as follows:

> "The documents of a vessel, including tonnage certificates, as well as the documents referring to crews, issued according to the laws and regulations of the party under whose flag the vessel is navigating, will be recognized, to the extent permitted by applicable laws and treaties, by the authorities of the other party. For purposes of this paragraph, documents of individual crew members shall be United States seamen's documents or the Socialist Republic of Romania Carnet de Marinar as identification documents."

This change is designed to bring the Agreement into conformity with the provisions of the United States Port and Tanker Safety Act of 1978 [2] and certain international conventions to which the United States

[1] TIAS 8254, 9530; 27 UST 1415; *ante*, p. 5970.
[2] 92 Stat. 1471; 33 U.S.C. § 1221 note.

is party. If the foregoing is acceptable to the Government of the Socialist Republic of Romania, the Department of State proposes that this note together with the reply of the Embassy of the Socialist Republic of Romania shall constitute an Agreement, effective on the date of the Embassy's reply, between the two governments extending and amending this Agreement of June 4, 1976, and related notes.

[1]

Department of State,

Washington,

August 30, 1979

[1] John T. Stewart.

The Romanian Embassy to the Department of State

EMBASSY OF THE
SOCIALIST REPUBLIC OF ROMANIA
WASHINGTON, D. C.

The Embassy of the Socialist Republic of Romania refers to the Department of State's note of August 30,1979 which reads as follows:

"The Department of State refers the Embassy of the Socialist Republic of Romania to the bilateral Agreement between the United States and the Socialist Republic of Romania concerning maritime transport, with related letters, signed at Washington June 4, 1976 (The Agreement).

The United States Government has been pleased with the operation of this Agreement to date. Accordingly, the Department of State proposes that this Agreement be extended for a period of five years.

The Department of State further proposes that "Article 8, Paragraph 2" of the Agreement be amended to read as follows:

"The documents of a vessel, including tonnage certificates, as well as the documents referring to crews, issued according to the laws and regulations of the party under whose flag the vessel is navigating, will be recognized, to the extent permitted by applicable laws and treaties, by the authorities of the other party. For purposes of this paragraph, documents of individual crew members shall be United States seaman's documents or the Socialist Republic of Romania Carnet de Marinar as identification documents".

This change is designed to bring the Agreement into conformity with the provisions of the United States Port

and Tanker Safety Act of 1978 and certain international conventions to which the United States is party. If the foregoing is acceptable to the Government of the Socialist Republic of Romania, the Department of State proposes that this note together with the reply of the Embassy of the Socialist Republic of Romania shall constitute an Agreement, effective on the date of the Embassy's reply, between the two governments extending and amending this Agreement of June 4, 1976, and related notes."

The Embassy wishes to inform the Department of State that the Romanian Government agrees on the proposals mentioned in the Department of State's note of August 30, 1979. The Embassy accepts the Department of State's proposal that its note of August 30, 1979 and this reply shall constitute an Agreement between the two governments extending and amending the Agreement concerning maritime transport, with related letters, signed at Washington June 4, 1976. This Agreement will enter into force on the date of this note.

Washington, D.C. August 30, 1979

PAKISTAN

Debt Consolidation and Rescheduling

Agreement amending the agreement of March 4, 1976.
Effected by exchange of notes
Signed at Washington April 13 and June 5, 1979;
Entered into force June 5, 1979.

The Secretary of State to the Pakistani Ambassador

DEPARTMENT OF STATE
WASHINGTON

April 13, 1979

Excellency:

I have the honor to refer to the March 4, 1976 Agreement[1] (the "Agreement") between the United States of America and the Islamic Republic of Pakistan regarding the consolidation and rescheduling of debts owed to the United States. The Agreement noted that the total amount to be deferred and rescheduled by the United States would be adjusted to insure that the amounts of relief received by Pakistan would be in accordance with the June 28, 1974 Memorandum of Understanding on Debt Relief signed by the Government of Pakistan and by the International Bank for Reconstruction and Development as Chairman of the Aid-To-Pakistan Consortium.

For the past several months, our two Governments have been reviewing appropriate data to determine the exact amount to be rescheduled by the United States of America pursuant to the Agreement. Based on this data, the United States should reschedule $25,824,585.80 in the fiscal year beginning July 1, 1978 rather than the $17,145,340.05 that was projected in the Agreement.

His Excellency
Sultan Muhammad Khan,
Ambassador of the Islamic
Republic of Pakistan.

[1] TIAS 8447; 27 UST 4231.

I, therefore, propose that the final scheduled of amounts to be rescheduled pursuant to the Agreement be as follows:

FY 1975	$ 38,313,455.00
FY 1976	49,904,962.36
FY 1977	53,248,959.90
FY 1978	44,944,800.17
FY 1979	25,824,585.80
TOTAL	$212,236,763.23

Once your government accepts these amounts as constituting the final revision to the Agreement, and upon receipt by Pakistan of written notice from the United States Government that domestic United States laws and regulations covering debt rescheduling have been complied with, the Agency for International Development will initiate the action necessary to effect formally the additional rescheduling.

If the foregoing proposal is acceptable to the Islamic Republic of Pakistan, I have the further honor to propose that this note, together with your Excellency's note of confirmation on behalf of the Islamic Republic of Pakistan, shall constitute an amendment to the Agreement, effective on the date of your Excellency's reply.

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

For the Secretary of State:

Julius L. Katz

The Pakistani Ambassador to the Secretary of State

بسم الله الرحمن الرحيم

D.O.No.F.1(9)-ED/78.

EMBASSY OF PAKISTAN
2315 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20008

June 5, 1979

AMBASSADOR OF PAKISTAN

Excellency,

I have the Honour to refer to your Note of April 13, 1979 with regard to Agreement ("The Agreement") between the United States of America and the Islamic Republic of Pakistan regarding the consolidation and rescheduling of debts owed to the United States and to confirm that the amendment to the Agreement as proposed therein is acceptable to the Government of Pakistan.

2. I have the further honour to request that the U.S. Government may furnish written notice that domestic United States laws and regulations covering debt rescheduling have been complied with and Agency for International Development may be advised to initiate action necessary to effect formally the additional reecheduling.

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

(Sultan Muhammad Khan)

The Honorable
Cyrus R. Vance,
Secretary of State,
Washington, DC 20520

TIAS 9532

ISRAEL

Oil Supply Arrangement

Memoranda of agreement signed at Washington March 26, 1979;
Entered into force March 26, 1979.
And signed at Washington June 22, 1979;
Entered into force November 25, 1979.
With related understanding.

March 26, 1979

MEMORANDUM OF AGREEMENT
BETWEEN THE GOVERNMENT OF
THE UNITED STATES AND ISRAEL

The oil supply arrangement of September 1, 1975, between the Governments of the United States and Israel, annexed hereto, remains in effect. A memorandum of agreement shall be agreed upon and concluded to provide an oil supply arrangement for a total of 15 years, including the 5 years provided in the September 1, 1975 arrangement.

The memorandum of agreement, including the commencement of this arrangement and pricing provisions, will be mutually agreed upon by the parties within sixty days following the entry into force of the Treaty of Peace between Egypt and Israel.

It is the intention of the parties that prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer, and that in any event the United States will be reimbursed by Israel for the costs incurred by the United States in providing oil to Israel hereunder.

Experts provided for in the September 1, 1975, arrangment will meet on request to discuss matters arising under this relationship.

The United States administration undertakes to seek promptly additional statutory authorization that may be necessary for full implementation of this arrangement.

[1]

For the Government of Israel

[2]

For the Government of the United States

[1] M. Dayan.
[2] Cyrus R. Vance.

ANNEX

Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one-year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula, as applied by the United States Government, in order to meet Israel's essential requirements. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement.

June 22, 1979

MEMORANDUM OF AGREEMENT
BETWEEN THE GOVERNMENTS OF ISRAEL AND
THE UNITED STATES

Pursuant to the Memorandum of Agreement between the Governments of the United States and Israel signed March 26, 1979, Israel and the United States have entered into the Oil Supply Arrangement set forth herein as follows:

1. Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel will act as follows:

(a) If the oil Israel needs to meet all its normal domestic requirements is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet the shortfall in the aforementioned normal requirements of Israel. Oil will be made available to Israel as soon as practicable after notification; the United States will make every effort to ensure this period is less than 60 days.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula as applied by the United States Government, in order to meet the shortfall in Israel's essential requirements. Oil will be made available to Israel as soon as practicable after notification; the United States will make every effort to ensure this period is less than 60 days.

(c) If Israel is unable to secure the necessary means to transport to Israel oil made available pursuant to this Agreement, the United States Government will make every effort to help Israel secure the necessary means of transport.

2. Prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer. Israel will, in any event, reimburse the United States for the costs incurred by the United States in providing oil to Israel hereunder.

3. Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement and to develop and review any necessary contingency implementing arrangements.

4. This Memorandum of Agreement is subject to applicable United States law. The United States administration may seek additional statutory authorization that may be necessary for full implementation of this Memorandum of Agreement.

5. This Memorandum of Agreement shall enter into force on November 25, 1979 and shall terminate on November 25, 1994. The oil supply arrangement of September 1, 1975 between the Governments of Israel and the United States shall be in force during the period from the date of this Memorandum of Agreement to November 25, 1994 and shall be performed and implemented in accordance with the provisions of this Memorandum of Agreement.

[1]
For the Government of the United States

[2]
For the Government of Israel

[1] Herbert J. Hansell.
[2] Yaacov Nechushtan.

[RELATED UNDERSTANDING]

June 22, 1979

In connection with the Memorandum of Agreement being entered into on this date between the Government of Israel and the Government of the United States, Israel and the United States understand that:

Because of the unique security situation of Israel its oil reserves are and should be at the level equal to six months of Israel's oil consumption; and in this connection U.S. oil supplies should be at such levels that U.S. ability to meet its oil requirements will not be adversely affected.

For the Government of the United States

Herbert J. Hansell

For the Government of Israel

CANADA

Regulation of the Level of Lake of the Woods

Agreement amending the convention of February 24, 1925.
Effected by exchange of notes
Signed at Ottawa February 21 and June 19, 1979;
Entered into force June 19, 1979.

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

EMBASSY OF THE
UNITED STATES OF AMERICA

Ottawa, February 21, 1979

No. 43

Excellency:

I have the honor to refer to the Convention of February 24, 1925[1] between the United States of America and the Dominion of Canada on Regulation of the Level of Lake of the Woods and to the definition in Article I of the Convention of the term "sea level datum" with reference to a benchmark which had been established by the International Joint Commission at the town of Warroad, Minnesota, described as follows:

> Top of copper plug in concrete block carried below frost line, and located near fence in front of and to the west of new schoolhouse. Established October 3, 1912. Elevation, sea level datum, 1068.797.

Because this benchmark is no longer in existence, I have the honor to propose that the United States Coast and Geodetic Survey benchmark C-209 be designated as the new permanent benchmark for the purposes of Lake of the Woods regulation. That benchmark has the following description:

> At Warroad, Roseau County, Mn., USC&GS BM Disk, stamped C-209 1935, located 0.2 miles east along Lake Street from the junction of Lake Street and TH 11 (State Street) in Warroad, thence 0.1 miles north along the

His Excellency

Donald C. Jamieson, P.C., M.P.,

Secretary of State for External Affairs,

Ottawa.

[1] TS 721; 44 Stat. 2108.

Canadian National Railway, 39 feet south of the southwest corner of railroad station, 16.6 feet east of the east rail at mile post 38, 2 feet south-southeast of the northwest fence corner of a wire mesh fence around a small garden. Elevation 326.974 meters (1069.794 feet), 1973 Adjustment.

If this proposal is acceptable to the Government of Canada, I suggest that this note and the Canadian reply should constitute an agreement between the two Governments effective from the date of the Canadian reply.

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

Thomas O. Enders

Thomas Ostrom Enders

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

Department of External Affairs Ministère des Affaires extérieures

Canada

OTTAWA, K1A 0G2

June 19, 1979

FLA-1237

Excellency,

I have the honour to refer to your Note No. 43 of February 21, 1979 proposing the designation of United States Coast and Geodetic Survey Benchmark C-209 as the new permanent benchmark for the purposes of regulating the level of the Lake of the Woods under the Convention of February 24, 1925 and giving the description of that benchmark which would replace the description employed in the definition of "sea level datum" in Article I of the Convention. The benchmark has the following description:

"At Warroad, Roseau County, Mn., USC&GS BM Disk, stamped C-209 1935, located 0.2 miles east along Lake Street from the junction of Lake Street and TH 11 (State Street) in Warroad, thence 0.1 miles north along the Canadian National Railway, 39 feet south of the southwest corner of

His Excellency Thomas O. Enders,
Ambassador of the United States
of America,
OTTAWA.

railroad station, 16.6 feet east of the east rail at mile post 38, 2 feet south-southeast of the northwest fence corner of a wire mesh fence around a small garden. Elev. 326.074 meters (1069.794 feet), 1973 Adjustment."

This proposal is acceptable to the Government of Canada. Accordingly I have the honour to confirm that your Note and this reply, which is authentic in English and French, shall constitute an agreement between our two Governments with respect to Article I of the Convention between Canada and the United States of America to Regulate the Level of the Lake of the Woods, signed at Washington on February 24, 1925, which shall enter into force from the date of this Note.

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

Flora MacDonald [1]

Secretary of State
for External Affairs

[1] Flora MacDonald.

French Text of the Canadian Note

Department of External Affairs Ministère des Affaires extérieures

Canada

OTTAWA, K1A 0G2

le 19 juin 1979

FLA-1237

Excellence,

J'ai l'honneur de me référer à votre Note no 43 du 21 février 1979 proposant la désignation de la borne-repère C-209 du United States Coast and Geodetic Survey comme nouveau repère permanent aux fins de la régularisation du niveau du lac des Bois aux termes de la Convention du 24 février 1925, et donnant dudit repère une description qui remplacerait celle figurant dans la définition de "repère d'altitude" à l'Article I de la Convention. Le nouveau repère est décrit comme suit:

"A Warroad, Roseau County, Minnesota, un disque-repère du USC&GS, estampillé C-209 1935, situé sur Lake Street à 0,2 mille à l'est du point de jonction de Lake Street et de la TH 11 (State Street) dans la ville de Warroad, et de là à 0,1

Son Excellence M. Thomas O. Enders
Ambassadeur des Etats-Unis d'Amérique
Ottawa

mille au nord le long de la voie ferrée du Canadien National, à 39 pieds au sud de l'angle sud-ouest de la station de chemin de fer, à 16,6 pieds à l'est de la voie est à la hauteur de la borne milliaire 38, à 2 pieds au sud-sud-ouest de l'angle nord-ouest d'une clôture en treillis métallique qui entoure un petit jardin. Altitude 326,074 mètres (1069,794 pieds), rectification de 1973."

Cette proposition agrée au Gouvernement du Canada. En conséquence, j'ai l'honneur de confirmer que votre Note et la présente réponse, dont les versions anglaise et française font également foi, constituent un accord entre nos deux Gouvernements relativement à l'Article I de la Convention entre le Canada et les Etats-Unis d'Amérique en vue de régler le niveau du lac des Bois signée à Washington le 24 février 1925, lequel accord entrera en vigueur à compter de la date de la présente Note.

Je vous prie de croire, Excellence, aux assurances renouvelées de ma très haute considération.

Le Secrétaire d'Etat aux
Affaires extérieures,

Flora MacDonald

TUNISIA

Agriculture Technology Transfer

Agreement signed at Tunis August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Project No. 664-0304

Date: AUG 31 1978

PROJECT GRANT AGREEMENT

between

THE REPUBLIC OF TUNISIA

and

THE UNITED STATES OF AMERICA

for

AGRICULTURE TECHNOLOGY TRANSFER

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ANNEX 1

THE PROJECT

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 664-0304

GRANT AGREEMENT

DATED AUG 3 1 1978

BETWEEN

The Republic of Tunisia (Cooperating Country)

AND

The United States of America, acting through the Agency for International Development ("A.I.D.")

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the Parties named above ("Parties") with respect to the undertaking by the Cooperating Country of the Project described below, and the financing thereof by the Parties.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of a Participant Training Program to assist the Government of Tunisia in development of an agricultural cadre to identify, select, and manage the future agricultural technology of the country. Annex 1, attached, contains the detailed project description cited in this Section and identifies those elements of the Project for which Grant financing will be employed. Within the limits of the above definition of the Project, elements of the description contained in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Cooperating Country, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1. The Grant. To assist the Cooperating Country to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to grant the Cooperating Country under the terms of this Agreement not to exceed one million four hundred eighty thousand ($1,480,000) United States (U.S.) Dollars (Grant). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1 of goods and services required for the Project.

SECTION 3.2. Cooperating Country Resources for the Project.

(a) The Cooperating Country agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

(b) The resources provided by the Cooperating Country over the life of the Project are estimated to be approximately the equivalent of U.S. $1,598,000, including costs borne on an "in kind" basis, but not less than 25% of the total cost of the Project.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1985, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1, no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., by giving notice in writing to the Cooperating Country, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation

prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

A statement of the name of the person holding or acting in the office of the Cooperating Country specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 4.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 have been met, it will promptly notify the Cooperating Country.

SECTION 4.3. Terminal Dates for Conditions Precedent.

If all of the conditions precedent specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Cooperating Country.

ARTICLE 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at periodic points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) recommendations as to how such problems or constraints should be addressed; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

ARTICLE 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000) of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such services, except as A.I.D. may otherwise agree in writing.

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required

for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services. or (B) requests for A.I.D. to procure commodities or services in Cooperating Country's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Cooperating Country in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Cooperating Country instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement.

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.3. Date of Disbursement.

Disbursements of the assistance by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Cooperating Country or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE 8: Miscellaneous

SECTION 8.1. Communications.

Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Cooperating Country:

Ministere des Affaires Etrangeres
Direction de la Cooperation Internationale
Avenue Mohamed V
Tunis, Tunisia

To A.I.D.:

Agency for International Development
c/o American Embassy
144 Avenue de la Liberte
Tunis, Tunisia
Alternate Address for cables: Director, USAID
Amembassy Tunis

All such communications will be in English or French. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives.

For all purposes relevant to this Agreement, the Cooperating Country will be represented by the individual holding or acting in the office of Minister of Foreign Affairs and A.I.D. will be represented by the individual holding or acting in the Office of Director. USAID to Tunisia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the detailed description in Annex 1. The names of the representatives of the Cooperating Country, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex.

A "Grant Standard Provisions Annex" (Annex 2) [1] is attached to and forms part of this Agreement.

SECTION 8.4. Language of Agreement.

This Agreement, its Annexes and Project Implementation Letters are prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

[1] See footnote 1, p. 6008.

IN WITNESS WHEREOF, the Republic of Tunisia and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Republic of Tunisia

By: Ridha Bachbaouab
Ministry of Foreign Affairs

United States of America

By: Hermon S. Davis
Director, USAID

ANNEX 1

GRANT AGREEMENT

THE PROJECT

The Project will provide, through participant training of up to 79 M.S. and Ph.D students, a major input of scientific agricultural leadership where trained personnel are lacking, to greatly increase Tunisia's ability to train Tunisians to the M.S./Ph.D levels. Directly and indirectly this will strengthen staffing of both the national centers of agricultural teaching and research and the regional institutes that have been established recently to permit effective addressing of problems of small farms throughout the semi-arid regions of the nation through an effective adaptive research and extension program. Both the institutional capability and the information (technology) base for sound technology transfer in the Central and Southern regions are lacking. Changes in village and grazing systems are essential to arrest the rapid deterioration of the land resources through these regions which threatens the existence of multitudes of small owner-operated farms and to begin to realize the much higher production potential for cereals and meat, two commodities now being imported. Some participants will be trained in horticulture and food technology to provide the science base and technology to use limited irrigation resources to capitalize on climatic advantages in early vegetable and fruit production and to improve grading packaging, processing and marketing of these products both

domestically and for export. It is vital to develop and provide to small farmers alternative technologies tested in the local areas that will permit a shift from existing practices that are causing ever more rapid deterioration of land by wind and water erosion.

Short-term training, consultants, faculty thesis research advisors and commodities, including library materials, are provided in support of the participant training and program efforts of the eleven agricultural institutions involved.

The Project funding will be provided in increments and is expected to total $4.5 million. It is expected that technical assistance will be provided by a contract between the Government of Tunisia (GOT) and the Mid-America International Agricultural Consortium (MIAC).

1. U.S. Contribution

a. The A.I.D. contribution will finance the following items:

(1) Long-term training

(2) Short-term training

(3) U.S. university thesis research supervisor and faculty advisors of thesis research in Tunisia

(4) Consultants

(5) Commodities to support thesis research, including strengthening library and soil testing capabilities

(6) Administrative and coordinating support

(7) Support for periodic project evaluation

(8) U.S. graduate research student assistants

2. Government of Tunisia (GOT) Contribution

The Government of Tunisia (GOT) contribution will consist of direct budget support of salary and GOT counterparts, in-country transportation, office, workshop, laboratory, and conference facilities, supplies and services. The GOT will also provide for participant international travel, medical examinations, and other participant processing. and in-country transportation for the full-time U.S. thesis advisors, and U.S. graduate research student assistants.

3. Detailed Description

A. The proposed Project will provide up to 79 trained scientists with tentative distribution as follows:

INAT (Institut National Agronomique de Tunisie)	12
INRAT (Institut National de la Recherche Agronomique de Tunisie)	17
Field Crops Institute at Le Kef	16

Arid Lands Institute at Medenine	7
Horticulture Institute at Chott Meriem	10
Food Technology Institute at Tunis	3
Livestock Production Institute at Mateur	3
Institute of Economics and Rural Development at Moghrane	2
Institute of Forestry and Pastures at Tabarka	2
Extension	5
Librarians	2

The 79 long-term advanced degree participants will be placed at qualified universities agreed upon with DRFC within and outside the MIAC consortium with MIAC handling the contract funding requirements.

The 37 participants for Ph.D degrees will carry out their thesis research in Tunisia as part of the research program and on the payroll of their institutions but under the supervision of U.S. university advisors. An important product of the Project will be the documented research results in theses on 37 Tunisian problems selected to provide the needed information base for small farm agriculture in the semi-arid regions.

An additional 8 theses may be prepared by U.S. graduate student research assistants doing their Ph.D thesis research in Tunisia in cooperation with Tunisian Ph.D students on similar problems. Supervision, needed research equipment, a soil testing

laboratory, and library resources required in thesis research will be provided under the contract. The possible total of 45 research studies will represent the establishment of on-going institutional research programs in place and operational when participants complete their degrees.

The 42 participants earning M.S. degrees in agriculture in the United States will fit into important teaching and research roles among the several institutions. The two participants getting degrees in Library Science will fit into the National Center for Agricultural Documentation and libraries of INAT and INRAT. With the assistance of library consultants and commodity funding, they will organize and improve the acquisition, documentation, retrieval and distribution functions of the agricultural library system in support of research, teaching and extension activities.

Consultants will be provided in problem areas such as soil testing and food technology and include administrators of agricultural programs in the MIAC institutions in order to build the institutional linkages that the GOT considers very important. The approximately 30 faculty advisors in various trips to Tunisia to supervise thesis research of Ph.D students will be a major consulting resource and also a stimulus to institutional linkage.

One full-time U.S. university thesis research supervisor is provided for 4-1/2 years (4 in Tunisia) to provide continuous supervisory contact and coordinate participant preparation and placement, purchase of commodities, and effective functioning of faculty advisors on their short-term visits to Ph.D students. Short-term training will be provided selected participants in areas such as food technology and extension. In-country seminars and conferences will be set up, if deemed necessary, to complement other training to meet overall objectives.

B. The Project will be implemented through the DRFC (Division of Research and Formation of Cadres), Ministry of Agriculture. The institutes involved are administratively responsible to the Director of DRFC. An implementation plan will be developed jointly by U.S. advisors and the GOT, subject to USAID Mission approval, that will include the following elements: (1) a detailed set of measurable, end-of-project institutional objectives with respect to structure, location, staffing and research capabilities; (2) procedures for planning the research program to be carried out in Tunisia by the Ph.D students, including criteria for determining requirements for advisory visits by faculty advisors; and (3) a five-year program with respect to the various research topics providing objectives and methodologies of the individual theses with proposed time table and budget estimates.

C. Participants will be selected according to agreed upon criteria by DRFC. Careful selection is to be practiced so admission requirements of Graduate Colleges in U.S. universities will be met. Detailed descriptions of the training desired and the anticipated role he will play will be developed for each participant. Their admission applications will be presented to universities that offer excellent training in the various subject matter areas. All participants will be sent to the U.S. for 10 weeks of intensive English training before initial graduate college enrollment. Ph.D participants will be integrated into research projects of their major advisor and function as graduate research student assistants in order to build a background of experience before returning to undertake their thesis research.

Plans for thesis research will be developed by the advisor and Tunisian students in the U.S. in communication with DRFC in Tunisia. Equipment needs for thesis research will be identified and procurement initiated early enough so it will be on hand when Ph.D participants return to Tunisia to initiate their research. Funds for a small professional library will be provided each participant to give essential supplementation to the limited library resources in Tunisia. Four trips to Tunisia are planned for each advisor to supervise thesis research and conduct final oral exams.

U.S. graduate student research assistants may be programmed to carry out their Ph.D thesis research in association with the Tunisian Ph.D students to help create the research environment and improve liaison with the on-site thesis research supervisor and advisors in the U.S.

4. Project Evaluation

Annual evaluations will be jointly conducted by MIAC, A.I.D. and the DRFC. Attention will be given to the success in selecting participants and their academic progress and the functioning of advising, equipment procurement, and progress of thesis research. Activities in short-term training and use of consultants to achieve the objectives of the program will be reviewed.

In the last six months of the Project, an evaluation will be carried out by the same agencies.

PROJET AID NO. 664-0304

DATE 31 AOUT 1978

PROJET DE TRANSFERT DE TECHNOLOGIE AGRICOLE

ACCORD DE SUBVENTION

entre

LA REPUBLIQUE TUNISIENNE

et

LES ETATS-UNIS D'AMERIQUE

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ANNEXE 1

LE PROJET

PROJET AID NO. 664-0304

ACCORD DE SUBVENTION

DATE DU 31 AOUT 1978

ENTRE

La République Tunisienne (Pays Coopérant)

ET

Les Etats-Unis d'Amérique, agissant par l'intermédiaire de l'Agence pour le Développement International ("A.I.D.")

ARTICLE 1: L'Accord

Le but du présent accord est de définir l'accord intervenu entre les parties susmentionnées ("Parties") concernant la réalisation par le Pays Coopérant du projet décrit ci-dessous, et son financement par les Parties.

ARTICLE 2: Le Projet

SECTION 2.1. Définition du Projet. Le projet qui est décrit en plus de détails dans l'Annexe 1, comprendra un programme de Formation des Participants destiné à aider le Gouvernement Tunisien à developper un cadre agricole qui identifiera, choisira et dirigera la technologie agricole future du pays. L'Annexe 1, ci-jointe, comprend la description détaillée du projet cité dans cette Section, et identifie les éléments du Projet qui peuvent être financés par la Subvention. Tout en restant dans les limites de la description du Projet ci-dessus, certains éléments de la description dans l'Annexe 1 peuvent être modifiés par accord écrit des représentants autorisés des Parties mentionnées à la Section 8.2., sans pour autant procéder à l'amendement officiel du présent Accord.

SECTION 2.2. Contribution par Tranches

(a) La contribution de l'AID au Projet sera versée par tranches. La première tranche étant fournie conformément à la Section 3.1. du présent Accord. Les tranches ultérieures seront sous réserve de disponibilité de fonds à l'AID à cette fin et de l'accord commun des Parties, pour procéder au versement d'une tranche à la date prévue à cet effet.

(b) Dans les limites du délai global d'Achèvement de l'Assistance au Projet et sur la base de ses consultations avec le Pays Coopérant, l'AID peut spécifier, dans des Lettres d'Exécution de Projet appropriées, les délais fixés pour l'utilisation des fonds accordés par l'AID sous forme d'un versement individuel de l'assistance.

ARTICLE 3: Financement

SECTION 3.1. La Subvention. Pour aider le pays Coopérant à couvrir les coûts de réalisation du Projet conformément à la Loi de 1961 sur l'Assistance à l'Etranger telle qu'elle est modifiée, l'AID accepte d'accorder dans le cadre de cet Accord un montant ne dépassant pas Un Million Quatre Cent Quatre Vingt Mille Dollars ($1,480,000) en fonds de subvention. La Subvention peut être utilisée pour financer uniquement les coûts en devises étrangères des biens et services requis pour le projet définis à la Section 6.1.

SECTION 3.2. Ressources du Pays Coopérant pour le Projet.

(a) Le Pays Coopérant accepte de fournir ou de veiller à ce que soient fournis au Projet, outre la Subvention, tous les fonds et toutes les autres ressources nécessaires à la réalisation du Projet d'une manière efficace et en temps utile.

(b) Les ressources fournies par le Pays Coopérant pendant la durée du Projet sont estimées approximativement à l'équivalent de 1.598.000 $ U.S. y compris les coûts fournis "en nature" mais pas moins de 25% du coût total du Projet.

SECTION 3.3. Date Finale d'Assistance au Projet

(a) La Date Finale d'Assistance au Projet (DFAP), fixée au 31 août 1985 ou à toute autre date convenue par écrit entre les Parties, est la date vers laquelle les Parties estiment que tous les services financés par la Subvention auront été réalisés pour le Projet, tel que prévu par le présent Accord.

(b) Sauf accord contraire de l'A.I.D. notifié par écrit, l'A.I.D. n'émettra ni approuvera des documents qui autoriseraient le déboursement de la Subvention pour les services réalisés après la DFAP ou pour des biens fournis pour le Projet, tel que prévu dans le présent Accord, après la DFAP.

(c) Les demandes de déboursements, accompagnées des documents justificatifs nécessaires prescrits dans les Lettres d'Exécution du Projet, devront parvenir à l'A.I.D. ou toute banque désignée à la Section 7.1. dans un délai n'excédant pas neuf (9) mois après la DFAP, ou à toute autre période convenue par écrit par l'A.I.D. Après cette période, et moyennant notification écrite au Pays Coopérant, l'AI.D. peut à n'importe quel(s) moment(s) réduire le montant de la Subvention de la totalité ou d'une partie du montant de la Subvention pour laquelle les demandes de déboursement accompagnées des documents justificatifs prescrits dans les Lettres d'Exécution du Projet, n'auront pas été reçues avant l'expiration de ladite période.

ARTICLE 4: Conditions Suspensives de Déboursement

SECTION 4.1.: Premier déboursement. Avant le premier déboursement dans le cadre de la Subvention, ou l'émission par l'A.I.D. de documents suivant lesquels le déboursement sera effectué, le Pays Coopérant devra, sauf si les Parties en conviennent autrement par écrit, fournir à l'A.I.D. et d'une manière satisfaisante à l'A.I.D. quant au fond et à la forme: une note indiquant le nom de la personne détenant un poste de responsabilité ou de direction dans le Service du Pays Coopérant tel que spécifié à la Section 8.2. ainsi que le nom de tout autre représentant accompagné d'un specimen de la signature de chaunne des personnnes citées dans cette note.

SECTION 4.2.: Notification. Dès que l'A.I.D. aura constaté que les conditions suspensives spécifiées à la Section 4.1. ont été satisfaites, elle s'empressera d'en aviser le Pays Coopérant.

SECTION 4.3.: Dates Finales des Conditions Suspensives.

(a) Si toutes les conditions spécifiées à la Section 4.1. n'auront pas été satisfaites dans les 90 jours qui suivent la date du présent Accord, ou à toute autre date ultérieure convenue par écrit par l'A.I.D., l'A.I.D. pourra, à son grè, mettre fin au présent Accord moyennant notification écrite au Pays Coopérant.

ARTICLE 5: Conventions Spéciales

SECTION 5.1. Evaluation du Projet. Les parties conviennent d'établir un programme d'évaluation comme faisant partie du Projet. Sauf si les Parties en conviennent autrement par écrit, le programme comportera, durant l'exécution du Projet et par la suite, à des dates périodiques:

(a) l'évaluation du progrès accompli vers la réalisation des objectifs du Projet; (b) l'identification et l'évaluation des problèmes ou contraintes susceptibles d'empêcher la réalisation de ces objectifs; (c) des recommendations sur la manière d'aborder de tels problèmes ou contraintes; et (d) l'évaluation, autant que possible, de l'impact général du Projet en matière de développement.

ARTICLE 6: Source d'Acquisition

SECTION 6.1. Coûts en Devises Etrangères. A moins que l'A.I.D. n'en convienne autrement par écrit, les Fonds de Subvention déboursés conformément à la Section 7.1. seront utilisés uniquement pour le financement des coûts des biens et des services nécessaires au Projet ayant leur source et origine aux Etats-Unis (Code 000) du Code Géographique de l'A.I.D. tel qu'il est en vigueur au moment où des commandes sont passées ou des contrats conclus pour l'acquisition de ces services.

ARTICLE 7: Déboursement

SECTION 7.1. Déboursements pour les Coûts en Devises Etrangères

(a) Une fois les conditions suspensives satisfaites, le Pays Coopérant peut obtenir des déboursements de fonds de la Subvention pour couvrir les coûts en devises étrangères des biens et services requis pour le Projet conformément aux conditions du présent Accord, selon l'une des méthodes suivantes, tel qu'il sera convenu par les parties.

1) en soumettant à l'AID, avec les documents justificatifs prescrits dans les Lettres d'Exécution de Projet, (A) des demandes pour le remboursement desdits biens et services ou (B) des demandes chargeant l'AID d'acquérir, au nom du Pays Coopérant, des biens et des services destinés au Projet ou

2) en demandant à l'AID d'émettre des Lettres d'Engagement pour des montants spécifiés (A) au profit d'une ou plusieurs banques aux Etats-Unis, satisfaisantes à l'AID, engageant l'AID à rembourser cette ou ces banques pour les paiements qu'elles auront effectués à des contractants ou des fournisseurs dans le cadre de Lettres de Crédit ou autrement, pour lesdits biens et services ou (B) directement à un ou plusieurs contractants ou fournisseurs, engageant l'AID à payer lesdits contractants ou fournisseurs pour de tels biens ou services.

(b) Les frais bancaires encourus par le Pays Coopérant à propos des Lettres d'Engagement et des Lettres de Crédit seront financés par la Subvention à moins d'instructions contraires du Pays Coopérant à l'AID. Tous les autres frais convenus entre les parties peuvent également être financés par la Subvention.

SECTION 7.2. Autres Formes de Déboursement. Des déboursements de la Subvention peuvent également être effectués par de tels autres moyens approuvés par écrit par les deux Parties.

SECTION 7.3. Date de Déboursement. Les déboursements de l'Assistance par l'AID seront considérés avoir eu lieu à la date à laquelle l'AID effectuera un déboursement au Pays Coopérant ou son représentant désigné, ou à une banque, un contractant ou un fournisseur conformément à une Lettre d'Engagement, un contrat ou une demande d'achat.

ARTICLE 8: Divers

SECTION 8.1. Communications. Tous les préavis, demandes, documents ou autres communications soumis par l'une des Parties à l'autre dans le cadre du présent Accord devront être effectués par écrit ou par télégramme ou cable, et seront considérés dûment remis

ou envoyés à leur destinataire dès qu'ils auront été livrés à telle partie aux adresses suivantes:

Au Pays Coopérant:

Ministère des Affaires Etrangères
Direction de la Coopération Internationale
Avenue Mohamed V
Tunis, Tunisie

A l'A.I.D.:

Agence pour le Développement International
a/s Ambassade des Etats-Unis d'Amérique
144 Avenue de la Liberté
Tunis, Tunisie
Adresse Télégraphique: Directeur, USAID
AmEmbassy, Tunis

Toutes ces communications seront faites en anglais ou en français. D'autres adresses remplaçant celles citées ci-dessus peuvent être notifiées par écrit à l'autre Partie.

SECTION 8.2. Représentants. Pour tout ce qui concerne le présent Accord, le Pays Coopérant sera représenté par la personne détenant le poste ou agissant en qualité de Ministre des Affaires Etrangères, et l'A.I.D. sera représentée par la personne détenant le poste ou agissant en qualité de Directeur de l'USAID en Tunisie, chacun d'eux pouvant, par notification écrite, désigner d'autres représentants à toutes autres fins que l'exercice des pouvoirs définis à la Section 2.1. pour réviser les éléments de la description détaillée présentée à l'Annexe 1. Les noms des représentants du Pays Coopérant, avec le spécimen de leur signature, seront soumis à l'A.I.D. qui peut accepter tout document

signé par ces représentants comme étant un document dûment autorisé pour l'exécution du présent Accord, jusqu'à ce que l'AID reçoive notification écrite que les pouvoirs délégués à ces représentants ont été révoqués.

SECTION 8.3. Annexe des Dispositions Générales

Une "Annexe des Dispositions Générales de la Subvention" (Annexe 2) est jointe au présent Accord et en constitue une partie.

SECTION 8.4. Texte Faisant Foi

Le présent Accord, ses annexes et les Lettres d'Exécution du Projet sont établis en anglais et en français. En cas d'ambiguité ou de contradiction entre les deux textes, le texte anglais fera foi.

EN FOI DE QUOI, la République Tunisienne et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de ses représentants dûment autorisés ont fait le nécessaire pour que le présent Accord soit signé en leur nom et remis à la date indiquée en première page.

République Tunisienne

R. Bachbaouab

par: Ridha Bachbaouab
Directeur de la Coopération
Internationale
Ministère des Affaires Etrangères

Etats-Unis d'Amérique

Hermon S. Davis

par: Hermon S. Davis
Directeur, USAID/TUNIS

ACCORD DE SUBVENTION

Annexe 1

Le Projet

Le projet se propose de fournir une contribution importante en matière de cadres scientifiques agricoles dans les disciplines où un personnel qualifié fait défaut en assurant la formation jusqu'à concurrence de 79 étudiants jusqu'au diplome MS et jusqu'au Doctorat (PhD). Ceci permettra d'accroitre considérablement le potentiel de la Tunisie en matière de formation de tunisiens jusqu'aux diplomes MS et PhD. Ceci contribuera, directement et indirectement, à renforcer la structure du personnel des centres nationaux d'enseignement et de recherches agricoles et des instituts régionaux récemment crées pour permettre d'aborder, d'une manière efficace, les problèmes des petites exploitations dans les régions semi-arides du pays par un programme de recherches et de vulgarisation efficace et adapté aux conditions de ces régions. Les structures institutionnelles aussi bien que la base d'information (technologie) capables d'assurer un transfert technologique adequat dans les régions du Centre et du Sud font actuellement défaut. Des changements dans les structures rurales et les systèmes de pacage sont essentiels pour mettre fin à la détérioration des ressources du sol dans ces régions qui menace l'existence d'une multitude de petites exploitations occupées par leurs propriétaires et pour réaliser un potentiel de production beaucoup plus élevé pour les céréales et la viande, deux denrées actuellement importées. Certains participants recevront une formation en horticulture, et en technologie alimentaire pour fournir la base scientifique et technologique permettant l'utilisation

de ressources d'irrigation limitées qui mettra à profit les avantages climatiques pour une meilleure production de primeurs (légumes et fruits) et pour améliorer le triage, l'emballage, la transformation et la commercialisation de ces produits sur le marché interne aussi bien que pour l'exportation. Il est vital d'établir, au profit des petits agriculteurs, des technologies variées, localement testées qui permettront de remplacer les pratiques actuelles qui entrainent une détérioration de plus en plus rapide du sol par érosion éolienne ou celle des eaux. Des stages de formation, des consultants, des conseillers universitaires pour les recherches de préparation de thèses et des biens, y compris du matériel et ouvrages de bibliothèque, sont prévus pour soutenir la formation des participants et les efforts des onze institutions agricoles concernées.

Le financement du projet prévu pour un total de $4,5 millions de dollars U.S. sera effectué par tranches. Il est prévu que l'Assistance technique sera fournie dans le cadre d'un contrat qui sera passé entre le Gouvernement Tunisien et le Mid-America International Agricultural Consortium.

1. Contribution des Etats-Unis

La contribution de l'AID financera les postes suivants:

(1) Formation de longue durée

(2) Formation de courte durée

(3) Superviseur des recherches de thèse dans les universités américaines et conseillers de recherches de thèse en Tunisie

(4) Consultants

(5) Biens pour soutenir les recherches de thèse, y compris le renforcement de la bibliothèque et des moyens d'essai des sols

(6) Soutien administratif et de coordination

(7) Soutien pour l'évaluation périodique du projet

(8) Etudiants américains diplomés assistants de recherches

2. Contribution du Gouvernement Tunisien

La contribution du Gouvernement Tunisien consistera en une contribution budgétaire directe pour le paiement des salaires des homologues tunisiens, le transport dans le pays, les locaux administratifs, les seminaires, le matériel de laboratoire et de conférence, les fournitures et les services. Le Gouvernement Tunisien assurera également le voyage international des participants, les examens médicaux et autres formalités nécessaires, ainsi que le transport dans le pays pour le superviseur américain des recherches de thèse, des conseillers américains de préparation de thèse, et des assistants américains des étudiants diplomés engagés à plein temps.

3. Description Détaillée

A. Le projet proposé fournira jusqu'à concurrence de 79 cadres scientifiques qualifiés répartis de la manière suivante:

INAT (Institut National Agronomique de Tunisie).....	12
INRAT (Institut National de la Recherche Agronomique de Tunisie)..	17
Institut de Grandes Cultures au Kef.....	16
Institut des Terres Arides à Medenine.....	7
Institut d'Horticulture à Chott Mariam.....	10
Institut de Technologie Alimentaire à Tunis.....	3

Institut d'Elevage à Mateur..... 3

Institut d'Economie et de Développement Rural à Moghrane..... 2

Institut de Sylviculture et de Paturâges à Tabarka..... 2

Vulgarisation..... 5

Bibliothècaires..... 2

Les 79 participants devant suivre des études de longue durée en vue d'un diplome supérieur seront placés dans des universités qualifiées convenues avec la DRFC faisant partie ou extérieures au consortium MIAC et ce dernier sera chargé des arrangements financiers contractuels. Les 37 participants préparant le doctorat (PhD) feront leur thèse de recherche en Tunisie dans le cadre du programme de recherche. Ils seront payés par leurs institutions mais seront placés sous la direction de conseillers des universités américaines. L'une des conséquences importantes du projet est qu'il permettra d'avoir des résultats de recherches bien documentés sous forme de thèse portant sur 37 problèmes tunisiens choisis ainsi qu'une base d'informations nécessaires pour l'agriculture des petites exploitations dans les régions semi-arides.

Huit thèses supplémentaires pourraient être préparées par des assistants de recherches américains diplomés, effectuant leurs recherches de thèse doctorale (PhD) en Tunisie en collaboration avec des étudiants tunisiens candidats au PhD, sur des problèmes similaires. La supervision, l'équipement de recherche nécessaire, un laboratoire d'essais des sols, et les ouvrages et matériel de bibliothèque requis pour ces recherches de thèse seront fournis dans le cadre du contrat. Le total de 45 études de recherches possibles constituera une base de programmes de recherches dans les institutions concernées, programmes

qui devront être en place et opérationnels quand les participants auront terminé leurs études et obtenu leurs diplomes.

Les 42 participants ayant obtenu le diplome MS en agriculture aux Etats-Unis pourront assumer d'importants rôles en matière d'enseignement et de recherche dans plusieurs institutions. Les deux participants préparant des diplomes de bibilothécaires seront qualifiés pour le Centre National de Documentation Agricole et pour les bibliothèques de l'INRAT et l'INRAT. Avec l'assistance de conseillers-bibliothécaires et le financement du matériel nécessaire, ils seront en mesure d'organiser et d'améliorer les systèmes d'acquisition, de documentation, de retrait et de distribution dans ces bibliothèques afin de mieux soutenir les activités de recherche, d'enseignement et de vulgarisation.

Des consultants seront désignés dans des domaines où l'on rencontre certains problèmes tels que les essais des sols et la technologie alimentaire. Ils incluront des administrateurs de programmes agricoles dans les institutions affiliées au "MIAC" afin de mieux asseoir les relations entre institutions,relations que le Gouvernement Tunisien considère comme très importantes. Environ 30 conseillers de maitrise effectueront des voyages en Tunisie pour controler les recherches de thèse entreprises par les candidats au doctorat (PhD). Ils constitueront un important corps de consultants et contribueront également à stimuler les rapports entre institutions.

Un directeur américain des travaux de recherche de thèse, employé à plein temps, sera engagé pour 4 ans et demi (4 en Tunisie) afin d'assurer un controle continue et coordonner la préparation et le placement des participants, l'achat d'equipement et l'efficacité du travail accompli par les conseillers pendant leurs courtes visites aux participants préparant le Doctorat (PhD). Des stages de formation

seront organisés pour des participants choisis dans des domaines tels que la technologie alimentaire et la vulgarisation. Des seminaires et des conférences seront, si nécessaire, organisés dans le pays même en vue de dispenser toute autre formation requise pour réaliser des objectifs généraux.

B. Le projet sera exécuté par l'intermédiaire de la DRFC(Direction de la Recherche et de la Formation des Cadres) du Ministère de l'Agriculture. Les instituts concernés sont administrativement responsables auprès du Directeur de la DRFC.

Un plan d'exécution sera élaboré conjointement par les conseillers américains et le Gouvernement Tunisien; ce plan devra, avec l'accord de l'USAID, inclure les éléments suivants:

(1) un ensemble d'objectifs institutionnels détaillés réalisables à la fin du projet, portant sur la structure, l'emplacement, le personnel et les capacités de recherche;

(2) des procédures pour planifier le programme de recherche que doivent entreprendre les étudiants candidats au doctorat (PhD), y compris les critères déterminant les visites nécessaires des conseillers de maitrise; et

(3) un programme quinquennal portant sur les différents sujets de recherche définissant les objectifs et la methodologie des thèses individuelles, y compris le calendrier et les prévisions budgetaires proposés.

C. Les participants seront choisis par la DRFC selon des critères convenus. Le choix devra être fait soigneusement afin de respecter les conditions d'admission aux instituts d'enseignement supérieur des universités américaines. Des descriptions détaillées de la formation desirée et du rôle prévu pour chaque participant devront être préparées pour chacun d'eux. Leurs demandes d'inscription seront présentées aux universités qui offrent une excéllente formation dans les diverses branches d'études. Tous les participants seront envoyés aux Etats-Unis pour 10 semaines de cours intensif de langue anglaise avant leur inscription aux instituts d'enseignement supérieur. Les participants candidats au doctorat (PhD) seront intégrés aux projets de recherche de leur conseiller principal et assumeront les fonctions d'assistants de recherches diplomés afin d'acquérir une solide expérience avant de revenir en Tunisie entreprendre leurs recherches de thèse.

Les plans de recherches de thèse sont établis par le conseiller et les étudiants tunisiens aux Etats-Unis en rapport avec la DRFC en Tunisie. L'equipement nécessaire pour les recherches de thèse sera identifié et son acquisition entamée dès que possible pour que cet equipement soit en place au retour des participants en Tunisie pour leurs recherches. Des fonds seront fournis à chaque participant pour lui permettre d'acquérir des ouvrages professionnels étant donné que ceux disponibles dans les bibliothèques tunisiennes sont limités. Quatre voyages en Tunisie sont prévus pour chaque conseiller afin de controler les recherches de thèse et procéder aux examens oraux finals.

Des assistants de recherches américains diplomés pourraient être désignés pour effectuer leurs recherches de thèse en vue du doctorat (PhD) en collaboration avec les candidats tunisiens au PhD. Ceci contribuera à créer un milieu propice aux recherches et améliorera les rapports avec le directeur de recherches de thèse en Tunisie et les conseillers aux Etats-Unis.

(4) Evaluation du Projet

Des évaluations annuelles seront effectuées conjcintement par MIAC, l'AID et la DRFC. Une attention particulière devra être accordée au choix judicieux des participants et leur progrès universitaire, aux fonctions des conseillers, à l'acquisition d'équipement et au progrès des recherches de thèse. Les stages de formation et l'utilisation des consultants en vue de réaliser les objectifs du programme feront également l'objet d'examen.

Une évaluation sera entreprise par les mêmes organismes au cours des six derniers mois du projet.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Defense: Ballistic Missile Early Warning Station at Flyingdales Moor, Yorkshire

Agreement amending the agreement of February 15, 1960, as amended.
Effected by exchange of notes
Signed at London June 18, 1979;
Entered into force June 18, 1979.

The British Superintending Under Secretary for Foreign and Commonwealth Affairs to the American Deputy Chief of Mission

Foreign and Commonwealth Office

London SW1A 2AH

18 June 1979

Sir

I have the honour to refer to recent discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland and of the Government of the United States of America concerning paragraphs 3(d) and 7 of the Memorandum annexed to the Notes exchanged at London on the 15th February, 1960, on the setting up of a Ballistic Missile Early Warning Station in the United Kingdom, as amended by Notes exchanged at London on the 26th of November 1968, and the 3rd of October 1974.[1]

As a result of these discussions I have the honour to propose that in each of those paragraphs '15 years' shall be amended to read '20 years'.

If the above proposal is acceptable to the Government of the United States of America, I have the honour to suggest that this Note and your reply to that effect shall constitute an Agreement between our two Governments.

I have the honour to convey to you Sir the assurance of my high consideration

(For the Secretary of State)

P H Moberly

The Hon. Edward J Streator
The Embassy of the United States
of America,
Grosvenor Square, London, W1A AE

[1] TIAS 4425, 6619, 7951; 11 UST 156; 19 UST 7842; 25 UST 2886.

The American Deputy Chief of Mission to the British Superintending Under Secretary for Foreign and Commonwealth Affairs

EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

June 18, 1979

No. 32

Sir:

I have the honor to acknowledge receipt of your note of today's date which reads as follows:

"I have the honor to refer to recent discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland and of the Government of the United States of America concerning paragraphs 3(d) and 7 of the Memorandum annexed to the Notes exchanged at London on the 15th of February, 1960, on the setting up of a Ballistic Missile Early Warning Station in the United Kingdom, as amended by Notes exchanged at London on the 26th of November 1968 and the 3rd of October 1974.

"As a result of these discussions I have the honor to propose that in each of those paragraphs, '15 years' shall be amended to read '20 years'.

"If the above proposal is acceptable to the Government of the United States of America, I have the honor

to suggest that this Note and your reply to that effect shall constitute an Agreement between our two Governments."

In reply I have the honor to inform you that the foregoing proposal is acceptable to the Government of the United States of America, which therefore agrees that your note and this reply shall constitute an agreement between our two Governments.

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

Edward J. Streator [1]

Mr. P. H. Moberly, CMG
Superintending Under Secretary
Defence Department
Foreign and Commonwealth Office
London.

[1] Edward J. Streator.

EGYPT

Industrial Production; Grant

Agreement signed at Cairo August 31, 1978;
Entered into force August 31, 1978.

Project Number 263-0101

PROJECT
GRANT AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF INDUSTRY
FOR
INDUSTRIAL PRODUCTION

Dated: AUGUST 31, 1978

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ANNEX 1 Project Description		

[1] Not printed herein. For text, see TIAS 8830; 29 UST 501.

A.I.D. Project Number 263-0101

PROJECT GRANT AGREEMENT DATED AUGUST 31, 1978 AMONG THE ARAB REPUBLIC OF EGYPT ("GRANTEE"), THE MINISTRY OF INDUSTRY AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to improve the institutional capability of the Ministry of Industry to manage the allocation of resources in the industrial sector, to improve the capability of the Ministry of Industry and to public sector industrial companies in the planning and implementation of projects, and to assist industrial firms to correct detrimental effects on the environment. Assistance for the Project will consist of this Grant and a Loan, the agreement for which shall be executed concurrently with this Agreement. These funds will be used to fund training, technical assistance, financing for plant, equipment and services needed to rehabilitate and modernize existing industrial facilities and environmental assistance for industrial firms. The Grantee will make available the funds under this Grant to the General Organization for Industrialization ("GOFI") of the Ministry of Industry which will be the implementing agency for the Project. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing.

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961 as amended, [1] agrees to grant the Grantee under the terms of this Agreement not to exceed Seven Million Five Hundred Thousand United States ("U.S.") Dollars ($7,500,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than Twenty-One Million Egyptian Pounds (L.E. 21,000,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2 and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) An executed contract acceptable to A.I.D. for the consulting services for the project with a firm acceptable to A.I.D.; and

(c) Such other documentation as A.I.D. may require.

SECTION 4.2. Additional Disbursement.

Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for commodities or services for a specific sub-project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A complete Application Checklist acceptable to A.I.D. for each sub-project containing the following information:

(i) description of the industrial firm which will implement the sub-project and be the recipient of a Sub-grant ("Sub-grantee");

(ii) description of the sub-project including technical, financial, cost, economic, environmental and social aspects;

(iii) financial projections of the Sub-grantee through the life of the sub-project;

(iv) a statement of the nature, cost and source of funding of technical assistance required to complete the sub-project.

(b) A feasibility study of the sub-project to be conducted by the consultant funded under this Grant.

(c) A Sub-grant Agreement acceptable to A.I.D. for the sub-project between the Grantee and the Sub-grantee.

(d) Such other documentation as A.I.D. may require.

SECTION 4.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Date for Conditions Precedent.

If all of the conditions specified in Section 4.1 have not been met by January 31, 1979 or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Covenants.

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Elimination of Subsidies. The Grantee agrees to pursue its long-term policy of eliminating subsidies that hinder the development of the industrial sector. Grantee agrees to meet with A.I.D. from time to time regarding the implementation of this policy and to take into account A.I.D.'s observations on this subject as part of a continuing dialogue on the development of the industrial sector.

SECTION 5.3. Proscribed Sub-projects. The Grantee agrees that no Sub-grants will be made for sub-projects involving gambling facilities, public safety, military use items, weather modification, luxury consumer goods, and such other activities as A.I.D. may specify in implementation letters.

ARTICLE 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 7: Disbursement.

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the

Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

ARTICLE 8: Miscellaneous.

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by A.I.D. or the Grantee to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

TO THE GRANTEE:

Ministry of Economy
And Economic Cooperation
8, Adly St.
Cairo, Egypt

or

General Organization
for Industrialization
6, Aga Khail St.
Garden City
Cairo, Egypt

TO A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addressees may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Industry, Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones and Vice-Chairman, GOFI, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signature, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] is attached and forms part of this Agreement.

[1] See footnote 1, p. 6050.

SECTION 8.4. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: HAMED A. EL SAYEH

Name: Dr. Hamed El Sayeh
Title: *Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS

Name: H. Freeman Matthews
Title: *Charge d'Affaires a.i.*

MINISTRY OF INDUSTRY

By: A. E. HELAL

Name: Ahmed Ezz El-Din Helal
Title: *Minister of Industry*

ANNEX 1

Project Description

The purpose of the Project is to improve the institutional capability of the Ministry of Industry to rationalize the industrial sector, primarily its method of allocating resources; and to improve the capability of the Ministry of Industry and the public sector industrial companies in the planning and implementation of projects. A secondary purpose will be to reduce the detrimental environmental effect of many industrial firms.

The Project will have four elements:

1. Training. Courses will be held in Egypt primarily in project analysis with concentration on economic and financial analysis and secondly on project management (use of CPM/Pert, contract management). The courses will be a period of approximately four weeks each. Class size will be limited to approximately 25 persons. Approximately eight courses will be held in the first year. The course content will include the underlying theory of project analysis and the application of that analysis to current and planned investments. Participants will

include employees of GOFI and the financial/planning managers of the public sector companies.

2. Technical Assistance. Individual firms will be provided assistance in their planning and design of projects, through the preparation of a complete feasibility study. Other firms will be given assistance in the elimination of production bottlenecks, production techniques and the improvement of product quality.

3. Capital Plant. Financing will be provided for plant equipment and services needed to rehabilitate and modernize existing industrial facilities, and the completion of projects or expansions already underway. The individual sub-projects will be selected from the list of projects included in the Five-Year Plan. Selection procedures for sub-projects shall be set forth in Implementation Letters. It is anticipated that the average sub-project financing requirement will be $4 to $5 million. No sub-projects requiring over $10 million will be financed, and usually the financing will be over $2 million. Most of the sub-projects will meet the first priority of the Five-Year Plan, i.e., projects for replacement and maintenance of existing or obsolete facilities. A smaller number of sub-projects will meet the second priority of the Five-Year Plan, i.e., completion of projects already underway but requiring additional materials and services.

4. Environmental Improvements. Financing will be provided to assist industrial concerns eliminate environmental hazards both in the plant and external to the plant.

A.I.D. funding for the Project will be provided for in this Grant Agreement and in a Loan Agreement to be signed concurrently. The grant element of the Project will be used for (i) training, (ii) technical assistance in project preparation and (iii) equipment and services for environmental improvements. The loan element will be used for (i) equipment and services for rehabilitation, replacement and completion of projects and (ii) technical assistance for production planning, improvement of production techniques and product quality.

ATTACHMENT 1 TO
ANNEX 1

PROJECT FINANCIAL PLAN

APPLICATION

	Foreign Exchange Loan (000)	Foreign Exchange Grant (000)	Egyptian Pounds (in U.S. Dollars) (000)	Total (000)
Training		250	250	500
Technical assistance project design/study		2, 176	544	2, 720
Sub-Projects—Production				
Capital equipment	50, 000		40, 000	90, 000
Services	12, 500		3, 125	15, 625
Sub-Projects—Environment				
Capital equipment		4, 500	1, 500	6, 000
Services		474	118	592
Evaluation		100	100	200
	62, 500	7, 500	45, 637	115, 637
SOURCE				
USAID Loan	62, 500			62, 500
USAID Grant		7, 500		7, 500
GOE Budget			894	894
Internally Generated Company Funds			44, 743	44, 743
	62, 500	7, 500	45, 637	115, 637
FY 1978 Program	42, 500	7, 500	32, 387	52, 387
FY 1979 Program [1]	20, 000	—	13, 250	33, 250
	62, 500	7, 500	45, 637	115, 637

[1] Subject to availability of funds for the Project and to the mutual agreement of the Parties to proceed. [Footnote in the original.]

EGYPT

Industrial Production; Loan

Agreement signed at Cairo August 31, 1978;
Entered into force August 31, 1978.

A.I.D. Loan Number 263-K-048
Project Number 263-0101

PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF INDUSTRY
FOR
INDUSTRIAL PRODUCTION

Dated: August 31, 1978

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[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

PROJECT LOAN AGREEMENT DATED: AUGUST 31, 1978 AMONG THE ARAB REPUBLIC OF EGYPT ("BORROWER"), THE MINISTRY OF INDUSTRY AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to improve the institutional capability of the Ministry of Industry to manage the allocation of resources in the industrial sector, to improve the capability of the Ministry of Industry and the public sector industrial companies in the planning and implementation of projects, and to assist industrial firms to correct detrimental effects on the environment. Assistance for the Project will consist of this Loan and a Grant, the agreement for which shall be executed concurrently with this Agreement. These funds will be used to fund training, technical assistance, financing for plant, equipment and services needed to rehabilitate and modernize existing industrial facilities and environmental assistance for industrial firms. The Borrower will make available the funds under this Loan to the General Organization for Industrialization ("GOFI") of the Ministry of Industry which will be the implementing agency for the Project. Annex 1, attached, amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.3, without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Forty-Two Million Five Hundred Thousand United States ("U.S.") dollars ($42,500,000) ("Loan"). The aggregate amount of disbursements under the loan is referred to as "Principal."

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less that Twenty-One Million Egyptian Pounds (L.E. 21,000,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan (1) in response to requests received by A.I.D. after August 31, 1982, or (2) for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accure from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the

Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due on accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington. D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of 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 the Ministry of Industry, and that it constitutes a valid and legally binding obligation of the Borrower and the Ministry of Industry in accordance with all of its terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.3 and of any additional representatives, together with a specimen signature of each person specified in such statement; and

(c) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Disbursement. Prior to any disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for commodities or services for a specific sub-project, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A complete Application Checklist acceptable to A.I.D. for each sub-project containing the following information:

(i) description of the industrial firm which will implement the sub-project and be the recipient of the Reloan ("Sub-borrower");

(ii) description of the sub-project including technical, financial, cost, economic, environmental and social aspects;

(iii) financial projections of the Sub-borrower through life of the Reloan;

(iv) a statement of the nature, cost and source of funding of technical assistance required to complete the sub-project.

(b) A feasibility study of the sub-project to be conducted by the consultant funded under the Grant.

(c) A Reloan Agreement acceptable to A.I.D. for the sub-project between the Borrower and the Sub-borrower pursuant to Section 6.3.

(d) Such other documentation as A.I.D. may require.

SECTION 5.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Date for Conditions Precedent.

If all of the conditions specified in Section 5.1 have not been met by January 31, 1979, or such later date as A.I.D. may agree to in

writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Elimination of Subsidies. The Borrower agrees to pursue its long-term policy of eliminating subsidies that hinder the development of the industrial sector. Borrower agrees to meet with A.I.D. from time to time regarding the implementation of this policy and to take into account A.I.D.'s observations on this subject as part of a continuing dialogue on the development of the industrial sector.

SECTION 6.3. Reloan Agreements. In order to carry out eligible sub-projects, the Borrower, acting through GOFI, shall relend to Egyptian firms the proceeds of the Loan under reloan agreements ("Reloan Agreements") to be entered into between GOFI and said firms under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, a repayment period not to exceed fifteen (15) years and an interest rate identical to that of the rate for foreign exchange term loans of the Development Industrial Bank in effect on the date of the Reloan Agreement, with principal and schedule of repayments, including interest, denominated in U.S. dollars, repayments to be made in Egyptian Pounds calculated at the highest rate prevailing and declared for foreign currency by the competent authorities of the Borrower in effect on the date of each repayment under the respective Reloan Agreement.

SECTION 6.4. Proscribed Sub-projects. The Borrower agrees that no Reloans will be made for sub-projects involving gambling facilities, public safety, military use items, weather modification, luxury consumer goods, and such other activities as A.I.D. may specify in implementation letters.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project

Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

SECTION 9.2. Communications. Any notice, request, document, or

other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To THE BORROWER:

Ministry of Economy
and Economic Cooperation
8, Adly St.
Cairo, Egypt

or

General Organization
for Industrialization
6, Aga Khail St.
Garden City
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.3. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Industry, Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and Vice-Chairman, GOFI, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)[1] is attached and forms part of this Agreement.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

[1] See footnote 1, p. 6061.

ARAB REPUBLIC OF EGYPT

By: HAMED A. EL SAYED

Name: Dr. Hamed El Sayeh
Title: *Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS

Name: H. Freeman Matthews
Title: *Charge d'Affaires a.i.*

MINISTRY OF INDUSTRY

By: A. E. HELAL

Name: Ahmed Ezz El-Din Helal
Title: *Minister of Industry*

ANNEX 1

Project Description

The purpose of the Project is to improve the institutional capability of the Ministry of Industry to rationalize the industrial sector, primarily its method of allocating resources; and to improve the capability of the Ministry of Industry and the public sector industrial companies in the planning and implementation of projects. A secondary purpose will be to reduce the detrimental environmental effect of many industrial firms.

The Project will have four elements:

1. Training. Courses will be held in Egypt primarily in project analysis with concentration on economic and financial analysis and secondly on project management (use of CPM/Pert, contract management). The courses will be for a period of approximately four weeks each. Class size will be limited to approximately 25 persons. Approximately eight courses will be held in the first year. The course content will include the underlying theory of project analysis and the application of that analysis to current and planned investments. Participants will include employees of GOFI and the financial/planning managers of the public sector companies.

2. Technical Assistance. Individual firms will be provided assistance in their planning and design of projects, through the preparation of a complete feasibility study. Other firms will be given assistance in the elimination of production bottlenecks, production techniques and the improvement of product quality.

3. Capital Plant. Financing will be provided for plant equipment and services needed to rehabilitate and modernize existing industrial facilities, and the completion of projects or expansions already under-

way. The individual sub-projects will be selected from the list of projects included in the Five-Year Plan. Selection procedures for sub-projects shall be set forth in Implementation Letters. It is anticipated that the average sub-project financing requirement will be $4 to $5 million. No sub-projects requiring over $10 million will be financed, and usually the financing will be over $2 million. Most of the sub-projects will meet the first priority of the Five-Year Plan, i.e., projects for replacement and maintenance of existing or obsolete facilities. A smaller number of sub-projects will meet the second priority of the Five-Year Plan, i.e., completion of projects already underway but requiring additional materials and services.

4. Environmental Improvements. Financing will be provided to assist industrial concerns eliminate environmental hazards both in the plant and external to the plant.

A.I.D. funding for the Project will be provided for in this Loan Agreement and in a Grant Agreement to be signed concurrently. The grant element of the Project will be used for (i) training, (ii) technical assistance in project preparation and (iii) equipment and services for environmental improvements. The loan element will be used for (i) equipment and services for rehabilitation, replacement and completion of projects and (ii) technical assistance for production planning, improvement of production techniques and product quality.

ATTACHMENT 1 to
ANNEX 1

PROJECT FINANCIAL PLAN

	Foreign Exchange Loan	Foreign Exchange Grant	Egyptian Pounds (in U.S. Dollars)	Total
APPLICATION	(000)		(000)	(000)
Training		250	250	500
Technical assistance project design/study		2, 176	544	2, 720
Sub-Projects—Production				
Capital equipment	50, 000		40, 000	90, 000
Services	12, 500		3, 125	15, 625
Sub-Projects—Environment				
Capital equipment		4, 500	1, 500	6, 000
Services		474	118	592
Evaluation		100	100	200
	62, 500	7, 500	45, 637	115, 637
SOURCE				
USAID Loan	62, 500			62, 500
USAID Grant		7, 500		7, 500
GOE Budget			894	894
Internally Generated Company Funds			44, 743	44, 743
	62, 500	7, 500	45, 637	115, 637
FY 1978 Program	42, 500	7, 500	32, 387	52, 387
FY 1979 Program [1]	20, 000	—	13, 250	33, 250
	62, 500	7, 500	45, 637	115, 637

[1] Subject to availability of funds for the Project and to the mutual agreement of the Parties to proceed. [Footnote in the original.]

TURKEY

Criminal Investigations

Agreement effected by exchange of letters
Signed at Washington June 18 and 26, 1979;
Entered into force June 26, 1979.

The Turkish Ambassador to the Assistant Attorney General, Criminal Division

TURKISH EMBASSY
WASHINGTON, D. C.

Ref: 248.003/906-85

June 18, 1979

Mr. Philip Heymann
Assistant Attorney General
Criminal Division
Department of Justice
Room # 2107
Washington, D.C.

Dear Mr. Heymann,

I have the honor to refer to the Department of State's note of December 21, 1978[1] regarding the willingness of the Department of Justice to consider favorably a proposal from the Government of Turkey to amend the "Agreement on Procedures for Mutual Assistance in the Administration of Justice in connection with the Lockheed Aircraft Corporation and the McDonnell Douglas Corporation matters" of July 8, 1976,[2] to apply as well to alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

The Turkish Ministry of Justice requests that the operation of the aforementioned agreement be extended by an exchange of letters between the parties to include alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

The Turkish Ministry of Justice undertakes to extend the implementation of the aforementioned agreement relating to the Lockheed Corporation and the McDonnell Douglas Corporation under the same terms and conditions to the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

Please accept the assurances of my highest consideration.

Melih Esenbel
Ambassador of Turkey

[1] Not printed.
[2] TIAS 8371, 9006; 27 UST 3419; 29 UST 3203.

The Assistant Attorney General, Criminal Division, to the Turkish Ambassador

United States Department of Justice

ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION
WASHINGTON, D.C. 20530

T: 6/19/79
PBH:MEA:mar
191-I

June 26, 1979

His Excellency Melih Esenbel
Ambassador of Turkey
Embassy of Turkey
Washington, D.C.

Dear Mr. Ambassador:

I have the honor to refer to your letter of June 18, 1979, which states in pertinent part as follows:

"I have the honor to refer to the Department of State's note of December 21, 1978, regarding the willingness of the Department of Justice to consider favorable a proposal from the Government of Turkey to amend the "Agreement on Procedures for Mutual Assistance in the Administration of Justice in connection with the Lockheed Aircraft Corporation and the McDonnell Douglas Corporation matters" of July 8, 1976, to apply as well to alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

The Turkish Ministry of Justice requests that the operation of the aforementioned agreement be extended by an exchange of letters between the parties to include alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

The Turkish Ministry of Justice undertakes to extend the implementation of the aforementioned agreement relating to the Lockheed Corporation and the McDonnell Douglas Corporation under the same terms and conditions to the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates.

Please accept the assurances of my highest consideration."

This letter of reply concerning the proposed extension of the Agreement of July 8, 1976, so as to include the activities of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates, as requested in your above-mentioned letter of June 18, 1979, constitutes an agreement between the Turkish Ministry of Justice and the United States Department of Justice effective this date.

Please accept the renewed assurances of my consideration.

Sincerely,

Philip B. Heymann

Philip B. Heymann
Assistant Attorney General
Criminal Division

TURKEY

Criminal Investigations

Agreement extending the agreements of July 8, 1976, as extended, and June 18 and 26, 1979.
Effected by exchange of letters
Signed at Washington June 18 and 26, 1979;
Entered into force June 26, 1979.

The Turkish Ambassador to the Assistant Attorney General, Criminal Division

TURKISH EMBASSY
WASHINGTON, D. C.
Ref.: 248.002/919-86

June 18, 1979

Mr. Philip Heymann
Assistant Attorney General
Criminal Division
Department of Justice
Room No.: 2107
Washington, D.C.

Dear Mr. Heymann,

In reference to my letter of today, I have the honor to request, upon the instructions of my Government, the extension of the "Agreement on Procedures for Mutual Assistance in the Administration of Justice in Connection with the Lockheed Aircraft Corporation and the McDonnell Douglas Corporation Matters", dated July 8, 1976 and to be amended to apply as well to alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates,[1] for another year starting as of July 8, 1979.

If the above request is acceptable, I have the honor to propose that this letter, together with Your acknowledgement shall constitute an agreement to extend the original agreement as amended for an additional year .

Yours sincerely,

Melih Esenbel
Ambassador of Turkey

[1] TIAS 8371, 9006, 9539; 27 UST 3419; 29 UST 3203; *ante*, p. 6072.

The Assistant Attorney General, Criminal Division, to the Turkish Ambassador

United States Department of Justice
ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION
WASHINGTON, D.C. 20530

T: 6/19/79
PBH:MEA:mar
191-I

June 26, 1979

His Excellency Melih Esenbel
Ambassador of Turkey
Embassy of Turkey
Washington, D.C.

Dear Mr. Ambassador:

I have the honor to refer to your letter of June 18, 1979, which states in pertinent part as follows:

"In reference to my letter of today, I have the honor to request, upon the instructions of my Government, the extension of the Agreement on Procedures for Mutual Assistance in the Administration of Justice in Connection with the Lockheed Aircraft Corporation and the McDonnell Douglas Corporation Matters, dated July 8, 1976, and to be amended to apply as well to alleged illicit acts pertaining to the activities in Turkey of the International Telephone and Telegraph Corporation and its subsidiaries and/or affiliates, for another year starting as of July 8, 1979.

If the above request is acceptable, I have the honor to propose that this letter, together with Your acknowledgement shall constitute an agreement to extend the original agreement as amended for an additional year."

This letter in reply concerning the proposed extension of the Agreement of July 8, 1976, for an additional year, as requested in your above mentioned letter of June 18, 1979, constitutes an Agreement between the United States Department of Justice and the Turkish Ministry of Justice effective July 8, 1979.

Please accept the renewed assurances of my highest consideration.

Very truly yours,

Philip B. Heymann
Assistant Attorney General
Criminal Division

MAURITIUS

Agricultural Commodities

Agreement signed at Port Louis June 29, 1979;
Entered into force June 29, 1979.
With minutes of negotiations
Signed at Port Louis June 18, 1979.

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF MAURITIUS
FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Mauritius.

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and Mauritius (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:

[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*

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.

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 Subsections 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 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. 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); and

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 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 Subsection 103(1) of the Act.

PART II - PARTICULAR PROVISIONS

ITEM I

COMMODITY TABLE

COMMODITY	Supply Period (U.S. Fiscal Year)	Approximate Max Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Rice	1979	10,000	Dollars 2.8
		TOTAL	Dollars 2.8

ITEM II

PAYMENT TERMS: DOLLAR CREDIT

1. Initial Payment -- 5 percent
2. Currency Use Payment -- None
3. Number of Installment Payments -- 19
4. Amount of Each Installment Payment--approximately equal annual amounts
5. Due Date of First Installment Payment -- 2 years after date of last delivery of commodities in each calendar year
6. Interest Rate -- 3 percent throughout credit period

ITEM III

USUAL MARKETING TABLE

COMMODITY	IMPORT PERIOD (U.S. Fiscal Yr)	USUAL MARKETING REQUIREMENTS (METRIC TONS)
Rice	1979	55,500

ITEM IV

EXPORT LIMITATIONS

A. The export limitation period shall be U.S. Fiscal Year 1979 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 rice--rice in the form of paddy, brown or milled.

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 Mauritius agrees to:

1. Provide incentives to farmers to increase food production, especially rice.

2. Continue to encourage agricultural diversification, through the development of such crops as tea, and conduct research into additional suitable crops for the Mauritian environment.

3. Encourage the development of fishing, through increased storage and marketing facilities, and through the increase of research into the island's sea resources.

4. Conduct, in cooperation with appropriate national/international organizations and the U.S. Government namely USDA/AID an official review of the current supply/distribution and trade data in the agricultural sector to determine completeness and validity for its utilization for economic development and related research analysis and projection and for Public Law 480-type programming. Particular emphasis will be given to updating supply/demand and trade data required for commodities proposed for P.L. 480 programming.

5. Expand appropriate research and extension services related to improved yields of rice, corn, root crops, vegetables; improve transfer of technology to small farmers.

6. Strengthen marketing, storage and distribution systems for small farmers engaged in root crop, vegetable and other produce production.

7. Develop credit and other programs that will encourage small farmers to diversify from sugar cane production.

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 sectors: agriculture, rural development, and population planning and nutrition.

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, particularly on the island of Rodrigues and other lower income areas of the 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.

B. This agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Port Louis, in duplicate, this 29th day of June, 1979

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA
SAMUEL R. GAMMON
AMERICAN AMBASSADOR

FOR THE GOVERNMENT OF MAURITIUS
VEERASAMY RINGADOO
MINISTER OF FINANCE

Minutes of the Negotiating Meetings Between the Parties to the Proposed P.L. 480 Title I FY 1979 Rice Sales Agreement

DATE: Preliminary Meeting: June 11, 1979 at 1000 hours
Subsequent Meetings: June 12 and 13

PLACE: Port Louis, Mauritius

ATTENDING: Preliminary Meeting:

Mr. D. Soopramanien, Financial Secretary

Mr. M. Baguant, Director
Ministry of Economic Planning & Development

Mr. W. Adolphe, Trade Adviser

Mr. R. Maugendre, Principal Assistant Secretary
Ministry of Commerce and Industry

Mr. K. Vencatachellum, Principal Assistant Secretary
Ministry of Finance

Mr. Joseph Tsang Man Kin, First Secretary
Ministry of External Affairs, Tourism & Emigration

Mr. J. Cabon, Director of Supplies

Mr. William Jennette, PDC/FFP/I, AID, Washington

Mr. Peters Strong, Regional Food for Peace Officer, REDSO, Nairobi

Mr. Thomas J. Maholchic, Economic/Commerical Officer, American Embassy, Port Louis

* * * * * * *

The purpose of the meetings was negotiations between representatives of the Government of Mauritius and the United States of America for a FY 1979 rice sales agreement for $2.8 million under the U.S. Government Public Law 480 Title I program.

The following points were discussed:

1. The U.S. representatives explained that if commodity prices increase over that calculated, i.e. 10,000 MT rice at $2.8 million, the quantity of rice to be financed under the agreement will be less than 10,000 MT. However, should actual prices be lower at time of purchase, the Government of Mauritius may purchase up to $2.8 million worth of rice.

2. The U.S. negotiating team explained that:

A. Upon signature of the agreement that the Government of Mauritius should act expeditiously in all matters pertaining to the

purchase and delivery of the rice in order to comply with supply period of the agreement (U.S. Fiscal Year 1979);

B. At least 50 per cent of the rice purchased under the agreement must be shipped on U.S. flag vessels, if available at fair and reasonable rates;

C. If the Government of Mauritius, as recommended by the U.S. negotiating team, nominates a purchasing and/or shipping agent to procure commodities or arrange ocean transportation, the Government of Mauritius will notify the U.S. Department of Agriculture (USDA) in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. The nomination of purchasing and/or shipping agents is to be approved by USDA;

D. Purchases of rice under the agreement will be made on the basis of invitation for bids publicly advertised in the United States and on the basis of bid offerings which comply to the invitation to bid. Bid offerings must be received and publicly opened in the United States. All awards under invitations to bid will be consistent with open, competitive and responsive bid procedures;

E. Commissions, fees or other payments to selling/shipping agents are prohibited in the purchase of food commodities under the agreement;

F. Reporting is an important and integral part of the agreement. Compliance reporting is required quarterly starting with the supply period of the agreement; reporting on progress in meeting self-help requirements and the utilization of the sales proceeds is required annually;

G. Local currency sales proceeds to be utilized for financing the self-help measures set forth in the agreement will be equal to the amount disbursed by the U.S. Government converted to local currency at the most favorable exchange rate. The U.S. negotiating team agreed to clarify the date upon which the exchange rate will be calculated.

3. The negotiators for the Government of Mauritius explained that to meet supply emergencies in neighbouring islands (Reunion, Comoros and Seychelles) the Government of Mauritius occasionally provides assistance by sharing rice supplies in amounts of a few hundred metric ton units on a cost basis. The Government of Mauritius considers such transfers as inter-island supply emergency cooperation and not commercial exports. In view of the export limitation under the agreement, Part II, Item IV, the Government of Mauritius will seek U.S. Government concurrence prior to making such transfers.

4. Government of Mauritius negotiators explained the actual receiving, storage and distribution points and channels for rice under this agreement. Prices, independent of landed costs, to wholesalers, retailers and consumer are fixed, publicly posted and universally known to all consumers. The Government of Mauritius will be responsible for the import and primary storage of rice under the agree-

ment. Private wholesale and retail merchants market rice imported by the Government. Private importers may also obtain import licenses and compete with government sales. However, the Government of Mauritius is responsible for providing an adequate supply of rice (approximately 250 grams per person per day) to the total population at reasonable prices within the range of the lowest income group. The Government of Mauritius through its Ministry of Prices and Consumer Protection and Department of Supplies assure adherence to established price and distribution procedures. A sophisticated computerized data processing system assists in monitoring rice allocations which together with other controls eliminates potentials for rice marketing outside of established channels.

5. The negotiators for the Government of Mauritius agreed that it would relay to its Embassy in Washington (1) all instructions, information and authority necessary to enable timely implementation of the agreement, including commodity specifications, (2) contracting and delivery periods, (3) names and addresses of banks handling transactions, (4) authority to request and sign purchase authorizations and other necessary documents, (5) complete instructions regarding arrangements for purchasing and/or shipping agents, if applicable, and (6) instructions to contact the Program Operations Division, Office of the General Sales Manager, U.S. Department of Agriculture, regarding the foregoing.

6. The negotiators for the Government of Mauritius were advised to ensure that operable letters of credit for both commodity and freight will be opened and confirmed by designated U.S. banks immediately after contracting under each Purchasing Authorization and before vessels arrive at loading port. The negotiators for the Government of Mauritius were also advised that commodity suppliers are refusing to load vessels when acceptable letters of credit for both commodity and freight supplier are not available at time of loading, causing costly claims by vessel owners. Delays in opening letters of credit result in higher commodity prices and freight rates. The U.S. negotiating team provided the negotiators for the Government of Mauritius with copies of the Title I regulations.

7. It was understood that U.S. Embassy representatives will have continuous access to receiving, storage and distribution points for P.L. 480 Title I commodities.

8. The Mauritian Negotiators considered that some of the terms relating to (a) the grace period; (b) the interest rate during the grace period and (c) the ocean transportation offered in the proposed agreement were not entirely satisfactory and requested the U.S. negotiating team to consider the possibility of revising them. In support of their request for an extension of the grace period from 2 to 5 years and for the reduction of the interest rate applicable thereto from 3% to 2%,

the Mauritian negotiators submitted a memorandum appended herewith.

9. As regards ocean transportation, the Mauritian negotiators represented (a) that the Mauritius Government was committed to give its rice freight to a local shipping company for the next 10 years; (b) that U.S. vessels were not presently serving Mauritius; (c) that the consignment will be transported in one shipment thereby attracting additional freight charges. Consequently, they requested a derogation to the requirement that the rice be carried in a U.S. flag vessel. Further, in case all the rice has to be moved on a U.S. vessel the Mauritian negotiators asked if the U.S. Government could pay the differential in freight charges on the total shipment.

10. The U.S. Negotiating team agreed to consult the U.S. Government on the points raised in the preceding paragraphs.

11. In order to meet the date limit for shipment of the rice, i.e. 30th September 1979, the following tentative schedule of dates for implementing the agreement was worked out:—

(1) Government Approval of draft Agreement	June 22
(2) Signature of Loan Agreement	June 29
(3) Request for Purchasing Authorization	July 5
(4) Issue of Purchasing Authorization	July 9
(5) Invitation for bids	July 20
(6) Expiry of bids	August 3
(7) Award of contract	August 10
(8) Start of loading of rice	September 10
(9) Completion of loading of rice	September 29

INITIALED·

FOR THE GOVERNMENT OF MAURITIUS:

D. SOOPRAMANIEN

Financial Secretary

D Soopramanien

Date: June 18, 1979

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

W S. JENNETTE

Chief, Title I Division
Office of Food for Peace
Agency for International Development

W S Jennette

Date: June 18, 1979

TIAS 9541

FEDERAL REPUBLIC OF GERMANY

Social Security

Agreement signed at Washington January 7, 1976;
Entered into force December 1, 1979.
With final protocol.
And administrative agreement
Signed at Washington June 21, 1978;
Entered into force October 30, 1979;
Effective December 1, 1979.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL REPUBLIC OF GERMANY ON SOCIAL SECURITY

The United States of America and the Federal Republic of Germany,

Being Desirous of regulating the relationship between them in the area of social security,

Have agreed as follows:

PART I

General Provisions

Article 1

For the purpose of this Agreement

1. "Territory" means, as regards the United States of America, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa, and as regards the Federal Republic of Germany, the area in which the Basic Law (Grundgesetz) of the Federal Republic of Germany is in force;

2. "Laws" means the laws and regulations concerning the systems of social security specified in Article 2, paragraph 1;

3. "Competent Authority" means, as regards the United States of America, the Secretary of Health, Education, and Welfare, and as regards the Federal Republic of Germany, the Federal Minister of Labor and Social Affairs (Bundesminister für Arbeit und Sozialordnung);

4. "Agency" ("Träger") means the institution or authority responsible for implementing laws specified in Article 2, paragraph 1;

5. "Competent Agency" means the agency responsible for applying the laws in a specific case;

6. "Employment" means employment or self-employment as defined by the applicable laws;

7. "Period of coverage" ("Versicherungszeit") means a period of payment of contributions or a period of earnings from employment, as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;

8. "Benefit" ("Rente") means an old-age, dependent, survivor, or disability insurance benefit provided by the applicable laws;

9. "Cash benefit" ("Geldleistung") means a benefit ("Rente") and any other cash payment provided by the applicable laws; and

10. "Benefit-in-kind" ("Sachleistung") means a rehabilitation benefit-in-kind provided by the applicable laws.

Article 2

1. For the purpose of this Agreement, the applicable laws are:

(a) as regards the Federal Republic of Germany, laws governing

- Wage Earners' Pension Insurance
- Salaried Employees' Pension Insurance
- Miners' Pension Insurance
- Steelworkers' Supplementary Pension Insurance
- Farmers' Old Age Benefits; and

(b) as regards the United States of America, laws governing

- the Federal Old-Age, Survivors and Disability Insurance Program.

2. Laws within the meaning of paragraph 1 of this Article shall not include laws resulting for one Contracting State from other international treaties or supranational legislation, or from laws promulgated for their implementation.

Article 3

Unless otherwise provided, the present Agreement shall apply to

(a) nationals of a Contracting State within the meaning of Article XXV, paragraph 6, of the Treaty of Friendship, Commerce and Navigation between the United States of America and the Federal Republic of Germany of October 29, 1954 and of paragraph 22 of the Protocol thereto,[1] with the proviso that henceforth the term "Certificate of Residence" (Heimatschein) shall be replaced by the term "Certificate of Nationality" (Staatsangehörigkeitsausweis),

(b) refugees within the meaning of Article 1 of the Convention on the Status of Refugees dated July 28, 1951[2] and the Protocol to that Convention dated January 31, 1967,[3]

(c) stateless persons within the meaning of Article 1 of the Convention on the Status of Stateless Persons dated September 28, 1954,[4]

(d) other persons with respect to the rights they derive from a national of either Contracting State, from a refugee or a stateless person within the meaning of this Article, and

(e) nationals of a State other than a Contracting State who are not included among the persons referred to in paragraph (d) of this Article.

Article 4

1. Unless otherwise specified in the present Agreement, the persons designated in Article 3(a), (b), (c) and (d) who ordinarily reside in the territory of either Contracting State shall in the application of the laws of one Contracting State receive equal treatment with the nationals of that Contracting State.

[1] TIAS 3593; 7 UST 1866, 1909.
[2] 189 UNTS 152.
[3] TIAS 6577; 19 UST 6223.
[4] 360 UNTS 136.

2. Nationals of one Contracting State who ordinarily reside outside of the territories of both Contracting States shall be granted the cash benefits and benefits-in-kind provided by the laws of the other Contracting State under the same conditions which the other Contracting State applies to its own nationals who ordinarily reside outside of the territories of both Contracting States.

Article 5

Unless otherwise provided in this Agreement, the laws of one Contracting State which require that entitlement to or payment of cash benefits be dependent on residence in the territory of that Contracting State, shall not be applicable to the persons designated in Article 3(a), (b), (c) and (d) who ordinarily reside in the territory of the other Contracting State.

Article 6

1. Except as otherwise provided in this Article, persons who have employment within the territory of one of the Contracting States shall be subject to the laws on compulsory coverage of only that Contracting State even when the employer is located in the territory of the other Contracting State.

2. The employment of a person in the territory of one Contracting State to which he was sent from the territory of the other Contracting State by his employer in that territory shall continue to be subject to the laws on compulsory coverage of only the other Contracting State, as if he were still employed in the territory of the other Contracting State, even when the employer also has a place of business (Zweigniederlassung) in the territory of the Contracting State of employment.

3. In the case of the employment of a person as an officer or member of a crew of a sea-going vessel which has been granted the right to fly the flag of the Federal Republic of Germany, a German aircraft, an American vessel, an American aircraft, a vessel which has been granted the right to fly the flag of the Federal Republic of Germany and is at the same time an American vessel under United States laws, or of an aircraft which is a German aircraft but which is treated as an American aircraft under United States laws, the following rules shall apply with regard to the laws on compulsory coverage:

(a) If the person is subject to the laws of only one of the Contracting States, he shall remain subject to those laws.

(b) If the person is a national of one of the Contracting States and subject to the laws of both Contracting States, he shall be subject only to the laws of the Contracting State of which he is a national.

(c) (1) If the person is a national of both Contracting States or is a member of a group specified in Article 3(b), (c) or (e) and is subject to the laws of both Contracting States, he shall be subject only to the laws of the Contracting State in whose territory he ordinarily resides.

(2) If he does not ordinarily reside in the territory of either Contracting State, he and his employer may apply for an exemption from the laws on compulsory coverage of one of the Contracting States under the procedure provided in paragraph 5 of this Article.

(d) A person who is a national of one Contracting State employed on the vessel or aircraft of the other Contracting State and who is not otherwise subject to the laws on compulsory coverage of either Contracting State shall be subject to the laws on compulsory coverage of the other Contracting State.

4. (a) A national of one of the Contracting States employed by that Contracting State in the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State.

(b) A person who is a national of one of the Contracting States employed in the territory of the other Contracting State, where he does not ordinarily reside, by an employee of the first Contracting State who is a national of the first Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State.

(c) A person who is a national of one of the Contracting States employed in the territory of the other Contracting State, where he ordinarily resides, by an employee of the first Contracting State who is a national of the first Contracting State shall be subject to the laws on compulsory coverage of only the other Contracting State.

5. Upon application of a person specified in the preceding paragraphs of this Article, except paragraph 3(c)(2), and his employer, or upon application of a self-employed person, the Competent Authority of the Contracting State from whose laws on compulsory coverage the exemption is desired may grant the exemption, if the person and his employer, or the self-employed person, will be subject to the laws on compulsory coverage of the other Contracting State.

PART II

Benefit Insurance System

Article 7

1. Where periods of coverage have been completed under the laws of both Contracting States, the Agency which determines the entitlement to cash benefits and benefits-in-kind under its laws shall take account of periods of coverage which are creditable under the laws of the other Contracting State and which do not coincide with periods of coverage credited under its own laws.

2. This Agreement shall not result in entitlement to a benefit under the laws of a Contracting State unless a minimum period of coverage has been completed by a person under its laws and the completed period of coverage alone does not result in entitlement to benefits. In the application of United States laws, periods of coverage totaling 6 quarters of coverage shall be the required minimum, and, in the application of German laws, periods of coverage totaling 18 months shall be the required minimum.

3. Where a person's periods of coverage are less than the minimum period required by paragraph 2 of this Article under the laws of one Contracting State, those periods of coverage, whether or not consecutive, shall nevertheless be considered by the Agency of the other Contracting State for purposes of the computation of a benefit, as if they were periods of coverage under its own laws, provided that

(a) the person has the minimum period required by paragraph 2 under the laws of the other Contracting State and has entitlement for benefits with or without the

application of paragraph 1 of this Article under the laws of the other Contracting State, or

(b) the person is entitled to benefits under the laws of the other Contracting State with less than the minimum period required by paragraph 2.

Article 8

The following provisions shall apply to the Federal Republic of Germany:

1. The periods of coverage to be considered in accordance with Article 7 shall be taken into account by the insurance system whose Agency is competent for determining a person's benefit if only the German laws were applied. If under this provision the Competent Agency is the Miners' Pension Insurance system, the periods of coverage completed under United States laws shall be taken into account by the Miners' Pension Insurance system if the periods were completed underground in a mine.

2. Periods of coverage completed under United States laws which are to be considered by the Competent Agency for the computation of the benefit payable by it, in accordance with Article 7, paragraph 3, shall only increase the number of creditable insurance years under German laws.

3. In determining the benefit computation base (Rentenbemessungsgrundlage), only periods of coverage considered under German laws shall be taken into account.

4. If the requirements for entitlement to a benefit are met only by applying the provisions of Article 7, paragraph 1, only half

of the benefit amount which is attributable to deemed periods of coverage (Zurechnungszeit) shall be payable.

5. The following rules shall apply where an amount is payable as a supplement to a child; these rules shall also apply if the child's supplement is an integral part of the orphan's pension:

(a) If a supplement is payable under German laws without the application of Article 7, paragraph 1, but no child's insurance benefit is payable under United States laws, the supplement shall be payable in full.

(b) If a supplement is payable under German laws with or without the application of Article 7, paragraph 1, and a child's insurance benefit is payable under United States laws, one-half of the supplement shall be payable.

(c) If a supplement is payable under German laws only with the application of Article 7, paragraph 1, and no child's insurance benefit is payable under United States laws, one-half of the supplement shall be payable.

6. For purposes of terminating the right to the compensatory cash benefit for a miner who has been separated from his mining occupation (Knappschaftsausgleichsleistung), a United States mining establishment shall be treated as equivalent to a German mining establishment.

7. In the case of a self-employed craftsman, whose liability status for compulsory coverage is conditional upon payment of a minimum number of contributions, periods of coverage completed under United States laws shall be taken into account to determine whether the craftsman is liable.

Article 9

The following provisions shall apply to the United States of America:

1. Where there is eligibility for a benefit under United States laws by applying Article 7, paragraph 1, the Competent Agency shall first compute a theoretical Primary Insurance Amount taking into consideration the periods of coverage completed under the laws of the two Contracting States as if all these periods of coverage had been completed under United States laws. The Competent Agency shall then compute a pro rata Primary Insurance Amount based on the ratio of the total periods of coverage completed under United States laws to the total periods of coverage completed under the laws of the two Contracting States. Any benefits payable under United States laws on the basis of an earnings record where a pro rata Primary Insurance Amount has been computed will be paid on the basis of that pro rata Primary Insurance Amount.

2. Periods during which a person was determined by a Competent German Agency to be totally disabled under German laws shall, when it is to his advantage, be excluded in determining whether he meets the insured status requirements under United States laws and in computing a Primary Insurance Amount under this Agreement.

3. For the purposes of computing a person's theoretical Primary Insurance Amount, the Competent Agency shall take into account, if it is to his advantage, his earnings in any year during periods of coverage completed under German laws, as if they had been completed under United States laws.

PART III

Miscellaneous Provisions

Chapter 1

Administrative Cooperation

Article 10

The Competent Authorities, Agencies and associations of the Agencies of the Contracting States shall assist each other in applying this Agreement and in implementing each other's laws as if they were applying their own laws. This assistance shall be free of charge subject to exceptions to be agreed upon by the Contracting States.

Article 11

1. A final decision of a Court or a ruling by a Competent Authority or an Agency of a Contracting State, concerning a matter arising under its laws, which is enforceable under its laws, shall be recognized by the other Contracting State. A Contracting State may refuse recognition if the decision or ruling is contrary to its public policy including its requirements for due process of law.

2. The final decisions and rulings referred to in paragraph 1 shall be enforced under the laws specified in Article 2, paragraph 1, in the territory of the Contracting State in which the decisions or rulings are recognized.

Article 12

1. Where the laws of a Contracting State provide that any document which is submitted to the Competent Authority or an Agency

of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to documents which are submitted to the Competent Authority or an Agency of the other Contracting State in accordance with its laws.

2. A document or a copy of a document certified as authentic which is accepted as authentic by the Competent Authority or an Agency of one Contracting State shall be accepted as authentic by the Competent Authority or an Agency of the other Contracting State without further certification.

Article 13

1. The Competent Authorities and the Agencies of the Contracting States may correspond directly with each other and with any person wherever he may reside whenever it is necessary for the administration of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected by a Competent Authority or an Agency because it is in the official language of the other Contracting State.

Article 14

1. An application in writing or other document presented to the Competent Authority or an Agency of a Contracting State shall have the same effect as if it were presented to the Competent Authority or an Agency of the other Contracting State.

2. A person who files an application for cash benefits under the laws of a Contracting State may request that it not be treated as an application for cash benefits under the laws of the other Contracting State, or that it be effective on a different date in the other Contracting State, within the limitations of and in conformity with the laws of the other Contracting State.

Article 15

The consular officers of a Contracting State at diplomatic or consular posts in the territory of the other Contracting State, at the request of a person who is a national of the first Contracting State, may take measures necessary to safeguard and maintain the rights of that person. The person's authorization need not be proven.

Chapter 2

Implementation of the Agreement

Article 16

1. The Competent Authorities of the Contracting States shall, by mutual agreement, establish administrative procedures which are required to implement this Agreement. They shall inform each other of any amendments or additions to their laws.

2. Liaison agencies designated for the implementation of this Agreement are:

(a) In the Federal Republic of Germany -

(1) for the Wage Earners' Pension Insurance system, the Landesversicherungsanstalt Freie und Hansestadt Hamburg (Regional Insurance Institution for Hamburg), Hamburg,

(2) for the Salaried Employees' Pension Insurance system, the Bundesversicherungsanstalt für Angestellte (Federal Insurance Institution for Salaried Employees), Berlin,

(3) for the Miners' Pension Insurance system, the Bundesknappschaft (Federal Miners' Insurance Institution), Bochum, and

(4) for the Steelworkers' Supplementary Pension Insurance system, the Landesversicherungsanstalt für das Saarland (Regional Insurance Institution for the Saarland), Saarbrücken;

(b) In the United States of America -

the Social Security Administration.

Article 17

An Agency of a Contracting State may validly pay cash benefits to a person in the territory of the other Contracting State in the currency of its own State or of the other Contracting State. If the cash benefits are paid in the currency of the other Contracting State, the currency conversion shall be at the exchange rate in force on the day the remittance is made.

Article 18

1. (a) Where a German Agency has made an overpayment of cash benefits to a person, the amount of the overpayment may be withheld for the account of the German Agency by the United States Agency from a cash benefit payable by it on the earnings record of the same person, within the limits of the United States laws.

(b) In case of payment of an advance or provisional cash benefit to a person by a German Agency which is more than the amount due, the United States Agency shall withhold for the account of the German Agency an amount equal to the excess amount paid from any cash benefits payable by it on the earnings record of this same person.

2. (a) Where the United States Agency has made an overpayment of cash benefits on the earnings record (Versicherungskonto) of a person, the amount of the overpayment may be withheld for the account of the United States Agency by a German Agency from a cash benefit payable by it to the same person, within the limits of the German laws.

(b) In case of payment of an advance or provisional cash benefit on the earnings record (Versicherungskonto) of a person by the United States Agency which is more than the amount due, a German Agency shall withhold for the account of the United States Agency an amount equal to the excess amount paid from any cash benefits payable by it to the same person.

Article 19

1. Disagreements between the two Contracting States regarding the interpretation or implementation of this Agreement shall, as far as possible, be settled by the Competent Authorities.

2. If a disagreement cannot be resolved by the Competent Authorities it shall, at the request of either Contracting State, be submitted for arbitration in accordance with the following procedures:

(a) An arbitration board shall be established on an ad hoc basis with each Contracting State appointing one member, and both members agreeing on a citizen from a third North Atlantic Treaty Organization member state as chairman who shall be appointed by the governments of the two Contracting States. The members shall be appointed within two months, and the chairman within three months, after one Contracting State has informed the other that it will refer the dispute to an arbitration board.

(b) If the deadlines mentioned in paragraph 2(a) are not met, each Contracting State may, in the absence of other agreements, ask the Secretary General of the North Atlantic Treaty Organization to make the necessary appointments. If the Secretary General is a national of one of the Contracting States or is prevented from acting for another reason, the Deputy Secretary General shall make the appointments. In case the Deputy Secretary General also is a national of one of the two Contracting States or is prevented from acting for another reason, the next Assistant Secretary General following in rank by protocol who is not a national of one of the two Contracting States and who is not prevented from acting for another reason, shall make the appointments.

(c) The arbitration board shall make its decision by majority vote on the basis of the agreements existing between the parties and general international law. Its decisions shall be binding on both Contracting States. Each Contracting State shall bear the cost for its member, as well as for its representation in the proceedings before the arbitration board; the

cost for the chairman as well as other expenses, shall be shared equally between the Contracting States. The arbitration board can make a different decision concerning the allocation of expenses. In all other respects the arbitration board shall establish its own rules of procedure.

Part IV

Transitional and Final Provisions

Article 20

1. This Agreement shall not establish any claim to payment of cash benefits for any period before its entry into force.

2. In the implementation of this Agreement, consideration shall also be given to periods of coverage and other events relevant under the laws occurring before the entry into force of this Agreement.

3. Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

4. Cash benefits to which there was entitlement before the entry into force of this Agreement may be recomputed under its provisions. At least the amount of the cash benefits previously payable shall continue to be payable after the recomputation.

Article 21

The attached Final Protocol shall form an integal part of this Agreement.

Article 22

This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United States of America within three months of the date of entry into force of this Agreement.

Article 23

1. This Agreement shall be ratified, and the instruments of ratification shall be exchanged as soon as possible in Bonn.

2. This Agreement shall enter into force on the first day of the second month following the month in which the instruments of ratification are exchanged.[1]

Article 24

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its denunciation is given by one of the Contracting States to the other Contracting State.

2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of cash benefits acquired under it shall be retained; rights in the process of being acquired shall be recognized in conformity with supplementary agreements.

[1] Dec. 1, 1979.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

DONE at Washington on January 7, 1976, in duplicate in the English and German languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA:

David Mathews [1]

FOR THE FEDERAL REPUBLIC OF GERMANY:

Von Staden [2]

Walter Arendt [3]

[1] David Mathews.
[2] Von Staden.
[3] Walter Arendt.

FINAL PROTOCOL TO THE AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND
THE FEDERAL REPUBLIC OF GERMANY
ON SOCIAL SECURITY

At the time of signing the Agreement on Social Security concluded this day between the United States of America and the Federal Republic of Germany, the plenipotentiaries of both Contracting States stated that they are in agreement on the following points:

1. With reference to Article 1, paragraph 2, of the Agreement: The term "laws" shall include the regulations adopted by the German Agencies (Träger) relating to the systems of social security specified in Article 2, paragraph 1, of the Agreement.

2. With reference to Article 2 of the Agreement:

(a) Regarding Article 2, paragraph 1(b), of the Agreement, with respect to the United States of America, the laws governing the Federal Old-Age, Survivors and Disability Insurance Program are title II of the Social Security Act of 1935, as amended,[1] and regulations promulgated under the authority provided therein, except sections 226 and 228 of that title and regulations pertaining to those sections, and Chapter 2 and Chapter 21 of the Internal Revenue Code of 1954 as amended.

(b) Part II of the Agreement shall not apply to the Steelworkers' Supplementary Pension Insurance system or to the Farmers' Old-Age Benefit system of the Federal Republic of Germany.

(c) If under the laws of one of the Contracting States the requirements for the application of another Convention or a supranational regulation are fulfilled in addition to the requirements for the application of this Agreement, the Agency of this Contracting State shall disregard the other Convention or supranational regulation when applying this Agreement.

[1] 49 Stat. 622; 42 U.S.C. § 402.

(d) Article 2, paragraph 2, of the Agreement and paragraph 2(c) of this Protocol shall not apply if the social security laws resulting for the Federal Republic of Germany from international treaties or supranational law or designed to implement such treaties or law contain provisions relating to the apportionment of insurance burdens.

3. With reference to Article 4 of the Agreement:

(a) Provisions relating to the apportionment of insurance burdens that may be contained in international treaties shall not be affected.

(b) German laws which guarantee participation of the insured and of the employers in the organs of self-government of the Agencies and of their associations as well as in the adjudication of social security matters shall remain unaffected.

4. With reference to Article 5 of the Agreement:

(a) The German laws regarding cash benefits in respect of periods of coverage accumulated other than under federal law shall remain unaffected.

(b) German laws concerning the granting of medical, occupational and supplementary rehabilitation measures by the Agencies of the Pension Insurance system shall remain unaffected.

(c) Article 5 of the Agreement shall also apply to United States laws under which payment of cash benefits is made dependent on physical presence in the territory of the United States.

5. With reference to Article 6 of the Agreement:

(a) Article 6 of the Agreement shall also apply to persons who are treated as employees under the laws specified in Article 2, paragraph 1(a), of the Agreement.

(b) Article 6, paragraph 4, of the Agreement shall apply to an employee of any German public employer.

(c) With respect to the United States of America, the term "employed by that Contracting State" in Article 6, paragraph 4(a), of the Agreement shall mean employed by the Federal Government or one of its instrumentalities, and the term "employee of the first Contracting State" in Article 6, paragraph 4, (b) and (c), of the Agreement shall mean an employee of the Federal Government or one of its instrumentalities.

(d) Article 6, paragraph 5, of the Agreement shall not apply to exemptions from United States laws of United States nationals who ordinarily reside in the territory of the United States of America.

6. With reference to Article 7 of the Agreement:

(a) Periods of coverage completed under United States laws shall not be taken into account for the grant of increments (Leistungszuschlag) provided under German laws governing the Miners' Pension Insurance system.

(b) Under German pension insurance, Article 7, paragraph 1, of the Agreement shall apply mutatis mutandis to cash benefits and benefits-in-kind which may be granted at the discretion of the Agency.

(c) Notwithstanding Article 7, paragraph 3, of the Agreement, the United States Agency shall not be required to take account of periods of coverage completed under German laws in the case of any person who is entitled to transitional benefits on the basis of Section 227 of the United States Social Security Act.

7. With reference to Article 8 of the Agreement:

(a) Where under German laws the receipt of a benefit entails exemption from compulsory insurance and preclusion from voluntary insurance, receipt of a corresponding benefit under the laws of the United States shall have the same effect.

(b) United States nationals who ordinarily reside outside the territory of the Federal Republic of Germany shall be eligible for voluntary insurance in the German pension insurance system if they have validly paid contributions for at least 60 months to this system or were eligible for voluntary insurance on the basis of transitional laws in force before October 19, 1972. This rule shall also apply to the persons specified in Article 3(b) and (c) of the Agreement who ordinarily reside in the territory of the United States of America.

(c) Upon application United States nationals may pay voluntary contributions to the German pension insurance system retroactively, if eligibility for continued voluntary insurance was abolished by the laws governing voluntary insurance which entered into force on October 19, 1972 because they were either ordinarily residing or domiciled outside the territory of the Federal Republic of Germany. Retroactive voluntary contributions may be made for periods from October 19, 1972 to the day of the entry into force of the Agreement provided that these periods are not already covered by contributions paid to the German pension insurance system. Events relevant to eligibility for a benefit (Eintritt des Versicherungsfalles) which arise within one year after the entry into force of the Agreement shall not preclude

payment of retroactive voluntary contributions. An application can be validly made only during the five-years' period following the date of entry into force of this Agreement. The Competent Agency may accept payments by installments for a period of up to three years.

(d) United States nationals to whom contributions were refunded between October 19, 1972 and the date of entry into force of this Agreement, may repay such contributions upon application. Such repayment may only be made in the full amount of the contributions refunded; it shall have the effect of cancelling any entry of refund of contributions in the insurance record. Paragraph 7(c), the last three sentences shall apply accordingly.

8. In the implementation of the Agreement, German laws to the extent that they contain more favorable provisions for persons who have suffered damages because of their political attitude or because of their race, religion or ideology, shall remain unaffected.

DONE at Washington on January 7, 1976, in duplicate in the English and German languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA:

FOR THE FEDERAL REPUBLIC OF GERMANY:

TIAS 9542

Abkommen

zwischen den Vereinigten Staaten von Amerika und
der Bundesrepublik Deutschland

über

Soziale Sicherheit

Die Vereinigten Staaten von Amerika
und
die Bundesrepublik Deutschland -

IN DEM WUNSCHE, ihre Beziehungen im Bereich der Sozialen Sicherheit zu regeln -

haben folgendes vereinbart:

Teil I

Allgemeine Bestimmungen
Artikel 1

In diesem Abkommen bedeuten die Ausdrücke

1. "Hoheitsgebiet"
in bezug auf die Bundesrepublik Deutschland
den Geltungsbereich des Grundgesetzes für die Bundesrepublik Deutschland,

in bezug auf die Vereinigten Staaten von Amerika
die Bundesstaaten, den Distrikt Columbia, den Freistaat Puerto Rico, die Jungferninseln, Guam und Amerikanisch-Samoa;

2. "Rechtsvorschriften"
die Gesetze und Verordnungen, die sich auf die in Artikel 2 Absatz 1 bezeichneten Zweige der Sozialen Sicherheit beziehen;

3. "zuständige Behörde"
in bezug auf die Bundesrepublik Deutschland
den Bundesminister für Arbeit und Sozialordnung,

in bezug auf die Vereinigten Staaten von Amerika
den Minister für Gesundheit, Bildung und Wohlfahrt (Secretary of Health, Education, and Welfare);

4. "Träger"
die Einrichtung oder die Behörde, der die Durchführung in Artikel 2 Absatz 1 bezeichneter Rechtsvorschriften obliegt;

5. "zuständiger Träger"
den Träger, dem im Einzelfall die Anwendung der Rechtsvorschriften obliegt;

6. "Beschäftigung"
eine Beschäftigung oder eine selbständige Tätigkeit im Sinne der anzuwendenden Rechtsvorschriften;

7. "Versicherungszeit"
eine Beitragszeit oder eine Zeit, in der Einkommen aus einer Beschäftigung erzielt wurde, wenn sie nach den Rechtsvorschriften, nach denen sie zurückgelegt wurde, eine Versicherungszeit ist oder als solche gilt, oder eine ähnliche Zeit, soweit sie nach diesen Rechtsvorschriften einer Versicherungszeit gleichsteht;

8. "Rente"
eine Alters-, Angehörigen-, Hinterbliebenen- oder Invaliditätsrente im Sinne der anzuwendenden Rechtsvorschriften;

9. "Geldleistung"
eine Rente oder eine andere Geldleistung im Sinne der anzuwendenden Rechtsvorschriften;

10. "Sachleistung"
eine Sachleistung zur Rehabilitation im Sinne der anzuwendenden Rechtsvorschriften.

Artikel 2

(1) Im Sinne dieses Abkommens sind die anzuwendenden Rechtsvorschriften

a) in bezug auf die Bundesrepublik Deutschland die Rechtsvorschriften über

- die Rentenversicherung der Arbeiter,
- die Rentenversicherung der Angestellten,
- die knappschaftliche Rentenversicherung,
- die hüttenknappschaftliche Zusatzversicherung,
- die Altershilfe für Landwirte;

b) in bezug auf die Vereinigten Staaten von Amerika die Rechtsvorschriften über

- die Bundesstaatliche Alters-, Hinterbliebenen- und Invaliditätsversicherung.

(2) Rechtsvorschriften im Sinne des Absatzes 1 sind nicht diejenigen, die sich für einen Vertragsstaat aus anderen zwischenstaatlichen Verträgen oder aus überstaatlichem Recht oder aus zu deren Ausführung erlassenen Rechtsvorschriften ergeben.

Artikel 3

Soweit nichts anderes bestimmt ist, gilt dieses Abkommen für

a) Staatsangehörige eines Vertragsstaates im Sinne des Artikels XXV Absatz 6 des Freundschafts-, Handels- und Schiffahrtsvertrages vom 29. Oktober 1954 zwischen der Bundesrepublik Deutschland und den Vereinigten Staaten von Amerika sowie der Nummer 22 des dazugehörigen Protokolls, mit der Maßgabe, daß künftig anstelle des Begriffs "Heimatschein" der Begriff "Staatsangehörigkeitsausweis" tritt,

b) Flüchtlinge im Sinne des Artikels 1 des Abkommens über die Rechtsstellung der Flüchtlinge vom 28. Juli 1951 und des Protokolls vom 31. Januar 1967 zu dem genannten Abkommen,

c) Staatenlose im Sinne des Artikels 1 des Übereinkommens über die Rechtsstellung der Staatenlosen vom 28. September 1954,

d) andere Personen hinsichtlich der Rechte, die sie von einem Staatsangehörigen eines Vertragsstaates, einem Flüchtling oder einem Staatenlosen im Sinne dieses Artikels ableiten,

e) Staatsangehörige eines anderen Staates als eines Vertragsstaates, soweit sie nicht zu den unter Buchstabe d bezeichneten Personen gehören.

Artikel 4

(1) Soweit dieses Abkommen nichts anderes bestimmt, stehen die in Artikel 3 Buchstaben a bis d bezeichneten Personen, die sich gewöhnlich im Hoheitsgebiet eines Vertragsstaates aufhalten, bei Anwendung der Rechtsvorschriften eines Vertragsstaates dessen Staatsangehörigen gleich.

(2) Staatsangehörigen des einen Vertragsstaates, die sich gewöhnlich ausserhalb der Hoheitsgebiete der Vertragsstaaten aufhalten, werden die Geldleistungen und die Sachleistungen nach den Rechtsvorschriften des anderen Vertragsstaates unter denselben Voraussetzungen erbracht, wie sie der andere Vertragsstaat auf seine eigenen Staatsangehörigen anwendet, die sich gewöhnlich ausserhalb der Hoheitsgebiete der Vertragsstaaten aufhalten.

Artikel 5

Soweit dieses Abkommen nichts anderes bestimmt, gelten die Rechtsvorschriften des einen Vertragsstaates, nach denen Ansprüche auf Geldleistungen oder die Zahlung von Geldleistungen vom Inlandsaufenthalt abhängen, nicht für die in Artikel 3 Buchstaben a bis d genannten Personen, die sich gewöhnlich im Hoheitsgebiet des anderen Vertragsstaates aufhalten.

Artikel 6

(1) Soweit in diesem Artikel nichts anderes bestimmt ist, richtet sich die Versicherungspflicht von Personen, die im Hoheitsgebiet des einen Vertragsstaates beschäftigt sind, nach den Rechtsvorschriften dieses Vertragsstaates, selbst wenn sich der Arbeitgeber im Hoheitsgebiet des anderen Vertragsstaates befindet.

(2) Wird eine Person im Hoheitsgebiet des einen Vertragsstaates beschäftigt, in den sie von ihrem Arbeitgeber im Hoheitsgebiet des anderen Vertragsstaates von dort entsandt wurde, so gelten dessen Rechtsvorschriften über die Versicherungspflicht so weiter, als wäre sie noch in seinem Hoheitsgebiet beschäftigt, selbst wenn der Arbeitgeber im Hoheitsgebiet des ersten Vertragsstaates eine Zweigniederlassung hat.

(3) Für die Beschäftigung einer Person als Mitglied der Besatzung eines Seeschiffes, das berechtigt ist, die Bundesflagge der Bundesrepublik Deutschland zu führen, eines deutschen Luftfahrzeuges, eines amerikanischen Seeschiffes, eines amerikanischen Luftfahrzeuges, eines Seeschiffes, das berechtigt ist, die Bundesflagge der Bundesrepublik Deutschland zu führen und gleichzeitig ein amerikanisches Seeschiff nach den amerikanischen Rechtsvorschriften ist, oder eines Luftfahrzeuges, das zwar ein deutsches Luftfahrzeug ist, aber nach den amerikanischen Rechtsvorschriften wie ein amerikanisches Luftfahrzeug behandelt wird, gilt in bezug auf die Rechtsvorschriften über die Versicherungspflicht folgendes:

a) Gelten für die Person nur die Rechtsvorschriften des einen Vertragsstaates, so gelten diese weiter.

b) Ist die Person Staatsangehörige des einen Vertragsstaates und gelten für sie die Rechtsvorschriften beider Vertragsstaaten, so gelten nur die Rechtsvorschriften des Vertragsstaates, dessen Staatsangehörige sie ist.

c) 1. Ist die Person Staatsangehörige beider Vertragsstaaten oder gehört sie zu den in Artikel 3 Buchstabe b, c oder e genannten Personen und gelten für sie die Rechtsvorschriften beider Vertragsstaaten, so gelten nur die Rechtsvorschriften des Vertragsstaates, in dessen Hoheitsgebiet sie sich gewöhnlich aufhält.

2. Hält sich die Person nicht gewöhnlich im Hoheitsgebiet eines Vertragsstaates auf, so können sie und ihr Arbeitgeber die Befreiung von den Rechtsvorschriften über die Versicherungspflicht eines Vertragsstaates nach Absatz 5 beantragen.

d) Ist eine Person als Staatsangehörige des einen Vertragsstaates auf einem Seeschiff oder in einem Luftfahrzeug des anderen Vertragsstaates beschäftigt, so wird sie nach dessen Rechtsvorschriften pflichtversichert, wenn sie sonst nicht nach den Rechtsvorschriften eines Vertragsstaates pflichtversichert wäre.

(4) a) Wird ein Staatsangehöriger des einen Vertragsstaates von diesem im Hoheitsgebiet des anderen Vertragsstaates beschäftigt, so gelten die Rechtsvorschriften über die Versicherungspflicht des ersten Vertragsstaates.

b) Wird eine Person, die Staatsangehörige des einen Vertragsstaates ist, im Hoheitsgebiet des anderen Vertragsstaates, in dem sie sich nicht gewöhnlich aufhält, von einem Bediensteten des ersten Vertragsstaates beschäftigt, der dessen Staatsangehöriger ist, so gelten die Rechtsvorschriften über die Versicherungspflicht dieses Vertragsstaates.

c) Wird eine Person, die Staatsangehörige des einen Vertragsstaates ist, im Hoheitsgebiet des anderen Vertragsstaates, in dem sie sich gewöhnlich aufhält, von einem Bediensteter des ersten Vertragsstaates beschäftigt, der dessen Staatsangehöriger ist, so gelten die Rechtsvorschriften über die Versicherungspflicht des anderen Vertragsstaates.

(5) Auf Antrag einer in den Absätzen 1 bis 4 mit Ausnahme des Absatzes 3 Buchstabe c Nummer 2 bezeichneten Person und ihres Arbeitgebers oder auf Antrag eines selbständig Erwerbstätigen kann die zuständige Behörde des Vertragsstaates,

von dessen Rechtsvorschriften über die Versicherungspflicht Befreiung begehrt wird, diese zulassen, wenn für die Person und ihren Arbeitgeber oder den selbständig Erwerbstätigen die Rechtsvorschriften über die Versicherungspflicht des anderen Vertragsstaates gelten.

Teil II

Rentenversicherungen
Artikel 7

(1) Sind nach den Rechtsvorschriften beider Vertragsstaaten Versicherungszeiten zurückgelegt, so berücksichtigt der Träger, der den Anspruch auf Geldleistungen und Sachleistungen nach den für ihn geltenden Rechtsvorschriften feststellt, die Versicherungszeiten, die nach den Rechtsvorschriften des anderen Vertragsstaates anrechnungsfähig sind und nicht mit Versicherungszeiten zusammenfallen, die nach den für den Träger geltenden Rechtsvorschriften anrechnungsfähig sind.

(2) Aus diesem Abkommen ergibt sich kein Anspruch auf Rente nach den Rechtsvorschriften eines Vertragsstaates, wenn nach diesen Rechtsvorschriften nicht eine Mindestversicherungszeit zurückgelegt wurde und aufgrund der zurückgelegten Versicherungszeit allein kein Anspruch auf Rente besteht. Bei Anwendung der deutschen Rechtsvorschriften beträgt die Mindestversicherungszeit achtzehn Monate, bei Anwendung der amerikanischen Rechtsvorschriften sechs Vierteljahre.

(3) Ist nach den Rechtsvorschriften eines Vertragsstaates weniger als die Mindestversicherungszeit nach Absatz 2 zurückgelegt, so werden diese Versicherungszeiten ohne Rücksicht auf ihre zeitliche Lage von dem Träger des anderen Vertragsstaates für die Berechnung der Rente berücksichtigt, als wären sie Versicherungszeiten nach den für diesen Träger geltenden Rechtsvorschriften, wenn

a) die Mindestversicherungszeit nach Absatz 2 nach den Rechtsvorschriften des anderen Vertragsstaates zurückgelegt ist und mit oder ohne Berücksichtigung des Absatzes 1 Anspruch auf Rente nach den Rechtsvorschriften des anderen Vertragsstaates besteht oder

b) trotz Nichterreichens der Mindestversicherungszeit nach Absatz 2 ein Anspruch auf Rente nach den Rechtsvorschriften des anderen Vertragsstaates besteht.

Artikel 8

Für die Bundesrepublik Deutschland gilt folgendes:

1. Die nach Artikel 7 zu berücksichtigenden Versicherungszeiten werden dem Versicherungszweig zugeordnet, dessen Träger unter ausschliesslicher Anwendung der deutschen Rechtsvorschriften für die Feststellung der Rente zuständig ist. Ist danach der Träger der knappschaftlichen Rentenversicherung zuständiger Träger, so werden die nach den amerikanischen Rechtsvorschriften zurückgelegten Versicherungszeiten in der knappschaftlichen Rentenversicherung berücksichtigt, wenn sie in einem bergbaulichen Betrieb unter Tage zurückgelegt sind.

2. Die nach den amerikanischen Rechtsvorschriften zurückgelegten Versicherungszeiten, die nach Artikel 7 Absatz 3 vom zuständigen Träger bei der Berechnung der von ihm zu gewährenden Rente zu berücksichtigen sind, erhöhen lediglich die Zahl der nach den deutschen Rechtsvorschriften anrechnungsfähigen Versicherungsjahre.

3. Für die Rentenbemessungsgrundlage werden nur die nach den deutschen Rechtsvorschriften zu berücksichtigenden Versicherungszeiten herangezogen.

4. Sind die Voraussetzungen für den Rentenanspruch nur unter Berücksichtigung des Artikels 7 Absatz 1 erfüllt, so wird der auf die Zurechnungszeit entfallende Leistungsteil nur zur Hälfte gezahlt.

5. Für die Zahlung des Kinderzuschusses gilt, auch wenn er als Leistungsteil in der Waisenrente enthalten ist, folgendes:

   a) Ist nach den deutschen Rechtsvorschriften ohne Berücksichtigung des Artikels 7 Absatz 1 Kinderzuschuss, nach den amerikanischen Rechtsvorschriften jedoch keine Kinderrente zu zahlen, so wird der Kinderzuschuss voll gezahlt.

   b) Ist nach den deutschen Rechtsvorschriften mit oder ohne Berücksichtigung des Artikels 7 Absatz 1 Kinderzuschuss und nach den amerikanischen Rechtsvorschriften Kinderrente zu zahlen, so wird der Kinderzuschuss zur Hälfte gezahlt.

   c) Ist nach den deutschen Rechtsvorschriften nur unter Berücksichtigung des Artikels 7 Absatz 1 Kinderzuschuss und nach den amerikanischen Rechtsvorschriften keine Kinderrente zu zahlen, so wird der Kinderzuschuss zur Hälfte gezahlt.

6. Für den Wegfall der Knappschaftsausgleichsleistung für einen Bergmann, der die bergmännische Beschäftigung aufgegeben hat, steht ein amerikanischer knappschaftlicher Betrieb einem deutschen knappschaftlichen Betrieb gleich.

7. Hängt für einen selbständig erwerbstätigen Handwerker die Versicherungspflicht davon ab, ob eine Mindestzahl von Beiträgen entrichtet ist, so werden dafür auch die nach den amerikanischen Rechtsvorschriften zurückgelegten Versicherungszeiten berücksichtigt.

Für die Vereinigten Staaten von Amerika gilt folgendes:

1. Besteht nach den amerikanischen Rechtsvorschriften unter Berücksichtigung des Artikels 7 Absatz 1 Anspruch auf Rente, so berechnet der zuständige Träger zunächst den theoretischen Leistungsgrundbetrag, indem er die nach den Rechtsvorschriften jedes Vertragsstaates zurückgelegten Versicherungszeiten so berücksichtigt, als wären alle diese Versicherungszeiten nach den amerikanischen Rechtsvorschriften zurückgelegt. Sodann berechnet er den Teil des Leistungsgrundbetrags, der dem Verhältnis entspricht, in dem die nach den amerikanischen Rechtsvorschriften zurückgelegten Versicherungszeiten zur Summe der nach den Rechtsvorschriften jedes Vertragsstaates zurückgelegten Versicherungszeiten stehen. Auf der Grundlage dieses so berechneten Teils des Leistungsgrundbetrags werden die Renten gezahlt, die nach den amerikanischen Rechtsvorschriften aufgrund des Versicherungskontos zu zahlen sind.

2. Zeiten, für die ein deutscher zuständiger Träger Erwerbsunfähigkeit nach den deutschen Rechtsvorschriften festgestellt hat, werden, sofern es für die Person günstiger ist, bei der Feststellung der Leistungsvoraussetzungen nach den amerikanischen Rechtsvorschriften und bei der Berechnung des Leistungsgrundbetrags nach diesem Abkommen nicht berücksichtigt.

3. Für die Berechnung des theoretischen Leistungsgrundbetrags berücksichtigt der zuständige Träger, sofern es für die Person günstiger ist, das Einkommen in jedem Jahr während der nach den deutschen Rechtsvorschriften zurückgelegten Versicherungszeiten, als wären diese nach den amerikanischen Rechtsvorschriften zurückgelegt.

Teil III

Verschiedene Bestimmungen

Kapitel 1

Amtshilfe

Artikel 10

Die zuständigen Behörden, Träger und Verbände von Trägern der Vertragsstaaten leisten einander bei Anwendung dieses Abkommens und der für die jeweils andere Seite geltenden Rechtsvorschriften Hilfe, als wendeten sie ihre eigenen Rechtsvorschriften an. Die Hilfe ist kostenlos, sofern die Vertragsstaaten nichts anderes vereinbaren.

Artikel 11

(1) Die nach den Rechtsvorschriften des einen Vertragsstaates vollstreckbaren Entscheidungen der Gerichte und Bescheide der zuständigen Behörde oder eines Trägers dieses Vertragsstaates, die die Anwendung der Rechtsvorschriften dieses Vertragsstaates betreffen, werden vom anderen Vertragsstaat anerkannt. Die Anerkennung kann versagt werden, wenn die Entscheidung oder der Bescheid der öffentlichen Ordnung einschließlich der Erfordernisse eines ordentlichen Verfahrens widerspricht.

(2) Die in Absatz 1 genannten Entscheidungen und Bescheide werden im Hoheitsgebiet des Vertragsstaates, in dem sie anerkannt werden, nach den in Artikel 2 Absatz 1 genannten Rechtsvorschriften vollstreckt.

Artikel 12

(1) Sind nach den Rechtsvorschriften eines Vertragsstaates Urkunden, die der zuständigen Behörde oder einem Träger dieses Vertragsstaates vorgelegt werden, ganz oder teilweise

von Gebühren oder Abgaben einschliesslich Konsulargebühren und Verwaltungsabgaben befreit, so gilt die Befreiung auch für Urkunden, die der zuständigen Behörde oder einem Träger des anderen Vertragsstaates nach dessen Rechtsvorschriften vorgelegt werden.

(2) Urkunden und Abschriften von Urkunden, deren Echtheit bescheinigt ist und die von der zuständigen Behörde oder von einem Träger des einen Vertragsstaates als echt anerkannt werden, werden auch von der zuständigen Behörde und von den Trägern des anderen Vertragsstaates ohne zusätzliche Bescheinigung als echt anerkannt.

Artikel 13

(1) Die zuständigen Behörden und die Träger der Vertragsstaaten können unmittelbar miteinander und mit allen Personen, unabhängig von deren Aufenthalt, verkehren, wenn es zur Anwendung dieses Abkommens notwendig ist. Sie können dabei ihre Amtssprache verwenden.

(2) Die zuständigen Behörden und die Träger dürfen Eingaben und Urkunden nicht zurückweisen, weil sie in der Amtssprache des anderen Vertragsstaates abgefasst sind.

Artikel 14

(1) Schriftliche Anträge und andere Urkunden, die der zuständigen Behörde oder einem Träger des einen Vertragsstaates vorgelegt werden, haben dieselbe Wirkung wie bei Vorlage bei der zuständigen Behörde oder einem Träger des anderen Vertragsstaates.

(2) Wer einen Antrag auf Geldleistungen nach den Rechtsvorschriften des einen Vertragsstaates stellt, kann verlangen, dass der Antrag nicht als Antrag auf Geldleistungen nach den Rechtsvorschriften des anderen Vertragsstaates gilt oder dass er dort im Rahmen und nach Massgabe der Rechtsvorschriften dieses Vertragsstaates an einem anderen Tag wirksam wird.

Artikel 15

Die Konsularbeamten des einen Vertragsstaates an diplomatischen und konsularischen Vertretungen im Hoheitsgebiet des anderen Vertragsstaates können auf Antrag eines Staatsangehörigen des ersten Vertragsstaates die notwendigen Massnahmen zur Sicherung und Erhaltung der Rechte dieses Staatsangehörigen vornehmen. Die Vollmacht braucht nicht nachgewiesen zu werden.

Kapitel 2
Durchführung des Abkommens

Artikel 16

(1) Die zuständigen Behörden der Vertragsstaaten legen einvernehmlich die zur Durchführung dieses Abkommens notwendigen Verwaltungsverfahren fest. Sie unterrichten einander über Änderungen und Ergänzungen der für sie geltenden Rechtsvorschriften.

(2) Die zur Durchführung dieses Abkommens bestimmten Verbindungsstellen sind

a) in der Bundesrepublik Deutschland

1. für die Rentenversicherung der Arbeiter die Landesversicherungsanstalt Freie und Hansestadt Hamburg, Hamburg,

2. für die Rentenversicherung der Angestellten die Bundesversicherungsanstalt für Angestellte, Berlin,

3. für die knappschaftliche Rentenversicherung die Bundesknappschaft, Bochum,

4. für die hüttenknappschaftliche Zusatzversicherung die Landesversicherungsanstalt für das Saarland, Saarbrücken;

b) in den Vereinigten Staaten
die Sozialversicherungsverwaltung (Social Security Administration).

Artikel 17

Geldleistungen können von einem Träger des einen Vertragsstaates an eine Person im Hoheitsgebiet des anderen Vertragsstaates in der Währung des einen oder des anderen Vertragsstaates wirksam erbracht werden. Werden sie in der Währung des anderen Vertragsstaates erbracht, so ist für die Umrechnung der Kurs des Tages massgebend, an dem die Übermittlung vorgenommen wird.

Artikel 18

(1) a) Hat ein deutscher Träger an eine Person zu Unrecht Geldleistungen gewährt, so kann der amerikanische Träger im Rahmen der für ihn geltenden Rechtsvorschriften von einer von ihm im Hinblick auf das Versicherungskonto derselben Person zu zahlenden Geldleistung den zu Unrecht gezahlten Betrag zugunsten des deutschen Trägers einbehalten.

b) Hat ein deutscher Träger an eine Person als Vorschuß oder vorläufige Geldleistung einen Betrag gezahlt, der den geschuldeten Betrag übersteigt, so behält der amerikanische Träger von der von ihm im Hinblick auf das Versicherungskonto derselben Person zu zahlenden Geldleistung einen Betrag in Höhe des den geschuldeten Betrag übersteigenden Betrages zugunsten des deutschen Trägers ein.

(2) a) Hat der amerikanische Träger im Hinblick auf das Versicherungskonto einer Person zu Unrecht Geldleistungen gewährt, so kann ein deutscher Träger im Rahmen der für ihn geltenden Rechtsvorschriften von einer von ihm an dieselbe Person zu zahlenden Geldleistung den zu Unrecht gezahlten Betrag zugunsten des amerikanischen Trägers einbehalten.

b) Hat der amerikanische Träger im Hinblick auf das Versicherungskonto einer Person als Vorschuß oder vorläufige Geldleistung einen Betrag gezahlt, der den geschuldeten Betrag übersteigt, so behält ein deutscher Träger von der von ihm an dieselbe Person zu zahlenden Geldleistung einen Betrag in Höhe des den geschuldeten Betrag übersteigenden Betrages zugunsten des amerikanischen Trägers ein.

Artikel 19

(1) Streitigkeiten zwischen den beiden Vertragsstaaten über die Auslegung oder Anwendung dieses Abkommens werden, soweit möglich, durch die zuständigen Behörden beigelegt.

(2) Kann eine Streitigkeit durch die zuständigen Behörden nicht beigelegt werden, so wird sie auf Verlangen eines Vertragsstaates nach den folgenden Bestimmungen einem Schiedsverfahren unterworfen:

a) Die Schiedsstelle wird von Fall zu Fall gebildet, indem jeder Vertragsstaat ein Mitglied bestellt und beide Mitglieder sich auf den Angehörigen eines dritten Mitgliedstaates der Nordatlantikvertrags-Organisation als Obmann einigen, der von den Regierungen beider Vertragsstaaten bestellt wird. Die Mitglieder werden innerhalb von zwei Monaten, der Obmann innerhalb von drei Monaten bestellt, nachdem der eine Vertragsstaat dem anderen mitgeteilt hat, dass er die Streitigkeit einer Schiedsstelle unterbreiten will.

b) Werden die unter Buchstabe a genannten Fristen nicht eingehalten, so kann in Ermangelung einer anderen Vereinbarung jeder Vertragsstaat den Generalsekretär der Nordatlantikvertrags-Organisation bitten, die erforderlichen Ernennungen vorzunehmen. Besitzt der Generalsekretär die Staatsangehörigkeit eines der beiden

Vertragsstaaten oder ist er aus anderem Grunde verhindert, so nimmt der Stellvertretende Generalsekretär die Ernennungen vor. Besitzt auch der Stellvertretende Generalsekretär die Staatsangehörigkeit eines der beiden Vertragsstaaten oder ist auch er aus anderem Grunde verhindert, so nimmt der nach dem Protokoll im Range nächstfolgende Beigeordnete Generalsekretär, der nicht die Staatsangehörigkeit eines der beiden Vertragsstaaten besitzt und nicht aus anderem Grunde verhindert ist, die Ernennungen vor.

c) Die Schiedsstelle entscheidet mit Stimmenmehrheit aufgrund der zwischen den Parteien bestehenden Übereinkünfte und des allgemeinen Völkerrechts. Ihre Entscheidungen sind für beide Vertragsstaaten bindend. Jeder Vertragsstaat trägt die Kosten seines Mitglieds sowie seiner Vertretung in dem Verfahren vor der Schiedsstelle; die Kosten des Obmanns sowie die sonstigen Kosten werden von den Vertragsstaaten zu gleichen Teilen getragen. Die Schiedsstelle kann eine andere Kostenregelung treffen. Im übrigen regelt die Schiedsstelle ihr Verfahren selbst.

Teil IV

Übergangs- und Schlussbestimmungen

Artikel 20

(1) Dieses Abkommen begründet keinen Anspruch auf Zahlung von Geldleistungen für die Zeit vor seinem Inkrafttreten.

(2) Bei Anwendung dieses Abkommens werden auch Versicherungszeiten und andere rechtserhebliche Ereignisse aus der Zeit vor seinem Inkrafttreten berücksichtigt.

(3) Rechte aus diesem Abkommen werden durch Entscheidungen aus der Zeit vor seinem Inkrafttreten nicht berührt.

(4) Geldleistungen, auf die vor Inkrafttreten dieses Abkommens Anspruch bestand, können nach seinen Bestimmungen neu berechnet werden. Die Geldleistung ist nach der Neuberechnung mindestens in Höhe des bisherigen Zahlbetrags weiterzuzahlen.

Artikel 21

Das beiliegende Schlussprotokoll ist Bestandteil dieses Abkommens.

Artikel 22

Dieses Abkommen gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten des Abkommens eine gegenteilige Erklärung abgibt.

Artikel 23

(1) Dieses Abkommen bedarf der Ratifikation; die Ratifikationsurkunden werden so bald wie möglich in Bonn ausgetauscht.

(2) Dieses Abkommen tritt am ersten Tag des zweiten Monats nach Ablauf des Monats in Kraft, in dem die Ratifikationsurkunden ausgetauscht werden.

Artikel 24

(1) Dieses Abkommen bleibt bis zum Ende des Kalenderjahres nach Ablauf des Jahres in Kraft, in dem es von einem Vertragsstaat schriftlich gegenüber dem anderen Vertragsstaat gekündigt wird.

(2) Tritt dieses Abkommen infolge Kündigung ausser Kraft, so bleiben die bis dahin erworbenen Ansprüche auf Geldleistungen und auf deren Zahlung aufrechterhalten; Anwartschaften werden nach Massgabe von Zusatzvereinbarungen berücksichtigt.

ZU URKUND DESSEN haben die hierzu von ihren Regierungen gehörig befugten Unterzeichneten dieses Abkommen unterschrieben und mit ihren Siegeln versehen.

Geschehen zu Washington am 7. Januar 1976 in zwei Urschriften, jede in englischer und deutscher Sprache, wobei jeder Wortlaut gleichermassen verbindlich ist.

Für die
Vereinigten Staaten von Amerika

Für die
Bundesrepublik Deutschland

Schlussprotokoll
zum
Abkommen
zwischen den Vereinigten Staaten von Amerika und
der Bundesrepublik Deutschland

über
Soziale Sicherheit

Bei Unterzeichnung des heute zwischen den Vereinigten Staaten von Amerika und der Bundesrepublik Deutschland geschlossenen Abkommens über Soziale Sicherheit erklärten die Bevollmächtigten beider Vertragsstaaten, dass Einverständnis über folgendes besteht:

1. Zu Artikel 1 Nummer 2 des Abkommens:

   Der Ausdruck "Rechtsvorschriften" bedeutet auch die Satzungen der deutschen Träger, die sich auf die in Artikel 2 Absatz 1 des Abkommens genannten Zweige der Sozialen Sicherheit beziehen.

2. Zu Artikel 2 des Abkommens:

   a) In bezug auf die Vereinigten Staaten von Amerika sind Rechtsvorschriften über die Bundesstaatliche Alters-, Hinterbliebenen- und Invaliditätsversicherung im Sinne des Artikels 2 Absatz 1 Buchstabe b des Abkommens die Bestimmungen in Titel II des Gesetzes über Soziale Sicherheit von 1935 in der jeweils geltenden Fassung, einschliesslich der aufgrund der darin enthaltenen Ermächtigung erlassenen Verordnungen, mit Ausnahme der §§ 226 und 228 des Titels II und der darauf sich beziehenden Verordnungen, sowie die Kapitel 2 und 21 des Bundessteuergesetzes von 1954 in der jeweiligen Fassung.

b) Für die in der Bundesrepublik Deutschland bestehende hüttenknappschaftliche Zusatzversicherung und Altershilfe für Landwirte gilt Teil II des Abkommens nicht.

c) Sind nach den Rechtsvorschriften eines Vertragsstaates ausser den Voraussetzungen für die Anwendung des Abkommens auch die Voraussetzungen für die Anwendung einer anderen Übereinkunft oder einer überstaatlichen Regelung erfüllt, so lässt der Träger dieses Vertragsstaates bei Anwendung des Abkommens die andere Übereinkunft oder die überstaatliche Regelung unberücksichtigt.

d) Artikel 2 Absatz 2 des Abkommens und Buchstabe c der vorliegenden Nummer finden keine Anwendung, soweit die Rechtsvorschriften über Soziale Sicherheit, die sich für die Bundesrepublik Deutschland aus zwischenstaatlichen Verträgen oder überstaatlichem Recht ergeben oder zu deren Ausführung dienen, Versicherungslastregelungen enthalten.

3. Zu Artikel 4 des Abkommens:

a) Versicherungslastregelungen in zwischenstaatlichen Verträgen bleiben unberührt.

b) Die deutschen Rechtsvorschriften, die die Mitwirkung der Versicherten und der Arbeitgeber in den Organen der Selbstverwaltung der Träger und ihrer Verbände sowie in der Rechtsprechung der Sozialen Sicherheit gewährleisten, bleiben unberührt.

4. Zu Artikel 5 des Abkommens:

a) Die deutschen Rechtsvorschriften über Geldleistungen aus Versicherungszeiten, die nicht nach Bundesrecht zurückgelegt sind, werden nicht berührt.

b) Die deutschen Rechtsvorschriften über die Gewährung von medizinischen, berufsfördernden und ergänzenden Massnahmen zur Rehabilitation durch die Träger der Rentenversicherung werden nicht berührt.

c) Artikel 5 des Abkommens gilt auch hinsichtlich der amerikanischen Rechtsvorschriften, nach denen die Zahlung von Geldleistungen vom tatsächlichen Aufenthalt im Hoheitsgebiet der Vereinigten Staaten von Amerika abhängt.

5. Zu Artikel 6 des Abkommens:

a) Artikel 6 des Abkommens gilt auch für Personen, die nach den in Artikel 2 Absatz 1 Buchstabe a des Abkommens genannten Rechtsvorschriften Arbeitnehmern gleichgestellt sind.

b) Artikel 6 Absatz 4 des Abkommens gilt für die Bediensteten aller deutschen öffentlichen Arbeitgeber.

c) In bezug auf die Vereinigten Staaten von Amerika bedeuten der Ausdruck "von diesem beschäftigt" im Sinne des Artikels 6 Absatz 4 Buchstabe a des Abkommens beschäftigt von der Bundesregierung oder einer ihr zugeordneten Stelle ("instrumentality") und der Ausdruck "Bediensteter des ersten Vertragsstaates" im Sinne des Artikels 6 Absatz 4 Buchstaben b und c des Abkommens einen Bediensteten der Bundesregierung oder einer ihr zugeordneten Stelle ("instrumentality").

d) Artikel 6 Absatz 5 des Abkommens gilt nicht für die Befreiung von den amerikanischen Rechtsvorschriften bei amerikanischen Staatsangehörigen, die sich gewöhnlich im Hoheitsgebiet der Vereinigten Staaten von Amerika aufhalten.

6. Zu Artikel 7 des Abkommens:

a) Für die Gewährung des Leistungszuschlags nach den deutschen Rechtsvorschriften über die knappschaftliche Rentenversicherung bleiben die nach den amerikanischen Rechtsvorschriften zurückgelegten Versicherungszeiten unberücksichtigt.

b) Artikel 7 Absatz 1 des Abkommens gilt in der deutschen Rentenversicherung für Geldleistungen und Sachleistungen, deren Gewährung im Ermessen des Trägers liegt, entsprechend.

c) Ungeachtet des Artikels 7 Absatz 3 des Abkommens hat der amerikanische Träger nach den deutschen Rechtsvorschriften zurückgelegte Versicherungszeiten nicht zu berücksichtigen, wenn eine Person Anspruch auf Übergangsrente nach § 227 des amerikanischen Gesetzes über Soziale Sicherheit hat.

7. Zu Artikel 8 des Abkommens:

a) Bewirkt nach den deutschen Rechtsvorschriften der Bezug einer Rente Versicherungsfreiheit und Unzulässigkeit der freiwilligen Versicherung, so hat der Bezug einer entsprechenden Rente nach den amerikanischen Rechtsvorschriften dieselbe Wirkung.

b) Amerikanische Staatsangehörige, die sich gewöhnlich ausserhalb des Hoheitsgebiets der Bundesrepublik Deutschland aufhalten, sind zur freiwilligen Versicherung in der deutschen Rentenversicherung berechtigt, wenn sie zu dieser für mindestens 60 Monate Beiträge wirksam entrichtet haben oder aufgrund übergangsrechtlicher Rechtsvorschriften, die vor dem 19. Oktober 1972 in Kraft waren, zur freiwilligen Versicherung berechtigt waren.

Dies gilt auch für die in Artikel 3 Buchstaben b und c des Abkommens bezeichneten Personen, die sich gewöhnlich im Hoheitsgebiet der Vereinigten Staaten von Amerika aufhalten.

c) Amerikanische Staatsangehörige können auf Antrag freiwillige Beiträge zur deutschen Rentenversicherung nachentrichten, wenn ein Recht auf freiwillige Weiterversicherung aufgrund der am 19. Oktober 1972 in Kraft getretenen Rechtsvorschriften über die freiwillige Versicherung entfiel, weil sie den gewöhnlichen Aufenthalt oder den Wohnsitz ausserhalb des Hoheitsgebiets der Bundesrepublik Deutschland hatten. Die Nachentrichtung kann für Zeiten vom 19. Oktober 1972 an bis zum Inkrafttreten des Abkommens erfolgen, sofern diese Zeiten noch nicht mit Beiträgen zur deutschen Rentenversicherung belegt sind. Der Eintritt des Versicherungsfalles innerhalb eines Jahres nach Inkrafttreten des Abkommens steht der Nachentrichtung nicht entgegen. Der Antrag kann wirksam nur bis zum Ablauf von fünf Jahren nach Inkrafttreten des Abkommens gestellt werden. Der zuständige Träger kann Teilzahlungen bis zu einem Zeitraum von drei Jahren zulassen.

d) Amerikanische Staatsangehörige, denen in der Zeit vom 19. Oktober 1972 bis zum Inkrafttreten dieses Abkommens Beiträge erstattet worden sind, können diese auf Antrag wieder einzahlen. Die Wiedereinzahlung kann nur in voller Höhe der erstatteten Beiträge erfolgen und hat die Wirkung, als sei keine Beitragserstattung durchgeführt worden. Buchstabe c Sätze 3 bis 5 gilt entsprechend.

8. Bei der Anwendung des Abkommens werden deutsche Rechtsvorschriften, soweit sie für Personen, die wegen ihrer politischen Haltung oder aus Gründen der Rasse, des Glaubens oder der Weltanschauung geschädigt worden sind, günstigere Regelungen enthalten, nicht berührt.

Geschehen zu Washington am 7. Januar 1976 in zwei Urschriften, jede in englischer und deutscher Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist.

Für die
Vereinigten Staaten von Amerika

Für die
Bundesrepublik Deutschland

ADMINISTRATIVE AGREEMENT
FOR THE IMPLEMENTATION OF THE AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND
THE FEDERAL REPUBLIC OF GERMANY
ON SOCIAL SECURITY OF JANUARY 7, 1976

The Government of the United States of America and the Government of the Federal Republic of Germany,

In application of Article 16.1 of the Agreement between the United States of America and the Federal Republic of Germany on Social Security of January 7, 1976, hereinafter referred to as the "Agreement",

Have agreed as follows:

ARTICLE 1

For the purposes of the application of this Administrative Agreement, terms used in the Administrative Agreement shall have the meaning they have in the Agreement.

ARTICLE 2

The liaison agencies established under Article 16.2 of the Agreement and the Competent Agencies referred to in the second sentence of Article 3 of this Administrative Agreement with the participation of the Competent Authorities shall agree jointly upon uniform administrative measures, procedures, and forms for the implementation of the Agreement. The provisions of Article 16.1 of the Agreement shall not be affected.

ARTICLE 3

Where German laws do not already make provision to this effect, the liaison agency designated for the Wage Earners' Pension Insurance System shall be responsible within the scope of that system for the determination and award of cash benefits, with the exception of medical, occupational, and supplementary rehabilitation benefits, provided that:

(a) periods of coverage have been completed or are creditable under German and United States laws; or

(b) the person eligible ordinarily resides in the territory of the United States of America; or

(c) the person eligible is a United States national ordinarily residing outside the territories of both Contracting States.

The jurisdiction of the German special institutions ("Sonderanstalten") shall not be affected.

ARTICLE 4

1. The Agency of the Contracting State to whose laws on compulsory coverage a person will remain subject in accordance with Article 6 of the Agreement shall issue to the person or his employer a certificate to that effect when requested to do so by the person or his employer.

(a) In the Federal Republic of Germany that certificate shall be issued by the sickness insurance agency to which pension insurance contributions are paid.

(b) In the United States of America the certificate shall be issued by the Social Security Administration.

2. In order to prove that a person is exempt from the laws on compulsory coverage of one Contracting State, it shall be necessary for the person or his employer to present the certificate referred to in paragraph 1 confirming that the person is subject to the laws on compulsory coverage of the other Contracting State.

3. Article 6.2 of the Agreement shall apply to a person if he is transferred from the territory of one Contracting State to the territory of the other Contracting State within the context of a preexisting employment relationship, and the transfer is not expected to be permanent as evidenced by a contract or a written notice from the employer. In cases where the United States laws on compulsory coverage apply in accordance with Article 6.2 of the Agreement, but there is no provision under United States laws for contributions with respect to such coverage, Article 6.1 of the Agreement shall apply.

4. (a) In making a determination concerning an exemption from the laws on compulsory coverage of one Contracting State pursuant to Article 6.3(c)(2) or Article 6.5 of the Agreement, the nature and circumstances of the employment shall be taken into consideration. Before making the determination, the Competent Authority of the other Contracting State shall be given an opportunity to express an opinion; the opinion shall in particular address the issue of whether the person concerned and his employer will be made subject to the laws on compulsory coverage of the other Contracting State.

(b) With regard to the Federal Republic of Germany, if the person is not employed in its territory he shall be deemed to be employed at the place of his last previous employment. If the person was not employed previously in that territory, he shall be deemed to be employed at the place where the German Competent Authority has its seat.

(c) Subparagraphs (a) and (b) shall also apply to self-employed persons.

ARTICLE 5

1. The crediting of earnings in any year by the United States Agency under Article 9.3 of the Agreement for periods of coverage creditable under German laws shall be subject to the maximum creditable earnings limitation under United States laws for such year.

2. In applying the Agreement, the United States Agency shall take account of German periods of coverage occurring before 1937 or earnings based on such periods of coverage in accordance with United States laws.

3. (a) In determining eligibility for cash benefits under Article 7.1 of the Agreement, the United States Agency shall credit one quarter of coverage for every three months of coverage certified as creditable by the German Competent Agency to the extent that the months do not coincide with calendar quarters already credited as quarters of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

(b) In determining eligibility for cash benefits and benefits-in-kind under Article 7.1 of the Agreement, the German Competent Agency shall credit three months of coverage for each quarter of coverage certified as creditable by the United States Agency to the extent that the months in any such quarter of coverage do not coincide with periods of coverage already credited as periods of coverage under German laws.

4. Regarding Article 7.3 of the Agreement, the United States Agency shall consider German periods of coverage which are less than the minimum required by Article 7.2 of the Agreement only if the person is not eligible for a benefit under United States laws without considering such periods of coverage.

5. Article 9.2 of the Agreement shall only apply in cases where eligibility for a benefit under United States laws exists by applying Article 7.1 of the Agreement.

6. Periods of coverage after the computation closing date provided in United States laws shall not be considered in determining the ratio referred to in Article 9.1 of the Agreement.

7. In cases where the theoretical primary insurance amount is determined by reference to the table of benefits contained in section 215(a) of the United States Social Security Act or deemed to be contained in such section, a pro rata primary insurance amount which is not equal to one contained in column IV of that table may be rounded to the nearest primary insurance amount appearing in such column or, if the pro rata primary insurance amount is less than the minimum primary insurance amount in such column, to a primary insurance amount as set forth in a column of amounts below the minimum primary insurance amount down to the amount of $1.00 in increments to be determined by the United States Competent Authority.

ARTICLE 6

1. Benefits awarded by the United States Competent Agency under the provisions of Part II of the Agreement shall be recomputed on its own motion to take into account additional periods of coverage completed under the laws of the United States of America. Benefits awarded by the United States Competent Agency under the provisions of Part II of the Agreement shall be recomputed upon application to take into account additional periods of coverage credited under German laws. Such a recomputation shall be made in the same manner as an automatic recomputation in accordance with the laws of the United States of America. The United States Competent Agency shall recompute benefits based on an earnings record if:

(a) the additional earnings increase the theoretical primary insurance amount on which the current benefit is based, and

(b) the total amount of the benefits payable by the United States Competent Agency based on the earnings record after the recomputation is more than the total payable without the recomputation.

Such recomputation shall not be processed or increase benefit amounts until after the close of the calendar year in which the additional periods of coverage are completed.

2. When an individual is already entitled to a benefit from the United States Competent Agency under Part II of the Agreement and subsequently meets the requirements for receipt of a higher benefit amount from the United States Competent Agency without recourse to Part II of the Agreement, the higher benefit amount shall become payable from the date that the requirements are met.

ARTICLE 7

1. An application for cash benefits under the laws of one Contracting State shall also be treated as an application for cash benefits under the laws of the other Contracting State if the application indicates that periods of coverage under the laws of the other Contracting State are also alleged. Article 14.2 of the Agreement shall remain unaffected.

2. In the application of Article 15 of the Agreement, additional requirements under national statutes for the protection of privacy and confidentiality of personal data shall remain unaffected.

ARTICLE 8

1. In the application of Article 14 of the Agreement, applications, appeals, statements, and documents necessary to establish eligibility shall be forwarded without delay by the Competent Agency of a Contracting State to which they have been presented to the liaison agency of the other Contracting State.

2. In the application of Article 9 of the Agreement the following shall apply:

(a) The German Competent Agency shall notify the United States Competent Agency upon its request of the amount of the person's covered earnings in any year during which periods of coverage were completed under German laws, together with a list of the months in the periods of coverage for which contributions were made. The amounts of earnings in a year to be reported by the German Competent Agency shall be derived from the contributions paid during periods of coverage in such year.

(b) For substitute periods (Ersatzzeiten) creditable under German laws, the United States Competent Agency shall take into account earnings which, upon request of the United States Competent Agency, have been certified by the German Competent Agency and which have been determined based on the

average gross annual earnings for the year in question of all persons who are covered under the Wage Earners' Pension Insurance System and the Salaried Employees' Pension Insurance System.

(c) Excused periods (Ausfallzeiten) under German laws shall not be considered.

3. In accordance with procedures to be agreed upon pursuant to Article 2, the agencies referred to in Article 2 shall furnish each other available information or copies of documents relating to the claim of any specified individual for the purpose of administering the Agreement or the laws specified in Article 2.1 of the Agreement.

4. Each Agency shall be the final judge of the probative value of documentary evidence presented to it from whatever source. Article 12.2 of the Agreement shall not be affected by this provision.

5. The liaison agencies of the two Contracting States shall exchange statistics on the payments made to beneficiaries under the Agreement for each calendar year in a form to be agreed upon. The data shall include the number and total amount of benefits and commuted lump-sum payments, by type of benefit.

ARTICLE 9

The Agency of a Contracting State shall pay any cash benefits due to beneficiaries in the territory of the other Contracting State without recourse to a liaison agency of the other Contracting State.

ARTICLE 10

1. Where administrative assistance is requested under Article 10 of the Agreement, expenses, other than postage and regular personnel and operating costs of the Competent Authorities, Agencies, and associations of the Agencies providing the assistance, shall be reimbursed.

2. Where the Agency of a Contracting State requires that a claimant or beneficiary submit to a medical examination, such examination, if requested by that Agency, shall be arranged by the Agency of the other Contracting State in which the claimant or beneficiary resides at the expense of the Agency which requests the examination.

3. The Agency of either Contracting State shall furnish to the liaison agency of the other Contracting State at its request and without expense any medical information and documentation relevant to the disability of the claimant or beneficiary which may come into its possession.

ARTICLE 11

For the purpose of Article 11.2 of the Agreement, the text of the decision or ruling must contain a certification by a body competent to issue such a certification testifying to its enforceability under the laws of the Contracting State in whose territory the certification was issued.

ARTICLE 12

For the purpose of Article 13.1 of the Agreement, laws governing the recourse to interpreters shall not be affected. Rulings, official notifications, or other documents may be transmitted directly to a person resident in the territory of the other Contracting State by registered letter.

ARTICLE 13

Where an Agency of one Contracting State is required to make payments to an Agency of the other Contracting State, such payments shall be made in the currency of the other Contracting State.

ARTICLE 14

The withholding of cash benefits in accordance with Article 18 of the Agreement shall be governed by the laws of the Contracting State whose agency is to withhold the cash benefits.

ARTICLE 15

The use of information furnished under the Agreement by one Contracting State to another with regard to an individual shall be governed by the respective national statutes for the protection of privacy and confidentiality of personal data.

ARTICLE 16

1. (a) Pursuant to the provisions of Article 2, paragraph 51a, subparagraphs 2 and 3 of the German Wage-Earners' Pension Insurance (Reform) Act (ArVNG) and of Article 2, paragraph 49a, subparagraphs 2 and 3 of the German Salaried Employees' Pension Insurance (Reform) Act (AnVNG), all of which entered into force on October 19, 1972, persons who are persecutees within the meaning of the German Federal Act concerning Compensation for Victims of National Socialist Persecution (BEG), who are United States nationals and who ordinarily reside in the territory of the United States of America may upon application pay retroactive voluntary contributions to the German pension insurance system for the period from January 1, 1956, through December 31, 1973. Such persons shall be deemed to be eligible for voluntary insurance under the German pension insurance system as if they were German nationals.

(b) An application under paragraph (a) of this section may be validly filed within one year after the date specified in the first sentence of Article 18 of this Administrative Agreement. Such an application shall be filed with the German Competent Agency to which the person's last contribution was paid or, if the last contribution was paid to the Miners' Pension Insurance system, with the liaison agency of the Salaried Employees' Pension Insurance system.

(c) The contributions shall be paid directly to the Agency specified in paragraph (b) with which the application was filed.

(d) The contributions may be accepted by the agency concerned in installments over a period of up to three years. Such contributions may be made only up to the German contribution assessment ceiling for monthly earnings of the year 1973. The calculation of the German benefit computation base applicable to the insured persons shall be based on the figures for 1973.

(e) Events relevant to eligibility for a benefit under German laws which arise in the period between October 18, 1972, and the date specified in the first sentence of Article 18 of this Administrative Agreement shall not preclude payment of the contributions.

(f) The application of the provisions of this section shall in all other respects be subject to the German transitional laws which entered into force on October 19, 1972.

2. (a) Pursuant to the provisions of Section 10 and Section 10a of the German Act concerning Compensation in Social Insurance for Victims of National Socialist Injustice (WGSVG), persons who are persecutees within the meaning of the German Federal Act concerning Compensation for Victims of National Socialist Persecution (BEG), who are United States nationals and who ordinarily reside in the territory of the United States of America may upon application pay retroactive contributions to the German pension insurance system.

(b) An application under paragraph (a) of this section may be validly filed within one year after the date specified in the first sentence of Article 18 of this Administrative Agreement.

(c) In applying the provisions specified in paragraph (a) of this section, periods of coverage under United States laws shall be taken into account to the same extent as periods of coverage under German laws for the required period of coverage of 60 calendar months.

(d) Events relevant to eligibility for a benefit under German laws which arise before the end of the first twelve months after the date specified in the first sentence of Article 18 of this Administrative Agreement shall not preclude payment of the contributions.

(e) If a person specified in paragraph (a) of this section has died before the date specified in the first sentence of Article 18 of this Administrative Agreement, Section 10 subsection 3 and Section 10a subsection 3 of the German Act concerning Compensation in Social Insurance for Victims of National Socialist Injustice (WGSVG) shall apply accordingly.

(f) Paragraph (d) of section (1) of this Article shall also apply to this section.

ARTICLE 17

This Administrative Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the United States of America within three months after the date of entry into force of this Administrative Agreement.

ARTICLE 18

This Administrative Agreement shall enter into force on the date on which both Governments will have informed each other that the steps necessary under their national statutes to enable the Administrative Agreement to take effect have been taken.[1] It shall be effective from the date of entry into force of the Agreement.

DONE at Washington on June 21, 1978, in duplicate in the English and German languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Joseph A. Califano Jr.[2]

FOR THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY:

B. von Staden[3]

[1] Oct. 30, 1979.
[2] Joseph A. Califano, Jr.
[3] B. von Staden.

VEREINBARUNG

zur Durchführung des Abkommens vom 7. Januar 1976
zwischen den Vereinigten Staaten von Amerika und
der Bundesrepublik Deutschland über Soziale Sicherheit

Die Regierung der Vereinigten Staaten von Amerika
und
die Regierung der Bundesrepublik Deutschland -

in Anwendung des Artikels 16 Absatz 1 des Abkommens vom
7. Januar 1976 zwischen den Vereinigten Staaten von Amerika
und der Bundesrepublik Deutschland über Soziale Sicherheit,
im folgenden als "Abkommen" bezeichnet -
sind wie folgt übereingekommen:

ARTIKEL 1

Für die Anwendung dieser Vereinbarung haben die in der Vereinbarung verwendeten Ausdrücke dieselbe Bedeutung wie im Abkommen.

ARTIKEL 2

Die nach Artikel 16 Absatz 2 des Abkommens eingerichteten Verbindungsstellen und die in Artikel 3 Satz 2 dieser Vereinbarung genannten zuständigen Träger vereinbaren gemeinsam unter Beteiligung der zuständigen Behörden einheitliche Verwaltungsmaßnahmen, Verfahren und Vordrucke für die Durchführung des Abkommens. Artikel 16 Absatz 1 des Abkommens bleibt unberührt.

ARTIKEL 3

Soweit die deutschen Rechtsvorschriften es nicht bereits vorschreiben, ist innerhalb der Rentenversicherung der Arbeiter die für diese eingerichtete Verbindungsstelle für die Feststellung und Gewährung der Geldleistungen mit Ausnahme der medizinischen, berufsfördernden und ergänzenden Leistungen zur Rehabilitation zuständig, wenn

(a) Versicherungszeiten nach den amerikanischen und deutschen Rechtsvorschriften zurückgelegt oder anrechnungsfähig sind

oder

(b) der Berechtigte sich im Hoheitsgebiet der Vereinigten Staaten von Amerika gewöhnlich aufhält

oder

(c) der Berechtigte sich als amerikanischer Staatsangehöriger gewöhnlich außerhalb der Hoheitsgebiete der Vertragsstaaten aufhält.

Die Zuständigkeit der deutschen Sonderanstalten bleibt unberührt.

ARTIKEL 4

1. Der Träger des Vertragsstaates, dessen Rechtsvorschriften über die Versicherungspflicht für eine Person nach Artikel 6 des Abkommens weiterhin gelten, erteilt der Person oder ihrem Arbeitgeber hierüber auf Antrag eine Bescheinigung.

(a) In der Bundesrepublik Deutschland stellt der Träger der Krankenversicherung, an den die Beiträge zur Rentenversicherung abgeführt werden, diese Bescheinigung aus.

(b) In den Vereinigten Staaten von Amerika stellt die Sozialversicherungsverwaltung die Bescheinigung aus.

2. Zum Nachweis, daß eine Person von den Rechtsvorschriften über die Versicherungspflicht eines Vertragsstaates befreit ist, ist es erforderlich, daß sie oder ihr Arbeitgeber die in Absatz 1 genannte Bescheinigung vorlegt, in der bestätigt wird, daß sie den Rechtsvorschriften über die Versicherungspflicht des anderen Vertragsstaates unterliegt.

3. Artikel 6 Absatz 2 des Abkommens findet Anwendung auf eine Person, die im Rahmen eines bereits bestehenden Beschäftigungsverhältnisses aus dem Hoheitsgebiet eines Vertragsstaates in das Hoheitsgebiet des anderen Vertragsstaates entsandt wird, wenn die Entsendung nicht auf Dauer vorgesehen ist und dieses sich aus einem Vertrag oder einer schriftlichen Mitteilung des

Arbeitgebers ergibt. Sind die amerikanischen Rechtsvorschriften über die Pflichtversicherung nach Artikel 6 Absatz 2 des Abkommens anzuwenden, ohne daß nach den amerikanischen Rechtsvorschriften eine Bestimmung für Beiträge in Bezug auf diese Versicherung besteht, so gilt Artikel 6 Absatz 1 des Abkommens.

4. (a) Bei der Entscheidung über die Befreiung von den Rechtsvorschriften über die Versicherungspflicht eines Vertragsstaates nach Artikel 6 Absatz 3 Buchstabe c Nummer 2 oder Artikel 6 Absatz 5 des Abkommens ist auf die Art und Umstände der Beschäftigung Bedacht zu nehmen. Vor der Entscheidung ist der zuständigen Behörde des anderen Vertragsstaates Gelegenheit zur Stellungnahme zu geben; diese erstreckt sich insbesondere auch auf die Unterstellung der Person und ihres Arbeitgebers unter die Rechtsvorschriften über die Versicherungspflicht des anderen Vertragsstaates.

(b) In bezug auf die Bundesrepublik Deutschland gilt die Person, die nicht in ihrem Hoheitsgebiet beschäftigt ist, als an dem Ort beschäftigt, an dem sie zuletzt vorher beschäftigt war. War sie vorher nicht im Hoheitsgebiet der Bundesrepublik Deutschland beschäftigt, so gilt sie als an dem Ort beschäftigt, an dem die deutsche zuständige Behörde ihren Sitz hat.

(c) Die Buchstaben (a) und (b) gelten für selbständig Erwerbstätige entsprechend.

ARTIKEL 5

1. Für die Anrechnung von Einkommen in jedem Jahr während der nach den deutschen Rechtsvorschriften zurückgelegten Versicherungszeiten durch den amerikanischen Träger nach Artikel 9

Nummer 3 des Abkommens gelten die für das betreffende Jahr nach den amerikanischen Rechtsvorschriften maßgebenden Bemessungsgrenzen.

2. Bei Anwendung des Abkommens berücksichtigt der amerikanische Träger deutsche Versicherungszeiten vor 1937 sowie das auf diese Versicherungszeiten entfallende Einkommen nach seinen Rechtsvorschriften.

3. (a) Bei der Feststellung des Anspruchs auf Geldleistungen nach Artikel 7 Absatz 1 des Abkommens rechnet der amerikanische Träger eine Versicherungszeit von einem Vierteljahr für eine Versicherungszeit von je drei Monaten, die von dem deutschen zuständigen Träger als anrechnungsfähig bestätigt werden, insoweit an, als diese nicht mit Kalendervierteljahren zusammenfallen, die bereits als Versicherungsvierteljahre nach den amerikanischen Rechtsvorschriften angerechnet worden sind. Die Gesamtzahl von vier anrechenbaren Vierteljahren in einem Jahr darf nicht überschritten werden.

(b) Bei der Feststellung des Anspruchs auf eine Geldleistung und Sachleistung nach Artikel 7 Absatz 1 des Abkommens rechnet der deutsche zuständige Träger eine Versicherungszeit von drei Monaten für jedes Versicherungsvierteljahr, das von dem amerikanischen Träger als anrechnungsfähig bestätigt wird, insoweit an, als die Monate in jedem Versicherungsvierteljahr nicht mit Versicherungszeiten zusammenfallen, die bereits nach den deutschen Rechtsvorschriften als solche angerechnet worden sind.

4. Im Falle des Artikels 7 Absatz 3 des Abkommens berücksichtigt der amerikanische Träger deutsche Versicherungszeiten, die weniger als die Mindestversicherungszeit nach Artikel 7 Absatz 2 des Abkommens betragen, nur, wenn die Person ohne Berück-

sichtigung solcher Versicherungszeiten keinen Anspruch auf eine Rente nach den amerikanischen Rechtsvorschriften hat.

5. Artikel 9 Nummer 2 des Abkommens gilt nur, wenn bei Anwendung des Artikels 7 Absatz 1 des Abkommens Anspruch auf eine Rente nach den amerikanischen Rechtsvorschriften besteht.

6. Versicherungszeiten, die nach dem nach den amerikanischen Rechtsvorschriften maßgebenden Stichtag für die Berechnung liegen, werden bei Bestimmung des Verhältnisses nach Artikel 9 Nummer 1 des Abkommens nicht berücksichtigt.

7. Wird der theoretische Leistungsgrundbetrag aufgrund einer in Paragraph 215 Buchstabe a des amerikanischen Gesetzes über Soziale Sicherheit enthaltenen oder als darin enthalten geltenden Leistungstabelle bestimmt, so wird ein anteiliger Leistungsgrundbetrag, der keinem Betrag in Spalte IV der Tabelle entspricht, auf den nächstliegenden Leistungsgrundbetrag in dieser Spalte gerundet oder, wenn der anteilige Leistungsgrundbetrag geringer als der Mindestleistungsgrundbetrag ist, auf einen darunter liegenden Leistungsgrundbetrag nach Maßgabe einer Spalte mit Beträgen bis hinab zu $ 1.00 einschließlich Zwischenstufen, die von der amerikanischen zuständigen Behörde festzulegen sind.

ARTIKEL 6

1. Eine Rente, die von dem amerikanischen zuständigen Träger nach Teil II des Abkommens gewährt wird, wird zur Berücksichtigung weiterer nach den amerikanischen Rechtsvorschriften zurückgelegter Versicherungszeiten von Amts wegen neu berechnet. Eine Rente, die von dem amerikanischen zuständigen Träger nach Teil II des Ab-

kommens gewährt wird, wird zur Berücksichtigung weiterer nach den deutschen Rechtsvorschriften zurückgelegter Versicherungszeiten auf Antrag neu berechnet. Diese Neuberechnung erfolgt in der gleichen Weise wie eine von Amts wegen nach den amerikanischen Rechtsvorschriften vorzunehmende Neuberechnung. Der amerikanische zuständige Träger berechnet die Rente aufgrund des Versicherungskontos neu, wenn

(a) durch zusätzliches Einkommen der theoretische Leistungsgrundbetrag, auf dem die laufende Rente beruht, erhöht wird

und

(b) der Gesamtbetrag der Rente, der von dem amerikanischen zuständigen Träger nach der Neuberechnung aufgrund des Versicherungskontos zu zahlen ist, höher ist als der ohne die Neuberechnung zu zahlende Betrag.

Diese Neuberechnung sowie eine Erhöhung der Rentenbeträge erfolgen nicht vor Ablauf des Kalenderjahres, in dem die weiteren Versicherungszeiten zurückgelegt worden sind.

2. Hat eine Person bereits gegen den amerikanischen zuständigen Träger einen Anspruch auf eine Rente nach Teil II des Abkommens und erfüllt sie danach die Voraussetzungen für die Gewährung eines höheren Rentenbetrags ohne Anwendung des Teils II des Abkommens durch diesen Träger, so wird der höhere Rentenbetrag ab dem Zeitpunkt der Erfüllung der Voraussetzungen gezahlt.

ARTIKEL 7

1. Ein Antrag auf Geldleistungen nach den Rechtsvorschriften des einen Vertragsstaates gilt, wenn der Antrag erkennen lässt, dass auch Versicherungszeiten nach den Rechtsvorschriften des anderen

Vertragsstaates geltend gemacht werden, auch als Antrag auf Geldleistungen nach den Rechtsvorschriften dieses Vertragsstaates. Artikel 14 Absatz 2 des Abkommens bleibt unberührt.

2. Bei der Anwendung des Artikels 15 des Abkommens bleiben weitergehende Erfordernisse des innerstaatlichen Rechts über den Schutz der Geheimhaltung und Vertraulichkeit personenbezogener Daten unberührt.

ARTIKEL 8

1. Bei Anwendung des Artikels 14 des Abkommens sind Anträge, Rechtsbehelfe, Erklärungen und Urkunden, die zur Begründung eines Anspruchs erforderlich sind, von dem zuständigen Träger eines Vertragsstaates, bei dem sie eingereicht worden sind, unverzüglich an die Verbindungsstelle des anderen Vertragsstaates zu leiten.

2. Bei Anwendung des Artikels 9 des Abkommens gilt folgendes:

(a) Der deutsche zuständige Träger übermittelt dem amerikanischen zuständigen Träger auf dessen Anforderung das versicherungspflichtige Einkommen in jedem Jahr während der nach den deutschen Rechtsvorschriften zurückgelegten Versicherungszeiten zusammen mit einer Aufstellung über die Versicherungszeiten nach Monaten, für die Beiträge geleistet worden sind. Die Ermittlung des Jahreseinkommens durch den zuständigen deutschen Träger erfolgt auf der Grundlage der während der Versicherungszeiten in dem betreffenden Jahr gezahlten Beiträge.

(b) Der amerikanische zuständige Träger legt für die nach den deutschen Rechtsvorschriften anrechenbaren Ersatzzeiten das vom deutschen zuständigen Träger nach Anforderung

bestätigte Einkommen zugrunde, das aus dem jeweils in Betracht kommenden durchschnittlichen Bruttojahresarbeitsentgelt aller Versicherten der Rentenversicherung der Arbeiter und Angestellten ermittelt worden ist.

(c) Ausfallzeiten nach den deutschen Rechtsvorschriften bleiben unberücksichtigt.

3. In Übereinstimmung mit Verfahren, die nach Artikel 2 zu vereinbaren sind, übermitteln die dort genannten Träger für die Durchführung des Abkommens und der Rechtsvorschriften nach Artikel 2 Absatz 1 des Abkommens einander verfügbare Informationen und Kopien von Urkunden, die sich auf den Anspruch einer bestimmten Person beziehen.

4. Jeder Träger behält die endgültige Entscheidung über den Beweiswert der ihm vorgelegten Beweisurkunden ohne Rücksicht auf ihre Herkunft. Artikel 12 Absatz 2 des Abkommens bleibt unberührt.

5. Die Verbindungsstellen der beiden Vertragsstaaten tauschen für jedes Kalenderjahr in einer zu vereinbarenden Form Statistiken über die an aufgrund des Abkommens berechtigte Personen geleisteten Zahlungen aus. Die Angaben erstrecken sich auf Zahl und Gesamtbetrag der nach Rentenarten gegliederten Renten und Abfindungen.

ARTIKEL 9

Geldleistungen werden von dem Träger eines Vertragsstaates an Empfänger im Hoheitsgebiet des anderen Vertragsstaates ohne Einschaltung einer Verbindungsstelle dieses Vertragsstaates ausgezahlt.

ARTIKEL 10

1. Wird um Amtshilfe nach Artikel 10 des Abkommens ersucht, so werden die Kosten, mit Ausnahme der Portokosten und der laufenden Personal- und Verwaltungskosten der zuständigen Behörden, Träger und Verbände von Trägern, die die Amtshilfe leisten, erstattet.

2. Fordert der Träger eines Vertragsstaates, daß der Antragsteller oder der Berechtigte sich einer ärztlichen Untersuchung unterzieht, so wird diese auf Ersuchen dieses Trägers auf seine Kosten durch den Träger des anderen Vertragsstaates, in dem der Antragsteller oder der Berechtigte sich aufhält, veranlaßt.

3. Der Träger eines Vertragsstaates übermittelt der Verbindungsstelle des anderen Vertragsstaates auf deren Ersuchen kostenlos die in seinen Besitz gelangenden ärztlichen Angaben und Unterlagen, die sich auf die Erwerbsunfähigkeit des Antragstellers oder des Berechtigten beziehen.

ARTIKEL 11

Im Falle des Artikels 11 Absatz 2 des Abkommens muß die Ausfertigung der Entscheidung und des Bescheides von einer zuständigen Stelle mit der Bestätigung ihrer Vollstreckbarkeit nach den Rechtsvorschriften des Vertragsstaates versehen werden, in dessen Hoheitsgebiet die Bestätigung erteilt worden ist.

ARTIKEL 12

Im Falle des Artikels 13 Absatz 1 des Abkommens bleiben Rechtsvorschriften über die Zuziehung von Dolmetschern unberührt. Bescheide, amtliche Mitteilungen oder sonstige Schriftstücke können einer Person, die sich im Hoheitsgebiet des anderen Vertragsstaates aufhält, unmittelbar durch eingeschriebenen Brief zugestellt werden.

ARTIKEL 13

Hat ein Träger eines Vertragsstaates an einen Träger des anderen Vertragsstaates Zahlungen vorzunehmen, so sind diese in der Währung des anderen Vertragsstaates zu leisten.

ARTIKEL 14

Die Einbehaltung von Geldleistungen nach Artikel 18 des Abkommens richtet sich nach den Rechtsvorschriften des Vertragsstaates, dessen Träger die Geldleistungen einbehalten soll.

ARTIKEL 15

Die Verwendung von Informationen über eine Person, die aufgrund des Abkommens von einem Vertragsstaat an den anderen weitergegeben werden, richtet sich nach dem jeweiligen innerstaatlichen Recht über den Schutz der Geheimhaltung und Vertraulichkeit personenbezogener Daten.

ARTIKEL 16

1. (a) Personen, die Verfolgte im Sinne des deutschen Bundesgesetzes zur Entschädigung für Opfer der nationalsozialistischen Verfolgung (BEG) sind, amerikanische Staatsangehörige sind und sich gewöhnlich im Hoheitsgebiet der Vereinigten Staaten von Amerika aufhalten, können nach Maßgabe der am 19. Oktober 1972 in Kraft getretenen Bestimmungen des Artikels 2 Paragraph 51a Absätze 2 und 3 des deutschen Arbeiterrentenversicherungs-Neuregelungsgesetzes (ArVNG) und des Artikels 2 Paragraph 49a Absätze 2 und 3 des deutschen Angestelltenversicherungs-Neuregelungsgesetzes (AnVNG) für die Zeit vom 1. Januar 1956 bis zum 31. Dezember 1973 auf Antrag freiwillige Beiträge zur deutschen Rentenversicherung nachentrichten. Diese Personen gelten als zur freiwilligen Versicherung in der deutschen Rentenversicherung berechtigt, als wären sie deutsche Staatsangehörige.

(b) Der Antrag nach Buchstabe (a) kann wirksam innerhalb eines Jahres nach dem in Artikel 18 Satz 1 dieser Vereinbarung bezeichneten Tag gestellt werden. Er ist bei dem deutschen zuständigen Träger, an den der letzte Beitrag entrichtet wurde, oder, wenn der letzte Beitrag zur knappschaftlichen Rentenversicherung entrichtet wurde, bei der Verbindungsstelle der Rentenversicherung der Angestellten zu stellen.

(c) Die Beiträge sind unmittelbar an den unter Buchstabe (b) bezeichneten Träger zu zahlen, bei dem der Antrag gestellt wurde.

(d) Die Beiträge können von dem betreffenden Träger in Teilzahlungen bis zu einem Zeitraum von drei Jahren entgegengenommen werden. Die Beiträge können höchstens bis zur

deutschen Beitragsbemessungegrenze für Monatsbezüge des Jahres 1973 entrichtet werden. Bei der Errechnung der für die Versicherten maßgebenden deutschen Rentenbemessungsgrundlage sind die Werte des Jahres 1973 zugrunde zu legen.

(e) Der Eintritt des Versicherungsfalles nach den deutschen Rechtsvorschriften in der Zeit zwischen dem 18. Oktober 1972 und dem in Artikel 18 Satz 1 dieser Vereinbarung bezeichneten Tag steht der Beitragsentrichtung nicht entgegen.

(f) Für die Anwendung der Bestimmungen dieses Absatzes gelten im übrigen die am 19. Oktober 1972 in Kraft getretenen deutschen übergangsrechtlichen Rechtsvorschriften.

2. (a) Personen, die Verfolgte im Sinne des deutschen Bundesgesetzes zur Entschädigung für Opfer der nationalsozialistischen Verfolgung (BEG) sind, amerikanische Staatsangehörige sind und sich gewöhnlich im Hoheitsgebiet der Vereinigten Staaten von Amerika aufhalten, können nach Maßgabe der Paragraphen 10 und 10a des deutschen Gesetzes zur Regelung der Wiedergutmachung nationalsozialistischen Unrechts in der Sozialversicherung (WGSVG) auf Antrag Beiträge zur deutschen Rentenversicherung nachentrichten.

(b) Der Antrag nach Buchstabe (a) kann wirksam innerhalb eines Jahres nach dem in Artikel 18 Satz 1 dieser Vereinbarung bezeichneten Tag gestellt werden.

(c) Bei Anwendung der unter Buchstabe (a) bezeichneten Bestimmungen sind für die geforderte Versicherungszeit von 60 Kalendermonaten Versicherungszeiten nach den amerikanischen Rechtsvorschriften ebenso wie Versicherungszeiten nach den deutschen Rechtsvorschriften zu berücksichtigen.

(d) Der Eintritt des Versicherungsfalles nach den deutschen Rechtsvorschriften vor Ablauf der ersten zwölf

Monate nach dem in Artikel 18 Satz 1 dieser Vereinbarung bezeichneten Tag steht der Beitragsentrichtung nicht entgegen.

(e) Ist eine unter Buchstabe (a) bezeichnete Person vor dem in Artikel 18 Satz 1 dieser Vereinbarung bezeichneten Tag gestorben, so gelten Paragraph 10 Absatz 3 und Paragraph 10a Absatz 3 des deutschen Gesetzes zur Regelung der Wiedergutmachung nationalsozialistischen Unrechts in der Sozialversicherung (WGSVG) entsprechend.

(f) Absatz 1 Buchstabe (d) gilt.

ARTIKEL 17

Diese Vereinbarung gilt auch für das Land Berlin, sofern nicht die Regierung der Bundesrepublik Deutschland gegenüber der Regierung der Vereinigten Staaten von Amerika innerhalb von drei Monaten nach Inkrafttreten der Vereinbarung eine gegenteilige Erklärung abgibt.

ARTIKEL 18

Diese Vereinbarung tritt an dem Tag in Kraft, an dem beide Regierungen einander mitgeteilt haben, daß die nach innerstaatlichem Recht für ihr Inkrafttreten erforderlichen Voraussetzungen vorliegen. Sie ist von dem Tage des Inkrafttretens des Abkommens an anzuwenden.

GESCHEHEN zu Washington am 21. Juni 1978

in zwei Urschriften, jede in englischer und deutscher Sprache,

wobei jeder Wortlaut gleichermaßen verbindlich ist.

FÜR DIE REGIERUNG DER
VEREINIGTEN STAATEN VON AMERIKA

FÜR DIE REGIERUNG DER
BUNDESREPUBLIK DEUTSCHLAND

MALAYSIA

Narcotic Drugs: Cooperation in Combatting Illicit Traffic and Other Dangerous Drugs

Memorandum of understanding signed at Washington September 19, 1979;
Entered into force September 19, 1979.

COOPERATION IN COMBATTING ILLICIT
INTERNATIONAL TRAFFIC IN NARCOTICS
AND OTHER DANGEROUS DRUGS

Memorandum of Understanding
signed at Washington
September 19, 1979;
Entered into force
September 19, 1979

MEMORANDUM OF UNDERSTANDING

The Government of the United States of America and the Government of Malaysia, being parties to the Single Convention of Narcotic Drugs, done at New York March 30, 1961,[1] and other international agreements on the control of illicit narcotics and dangerous drugs whether vegetal or chemical derivative;

Recognizing that drug addiction and drug abuse present a threat to their respective societies and to the peoples of other nations;

Accepting the cessation of illicit opium production and the ending of the illicit cultivation of the poppy as international goals;

Reaffirm their desire and intention to cooperate with each other in actions to be taken against the supply of illicit narcotics and dangerous drugs for the purpose of abuse, and against international traffic which serves as a channel connecting production with use, and to discourage the demand for such narcotics and drugs for such purposes, and agree as follows:

[1] TIAS 6298, 6423, 6458, 6795, 7223, 7817, 7945, 8118; 18 UST 1407, 3279; 19 UST 4668; 20 UST 4064; 22 UST 1808; 25 UST 651, 2772; 26 UST 1439.

1) Disruption and elimination of narcotics trafficking across their borders, and processing and storage within the two countries through stringent law enforcement efforts and other means, is the most promising way to achieve significant early reduction of narcotics supplies. The principal problem facing Malaysia is recognized by the two Governments to be the illegal transit into and through its territory of certain types of dangerous drugs and narcotics. The Malaysian Government agrees to make additional police and other officials and other resources and facilities available for its programs to interdict the narcotics traffic. The United States Government will endeavor to cooperate with the Government of Malaysia in fields such as training, equipment, advisory assistance and other mutually agreed support to make programs of the Malaysian Government more effective.

2) Medical and social rehabilitation of narcotics and drug users and addicts must be a key component of an integrated attack on the narcotic problem. In this connection the two Governments agree that efforts will be made to increase and improve the effectiveness and availability of rehabilitation services. The United States

Government will endeavor to make available, in support of Malaysian efforts, medical and related social counseling technical assistance, as needed and available, to implement projects designed to alleviate the dependence on narcotics and drugs of users and addicts and to assist their re-entry into society.

3) A comprehensive education and public information program is an important aspect of narcotics and drug control and this can be achieved through efforts designed to publicize widely the medical and social and economic dangers of narcotics and drugs and to ensure the public awareness and understanding of the programs that will be necessary to their full acceptance. The two Governments agree to cooperate with each other and to employ existing resources, to the maximum extent feasible, in this effort.

4) Competent professional research is the basis for all progress in the enforcement, treatment, rehabilitation, and prevention fields of drug abuse cooperation. The United States Government will endeavor to support scientific evaluation of methodology and the success of efforts chosen to ameliorate addiction and drug abuse.

(5) Any effective effort to attack drug abuse in a society must include broad participation by the individual members of that society. The United States Government will cooperate to support the efforts of the Government of Malaysia to help achieve the broadest possible participation by the citizens of Malaysia in the struggle against drug abuse.

(6) It is important to the combatting of international narcotics and drug production and trafficking that the coordinated cooperation of many countries be obtained. Thus, the two Governments agree to the desirability of encouraging and cooperating with United Nations and other multilateral programs to combat drug abuse and control traffic in narcotics.

(7) In order to carry out the purposes of this Memorandum of Understanding, the two Governments will promptly proceed with the preparation and implementation of specific projects within the field of narcotics and drug control.

(8) This Memorandum of Understanding will enter into force upon signature, and will continue in force indefinitely unless terminated by either party upon 90 days written notice to the other party. This Memorandum of Understanding may be modified by mutual agreement of the parties.

DONE at Washington in duplicate this

19th day of September 1979

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Mathea Falco [1]

FOR THE MALAYSIAN GOVERNMENT:

[2]

[1] Mathea Falco.
[2] Rais Yatim.

MEXICO

Narcotic Drugs: Additional Cooperative Arrangements to Curb Illegal Production and Traffic

Agreement amending the agreement of May 15, 1978, as amended.
Effected by exchange of letters
Signed at México July 23, 1979;
Entered into force July 23, 1979.

The American Ambassador to the Mexican Attorney General

EMBASSY OF THE
UNITED STATES OF AMERICA
Mexico, D.F.

July 23, 1979

His Excellency
Lic. Oscar Flores
Attorney General of the Republic
San Juan de Letrán No. 9
Mexico, D.F.

Dear Mr. Attorney General:

In confirmation of recent conversations between officials of our two governments relating to the cooperation between Mexico and the United States to curb the illegal traffic in narcotics, I am pleased to advise you that the Government of the United States is prepared to decrease by U. S. $360,000, from the funding provided under the Agreement effected by our exchange of letters dated May 15, 1978, as previously amended by an exchange of letters dated January 5, 1979, and February 7, 1979.[1] The amount reduced will be transferred to the Salary Supplement Project to increase its funding level.

The Government of the United States therefor agrees to delete the phrase, "Two Million Four Hundred Thousand Dollars (U.S. $2,400,000)" in the second paragraph of our letter dated May 15, 1978, as previously amended, and substitute therefor the phrase, "Two Million Forty Thousand Dollars (U.S. $2,040,000)".

It is understood that the provisions of all previous agreements between the Government of the United States and the Government of Mexico in relation to the cooperative narcotics control effort of our two governments, except as herein expressly modified, remain in full force and effect and applicable to this agreement.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply shall constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurances of my highest consideration and personal esteem.

Sincerely,

Patrick J. Lucey
Ambassador

[1] TIAS 9250; *ante*, p. 1270.

The Mexican Attorney General to the American Ambassador

FORMA CG-1A

PROCURADURIA GENERAL
DE LA
REPUBLICA

México, D.F., julio 23 de 1979.

SR. PATRICK J. LUCEY,
EMBAJADOR DE LOS ESTADOS
UNIDOS DE AMERICA,
PRESENTE.

Excelentísimo señor Embajador:

Me es grato dar respuesta a su atenta comunicación del día de hoy, cuyo texto traducido al español es el siguiente:

"Confirmando recientes conversaciones entre funcionarios de nuestros dos Gobiernos, relativas a la cooperación entre México y los Estados Unidos para frenar el tráfico ilegal de estupefacientes, me complace comunicarle que el Gobierno de los Estados Unidos está dispuesto a reducir en U.S. $360,000 de los fondos proporcionados bajo el Acuerdo efectuado por el intercambio de cartas con fecha 15 de mayo de 1978, como previamente enmendadas por intercambio de cartas con fechas de 8 de enero de 1979 y 7 de febrero de 1979. La cantidad reducida será transferida al proyecto de sobresalarios para aumentar el nivel de los fondos.

El Gobierno de los Estados Unidos, por lo tanto, está de acuerdo en suprimir la frase, "Dos Millones Cuatrocientos Mil Dólares (U.S. $2,400,000)", en el segundo párrafo de nuestra carta de fecha 15 de mayo de 1978, como previamente enmendada, y sustituir la frase, "Dos Millones Cuarenta Mil Dólares (U.S. - - - $2,040,000)".

Se tiene por entendido que las disposiciones de todos los acuerdos previos entre el Gobierno de los Estados Unidos y el Gobierno de México, en relación con los esfuerzos de los dos Gobiernos

para el control de estupefacientes, excepto como expresamente se modifica aquí, permanecen en pleno vigor y efecto y serán aplicables en este Acuerdo.

Si lo antedicho es aceptable al Gobierno de México, esta carta y su contestación constituirán un acuerdo entre nuestros dos Gobiernos.

Aprovecho esta oportunidad para reiterar a usted las seguridades de mi más alta consideración y estima personal."

Deseo expresar a usted que el Gobierno de México está de acuerdo en los términos de la nota transcrita.

Aprovecho la ocasión para expresar a su Excelencia la seguridad de mi más elevada consideración.

SUFRAGIO EFECTIVO. NO REELECCION.
EL PROCURADOR GENERAL DE LA REPÚBLICA.

LIC. OSCAR FLORES.

TRANSLATION

UNITED MEXICAN STATES
OFFICE OF THE ATTORNEY GENERAL
OF THE REPUBLIC

Mexico, D.F., July 23, 1979

Mr. Patrick J. Lucey
Ambassador of the United States
of America
Mexico, D.F.

Mr. Ambassador:

I take pleasure in replying to your communication of today's date, which translated into Spanish, reads as follows:

[For the English language text, see p. 6187.]

I wish to inform you that the Government of Mexico accepts the terms of the transcribed note.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Oscar Flores

Oscar Flores
Attorney General of the Republic

MEXICO

Narcotic Drugs: Provision of Aircraft

Agreement amending the agreement of August 23, 1978.
Effected by exchange of letters
Signed at México July 26, 1979;
Entered into force July 26, 1979.

The American Ambassador to the Mexican Attorney General

EMBASSY OF THE
UNITED STATES OF AMERICA
México, D.F.

July 26, 1979

His Excellency
Lic. Oscar Flores
Attorney General of the Republic
San Juan de Letrán No. 9
México, D.F.

Dear Mr. Attorney General:

In confirmation of recent conversations between officials of our two governments relating to cooperation between Mexico and the United States to curb the illegal traffic in narcotics, I am pleased to advise you that the Government of the United States is prepared to amend the conditions stipulated in our agreement effected by our exchange of letters dated August 23, 1978,[1] to procure additional light helicopters and to apply balance from these funds to defray the cost of other aircraft procured with Government of Mexico funds under the authority of a Suspense Deposit Account.

The Government of the United States therefor agrees to delete the word, "eight (8)", in the second line of the second paragraph of our letter dated August 23, 1978, and substitute therefor the word, "ten (10)". The Government of the United States further agrees to add the following sentence at the end of the second paragraph to read, "It is further agreed that any balance from these funds will be applied to increase the Government of Mexico contribution for procurement of fixed wing single engine aircraft."

It is understood that the provisions of all previous agreements between the Government of the United States and the Government of Mexico in relation to the cooperative narcotics control effort of our two governments, except as herein expressly modified, remain in full force and effect and applicable to this agreement.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply shall constitute an agreement between our two governments.

[1] TIAS 9254; *ante*, p. 1319.

I take this opportunity to reiterate to you the assurances of my highest consideration and personal esteem.

Patrick J. Lucey
Ambassador

TIAS 9545

The Mexican Attorney General to the American Ambassador

PROCURADURIA GENERAL
DE LA
REPUBLICA

México, D.F., julio 26 de 1979.

SR. PATRICK J. LUCEY,
EMBAJADOR DE LOS ESTADOS
UNIDOS DE AMERICA,
PRESENTE.

Excelentísimo señor Embajador:

Me es grato dar respuesta a su atenta comunicación del día de hoy, cuyo texto traducido al español es el siguiente:

"Confirmando recientes conversaciones entre funcionarios de nuestros dos Gobiernos, relativas a la cooperación entre México y los Estados Unidos para frenar el tráfico y la producción ilegal de estupefacientes, me complace comunicarle que el Gobierno de los Estados Unidos está dispuesto a enmendar las condiciones estipuladas en nuestro Acuerdo efectuado por el intercambio de cartas con fecha 23 de agosto de 1978, para la adquisición de helicópteros ligeros adicionales y para aplicar el saldo de estos fondos para costear la compra de otras avionetas a ser adquiridas con fondos del Gobierno de México bajo la autorización de una Cuenta Suspenso de Depósito.

El gobierno de los Estados Unidos, por lo tanto, está de acuerdo en suprimir la palabra, "ocho (8)", del segundo renglón del segundo párrafo de nuestra carta de fecha 23 de agosto de 1978, y sustituir con la palabra, "diez (10)".

El gobierno de los Estados Unidos también está de acuerdo en agregarle la cláusula siguiente al fin del segundo párrafo para que lea, "Se conviene además en que el saldo de estos fondos sea aplicado para aumentar la contribución del Gobierno de México para la adquisición de avionetas monomotor.

Se tiene por entendido que las disposiciones de todos los acuerdos previos entre el Gobierno de los Estados Unidos y el Gobierno de México, en relación con los esfuerzos de los dos Gobiernos para el control de estupefacientes, excepto como expresamente se modifica aquí, permanecen en pleno vigor y efecto y serán aplicables en este acuerdo.

Si lo antedicho es aceptable al Gobierno de México, esta carta y su contestación constituirán un acuerdo entre nuestros dos Gobiernos.

Aprovecho esta oportunidad para reiterar a usted las seguridades de mi más alta consideración y estima personal."

Deseo expresar a usted que el Gobierno de México está de acuerdo en los términos de la nota transcrita.

Aprovecho la ocasión para expresar a su Excelencia la seguridad de mi más elevada consideración.

SUFRAGIO EFECTIVO. NO REELECCION.
EL PROCURADOR GENERAL DE LA REPUBLICA.

LIC. OSCAR FLORES.

TRANSLATION

UNITED MEXICAN STATES
OFFICE OF THE ATTORNEY GENERAL
OF THE REPUBLIC

Mexico, D.F., July 26,1979

Mr. Patrick J. Lucey
Ambassador of the United States
of America
Mexico, D.F.

Mr. Ambassador:

I take pleasure in replying to your letter of today's date which, translated into Spanish, reads as follows:

[For the English language text, see pp. 6192-6193.]

I wish to inform you that the Government of Mexico concurs in the terms of the letter transcribed above.

I avail myself of this opportunity to express to Your Excellency the assurances of my highest consideration.

Oscar Flores

Oscar Flores
Attorney General of the Republic

MEXICO

Narcotic Drugs: Additional Cooperative Arrangements to Curb Illegal Traffic

Agreement amending the agreement of May 16, 1978, as amended.
Effected by exchange of letters
Signed at México July 24, 1979;
Entered into force July 24, 1979.

The American Ambassador to the Mexican Attorney General

EMBASSY OF THE
UNITED STATES OF AMERICA
Mexico, D.F.

July 24, 1979

His Excellency
Lic. Oscar Flores
Attorney General of the Republic
San Juan de Letrán No. 9
Mexico 1, D.F.

Dear Mr. Attorney General:

In confirmation of recent conversations between officials of our two governments relating to the cooperation between Mexico and the United States to curb the illegal traffic in narcotics, I am pleased to advise you that the Government of the United States is prepared to increase by U.S. $360,000 the funding provided under the agreements effected by our exchange of letters dated May 16, 1978, and January 8, 1979. [1]

The Government of the United States therefor agrees to delete the phrase, "One Million Dollars (U.S. 1,000,000)" in the second paragraph of our letter dated May 16, 1978, and substitute therefor the phrase, "One Million Three Hundred and Sixty Thousand Dollars (U.S. $1, 360,000)".

It is understood that the provisions of all previous agreements between the Government of the United States and the Government of Mexico in relation to the cooperative narcotics control effort of our two governments, except as herein expressly modified, remain in full force and effect and applicable to this agreement.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply shall constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurances of my highest consideration and personal esteem.

Sincerely,

Patrick J. Lucey
Ambassador

[1] TIAS 9252; *ante*, p. 1299.

The Mexican Attorney General to the American Ambassador

FORMA CG-1A

PROCURADURIA GENERAL
DE LA
REPUBLICA

México, D.F., julio 24 de 1979.

SR. PATRICK J. LUCEY,
EMBAJADOR DE LOS ESTADOS
UNIDOS DE AMERICA,
PRESENTE.

Excelentísimo señor Embajador:

Me es grato dar respuesta a su atenta comunicación del día de hoy, cuyo texto traducido al español es el siguiente:

"Confirmando recientes conversaciones entre funcionarios de nuestros dos Gobiernos, relativas a la cooperación entre México y los Estados Unidos para frenar el tráfico ilegal de estupefacientes, me complace comunicarle que el Gobierno de los Estados Unidos está dispuesto a aumentar en U.S. $360,000 el fondo proporcionado bajo los Acuerdos efectuados por el intercambio de cartas con fechas 16 de mayo de 1978 y 8 de enero de 1979.

El Gobierno de los Estados Unidos, por lo tanto, está de acuerdo en suprimir la frase, "Un Millón de Dólares (U.S. $1,000,000)" en el segundo párrafo de nuestra carta de fecha 16 de mayo de 1978, y sustituir la frase "Un Millón Trescientos Sesenta Mil Dólares (U.S. $1,360,000)".

Se tiene por entendido que las disposiciones de todos los acuerdos previos entre el Gobierno de los Estados Unidos y el Gobierno de México, en relación con los esfuerzos de los dos Gobiernos para el control de estupefacientes, excepto como expresamente se modifica aqui, permanecen en pleno vigor y efecto y serán aplicables en este Acuerdo.

T.G.N

Si lo antedicho es aceptable al Gobierno de México, esta carta y su contestación constituirán un acuerdo entre nuestros dos Gobiernos.

Aprovecho esta oportunidad para reiterar a usted las seguridades de mi más alta consideración y estima personal."

Deseo expresar a usted que el Gobierno de México está de acuerdo en los términos de la nota transcrita.

Aprovecho la ocasión para expresar a su Excelencia la seguridad de mi más elevada consideración.

SUFRAGIO EFECTIVO. NO REELECCION.
EL PROCURADOR GENERAL DE LA REPUBLICA.

LIC. OSCAR FLORES.

T.O.N

TRANSLATION

UNITED MEXICAN STATES
OFFICE OF THE ATTORNEY GENERAL
OF THE REPUBLIC

Mexico, D.F., July 24,1979

Mr. Patrick J. Lucey
Ambassador of the United States
of America
Mexico, D.F.

Mr. Ambassador:

I take pleasure in replying to your communication of today's date, which translated into Spanish, reads as follows:

[For the English language text, see p. 6198.]

I wish to inform you that the Government of Mexico accepts the terms of the transcribed note.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Oscar Flores

Oscar Flores
Attorney General of the Republic

EGYPT

Aquaculture Development

Agreement signed at Cairo September 7, 1978;
Entered into force September 7, 1978.

A.I.D. Project No. 263-0064

PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
AQUACULTURE DEVELOPMENT

Dated: SEPTEMBER 7, 1978

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ANNEX 1 Project Description		

[1] Not printed herein. For text, see TIAS 8830; 29 UST 501.

PROJECT GRANT AGREEMENT DATED: SEPTEMBER 7, 1978 BETWEEN THE ARAB REPUBLIC OF EGYPT ("GRANTEE") AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described herein, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project which is further described in Annex 1, will consist of assistance to develop programs which will assist Egypt to meet its long term goal of increasing the production of high quality protein by a) strengthening the institutions for applied research, training, extension and hatcheries supporting the fish farming industry and b) establishing 5000 feddans of privately-owned fish ponds in Sharkia and Ismailia Governorates.

Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to grant the Grantee under the terms of this agreement not to exceed Three Million Five Hundred Thousand United States ("U.S.") Dollars ($3,500,000).

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and Local Currency Costs, as defined in Section 6.2, of goods and services required for the project, except that, unless

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

the parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian pound equivalent of Seven Hundred Thousand United States Dollars ($700,000).

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than Two Million Three Hundred and Twenty-Five Thousand Egyptian Pounds (L.E. 2,325,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for Services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursements, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to any disbursement or the issuance of any commitment document under this Agreement the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) Evidence of designation of an official of appropriate rank within the Ministry of Agriculture as the Project Director;

(c) Evidence that the National Committee for Aquaculture Development has been established, and has been given full administrative authority to coordinate and implement the Project; and

(d) Such other information and documentation as A.I.D. may reasonably require.

SECTION 4.2. Disbursement for Local Goods and Services. Prior to any disbursement of proceeds from this Grant in connection with financing by A.I.D. of the costs of local goods and services required for the Project, mutually agreed upon procedures for financing these costs shall be established and detailed in an Implementation Letter. The Letter will include procedures governing disbursement of dollar proceeds of the Grant for such local expenditures.

SECTION 4.3. Additional Disbursement – Phase I. Prior to disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the purpose of financing any Phase I activity other than the services of an interim fisheries specialist, architect and engineering services (including environmental analysis) for the construction of a National Fish Farming Center, the training of the initial group of participants, and the long-term technical services for the Project, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) Architect and engineering designs for the Center and Stage I production farms responsive to the findings of the environmental analysis;

(b) Evidence that the land required for the Center and at least 800 feddans for the construction of Stage I production farms is available free and clear through ownership or long-term lease;

(c) Evidence of the availability of irrigation water in sufficient quantities free of charge to the Center and the Stage I farmers; and

(d) Evidence that the Grantee has allocated the staff and budget required for all Phase I operations.

SECTION 4.4. Additional Phase I Disbursement – Revolving Fund. Prior to disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the initial tranche of the revolving fund, the Grantee will, except as the Parties may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D. evidence that the Agricultural Bank or other suitable agency has agreed to act (under loan procedures, rules and selection critiera for homestead farms acceptable to A.I.D.) as the administrator for the revolving fund.

SECTION 4.5. Disbursement – Phase II. Prior to disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the purpose of financing any

Phase II activity, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) Evidence that baseline socio-economic data for the Project area has been gathered; and

(b) Procedures for production loans under the revolving fund.

SECTION 4.6. Notification. When A.I.D. has determined that the Conditions Precedent specified in Section 4.1, 4.2, 4.3, 4.4, and 4.5 have been met, it will promptly notify the Grantee.

SECTION 4.7. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 60 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Covenants.

SECTION 5.1. Private Sector Participation. The private sector will be the preferred means of distribution for fish produced on the production farms. In the event that it is considered desirable to depart from this means of distribution, the Grantee and A.I.D. will consult prior to implementation of such a change.

SECTION 5.2. Zagazig Market. Grantee shall insure that revenues from the Zagazig market will be received directly by Governorate or other governmental authorities operating the market; that rental charged by the market to fish sellers will be sufficient to defray operating expenses; and that fish sellers currently in business will be given preference in allocating space to vendors.

SECTION 5.3. Project Evaluation.

(a) The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(i) evaluation or progress toward attainment of the objectives of the Project; (ii) identification and evaluation of problem areas of constraints which may inhibit such attainment; (iii) assessment of how such information may be used to help overcome such problems; and (iv) evaluation, to the degree feasible, of the overall development of the project.

(b) In carrying out the foregoing, the Grantee shall insure that A.I.D. or its agents may conduct such evaluations as it deems appropriate, both before and after the completion of assistance, which evaluations will include measurements of social and economic baseline data for the Project area, collected during the first two years of Project implementation.

ARTICLE 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Egypt.

ARTICLE 7: Disbursement.

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documenta-

tion as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. Dollars by purchase.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

ARTICLE 8: Miscellaneous.

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

TO THE GRANTEE:

Mail Address: Ministry of Agriculture
Dokki, Giza
Cairo, Egypt

Alternate address for cables:

Ministry of Agriculture
Dokki, Giza
Cairo, Egypt

To A.I.D.:

Mail Address: A.I.D.
U.S. Embassy
Cairo, Egypt

Alternate address for cables:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of Minister of Agriculture and Under Secretary of State for Aquatic Resources and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly

authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: MAHMOUD M. DAWOOD
Name: Mahmoud Mohamed Dawood
Title: *Minister of Agriculture*

UNITED STATES OF AMERICA

By: DONALD S. BROWN
Name: Donald S. Brown
Title: *Director, U.S.A.I.D./Cairo*

ANNEX 1

Project Description

The purpose of this project is a) the establishment in Egypt of the capability for sustained development of the fish farming industry on an economic basis through improved institutions for planning and coordination, applied research and extension, and b) the increase fish production by 4,000 tons per year by 1986 through an increase in the area devoted to fish farming. The financial support estimated to be required to implement this project is shown in the Project Financial Plan, Table 1 of this Annex.

The project will establish and support the following facilities:

1. National Committee for Aquaculture Development. Technical Assistance will be provided to support the planning and coordination activities of the Committee, including the preparation of a national plan.

2. National Fish Farming Center at Abbasa. The Center, to be under the direction of the Ministry of Agriculture, will be established on a 200-feddan site near the duck-hunting facility at Abbasa. The Center will have a total GOE staff of 67 and will include divisions for research, extension, and administration, as well as a carp hatchery and a mullet fry nursery. Center facilities will include laboratories, offices, storage facilities and housing for US contract and GOE per-

[1] See footnote 1, p. 6203.

sonnel, as well as approximately 100 feddans of hatchery and research ponds.

The Center will conduct applied research to develop packages of optimal practices for fish farming operations in Egypt, including techniques for village farms and mixed poultry/fish operations. It will also conduct applied research in the areas of fish breeding, handling and utilization, nutrition and fish pathology. The Center will not conduct basic research and a research committee composed of representatives of each division as well as the US Contract team will oversee the research activities to ensure that the agenda is oriented to the solution of practical problems.

The extension division will develop an extension service providing assistance to fish farmers, both those established under the project and others in the area served. The program will serve the Sharkia/Ismailia area in the early years, expanding to serve the World Bank project areas and eventually all of Egypt. In addition to 6 full-time extension agents, support and senior personnel, the program will provide training to 6 extension interns per year to build a national extension capability in fish farming. The extension program will operate a field station at Abbasa and will open additional stations as needed. It will also provide training for fish farmers and conduct short courses in areas of relevance to fish farming. A training committee similar to the research committee will oversee all training activities at the Center. The extension division will also be responsible for the collection of baseline socioeconomic data necessary for evaluation.

The Abbasa hatchery nursery will produce 6–10 million carp fry annually and will provide nursery facilities to produce 3.4 million mullet fry of 2–5 gram from .15-gram fry collected at Al-Mex.

3. Carp Hatchery at Serow. The natural hatchery at Serow will be improved and its output will be supplemented by the construction of an artificial hatchery, raising the production of carp fry from 1.5 million annually to 10–17 million. The new carp hatchery facilities will be operated by the Institute of Fisheries.

4. Mullet Collection Station. Two mullet collection facilities will be constructed at Al-Gameel and Al-Gerby on the Mediterranean coast. These facilities will collect 40–60 million mullet fry annually. The collection station at Al-Mex, operated by the Institute of Oceanography and Fisheries, will receive technical assistance in fry transport to assist in reducing fry mortality from 80% to 50%.

5. Mullet Hatchery. To ensure the supply of mullet fry in the future, a pilot mullet hatchery will be constructed at Al-Gameel or Al-Gerby producing 6 million fry at full operation and developing an operational technique that can be applied elsewhere in Egypt and the Middle east.

6. Zagazig Fish Market. A modern fish market will be constructed at Zagazig, the capital of Sharkia. Space in this facility, which will provide refrigeration and adequate sanitary equipment, will be rented to local entrepreneurs by the Sharkia government at an economic price.

7. Participant Training. Training will be provided to 75 individuals in fisheries management, fish pathology, engineering, food technology, fisheries biology and other areas. Both US and third-country training will be provided. Ten individuals will receive training to the Ph. D. level, 35 will receive Master's level training and 30 will receive a total of 140 months of short-term training. It is expected that those receiving training will return to work in the fish farming sector and that some will complete thesis degree requirements through work at the National Center and other Egyptian facilities.

8. Production Farms. The project will establish 5,000 feddans of private sector production farms in Sharkia and Ismailia governorates. The farms will be funded through a revolving credit fund to be established within the Agricultural Credit Bank. The fund will make 15-year loans to fish farmers (both individuals and cooperatives) at its usual rate of interest. The production farms will be established in two stages. In the first stage, 800 to 1,200 feddans will be constructed by the project and distributed to 80 or more recent agricultural graduates, as homesteaders, over two years. Loans will be provided to cover the cost of pond construction, equipment, and all operating expenses for the first two years of operation of each farm. The farmers will assume control of their farms roughly three months before the scheduled first year stocking and are expected to achieve full production of 1 MT per feddan of water (10 MT per farm) by the third year. In the second stage a total of 3,800 feddans will be established over three years. Although the final mix may vary, the desired compostion for this total area is 900 feddans of homestead farms (60 units), 1,750 feddans operated by village cooperatives (70 units), 1,500 feddans of mixed poultry/fish operations managed by women's cooperatives (30 units) and 1,000 feddans of medium-size private fish farms (20 units). These operations will receive loans to cover construction, capital equipment and two years of operating expenses.

The project as described above will be carried out in two phases, as follows:

—Phase I will consist of all project activities other than those included in Phase II.

—Phase II, which is planned to commence after the second year of project operation, will consist of the extension of the project by the establishment of fish production activities on an additional 3,800 feddans (Stage II Farms) and additional tranches of A.I.D. financing to the revolving fund to assist in financing the Stage II Farms.

PROJECT FINANCIAL PLAN

($ '000)

ANNEX 1
TABLE 1

As of September, 1978

Project No. 263-0004

Project Inputs	Cumulative Obligations/ Commitments as of September, 1978					Future Years Anticipated					Total				
	AID			GOE	T	AID			GOE	T	AID			GOE	T
	$	LE-Eq-	T	LE-Eq.	$	$	LE-Eq.	T	LE-Eq.	$	$	LE-Eq.	T	LE-Eq.	$
1. National Committee	25	7	32	22	54	----------	----------	----------	54	54	25	7	32	76	108
2. National Center	1,271	420	1,691	1,411	3,102	6,316	3,847	10,163	431	10,594	7,587	4,267	11,854	1,842	13,696
3. Other Supporting Institutions	--------	19	19	87	106	1,593	1,461	3,054	807	3,861	1,612	1,461	3,073	894	3,967
4. Participant Training	1,086	93	1,179	114	1,293	1,411	139	1,550	133	1,683	2,497	232	2,729	247	2,976
5. Production Farms	----------	----------	----------	1,293	1,293	----------	6,718	6,718	4,655	11,373	----------	6,718	6,718	5,948	12,666
6. Other	96	67	163	--------	163	----------	----------	----------	----------	----------	96	67	163	--------	163
7. Contingency	331	85	416	397	813	1,081	1,434	2,515	154	2,669	1,412	1,519	2,931	551	3,482
TOTAL	2,809	691	3,500	3,324	6,824	10,401	13,599	24,000	6,234	30,234	13,210	14,290	27,500	9,558	37,058

JAPAN

Mutual Defense Assistance: Cash Contribution by Japan

Agreement relating to the agreement of March 8, 1954.
Effected by exchange of notes
Signed at Tokyo July 13, 1979;
Entered into force July 13, 1979.

千九百七十九年七月十三日に東京で

日本国外務大臣

園田直

アメリカ合衆国特命全権大使

マイケル・J・マンスフィールド閣下

案する光栄を有します。

昭和五十四年四月一日から昭和五十五年三月三十一日までの日本国の会計年度において日本国政府が提供すべき金銭負担の額は、同年度に同政府が使用に供する金銭以外のものによる負担を考慮に入れて、一億五百六十一万一千円（一〇五、六一一、〇〇〇円）を超えないものとする。

本大臣は、更に、この書簡及びアメリカ合衆国政府に代わつて前記の取極を確認される閣下の返簡が両政府間の合意を構成するものとみなし、その合意が閣下の返簡の日付の日に効力を生ずることを提案する光栄を有します。

本大臣は、以上を申し進めるに際し、ここに重ねて閣下に向かつて敬意を表します。

The Japanese Minister for Foreign Affairs to the American Ambassador [1]

書簡をもつて啓上いたします。本大臣は、千九百五十四年三月八日に東京で署名された日本国とアメリカ合衆国との間の相互防衛援助協定に言及する光栄を有します。

同協定第七条2は、日本国政府が、同協定の実施に関連するアメリカ合衆国政府の行政事務費及びこれに関連がある経費として、アメリカ合衆国政府に随時円資金を提供すべきことを定めています。

また、同協定附属書G3は、日本国の毎会計年度において日本国政府が提供すべき金銭負担としての日本円の価額については、同政府が使用に供する金銭以外のものによる負担を考慮に入れた上、両政府の間で合意すべきことを定めています。

よつて、本大臣は、日本国の昭和五十四会計年度における前記の金銭負担の額に関し、次の取極を日本国政府に代わつて提

[1] For the English language translation, see pp. 6218–6219.

The American Ambassador to the Japanese Minister for Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 501 Tokyo, July 13, 1979

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honor to refer to the Mutual Defense Assistance Agreement between Japan and the United States of America signed at Tokyo on March 8, 1954.[1]

Article VII, paragraph 2 of the Agreement provides that the Government of Japan will make available, from time to time, to the Government of the United States of America funds in yen for the administrative and related expenses of the latter Government in connection with carrying out the Agreement.

Paragraph 3 of Annex G of the Agreement provides that, in consideration of the contributions in kind to be made available by the Government of Japan, the amount of yen to be made available as a cash contribution by the Government of Japan for any Japanese fiscal year shall be as agreed upon between the two Governments.

Accordingly, I have the honor to propose on behalf of the Government of Japan the following arrangements concerning the amount of the cash contribution referred to above for the Japanese fiscal year 1979:

His Excellency
Sunao Sonoda
Minister for Foreign Affairs
Tokyo

[1] TIAS 2957, 9208; 5 UST 661; *ante*, p. 640.

In consideration of the contributions in kind to be made available by the Government of Japan during the Japanese fiscal year from April 1, 1979 to March 31, 1980, the amount of the cash contribution to be made available by the Government of Japan for the said fiscal year shall not exceed one hundred and five million six hundred and eleven thousand yen (¥105,611,000).

I have further the honor to propose that the present Note and Your Excellency's Note in reply confirming on behalf of the Government of the United States of America the foregoing arrangements shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of Your Excellency's reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration."

I have further the honor to confirm on behalf of the Government of the United States of America the foregoing arrangements and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of this reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Michael J. Mansfield [1]

[1] Michael J. Mansfield.

MULTILATERAL

International Institute for Cotton

Amendment to the Articles of Agreement of the International Cotton Institute.
Resolution adopted by the General Assembly of the International Cotton Institute, at Washington, July 31, 1979;
Entered into force July 31, 1979.

AMENDMENT TO
ARTICLES OF AGREEMENT OF INTERNATIONAL INSTITUTE FOR COTTON
ADOPTED ON JULY 31, 1979

Be it resolved that Article IV of the Articles of Agreement of the International Institute for Cotton[1] is amended with immediate effect to read as follows:

Article IV
Assessments and Finance

Section 1. Assessments

(a) The basis of annual assessments of members of the Institute shall be the equivalent of 0.70 U.S. dollars per bale (478 pounds) of net exports (as defined in paragraphs (b) (3) and (4) of this Section 1) of cotton and cotton textiles (as defined in paragraph (b) (1) of this Section 1) from all origins by each member to all destinations.

(b) For the purposes of paragraph (a) of this Section 1:

(1) the terms "cotton" and "cotton textiles" mean spinnable raw cotton and the cotton content of textiles;

(2) the rules and procedures to be used to determine the cotton content of textiles, and to express such content in terms of quantity of spinnable raw cotton, shall be adopted by the General Assembly in accordance with paragraph (i) of Section 3 of Article III;

(3) the term "net exports" means the difference between the total volume of exports and the total volume of imports by each member;

(4) the terms "exports" and "imports" shall not include the following: any exports or imports without commercial character; any exports to or imports from another member; any exports to or imports from any country outside Western Europe and Japan in which the cotton content of textiles, as expressed in terms of quantity of raw cotton, exported by that country to Western Europe and Japan, is less than ten percent of its total mill consumption of raw cotton;

(5) The volumes of exports and imports in respect of each member shall be determined on the basis of official trade statistics regarding the member concerned. The statistical sources shall relate to the most recent calendar or fiscal year, as the case may be, or to the average of the preceding three calendar years or fiscal years, as the member may elect. The alternative initially selected by a member shall be consistently applied until a decision to the contrary is adopted by the General Assembly at the request of the member.

(c) The assessment of a member computed in accordance with paragraph (a) of this Section 1 shall be adjusted by multiplying this assessment

[1] TIAS 5964, 6184; 17 UST 91, 2378.

by a coefficient relating to the level of its gross national product per capita as follows:

Gross National Product Per Capita in U.S. dollars	Coefficient
250 and below	0.5
from 251 to 750	0.7
from 751 to 1,500	0.9
1,501 and above	1.0

(d) Notwithstanding paragraphs (a) and (c) of this Section 1, the annual assessment payable by a member shall not be less than twenty-thousand United States dollars.

(e) Subsequent to the approval of the budget and taking into account all the resources available, the General Assembly may increase or reduce the amount in United States dollars referred to in paragraph (a) of this Section 1. It may also modify the levels of the gross national product per capita and the coefficients contemplated in paragraph (c) of this Section 1.

(f) At least one-half of the annual assessment of a member due in respect of any year shall be paid on or before the thirty-first of January of the year in respect of which it is due and any balance remaining due shall be paid not later than on the thirty-first of July of that year.

Section 2. Currencies in which payable

(a) The assessments shall be expressed in terms of United States dollars.

(b) Payment may be made in United States dollars or in the currency of any of the countries where a promotion programme is in effect or is contemplated, provided such currency is freely convertible into the currencies of all other countries in which the Institute operates.

(c) Payment of assessments in currencies other than United States dollars shall be computed on the basis of the par value established by the International Monetary Fund.

(d) To the extent possible, the member Governments shall attempt to make payment in currencies that will match the total required currencies projected by the Executive Director. However, the Executive Director is empowered to convert one currency into another to meet the programme requirements approved by the General Assembly.

Section 3. Financial Aid

In furtherance of its purposes, the Institute may accept all contributions

of funds, aids, fees, royalties, goods and services.

Section 4. Financial Obligations

The Institute shall not undertake programmes or assume financial obligations greater than the total amount of the unobligated funds on hand.

Section 5. Payment of Expenses

The expenses of representatives of members attending meetings of the General Assembly shall not be paid from funds of the Institute. However, the General Assembly may authorize payment of transportation and other expenses incurred in connection with

(a) meetings of the Executive Committee,

(b) any special committees constituted by the General Assembly or the Executive Committee, and

(c) attendance by the Executive Secretary of the International Cotton Advisory Committee at meetings of the General Assembly.

Section 6. Assessments for New Members

(a) Each new member admitted to the Institute during any given fiscal year shall pay the full assessment for that year within 60 days from the date of admission; except that

(b) each new member admitted in 1966 shall pay its full assessment within the period provided in Section 1 of this Article or within 60 days from the date of admission, whichever is later.

Section 7. Audits

As soon as possible after the close of each fiscal year, an independently audited statement of the Institute's receipts and expenditures during the fiscal year just closed, as well as the status and activities of other accounts, shall be presented to the General Assembly for approval.

Certified to be a true copy of the resolution passed by the General Assembly of the International Institute for Cotton Washington, D. C., July 31, 1979

Peter Pereira
Executive Director

EGYPT

Quattamia Cement Project

Agreement signed at Cairo September 28, 1978;
Entered into force September 28, 1978.

A.I.D. Loan Number: 263-K-051
Project Number: 263-0052

PROJECT

LOAN AGREEMENT

AMONG

THE ARAB REPUBLIC OF EGYPT,

THE UNITED STATES OF AMERICA

AND

THE SUEZ CEMENT COMPANY

FOR

QUATTAMIA CEMENT PROJECT

Dated: September 28, 1978

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Annex 1 -- Project Description
-- Attachment 1 -- Project Financial Plan

[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0052

Project Loan Agreement

Dated: September 28, 1978

Among

The Arab Republic of Egypt ("Borrower"),

The Suez Cement Company ("SCC")

and

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, attached, will consist of the construction of a cement plant by SCC at Quattamia with a capacity to produce approximately one million three hundred and ninety thousand metric tons annually, and including auxiliary facilities, development of limestone and clay quarries and construction of water and power lines needed for plant operations. The Borrower will relend and sub-grant the funds to SCC which will be the implementing agency for the Project. Annex 1 amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

Article 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend to the Borrower under the terms of this

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

Agreement not to exceed Ninety Five Million United States ("U.S.") Dollars ($95,000,000.00) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Borrower for the Project will not be less than Thirty-Five Million One Hundred Thousand U.S. Dollars ($35,100,000) and Sixty-Six Million Four Hundred Nine Thousand Egyptian Pounds (L.E. 66, 409,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1982 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan (1) in response to requests received by A.I.D. after March 31, 1982, or (2) for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half(9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment

of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C., 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the Office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of

documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Egyptian Minister of Justice, or other legal counsel acceptable to A.I.D., that the Loan Agreement, the Reloan Agreement and the Sub-grant Agreement have been duly authorized and/or ratified by, and executed on behalf of the Arab Republic of Egypt and SCC and that they constitute valid and legally binding obligations in accordance with all of their terms.

(b) A statement of the names and persons holding or acting in the offices of the Borrower and SCC specified in the Loan Agreement, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(c) A Reloan Agreement, satisfactory to A.I.D., for the Project between the Borrower and SCC, in the amount of $58.5 million, pursuant to the Covenant contained in Section 6.2 below.

(d) A Sub-grant Agreement for the Project between the Borrower and SCC in the amount of $36.5 million, containing terms and conditions satisfactory to A.I.D., pursuant to the Covenant contained in Section 6.3 below.

(e) Copies of Loan Agreements between SCC and the lending institutions providing the necessary foreign exchange in excess of the Loan and the necessary local currency for the Project (now estimated to be not less than Thirty Million Five Hundred Thousand United States Dollars ($30,500,000) and Sixty One Million, Six Hundred and Ninety Five Thousand Egyptian Pounds (LE 61,695,000)), together with evidence that the conditions to effectiveness of these loans have been met and that the lending institutions are prepared to make disbursements against their loans.

(f) An executed contract acceptable to A.I.D. for consulting engineering services for the Project, with a firm acceptable to A.I.D.

(g) Evidence that SCC's authorization to operate as a Company subject to the provisions of Law 43, as amended, includes the right of SCC to implement the Project.

(h) Such other documentation as A.I.D. may reasonably require.

SECTION 5.2 Additional Disbursement.

Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the consulting engineering services for the project, the Borrower will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An executed agreement between SCC and the Ministry of Housing ("MOH"), satisfactory to A.I.D., providing for the furnishing of a timely and sufficient supply of water to the Project.

(b) An executed agreement between SCC and the Egyptian Electricity Authority ("EEA"), satisfactory to A.I.D., providing for the furnishing of a timely and sufficient supply of electricity to the Project.

(c) A valid and effective underwriting agreement, satisfactory to A.I.D., with an entity satisfactory to A.I.D., for sufficient stock to be sold to the private sector to insure that 20% of all SCC stock is held by the private sector. Such agreement shall contain terms and conditions satisfactory to A.I.D. including, without limitation, a requirement that a sufficient amount of such stock shall be sold for foreign exchange to result in proceeds of foreign exchange in an amount not less than $4,600,000.

(d) Evidence that SCC has obtained legal title to (a) the plant site, (b) the limestone and clay quarries and (c) other sites required for the Project.

(e) A plan for divestiture of stock issued to the public sector companies pursuant to Section 6.3 below, including, without limitation, provision for sale of such stock to the private sector and disposition of the proceeds of such sale.

(f) A plan for the implementation of a rational cement pricing system.

SECTION 5.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within 150 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Reloan Agreement. In order to assist SCC in carrying out the Project, the Borrower shall relend to SCC Fifty Eight Million Five Hundred Thousand United States Dollars ($58,500,000) from the Loan under a reloan agreement ("Reloan Agreement") between the Borrower and SCC under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, without limitation, a repayment period not to exceed fifteen (15) years, including a five (5) year grace period, and an interest rate of ten per cent (10%) per annum, with principal amount and schedule of repayments, including interest, denominated in U.S. dollars, repayments to be made in Egyptian Pounds calculated at the highest rate prevailing and declared for foreign currency by the competent authorities of the Borrower in effect on the date of each repayment.

SECTION 6.3. Sub-grant Agreement. In order to assist SCC in carrying out the Project, the Borrower shall grant to SCC Thirty-Six Million Five Hundred Thousand United States Dollars ($36,500,000) from the Loan under a sub-grant agreement ("Sub-grant Agreement") between the Borrower and SCC under terms and conditions satisfactory

to A.I.D. Except as A.I.D. may otherwise agree in writing, such terms and conditions shall include, without limitation, (1) provision for the issuance of stock to public sector company shareholders of SCC, and (2) that such companies, concurrently with the receipt of such stock, shall agree to comply with whatever provisions for divestiture may later be included in the plan required by Section 5.2. above.

SECTION 6.4. Cement Pricing. The Borrower agrees (1) to set cement prices and the level of taxes imposed on cement at a level which will permit SCC to generate a reasonable profit on its investment after paying for all production and other costs of operation, as shown in the Engineering and Economic Feasibility Study for New Portland Cement and Related Facilities, H.K. Ferguson International Co., August 1978, (2) to raise the prices of domestic cement towards those of imported cement as quickly as practicable, and (3) to hold periodic consultations with A.I.D. concerning cement pricing.

SECTION 6.5. Cement Distribution Plan. The Borrower agrees that the Egyptian Cement Office ("ECO") shall submit within one year from the date of signature of the Agreement a Cement Distribution Plan, acceptable to A.I.D. covering the period from the present through 1985 and which demonstrates that the increasing cement production in Egypt during such period will be distributed throughout Egypt in an efficient and timely manner.

SECTION 6.6. Provision of Water, Electricity, and Fuel. The Borrower agrees to cause MOH, EEA, and the Egyptian General Petroleum Corporation ("EGPC"), or other organizations acceptable to A.I.D., to provide timely and sufficient sources of water, electricity, and fuel to the Project site in accordance with the Project implementation schedule to be prepared by the U.S. consulting engineering firm.

SECTION 6.7. Protection of Interests of Borrower, SCC, and A.I.D. The Borrower shall exercise its rights under this Agreement, the Reloan Agreement and the Sub-grant Agreement in such manner as to protect the interests of the Borrower, SCC, and A.I.D. and to accomplish the purposes of the Project, and except as A.I.D. may otherwise agree in writing, the Borrower shall not assign, amend, abrogate or waive such Agreements or any provision thereof.

SECTION 6.8. 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 performance by SCC of any of its obligations under this Agreement, the Reloan Agreement or the 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 to perform such obligations.

SECTION 6.9. Environmental Protection. The Borrower shall insure 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 6.10. SCC Dividends. Except as A.I.D. may otherwise agree in writing, the Borrower and SCC agree not to declare any dividend or make any other distribution with respect to SCC's paid-in-capital or reserves unless after giving effect to such dividend SCC's ratio of current assets to current liabilities is at least 55:45 and its ratio of long-term debt to net worth is no greater than 2:1. For purposes of this covenant, the following definitions shall apply:

(a) "Current Assets" shall mean the sum of unrestricted cash available for use in current operations, marketable securities (excluding securities, whether marketable or not, made for purposes of control, affiliation, or other continuing business advantage), receivables collectible in the normal course of business within one year, and inventories (excluding spare parts) valued at the lower of cost or market.

(b) "Current Liabilities" shall mean all of SCC's obligations due on demand or within one year or whose liquidation is reasonably expected to require the use of existing sources classified as current assets. Obligations shall include but not be limited to accrued taxes on or measured by income and current maturities of long-term debt.

(c) "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 (1) 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 (2) under a guarantee, on the date the guarantee is entered into but only to the extent of the amount of the guaranteed debt outstanding.

(d) "Net Worth" shall mean the aggregate amount of SCC's unimpaired capital, surplus (including appropriate reevaluations acceptable to A.I.D.) and reserves out of surplus determined in accordance with generally accepted accounting principles.

Article 7: Procurement Source

SECTION 7.1. Foreign Exchange Costs. Disbursments pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

Article 8: Disbursements

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement

for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contract, or purchase order.

Article 9: Miscellaneous:

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by any Party to the others under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered at the following addresses:

To the Borrower:

Minister of Economy and Economic Cooperation 8, Sharia Adli Cairo	or	Chairman, Suez Cement Co. #3B 23rd July Building Abassayia Square Cairo

To A.I.D.

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices

of Minister of Economy and Economic Cooperation, and Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, SCC 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, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower and SCC, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2)[1] is attached and forms part of this Agreement.

[1] See footnote 1, p. 6228.

SECTION 9.4. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering contractor's investment in that project.

IN WITNESS WHEREOF, the Borrower, Suez Cement Company, and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : MAHMOUD SALAH EL-DIN HAMED

NAME : Mahmoud Salah El-Din Hamed

TITLE: Minister of Finance and Acting Minister of Economy and Economic Cooperation

UNITED STATES OF AMERICA

BY : HERMANN FR. EILTS

NAME : Hermann Fr. Eilts

TITLE: American Ambassador

SUEZ CEMENT CO.

BY : AHMED A. SHAKER

NAME : Eng. Ahmed A. Shaker

TITLE: Chairman

ANNEX 1

PROJECT DESCRIPTION

The project consists of the design and erection of a Portland cement plant capable of producing 1.39 million tons of cement annually. The plant will be located approximately 30 kilometers east of Maadi along the Quattamia road near the raw materials site. Raw materials, limestone and clay, will be quarried, crushed at the quarry site, then transported by overland belt conveyors to covered storage areas adjacent to the cement plant. Cement will be produced using the dry process. Plant operations will include raw mill grinding, homogenizing, kiln feeding, preheating, precalcining, clinker cooling, clinker grinding, gypsum grinding and mixing, cement storage, bagging and bulk loading.

Auxiliary facilities will include a central control room and laboratory, oil receiving and storage area, bag manufacturing facility, administrative building, canteen and medical center, gatehouse, living quarters, maintenance building and fire station. The project includes procurement of plant equipment; mining and quarry equipment; construction of required civil works and supporting infrastructure; provision of consulting engineering and advisory services; and assistance in training, managing, operating and main taining the company and its manufacturing facilities.

Power will be provided by a high tension power line from the Wadi Hof substation near Tourah to the plant site, a distance of approximately 25 kilometers. Natural gas, fuel oil and water will be piped to the plant site from a pumping station located near Tourah, a distance of approximately 32 kilometers.

The A.I.D. assistance will finance the major portion of the foreign exchange costs of the plant equipment, the mining and quarry equipment, the electrical equipment, and the services of a U.S. construction management firm capable of designing the plant, ordering the equipment and constructing the plant. An important initial task of the U.S. construction management firm will be to collaborate with SCC on designing and establishing a training program to satisfy the requirements of both plants, for skilled workers and professionals. The total estimated foreign exchange cost is $130.1 million. The A.I.D. loan will finance $95.0 million of these costs.

Of the remaining $35.1 million in project foreign exchange costs, $30.5 million will be financed by the Suez Cement Company with loans obtained either from the International Finance Corporation (IFC), or from commercial banks doing business in Egypt. The remaining $4.6 million

in foreign exchange will be generated through the sale of public shares to investors.

The Egyptian pound costs of the Project will be financed by the Suez Cement Company. These costs include all civil works and plant construction and are estimated at about L.E. 46.5 million ($66.4 million).

Attachment A to Annex 1

PROJECT FINANCIAL PLAN
(Source and Application of Funding)
(000)

As of September 1978

Project No.
QUATTAMIA CEMENT

Project Inputs	Loan ($)	Grant ($)	Amount for a Fully Funded Project Borrower/Grantee ($)	(LE)
LAND	-		-	369
CIVIL WORKS	-		-	24,177
EQUIPMENT	87,406		32,318	5,682
UTILITIES	2,628		972	5,838
CONSTRUCTION/PRE-OPERATING	444		164	2,687
ESCALATION & CONTINGENCY	4,522		1,646	7,733
GRANT TOTAL	$ 95,000		$ 35,100	LE 46,486

PAKISTAN

Trade in Textiles

Agreements amending the agreement of January 4 and 9, 1978.
Effected by exchange of notes
Signed at Washington December 7, 1978 and July 25, 1979;
Entered into force July 25, 1979.
And exchange of notes
Signed at Washington July 27 and 30, 1979;
Entered into force July 30, 1979.

The Secretary of State to the Pakistani Chargé d'Affaires ad interim

December 7, 1978

Sir:

I refer to the Arrangement Regarding International Trade in Textiles (the "Arrangement"), done at Geneva on December 20, 1973,[1] and extended by protocol opened for signature at Geneva on December 15, 1977,[2] and to the agreement of January 4 and 9, 1978[3] (the "Agreement") between the Government of Pakistan and the Government of the United States of America, concerning trade in cotton textiles and textile products.

I also refer to discussions between representatives of the Government of Pakistan and the Government of the United States of America in Washington on October 23, 1978, concerning exports to the United States of America of certain cotton fiber textiles and textile products from Pakistan. As a result of these discussions I propose, on behalf of the Government of the United States of America, that during the first Agreement Year exports from Pakistan to the United States of America of the following categories shall not exceed the consultation levels stated below:

Category	Consultation Level (Square Yards Equivalent)
320	20,000,000
336	1,400,000
340	1,200,000

I also propose that Annex A of the Agreement be corrected by deleting the term "Category 340" and substituting therefor the term "Category 341".

The Honorable
Hayat Mehdi,
Charge d'Affaires ad interim
of Pakistan.

[1] TIAS 7840; 25 UST 1001.
[2] Should read "December 14, 1977". TIAS 8939; 29 UST 2287.
[3] TIAS 9050; 29 UST 4096.

If this proposal is acceptable to the Government of Pakistan, this note and your note of confirmation on behalf of the Government of Pakistan shall constitute an amendment to the Agreement effective on the date of your note of confirmation.

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

For the Secretary of State:
William Barraclough

The Pakistani Economic Minister and Financial Adviser to the Deputy Assistant Secretary of State for International Trade Policy

بسم الله الرحمن الرحيم

EMBASSY OF PAKISTAN
2315 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20008

No F.12(25)ED/78

ECONOMIC MINISTER
&
FINANCIAL ADVISER

July 25, 1979

Sir,

I refer to your note of December 7, 1978 proposing an amendment to the Agreement between the Government of Pakistan and the Government of the United States of America, concerning trade in cotton textiles and textile products.

I confirm on behalf of the Government of Pakistan that the proposal contained in your note is acceptable to my Government and that your note and this note in reply, constitute an amendment to the Agreement between our two Governments.

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

(Ihsanul Haq)

Mr. William Barraclough,
Department of State,
Washington, DC.

The Secretary of State to the Pakistani Chargé d'Affaires ad interim

July 27, 1979

Sir:

I refer to the Agreement concerning trade in cotton textiles of January 4, 1978, as amended, between the United States and Pakistan (hereinafter referred to as the Agreement) and to recent discussions between Representatives of our two Governments concerning exports of cotton textiles from Pakistan to the United States. As a result of those discussions, I wish to propose the following amendment relating to trade in cotton textiles between Pakistan and the United States.

1) I propose on behalf of my Government the following new consultation levels for the 1979 agreement year:

Category	Level (square yards equivalent)
320	20,000,000
359	2,300,000
369	19,000,000

The Honorable

Hayat Mehdi

Charge d'Affaires ad interim of Pakistan.

2) Paragraph 5 of the Agreement is amended to establish new specific limits beginning in the 1979 agreement year as follows:

Category	Level (square yards equivalent)
313	57,368,330
315	33,500,000
319	11,253,470
341	2,000,000
363	7,514,500

If the foregoing proposal is acceptable to the Government of Pakistan, this note and your note of confirmation on behalf of the Government of Pakistan shall constitute an agreement amending the Agreement.

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

For the Secretary of State:

Ernest Johnston

The Pakistani Economic Minister and Financial Adviser to the Deputy Assistant Secretary of State for International Trade Policy

بسم الله الرحمن الرحيم

ECONOMIC MINISTER
&
FINANCIAL ADVISER

No. F.10(65)-ED/79

EMBASSY OF PAKISTAN
2315 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20008

July 30, 1979

Sir,

I refer to your note of July 27, 1979 proposing an amendment to the Agreement between the Government of Pakistan and the Government of the United States of America, relating to trade in cotton textiles and textile products.

I confirm on behalf of the Government of Pakistan that the proposal contained in your note is acceptable to my Government and that your note and this note in reply, constitute an amendment to the Agreement between our two Governments.

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

(Ihsanul Haq)

Mr. E. Johnston,
Department of State,
Washington, DC.

TIAS 9551

CANADA

Prisoner Transfer

Treaty signed at Washington March 2, 1977;
Ratification advised by the Senate of the United States of America, subject to a declaration, [1] *July 19, 1977;*
Ratified by the President of the United States of America August 4, 1977;
Ratified by Canada June 26, 1978;
Ratifications exchanged at Ottawa July 19, 1978;
Proclaimed by the President of the United States of America September 2, 1978;
Entered into force July 19, 1978.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Treaty between the United States of America and Canada on the Execution of Penal Sentences was signed at Washington on March 2, 1977, the text of which Treaty, in the English and French languages, is hereto annexed;

The Senate of the United States of America by its resolution of July 19, 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 4, 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 VIII of the Treaty that the Treaty shall enter into force upon the exchange of instruments of ratification;

The instruments of ratification of the Treaty were exchanged at Ottawa on July 19, 1978; and accordingly the Treaty entered into force on that date;

NOW, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Treaty, to the end that it

[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 III has been enacted."

shall be observed and fulfilled with good faith on and after July 19, 1978, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

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

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

JIMMY CARTER

By the President:
CYRUS VANCE
Secretary of State

TREATY BETWEEN
THE UNITED STATES OF AMERICA AND CANADA
ON THE EXECUTION OF PENAL SENTENCES

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

Desiring to enable Offenders, with their consent, to serve sentences of imprisonment or parole or supervision in the country of which they are citizens, thereby facilitating their successful reintegration into society;

Have agreed as follows:

ARTICLE I

For the purposes of this Treaty:

(a) "Sending State" means the Party from which the Offender is to be transferred;

(b) "Receiving State" means the Party to which the Offender is to be transferred;

(c) "Offender" means a person who, in the territory of either Party, has been convicted of a crime and sentenced either to imprisonment or to a term of probation, parole, conditional release or other form of supervision without confinement. The term shall include persons subject to confinement, custody or supervision under the laws of the Sending State respecting juvenile offenders; and

(d) "Citizen" includes an Offender who may be a dual national of the Parties and in the case of the United States also includes nationals.

ARTICLE II

The application of this Treaty shall be subject to the following conditions:

(a) That the offense for which the Offender was convicted and sentenced is one which would also be punishable as a crime in the Receiving State. This condition shall not be interpreted so as to require that the crimes described in the laws of the two Parties be identical in such matters not affecting the character of the crimes as the quantity of property or money taken or possessed or the presence of interstate commerce.

(b) That the Offender is a citizen of the Receiving State.

(c) That the offense is not an offense under the immigration laws or solely against the military laws of a Party.

(d) That there is at least six months of the Offender's sentence remaining to be served at the time of his application.

(e) That no proceeding by way of appeal or of collateral attack upon the Offender's conviction or sentence be pending in the Sending State and that the prescribed time for appeal of the Offender's conviction or sentence has expired.

ARTICLE III

1. Each Party shall designate an authority to perform the functions provided in this Treaty.

2. Each Party shall inform an Offender, who is within the scope of the present Treaty, of the substance of the Treaty.

3. Every transfer under this Treaty shall be commenced by a written application submitted by the Offender to the authority of the Sending State. If the authority of the Sending State approves, it will transmit the application, together with its approval, through diplomatic channels to the authority of the Receiving State.

4. If the authority of the Receiving State concurs, it will so inform the Sending State and initiate procedures to effectuate the transfer of the Offender at its own expense. If it does not concur, it will promptly advise the authority of the Sending State.

5. If the Offender was sentenced by the courts pursuant to the laws of a state or province of one of the Parties, the approval of the authorities of that state or province, as well as that of the federal authority, shall be required. The federal authority of the Receiving State shall be responsible for the custody of the transferred Offender.

6. In deciding upon the transfer of an Offender, the authority of each Party shall bear in mind all factors bearing upon the probability that transfer will be in the best interests of the Offender.

7. No Offender shall be transferred unless:

(a) he is under a sentence of imprisonment for life; or

(b) the sentence which he is serving states a definite termination date, or the authorities authorized to fix such a date have so acted; or

(c) he is subject to confinement, custody or supervision under the laws of the Sending State respecting juvenile offenders; or

(d) he is subject to indefinite confinement as a dangerous or habitual offender.

8. The Sending State shall furnish to the Receiving State a statement showing the offense of which the Offender was convicted, the termination date of the sentence, the length of time already served by the prisoner and any credits to which the Offender is entitled on account of work done, good behavior or pretrial confinement. Where requested by the Receiving State a translation shall be provided.

9. Each Party shall establish by legislation or regulation the procedures necessary and appropriate to give legal effect within its territory to sentences pronounced by courts of the other Party and each Party agrees to cooperate in the procedures established by the other Party.

10. Delivery of the Offender by the authorities of the Sending State to those of the Receiving State shall occur at a place agreed upon by both Parties. The Sending 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.

ARTICLE IV

1. 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 Sending State shall, in addition, retain a power to pardon the Offender and the Receiving State shall, upon being advised of such pardon, release the Offender.

2. The Receiving State may treat under its laws relating to youthful offenders any Offender so categorized under its laws regardless of his status under the laws of the Sending State.

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 Sending State.

4. The Receiving State shall not be entitled to any reimbursement from the Sending State for the expenses incurred by it in the completion of the Offender's sentence.

5. The authorities of each Party shall at the request of the other Party provide reports indicating the status 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 transfer of an Offender under the provisions of this Treaty shall not create any additional disability under the laws of the Receiving State or any state or province thereof beyond those which the fact of his conviction may in and of itself already have created.

ARTICLE V

Each Party shall regulate by legislation the extent, if any, to which it will entertain collateral attacks upon the convictions or sentences handed down by it in the cases of Offenders who have been transferred by it. Upon being informed by the Sending State that the conviction or sentence has been set aside or otherwise modified, the Receiving State shall take appropriate action in

accordance with such information. The receiving State shall have no jurisdiction over any proceedings, regardless of their form, intended to challenge, set aside or otherwise modify convictions or sentences handed down in the Sending State.

ARTICLE VI

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 a court, federal, state, or provincial, of the Receiving State.

ARTICLE VII

If either Party enters into an agreement for the transfer of sanctions with any other State, the other Party shall cooperate in facilitating the transit through its territory of Offenders being transferred pursuant to such agreement. The Party intending to make such a transfer will give advance notice to the other Party of such transfer.

ARTICLE VIII

1. This Treaty shall be subject to ratification and shall enter into force on the date on which instruments of ratification

are exchanged.[1] The exchange of instruments of ratification shall take place at Ottawa as soon as possible.

2. The present Treaty shall remain in force for three years from the date upon which it enters into force. Thereafter, the Treaty shall continue in force until thirty days from the date upon which either Party gives written notice to the other Party of its intention to terminate the Treaty.

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

DONE in duplicate, in the English and French languages, each language version being equally authentic, at Washington this second day of March, 1977.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Griffin B. Bell [2]

FOR THE GOVERNMENT OF CANADA:

Francis Fox. [3]

[1] July 19, 1978.
[2] Griffin B. Bell.
[3] Francis Fox.

TRAITE ENTRE LES ETATS-UNIS D'AMERIQUE ET LE CANADA
SUR L'EXECUTION DES PEINES IMPOSEES AUX TERMES DU DROIT CRIMINEL

Le Gouvernement des Etats-Unis d'Amérique et le Gouvernement du Canada,

Désireux de permettre aux délinquants, avec leur consentement, de purger leur peine d'emprisonnement ou de bénéficier d'une libération conditionnelle ou d'être soumis à une surveillance dans le pays dont ils sont citoyens, favorisant ainsi leur réinsertion sociale;

Sont convenus de ce qui suit:

ARTICLE I

Aux fins du présent Traité:

(a) "Pays d'origine" désigne la Partie d'où le délinquant est transféré;

(b) "Pays d'accueil" désigne la Partie où le délinquant est transféré;

(c) "Délinquant" désigne une personne qui, dans le territoire de l'une ou l'autre Partie, a été déclarée coupable d'une infraction et condamnée soit à l'emprisonnement, soit à une période de probation, de libération conditionnelle, de libération sous condition ou à toute autre forme de liberté sous surveillance. Le terme englobe les personnes condamnées à l'emprisonnement, tenues sous garde ou soumises à une surveillance en vertu des lois du Pays d'origine concernant les délinquants juvéniles;

(d) "Citoyen" englobe un délinquant qui peut avoir la nationalité des deux Parties et, dans le cas des Etats-Unis, le terme englobe aussi les ressortissants.

ARTICLE II

Le présent Traité s'applique sous réserve des conditions suivantes:

(a) Que l'infraction pour laquelle le délinquant a été déclaré coupable et condamné en soit une qui serait aussi punissable dans le Pays d'accueil. Cette condition ne doit pas être interprétée de manière à exiger que les infractions décrites dans les lois des deux Parties soient identiques sur des points ne modifiant pas le caractère des infractions telles que la quantité de biens ou d'argent pris ou possédés ou l'existence d'un commerce entre Etats.

(b) Que le délinquant soit un citoyen du Pays d'accueil.

(c) Que l'infraction n'en soit pas une aux termes des lois sur l'immigration ou uniquement contre les lois militaires d'une Partie.

(d) Qu'au moment de sa demande, le délinquant ait encore au moins six mois de peine à subir.

(e) Qu'aucune procédure sur la déclaration de culpabilité ou la peine du délinquant entamée par voie d'appel ou de moyen indirect (collateral attack) ne soit en suspens dans le Pays d'origine et que le délai d'appel de la déclaration de culpabilité ou de la peine du délinquant soit expiré.

ARTICLE III

1. Chaque Partie désigne une autorité pour s'acquitter des tâches prévues dans le présent Traité.

2. Chaque Partie informe les délinquants visés par le présent Traité du Contenu du Traité.

3. Aux termes du présent Traité, la présentation d'une demande écrite du délinquant à l'autorité du Pays d'origine constitue la première formalité à remplir au titre du transfert. Si l'autorité du Pays d'origine accorde son autorisation, elle transmet la demande, accompagnée de son autorisation, à l'autorité du Pays d'accueil par la voie diplomatique.

4. Si l'autorité du Pays d'accueil est d'accord, elle en informe le Pays d'origine et entreprend les démarches pour effectuer le transfert du délinquant à ses frais. Dans le cas contraire, elle informe l'autorité du Pays d'origine de son refus dans les plus brefs délais.

5. Lorsque le délinquant a été condamné par les tribunaux de l'une des Parties, conformément aux lois d'un Etat ou d'une province, les autorités de cet Etat ou de cette province de même que l'autorité fédérale doivent également donner leur autorisation. L'autorité fédérale du Pays d'accueil assure la garde du délinquant transféré.

6. Dans sa décision de transférer un délinquant, l'autorité de chaque Partie prend en compte tous les facteurs laissant supposer que le transfert servira au mieux les intérêts du délinquant.

7. Aucun délinquant n'est transféré à moins:

(a) qu'il soit condamné à l'emprisonnement à vie; ou

(b) que la peine qu'il subit expire à une date définie ou que les autorités habilitées à fixer cette date aient agi en ce sens; ou

(c) qu'il soit condamné à l'emprisonnement, tenu sous garde ou soumis à une surveillance en vertu des lois du Pays d'origine concernant les délinquants juvéniles; ou

(d) qu'il soit condamné à l'emprisonnement pour une période indéfinie en tant que délinquant dangereux ou d'habitude.

8. Le Pays d'origine fournit au Pays d'accueil un rapport exposant l'infraction pour laquelle le délinquant a été déclaré coupable, la date d'expiration de la peine, le temps déjà purgé par le prisonnier et tout avantage auquel le délinquant a droit en considération du travail accompli, de sa bonne conduite ou d'une détention provisoire. Sur demande du Pays d'accueil, une traduction est fournie.

9. Chaque Partie institue par législation ou réglementation les procédures nécessaires et appropriées pour donner, sur son territoire, effet juridique aux condamnations prononcées par des tribunaux de l'autre Partie, et chaque Partie consent à apporter sa collaboration à l'autre Partie.

10. La remise du délinquant par les autorités du Pays d'origine à celles du Pays d'accueil s'effectue en un endroit convenu par les deux Parties. Le Pays d'origine donne au Pays d'accueil, s'il le désire, l'occasion de vérifier avant le transfert, par l'entremise de l'agent désigné par les lois du Pays d'accueil, que le consentement du délinquant a été donné de plein gré et en pleine connaissance de cause.

ARTICLE IV

1. Sauf prescription contraire du présent Traité, l'exécution de la peine d'un délinquant transféré s'effectue selon les lois et règles du Pays d'accueil, y compris toutes dispositions de réduction de la durée d'emprisonnement par une libération conditionnelle, une libération sous condition ou autrement. Le Pays d'origine conserve en outre le pouvoir d'accorder le pardon au délinquant et le Pays d'accueil, après avoir été informé de ce pardon, libère le délinquant.

2. Le Pays d'accueil peut soumettre à sa législation concernant les jeunes contrevenants, tout délinquant ainsi classé aux termes de ses lois, sans égard au statut qu'il possède aux termes des lois du Pays d'origine.

3. Le Pays d'accueil ne fait exécuter aucune peine d'emprisonnement de façon à en étendre la durée au-delà de la date où elle aurait normalement pris fin dans le Pays d'origine.

4. Le Pays d'accueil n'a droit à aucun remboursement de la part du Pays d'origine des frais occasionnés pour l'exécution de la peine du délinquant.

5. A la demande de l'autre Partie, les autorités de chaque Partie fournissent des rapports indiquant le statut de tous les délinquants transférés en vertu du présent Traité, y compris en particulier la libération conditionnelle ou la mise en liberté d'un délinquant. Chaque Partie peut, en tout temps, demander un rapport spécial sur l'exécution de la peine d'une personne.

6. Le transfert d'un délinquant effectué en application des dispositions du présent Traité ne doit ajouter aucune incapacité, aux termes des lois du Pays d'accueil ou d'un de ses Etats ou d'une de ses provinces, à celles que sa condamnation pouvait déjà comporter ou avoir crées.

ARTICLE V

Chacune des Parties détermine par voie législative les autres recours (collateral attacks) dont pourraient faire l'objet les déclarations de culpabilité qu'elle a prononcées contre les délinquants qu'elle a transférés et les peines qu'elle leur a infligées. Après avoir été informé par le Pays d'origine que la déclaration de culpabilité ou la peine a été annulée ou autrement modifiée, le Pays d'accueil prend les mesures appropriées en regard de l'information reçue. Le Pays d'accueil n'a aucune compétence sur les procédures, sans égard à leur forme, visant à contester, annuler ou modifier autrement des déclarations de culpabilité prononcées ou des peines imposées dans le Pays d'origine.

ARTICLE VI

Un délinquant livré pour exécuter une peine aux termes du présent Traité ne peut être détenu, jugé ou condamné dans le Pays d'accueil à l'égard de l'infraction pour laquelle la peine a été imposée. Aux fins du présent article, le Pays d'accueil n'entame pour aucune infraction de poursuites qui auraient été exclues en vertu de la loi du Pays d'accueil, si la peine avait été imposée par une cour du fédéral, d'un Etat ou d'une province du Pays d'accueil.

ARTICLE VII

Si l'une ou l'autre Partie conclut avec tout autre Etat un accord de transfert des sanctions, l'autre Partie collabore de manière à faciliter le transit sur son territoire de délinquants transférés conformément à un tel accord. La Partie ayant l'intention d'effectuer un tel transfert doit en informer l'autre au préalable.

ARTICLE VIII

1. Le présent Traité sera ratifié et entrera en vigueur à la date de l'échange des instruments de ratification. Les instruments de ratification seront échangés à Ottawa dès que possible.

2. Le présent Traité sera en vigueur pendant trois ans à compter de sa date d'entrée en vigueur, après quoi il le demeurera jusqu'à expiration d'un délai de trente jours à compter de la date où l'une des Parties aura notifié à l'autre par écrit son intention de le dénoncer.

EN FOI DE QUOI les soussignés, dûment autorisés par leurs Gouvernements respectifs, ont signé le présent Traité.

FAIT en double exemplaire, dans les langues française et anglaise, les deux textes faisant également foi, à Washington ce 2e jour de mars 1977.

POUR LE GOUVERNEMENT DES ETATS-UNIS D'AMERIQUE:

Jimmy B. Baca

POUR LE GOUVERNEMENT DU CANADA:

1- ranin 1- cp.

ZAIRE

Finance: Consolidation and Rescheduling of Certain Debts

Agreement signed at Washington August 1, 1979; Entered into force August 1, 1979.

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE REPUBLIC OF ZAIRE
REGARDING THE CONSOLIDATION AND RESCHEDULING OF PAYMENTS DUE
UNDER PL 480 TITLE I AGRICULTURAL COMMODITY AGREEMENTS

1. Reference is made to the Agreements Between The United States of America and The Republic of Zaire identified in Annex A attached to this Memorandum of Agreement and hereinafter referred to as "PL 480 Agreements." Reference is made also to the 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 or Its Agencies signed in Washington, D.C. on February 7, 1979,[2] and to the Understanding reached by certain creditor nations of The Republic of Zaire on July 7, 1977, as amended on December 1 and agreed to by The Republic of Zaire, wherein agreement was reached on the consolidation and rescheduling of repayments under the PL 480 Agreements.

2. In accordance with the Agreement dated February 7, 1979, and the Understanding reached on July 7, 1977, as amended on December 1 cited above, it is agreed that dollar principal and interest obligations due from January 1, 1977, through December 31, 1977, and remaining unpaid on December 1, 1977, shall be repaid as follows:

a. Principal and interest in the amount of $2,034,439.88 which consists of 85 percent of the principal and interest payments due from January 1, 1977, through December 31, 1977, as listed in Annex A, referred to hereafter as the "Consolidated Debt" shall be

[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*
[2] TIAS 9416; *ante*, p. 3601.

repaid in 12 equal semi-annual installments on January 1 and July 1 with the first payment due on January 1, 1981, and the last payment due on July 1, 1986, as shown in Annex B.

b. Interest on the outstanding balance of the Consolidated Debt shall accrue at the rate of 3.5 percent per annum beginning on the first day after the due dates under the original agreements, and shall be due and payable beginning on July 1, 1978, and semi-annually thereafter on January 1 and July 1 with the last payment due on July 1, 1986, as shown in Annex B.

c. Principal and interest in the amount of $359,018.81 which consists of 15 percent of the principal and interest payments due from January 1, 1977, through December 31, 1977, as listed in Annex A, referred to hereafter as the "Non-Consolidated Debt" shall be repaid in three equal annual installments on January 1, 1978, January 1, 1979, and January 1, 1980, as shown in Annex C.

d. Interest on the outstanding balance on the Non-Consolidated Debt shall accrue at the rate of 3.5 percent per annum beginning on the first day after the due dates under the original agreements, and shall be due and payable beginning July 1, 1978, and semi-annually thereafter on January 1 and July 1 with the last payment due January 1, 1980, as shown in Annex C.

e. Additional interest at the rate of 3.5 percent per annum shall accrue to the benefit of The United States of America on any past due unpaid amounts or unpaid portions of amounts as listed in Annex B and Annex C. Application of payments or credits shall be

first to any interest due, with any balance to the principal installment due.

3. To the extent not amended herein, the terms and conditions of the PL 480 Agreements shall remain in full force and effect.

4. Done at Washington, D.C. this first day of August 1979.

[1]

FOR THE REPUBLIC OF ZAIRE

[2]

FOR THE UNITED STATES OF AMERICA

[1] W'amb 'Ea Nkoso Bofossa.
[2] Charles F. Meissner.

Annex A

Schedule of Certain Amounts Due the United States of America
During the Period January 1, 1977 through December 31, 1977
Under P.L. 480, Title I Agreements With
The Republic of Zaire
Showing the Amount of Consolidated and Non-Consolidated Debt

Original Agreement Date and (Delivery Year)	Payment Due Date	Amount Due Principal	Amount Due Interest *	Amount Due Total	Consolidated Debt (85%)	Non-Consolidated Debt (15%)
3-15-67[1] (68)	4-13-77	$ 83,443.93	$ 25,033.18	$ 108,477.11	$ 92,205.54	$ 16,271.57
10-03-66[2] (67)	6-23-77	374,202.55	102,905.70	477,108.25	405,542.01	71,566.24
5-14-69[3] (69)	6-26-77	93,151.38	36,329.04	129,480.42	110,058.36	19,422.06
10-21-69[4] (70)	6-27-77	109,576.72	46,022.22	155,598.94	132,259.10	23,339.84
10-07-71[5] (72)	6-29-77	92,944.82	44,613.51	137,558.33	116,924.58	20,633.75
3-15-67 (67)	7-10-77	422,315.45	116,136.75	538,452.20	457,684.37	80,767.83
12-11-67[6] (68)	7-13-77	418,745.17	125,623.55	544,368.72	462,713.41	81,655.31
10-21-69 (71)	7-15-77	68,066.20	30,629.79	98,695.99	83,891.59	14,804.40
8-12-68[7] (69)	8-14-77	98,067.07	16,403.19	114,470.26	97,299.72	17,170.54
10-21-69 (70)	12-29-77	5,489.42	2,305.55	7,794.97	6,625.72	1,169.25
10-03-66 (66)	12-31-77	65,162.80	16,290.70	81,453.50	69,235.48	12,218.02
TOTAL		$ 1,831,165.51	$ 562,293.18	$ 2,393,458.69	$ 2,034,439.88	$ 359,018.81

[1] TIAS 6329, 6404; 18 UST 1826, 3138.
[2] TIAS 6166; 17 UST 2258.
[3] TIAS 6687; 20 UST 762.
[4] TIAS 6712; 20 UST 2401.
[5] TIAS 7219; 22 UST 1784.
[6] TIAS 6396; 18 UST 3065.
[7] TIAS 6545; 19 UST 5911.

Annex B

UNITED STATES DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation
Consolidation and Rescheduling of Payments Agreement Dated
With

THE REPUBLIC OF ZAIRE

Repayment Schedule for the 1977 PL-480 Consolidated Debt

REPAYMENT TERMS

Interest: 3.5 percent per annum

Principal: 12 equal semi-annual installments

Installment Due Date	Balance Outstanding	Amount Due Principal	Amount Due Interest	Amount Due Total
7-01-78	$ 2,034,439.88	$	$ 69,560.39	$ 69,560.39
1-01-79	2,034,439.88		35,602.70	35,602.70
7-01-79	2,034,439.88		35,602.70	35,602.70
1-01-80	2,034,439.88		35,602.70	35,602.70
7-01-80	2,034,439.88		35,602.70	35,602.70
1-01-81	2,034,439.88	169,536.66	35,602.70	205,139.36
7-01-81	1,864,903.22	169,536.66	32,635.81	101,172.47
1-01-82	1,695,366.56	169,536.66	29,668.91	199,205.57
7-01-82	1,525,829.90	169,536.66	26,702.02	196,238.68
1-01-83	1,356,293.24	169,536.66	23,735.13	193,271.79
7-01-83	1,186,756.58	169,536.66	20,768.24	190.304.90
1-01-84	1,017,219.92	169,536.66	17,801.35	187,338.01
7-01-84	847,638.26	169,536.66	14,834.46	184,371.12
1-01-85	678,146.60	169,536.66	11,867.57	181,404.23
7-01-85	508,609.94	169,536.66	8,900.67	178,437.33
1-01-86	339,073.28	169,536.66	5,933.78	175,470.44
7-01-86	169,536.62	169,536.62	2,966.89	172,503.51
TOTAL		$ 2,034,439.88	$ 443,388.72	$ 2,477,828.60

Annex C

UNITED STATES DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation
Consolidation and Rescheduling of Payments Agreement Dated
With

THE REPUBLIC OF ZAIRE

Repayment Schedule for the 1977 PL-480 Non-Consolidated Debt

REPAYMENT TERMS

Interest: 3.5 percent per annum

Principal: 3 equal annual installments

Installment Due Date	Balance Outstanding	Amount Due		
		Principal	Interest	Total
1-01-78	$ 359,018.81	$ 119,672.94	$	$ 119,672.94
7-01-78	239,345.87		10,198.31	10,198.31
1-01-79	239,345.87	119,672.94	4,188.55	123,861.49
7-01-79	119,672.93		2,094.28	2,094.28
1-01-80	119,672.93	119,672.93	2,094.28	121,767.21
TOTAL		$ 359,018.81	$ 18,575.42	$ 377,594.23

ACCORD ENTRE
LES ETATS-UNIS D'AMERIQUE
ET LA REPUBLIQUE DU ZAIRE
CONCERNANT LA CONSOLIDATION ET LE REECHELONNEMENT DES PAIEMENTS DUS
EN VERTU DES ACCORDS RELATIFS AUX PRODUITS AGRICOLES
CONCLUS AU TITRE DE LA LOI PUBLIQUE 480

1. Il est fait référence aux Accords conclus entre les Etats-Unis d'Amérique et la République du Zaïre identifiés dans l'Annexe A jointe au présent Mémorandum d'Accord et désignés ci-après "Accords conclus au titre de la L.P.480". Il est fait référence également à l'Accord conclu entre les Etats-Unis d'Amérique et la République du Zaïre concernant la Consolidation et le Rééchelonnement de certaines dettes relatives aux crédits consentis, garantis ou assurés par le Gouvernement des Etats-Unis et ses institutions, signé à Washington, D.C. le 7 février 1979, et à l'Arrangement fait le 7 juillet 1977, amendé le 1er décembre, par certains pays créanciers de la République du Zaïre, et agréé par la République du Zaïre, par lequel l'accord s'est fait sur la consolidation et le rééchelonnement des échéances de remboursement prévues aux termes des Accords conclus au titre de la L.P. 480.

2. Conformément aux termes de l'Accord en date du 7 février 1979 et de l'Arrangement fait le 7 juillet 1977, amendé le 1er décembre, mentionnés ci-dessus, il est convenu que les obligations de paiements dues en dollars sur le principal et les intérêts pendant la période du 1er janvier 1977 au 31 décembre 1977 inclusivement et encore non acquittées au 1er décembre 1977 seront remboursées comme suit:

a. Un montant en principal et intérêts de $2.034.439,88 représentant 85 pour cent des tranches de principal et des intérêts échus du 1er janvier 1977 au 31 décembre 1977 inclusivement, comme indiqué à l'Annexe A, montant désigné

ci-après par l'expression "Dette consolidée", sera remboursé en 12 paiements semestriels égaux le 1er janvier et le 1er juillet, le premier paiement venant à échéance le 1er janvier 1981 et le dernier paiement le 1er juillet 1986, comme indiqué à l'Annexe B.

b. Les intérêts sur le solde non réglé de la Dette consolidée commenceront à courir au taux de 3,5 pour cent l'an à compter du premier jour après les dates d'échéance aux termes des Accords d'origine, et seront exigibles et payables à partir du 1er juillet 1978, et semestriellement par la suite le 1er janvier et le 1er juillet, le dernier paiement venant à échéance le 1er juillet 1986, comme indiqué à l'Annexe B.

c. Un montant en principal et intérêts s'élevant à $359.018,81, représentant 15 pour cent des tranches de principal et des intérêts échus du 1er janvier 1977 au 31 décembre 1977 inclusivement, comme indiqué à l'Annexe A, montant désigné ci-après par l'expression "Dette non consolidée", sera remboursé en trois paiements égaux le 1er janver 1978, le 1er janvier 1979 et le 1er janvier 1980, comme indiqué à l'Annexe C.

d. Les intérêts sur le solde non réglé de la Dette non consolidée commenceront à courir au taux de 3,5 pour cent l'an à compter du premier jour après les dates d'échéance aux termes des Accords d'origine, et seront exigibles et payables le 1er juillet 1978 et, semestriellement par la suite, le 1er janvier et le 1er juillet, le dernier paiement étant exigible le 1er janvier 1980, comme indiqué à l'Annexe C.

e. Les Etats-Unis d'Amérique recevront un intérêt additionnel au taux de 3,5 pour cent l'an sur tous montants échus ou sur toutes parties de montants

non réglées comme indiqué à l'Annexe B et à l'Annexe C. Les paiements et crédits seront imputés en premier lieu à tous intérêts échus, et tout solde restant à la tranche échue de principal.

3. Dans la mesure où elles ne sont pas modifiées par les présentes, les modalités et conditions des Accords conclus au titre de la L.P. 480 demeurent pleinement en vigueur avec tous leurs effets.

4. Fait à Washington, D.C., ce primier jour de Aout 1979.

POUR LA REPUBLIQUE DU ZAIRE

POUR LES ETATS-UNIS D'AMERIQUE

[SEAL]

ANNEXE A

Calendrier de certaines échéances payables aux Etats-Unis d'Amérique
pendant la période du 1er janvier 1977 au 31 décembre 1977 inclusivement
en vertu des Accords conclus au titre de la Loi publique 480, Titre premier, avec
la République du Zaïre
faisant ressortir le montant de la Dette consolidée et non consolidée

Date de l'Accord d'origine et (Année de remise)	Date d'échéance	Montant dû Principal	Montant dû Intérêts	Montant dû Total	Dette consolidée (85%)	Dette non consolidée (15%)
15-3-67 (68)	13-4-77	$ 83.443,93	$ 25.033,18	$ 108.477,11	$ 92.205,54	$16.271,57
03-10-66 (67)	23-6-77	374.202,55	102.905,70	477.108,25	405.542,01	71.566,24
14-05-69 (69)	26-6-77	93.151,38	36.329,04	129.480,42	110.058,36	19.422,06
21-10-69 (70)	27-6-77	109.576,72	46.022,22	155.598,94	132.259,10	23.339,84
07-10-71 (72)	29-6-77	92.944,82	44.613,51	137.558,33	116.924,58	20.633,75
15-03-67 (67)	10-7-77	422.315,45	116.136,75	538.452,20	457.684,37	80.767,83
12-11-67 (68)	13-7-76	418.745,17	125.623,55	544.368,72	462.713,41	81.655,31
21-10-69 (71)	15-7-77	68.066,20	30.629,79	98.695,99	83.891,59	14.804,40
12-08-68 (69)	14-8-77	98.067,07	16.403,19	114.470,26	97.299,72	17.170,54
21-10-69 (70)	29-12-77	5.489,42	2.305,55	7.794,97	6.625,72	1.169,25
03-10-66 (66)	31-12-77	65.162,80	16.290,70	81.453,50	69.235,48	12.218,02
TOTAL		$ 1.831.165,51	$ 562.293,18	$2.393.458,69	$2.034.439,88	$ 359.018,81

ANNEXE B

MINISTERE DE L'AGRICULTURE DES ETATS-UNIS
Commodity Credit Corporation
Accord en date du sur la consolidation et le rééchelonnement des échéances avec
La REPUBLIQUE DU ZAIRE
Calendrier d'amortissement de la Dette consolidée 1977 au titre de la L.P.480

Modalités de remboursement

Intérêt: 3,5 pour cent l'an
Principal: 12 échéances semestrielles égales

Date de l'échéance	Solde non amorti	Montant dû		
		Principal	Intérêts	Total
1-7-78	$ 2.034.439,88	$	$ 69.560,39	$ 69.560,39
1-1-79	2.034.439,88		35.602,70	35.602,70
1-7-79	2.034.439,88		35.602,70	35.602,70
1-1-80	2.034.439,88		35.602,70	35.602,70
1-7-80	2.034.439,88		35.602,70	35.602,70
1-1-81	2.034.439,88	169.536,66	35.602,70	205.139,36
1-7-81	1.864.903,22	169.536,66	32.635,81	101.172,47
1-1-82	1.695.366,56	169.536,66	29.668,91	199.205,57
1-7-82	1.525.829,90	169.536,66	26.702,02	196.238,68
1-1-83	1.356.293,24	169.536,66	23.735,13	193.271,79
1-7-83	1.186.756,58	169.536,66	20.768,24	190,304,90
1-1-84	1.017.219,92	169.536,66	17.801,35	187.338,01
1-7-84	847.638,26	169.536,66	14.834,46	184.371,12
1-1-85	678.146,60	169.536,66	11.867,57	181.404,23
1-7-85	508.609,94	169.536,66	8.900,67	178.437,33
1-1-86	339.073,28	169.536,66	5.933,78	175.470,44
1-7-86	169.536, 62	169.536,62	2.966,89	172.503,51
TOTAL		$ 2.034.439,88	$ 443.388,72	$2.477.828,60

ANNEXE C

MINISTERE DE L'AGRICULTURE DES ETATS-UNIS
Commodity Credit Corporation
Accord en date du sur la consolidation et le rééchelonnement des échéances avec
La REPUBLIQUE DU ZAIRE
Calendrier d'amortissement de la dette non consolidée 1977 au titre de la L.P.480

Modalités de remboursement

Intérêts: 3,5 pour cent l'an

Principal: 3 paiements égaux annuels

Date de l'échéance	Solde non amorti	Montant dû		
		Principal	Intérêts	Total
1-1-78	$ 359.018,81	$ 119.672,94	$	$ 119.672,94
1-7-78	239.345,87		10.198,31	10.198,31
1-1-79	239.345,87	119.672,94	4.188,55	123.861,49
1-7-79	119.672,93		2.094,28	2.094,28
1-1-80	119.672,93	119.672,93	2.094,28	121.767,21
		$ 359.018,81	$18.575,42	$ 377.594,23

SYRIA

Lattakia and Tartous Highway Project

Agreement signed at Damascus September 28, 1978;
Entered into force September 28, 1978.

LOAN AGREEMENT
BETWEEN
THE SYRIAN ARAB REPUBLIC
AND
THE UNITED STATES OF AMERICA
FOR
LATTAKIA - TARTOUS HIGHWAY PROJECT
(2760017)

Date: SEPTEMBER 28, 1978

PROJECT LOAN AGREEMENT BETWEEN THE SYRIAN ARAB REPUBLIC ("BORROWER") AND THE UNITED STATES OF AMERICA, ACTION THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.")

ARTICLE I

The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below and with respect to the financing of the Project by the Parties.

ARTICLE II

The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex I, will consist of engineering services for the design and construction supervision and the construction services needed to construct an 83 kilometer, four lane divided highway from Lattakia to Tartous.

Within the limits of the above definition of the project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2. without formal amendment of this agreement.

ARTICLE III

Financing

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to lend the Borrower under the terms of this Agreement not to exceed Sixty Million United States ("U.S.") dollars ($60,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used only to finance foreign exchange costs, as defined in Article VII, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project. The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1985, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

financed under this Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than twelve (12) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE IV

Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Syrian Arab Republic, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of State for Planning Affairs in the Syrian Arab Republic.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE V

Conditions Precedent to Disbursement

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance acceptable to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Borrower specified in Section 9.2, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A signed and executed contract with a U.S. Engineering Firm for services relating to engineering design, preparation of construction plans and construction tender documents.

SECTION 5.2. Disbursement for Construction Services. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the engineering services referred to in Section 5.1, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance acceptable to A.I.D.:

(a) A signed and executed contract with a U.S. Engineering Firm for services relating to supervision of construction;

(b) A signed and executed contract with a U.S. Construction Contractor(s) for construction services required for the Project;

(c) Evidence that the necessary Right-of-Way for the highway project has been acquired;

(d) Evidence that roads of sufficient capacity are planned for connection with the northern and southern terminal points of the Project; and

(e) A plan for the reimbursement of the persons and families holding land as right-of-way for the Project.

SECTION 5.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Section 5.1. and 5.2. have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1. have not been met within 300 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

(b) If all of the conditions specified in Section 5.2. have not been met within three (3) years 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 cancel the then undisbursed balance of the Loan, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest, on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

ARTICLE VI

Special Covenant

SECTION 6.1. Vehicle Weight Control. The Borrower will take such steps as shall be reasonably required to insure that dimensions and axle loads of vehicles using the Project highway are consistent with the design standards of the Project and that within two years from the signing of this Agreement, or such period as A.I.D. otherwise agrees

in writing, the laws and regulations related to such dimensions and axle loads will be duly enforced and observed.

ARTICLE VII

Procurement Source

Disbursement pursuant to Section 8.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex,[1] Section C.1 (b) with respect to marine insurance.

ARTICLE VIII

Disbursements

SECTION 8.1. Disbursements for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor, or supplier pursuant to a Letter of Commitment, contract, or purchase order.

ARTICLE IX

Miscellaneous

SECTION 9.1. Communications. Any notice, request, documents, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

TO THE BORROWER:

Mail or Cable Address: State Planning Commission
Damascus, Syrian Arab
Republic

To A.I.D.:

Mail or Cable Address: United States Agency for
International Development
Embassy of the United States
Damascus, Syrian Arab Republic

Alternate address for
cables: USAID/DAMASCUS

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Deputy Minister of State for Planning Affairs and A.I.D. will be represented by the individual holding or acting in the office of the A.I.D. Mission Director to the Syrian Arab Republic, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex I. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex II) [1] is attached to and forms part of this Agreement.

[1] See footnote 1, p. 6297.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

THE SYRIAN ARAB REPUBLIC

By: GEORGE HORANIYEH

George Horaniyeh

Title: *Minister of State for Planning Affairs*

THE UNITED STATES OF AMERICA

By: TALCOTT W. SEELYE

Talcott W. Seelye

Title: *Ambassador of the United States of America*

ANNEX 1

Project Description

A. Project Purpose

The purpose of the project is to facilitate the flow of the goods and services to and from the rural areas and urban centers in the northwest of Syria; reduce the vehicle operating and maintenance costs and the transportation charges; support the enhanced seaport capabilities being developed at Tartous and Lattakia: facilitate the movement of transit trade to and from the south central Syria, Jordan and points south by linking the seaports with the national highway network; generate increased agricultural/industrial production by improved highway user cost savings.

B. Project Activities

The Project consists of the design and construction of approximately 83 kilometers of new, limited access four-lane divided highway extending from Tartous north to Lattakia. Specifically, the project will include the following elements:

(1) Acquisition of the necessary right-of-way and the equitable relocation of the persons displaced by the project;

(2) Contracting with a U.S. consulting engineering company to carry out the final design of the project including the selection of the final alignment to minimize negative socio-environmental impacts, the preparation of the design plans, the specifications and the estimates, the preparation of the tender documents for procurement of the construction services, and the assistance to the borrower in bid evaluation and award;

(3) Contracting with a U.S. engineering consulting company for inspection and construction supervision services; and

(4) Contracting with a U.S. construction contractor to construct the project.

The loan will finance the United States dollar costs of the above activities in a total amount not to exceed the amount of the loan. The Borrower shall finance the local currency costs of the project activities, as well as any foreign exchange costs in excess of those available under the loan which are necessary to complete the project.

C. Financial Plan

The total project costs, as estimated from feasibility studies and preliminary engineering designs, and sources of financing are expected in the following general magnitudes (all the amounts expressed in millions of United States dollars):

ITEMS	BORROWER		AID	TOTAL
	L.C.	Forex		
Right-of-Way	10. 0	0. 0	0. 0	10. 0
Consulting Services	3. 0	0. 00	4. 9	7. 9
Construction	25. 4	0. 0	50. 0	75. 4
Contingencies	4. 3	3. 1	5. 1	12. 5
Escalation	11. 1	15. 1	0. 0	26. 2
Subtotals	53. 8	18. 2	60. 0	132. 0

D. Evaluation

Throughout the implementation stages, there shall be periodic evaluation reports concerning primarily the implementation progress of the Project. The parties shall work out the precise nature and timing of such reports through project implementation letters.

Within twelve months after the completion of the Project, an end-of-Project report shall be prepared. The substance of such report shall be determined through project implementation letters; it is anticipated that attention shall be given to evaluating the effectiveness of the pedestrian and livestock underpasses if included in the Project, and what, it any, benefits they may have in minimizing the isolation of areas, etc.

PHILIPPINES

Agricultural Commodities

Agreement signed at Manila August 6, 1979;
Entered into force August 6, 1979.
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 have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III of the Agreement signed on August 24, 1978,[1] together with the following Part II.

PART II - PARTICULAR PROVISIONS

Item I. Commodity Table:

Commodity	Supply Period (United States Calendar Year)	Approximate Maximum Quantity (Metric Tons or Bales)	Maximum Export Market Value (Millions)
Wheat/Wheat Flour (Wheat Basis)	1979	35,000	Dols. 5.4
Cotton (Upland)	1979	10,000	Dols. 3.4
Tobacco	1979	260	Dols. 1.2
		TOTAL	Dols. 10.0

Item II. Payment Terms: Dollar Credit (DC)

A. Initial Payment - Ten (10) percent.

B. Currency Use Payment - Fifteen (15) 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 (United States Calendar Year)	Usual Marketing Requirement
Wheat/Wheat Flour (Wheat Basis)	1979	631,000 metric tons
Cotton	1979	133,000 bales of which at least 117,000 bales shall be imported from the United States of America.
Tobacco	1979	8,000 metric tons of which at least 5,300 metric tons shall be imported from the United States of America.

[1] TIAS 9187; *ante*, p. 198.

Item IV. Export Limitations:

A. Export Limitation Period:

The export limitation period shall be the United States Calendar Year 1979 or any subsequent U.S. Calendar Year in which the 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, the commodities which may not be exported are: for wheat/wheat flour - wheat/wheat flour, rolled wheat, semolina, farina, and bulgur (or same products under a different name) and for cotton - cotton and cotton textiles (including yarn and waste).

C. Permissible Exports

Commodity	Quantity and Conditions	Period Exports Permitted
Cotton textiles	Two (2) million square yards of cotton textiles not including consignment textiles. If this export quantity is exceeded, an additional quantity of cotton at least equal to the raw cotton equivalent in weight of such cotton textile exports will, in addition to the U.S. portion of the UMR provided in Item III, be imported from the United States into the Republic of the Philippines and paid for with the resources of the importing country, but such offset purchase requirement need not exceed the level of total Title I P.L. 480 imports during the supply period.	During U.S. Calendar Year 1979 and any subsequent comparable supply period during which cotton purchased under this agreement is being imported or utilized.

Item V. Self-Help Measures

The Government of the Republic 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 support the following development programs:

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 to contain the following:

a. Further assistance to a number of small farmer activities designed to make a direct impact on the lives of the rural farm community.

b. Improvement of transportation, storage and food handling facilities throughout the country.

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. Increase or improve storage facilities for food grains, giving separate consideration to port areas, other terminal locations and market towns.

C. Improve the marketing system for farm products and production inputs to insure market outlets, lower costs, reduce product waste and insure 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 with activities of the national family planning outreach project.

E. Provide financial support to local governments that submit feasible development projects beneficial to the people in their jurisdiction.

F. Continue support to the Philippine National Nutrition Program.

G. Provide funding for low cost potable water supply and delivery systems. The focus of these activities is on better health and greater productivity of the rural poor through the development of safe water.

H. Implement countrywide projects designed to reforest denuded land and improve cropping systems for swidden areas.

- Improve the general socio-economic well-being of Filipino artisan fishermen-farmers through the Artisan Fisheries-Agriculture project whose purpose is to establish viable, self-sustaining community systems for improving levels of living.

J. Continue with the integrated health delivery systems of the Panay Island Unified Services For Health (PUSH) project including nutrition and population programs.

K. Continue with the construction of rural elementary schools which will be used for outreach programs in agriculture, population and nutrition as well as trade education activities.

L. Establish an emergency fund to support ongoing humanitarian assistance feeding programs, disaster relief operations, inland transportation needs plus other small development projects.

Item VI. Economic Development Purposes for which Proceeds Accruing to the Importing Country are to be Used:

A. The commodities provided hereunder, or the proceeds accruing to the importing country from the sale of such commodities, will be used for the following projects/programs which directly benefit the needy people of the importing country:

1. The following self-help measures set forth in Item V of the agreement:

a) Item V. D - National Family Planning Activities.

b) Item V. F - Philippine National Nutrition Activities.

c) Item V. G - Project 0309 - Local Water Development

d) Item V. H - National Agro-Reforestation Activities

e) Item V. J - Project 0312 - Panay Unified Services for Health (PUSH)

2. The following other Projects/Programs:

a) Project 0295 - Economic and Social Impact Analysis/ Women in Development

b) Project 0319 - Bicol Integrated Health, Nutrition and Population

c) Project 0322 - Freshwater Fisheries Development

d) Project 0333 - Barangay Water II

e) NEDA Ad Hoc Committee on Utilization of U. S. Bases Areas

f) GOP Development Projects involving Private Voluntary Organizations (PVOs)

g) GOP Development Projects involving Peace Corps Volunteers (PCVs)

h) Construction and improvement of port handling facilities and warehousing to insure domestic and imported products are properly safeguarded and protected.

B. The Projects/Programs identified under VI A above will directly benefit the needy in the following ways:

1. By developing improved, ecologically sound agriculture-forestry production systems thereby enabling poor hillside farmers to improve their livelihood and cultivation practises through the uses of appropriate technologies which: (1) increase crop and tree production by more suitable inter-planting and rotation practises; (2) improve conservation of soil and water management; (3) upgrade land and pasture use management; and (4) provide fuel wood as a relatively in-expensive energy source and raw materials for increased cottage industry output.

2. Provide some local currency inputs for free family planning services and other programs designed to reduce the Philippine Population growth rate. Target for this service in 1980 is approximately 2 million couples, the majority of this group are from the rural and urban poor.

3. To assist with the institutional and physical development of national and local water utilities districts in order to provide potable water to low income communities.

4. Supplements funding for an integrated health services development project on Panay Island which is designed to benefit an estimated 340,000 poor people in 61,200 households on that island. Included in this number are 10,000 third degree malnutrition children.

5. Aids in the creation of effective rural service delivery systems to include improved sanitary environment and household water supplies. The project beneficiaries are a segment of the society living in abject poverty in one of the poorest regions, the Bicol.

6. Support projects to further strengthen the GOP to operate an integrated municipal level nutrition oriented, local food production and assistance program focused on the least advantaged income groups.

7. Utilize pesos in programs designed to increase freshwater aquaculture production which will increase incomes of small farmers and small fish producers.

8. Contribute to efforts for institutionalizing the capability of selected local government units to identify, plan, organize and install functional barangay cooperative water systems with their own maintenance capacity in low income rural farming communities.

9. Utilize peso resources to fund feasibility studies for those areas surrounding U.S. bases in the Philippines. The design of these studies will be aimed at creating more opportunities for improving the economic well being of the poor.

10. Contribute peso support to projects basic human needs of rural communities and implemented in conjunction with the Voluntary Agencies and or Peace Corp Volunteers.

11. Generated pesos will be utilized in country wide programs designed to improve the port handling, storage and transportation facilities to insure domestic and imported products are properly safeguarded and protected. Small farmers, especially, can benefit in that local market facilities will be improved for assisting the expeditious transfer of domestically produced food products such as rice, corn, etc. from farm to market.

C. The gross proceeds generated from the sale of all the commodities in this agreement shall be deposited in a special account for financing projects/programs outlined in para A above. The allocation of proceeds from the special account for financing will be made by a team consisting of a representative of the National Economic and Development Authority (NEDA), Ministry of the Budget, and the U. S. Embassy Staff, Manila.

D. In addition to the report required by Part I, Article IIF of this agreement, the importing country agrees to report on how the projects/programs identified in Item VIA above were used to benefit the needy. Such report shall be made by the importing country within six months following the last delivery of commodities in the first calendar year of the agreement and every six months thereafter until all the commodities provided hereunder, or the proceeds from their sale, have been used for the projects/programs specified in Item VIA above.

DONE at Manila, Philippines, in duplicate, this 6th day of August, 1979.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

[1]

Ambassador

FOR THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES:

[2]

Minister of Foreign Affairs

[1] Richard W. Murphy.
[2] Carlos P. Romulo.

AGREED NEGOTIATION MINUTES TO THE AUGUST 6, 1979
PHILIPPINE PL 480 TITLE I AGREEMENT

Date Negotiated - July 16, 1979

Panel Members:

Philippines:

Mrs. Angelina Z. Tiangco, Chairperson, CB
Mr. Sebastian P. Nuguid, NEDA
Ms. Alpha Dayot, MFA
Mr. Jose Roberto Javier, MFA
Mr. Joseph Edralin, IPDI/DBP
Mr. Vicente Coloso, Min. of Trade
Mr. Raymundo Tomas, Min. of the Budget
Mr. Adriano Lorenzana

Others present:

Mr. Eduardo Magahis, CB
Ms. Aurora A. Venturanza, MFA
Mr. Tranquilino P. Ventura, MARINA
Mr. Maximiano R. Tom, Phil. Natl. Lines
Mr. Romeo Lacson, NGA
Mr. Ricardo Mercado, NGA
Mr. Pablito Valencia, NGA
Plus a PVTA Representative

United States:

Mr. Edson Kempe, USEmb/EC/COM, Chairperson
Mr. John Riesz, USEmb/AGR
Mr. Daniel Leaty, USAID/PO
Mr. William F. Doody, USAID/NUTN

1. The initial and only formal negotiating session was begun at 1430 hours at Central Bank Headquarters, Manila, R.P. Brief introductions of both the Philippine and U.S. negotiating terms was made by the respective chairpersons. Mrs. Tiangco of the Philippine panel then proceeded with an opening statement in which she emphasized the following:

a. There was a need to clarify the phrase "effective date of this agreement". Attention was called to Part III of the August 24, 1979[1] Title I Agreement, which by reference, is incorporated as part of this agreement under negotiation. Upon review the Philippine panel concurred that the effective date was the date the agreement is signed by representatives of the Government of the Philippines and the United States.

b. A request was made to modify the terms of Part I, page 2, para F, 2nd sentence, with the amendment to read as follows:

"The ocean freight differential is deemed to be the amount, as determined by the Governments of the exporting and IMPORTING [country] COUNTRIES, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities transported in United States flag vessels."

[1] Should read "August 24, 1978".

or, alternatively, the pertinent portion to read as follows:

"x x x as determined by the Government of the exporting country IN ACCORDANCE WITH GUIDELINES AND PROCEDURES TO BE AGREED UPON BETWEEN THE GOVERNMENTS OF THE EXPORTING AND IMPORTING COUNTRIES x x x."

It was pointed out U.S. Public Law 664[1] contains the requirement for at least 50 percent of the freight moving on U.S. bottoms and the determination for freight differential was vested in USDA. However, this is a joint effort. The Philippines will be responsible for the freight booking subject of course to rate reviews by USDA. On the basis of additional discussion of this matter including other sections of Article I, Part I the Philippines agreed not to modify the wording in the draft of the agreement but to have the agreed interpretation included in these minutes.

It was agreed that, (a) in the case of chartered vessels, the differential shall be the difference between the lowest acceptable freight/charter hire offered at the public tender using a U.S. flag vessel/vessels and the lowest acceptable freight/charter hire offered in the same public tender using non-U.S. flag vessel/vessels; and, (b) in the case of liner vessels, the differential shall be the difference between the lowest net freight charges of a suitable U.S. liner flag vessel available for the carriage of the commodities and the lowest net greight charges of a suitable non-U.S. liner flag vessel available for the same purpose.

c. The following addition to para G, Article I, Part I was presented:

"Net of the ocean freight differential to be borne by the Government of the Exporting Country."

The U.S. panel clarified that the U.S. made dollar inputs to both the commodity and freight letters of credit opened to support purchases and deliveries, and that in practice the LCs opened by Philippine purchasers of commodities under the agreement have already been "net of the ocean freight differential to be borne by the U.S. Government." The matter was further cleared up by a review of the preceding paragraph F and inputs by members of both panels experienced in Title I operations.

d. Since the agreement provides that 50 percent of the Title I commodities are required to be transported by U.S. flag vessels, the Philippine panel requested the following provision on the use of RP flag vessels:

"Approximately 50 percent by weight of the commodities sold under this agreement shall be transported in suitable flag vessels of the importing country when available in accordance with its laws."

[1] 68 Stat. 832; 46 U.S.C. § 1241.

A rather lengthy discussion followed in which the U.S. panel reiterated that the choice of freight line was the responsibility of the Philippines and therefore the GOP could maximize the use of their own vessels. But there are occasions when more than 50 percent U.S. flag vessels will be utilized. Offsets are then made in succeeding shipments to maintain the approximately 50 percent balance. Secondly, there will be occasions in which Philippine flag vessels will not be available to lift commodities within the prescribed time frame of the agreement. Therefore other foreign ocean carriers must be contracted for. Following some additional discussion it was agreed not to modify the existing freight clause of the agreement but to note the proposal in these minutes, since under the agreement, the Philippine Government has the discretion to use Philippine flag vessels for the balance of the commodities not carried by U.S. flag vessels.

e. A proposal was also made that the prepayment of the principal should be subject to prior Philippine Central Bank approval. Both panels agreed that prepayment can only be exercised by the Philippine Government, so that the proposed provision need not be included in the agreement.

f. There was a question raised concerning the need to include "wheat flour" as part of the commodity description in Item I, Part II. An explanation followed that the choice of commodities rests with the Philippine Government.

g. A request was made to modify Part II, Item II, Payment Terms: Dollar Credit DC "by reducing the initial payment from 10% to 5%" and the "grace period from 2 to 5 years". The U.S. panel pointed out that this modification was proposed in the agreements of 1977 and 1978 and rejected, and explained the reasons why. In addition, continuing inflationary and budgetary constraints leave little chance for obtaining more favorable financial terms. The Philippine panel then agreed to withdraw its request for modification.

h. It was agreed that the following provision is to be added as para C, Item VI, Part II of the proposed 1979 Title I Agreement.

"C. The gross proceeds generated from the sale of all the commodities in this agreement shall be deposited in a special account for financing projects/programs outlined in para 4 above. The allocation of proceeds from the special account for financing will be made by a team consisting of the representative of the National Economic and Development Authority (NEDA), the Ministry of the Budget and the U.S. Embassy Staff, Manila."

2. The Chairman of the U.S. Panel made an opening statement and then proceeded to emphasize and discuss the following:

a. That Parts I and III are included in this Agreement by reference.

b. Of primary importance was Part II, Item VI in which both governments must identify and agree to the basic human needs projects and programs the resources from this agreement will be applied. Further that the agreed section must still be forwarded to Washington for approval before its incorporation into the agreement.

c. A brief was presented on the commodity composition and the background of the allocation to the Philippines.

d. Financing for the commodities would come from the FY 1979 Title I budget therefore shipments from the U.S. were requested to be made prior to September 30, 1979.

e. UMR and Export Limitations were explained and discussed in some detail.

f. It was stressed that letters of credit for both the commodity and freight must be opened promptly after appropriate contracts were executed.

g. A brief was presented citing that if commodity market prices rise, the dollar amounts in the agreement will govern. If prices decline, commodities could only be procured in the quantities outlined in Part II.

h. Again the importance of Item VI was stressed and both panels agreed to the draft provisions to make up paras A, B, C, and D of Item VI, Part II of the new agreement.

i. The reporting requirements of the new agreement covering UMR, Self Help and Item VI were presented in a brief.

j. The GOP panel was requested to provide:

(1) The type and grade of commodity(ies) to be purchased.

(2) Proposed contracting and delivery schedules.

(3) Names of banks, U.S. and Foreign, which will handle financing operations.

3. At the conclusion of the formal session, both sides agreed to the modified terms of the agreement. The Philippine panel declared their intent to complete the signing on/or prior to July 20, 1979. However, the U.S. panel advised of the need to cable Washington the results of the negotiating session and also present details for inclusion of the new Item VI, Part II. Once the necessary replies are obtained from Washington, the signing date can be determined.

Angelina Z. Tiangco
Chairperson, Philippine Panel

Edson W. Kempe
Chairperson, U.S. Panel

EGYPT

Cairo Sewerage

Agreement signed at Cairo September 30, 1978;
Entered into force September 30, 1978.

A.I.D. Project Number 263-0091

PROJECT

GRANT AGREEMENT

AMONG

THE ARAB REPUBLIC OF EGYPT,

THE UNITED STATES OF AMERICA,

THE MINISTRY OF HOUSING

AND

THE GENERAL ORGANIZATION FOR SEWERAGE AND

SANITARY DRAINAGE

FOR

CAIRO SEWERAGE

DATED: September 30, 1978

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Annex 1 - Project Description

[1] Not printed herein. For text, see TIAS 8830; 29 UST 501.

A.I.D. Project Number 263-0091

Project Grant Agreement

Dated: September 30, 1978

Among

The Arab Republic of Egypt ("Grantee"),

The Ministry of Housing ("MOH"),

The General Organization for Sewerage and Sanitary Drainage ("GOSSD"),

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of the Project. The Project, which is further described in Annex 1, will consist of assistance to the Grantee to repair and to plan the expansion of Cairo's wastewater collection and disposal system. The Project is divided into the following three elements:

(1) rehabilitation, repair and minor modification of the existing trunk sewers, collectors and pump stations to enable the existing conveyance system to be operated at full capacity.

(2) review of the conclusions drawn in the Master Plan and develop a staged program for implementing the Master Plan.

(3) training of technical personnel of GOSSD so that the rehabilitated and expanded system can be operated effectively.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2. without formal amendment to this Agreement. The Grantee will make available the funds under this Grant to the GOSSD, which will be the implementing agency for this Project.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to grant the Grantee under the terms of this Agreement not to exceed Twenty-Five Million United States ("U.S.") Dollars ($25,000,000) ("Grant"). The Grant may be used only to finance foreign exchange costs as defined in Section 6.1., of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than Thirty-One Million Five Hundred Thousand Egyptian Pounds (L.E. 31,500,000), including costs borne on an "in-kind" basis.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is November 1, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2. and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) An executed contract acceptable to A.I.D. for the engineering consulting services for the Project with a firm acceptable to A.I.D.;

(c) A copy of the Grant Agreement for the Project executed between the United Kingdom Ministry of Overseas Development ("ODM") and the Grantee, together with evidence that the conditions to effectiveness of such Grant Agreement have been met;

(d) Evidence of the establishment of a Project Steering Committee with membership of GOSSD, ODM and USAID;

(e) Topographical maps of Cairo at a scale of 1:5000 with one meter contours, based on the aerial photographs taken by the Societe Nouvelle Francaise de Sterotopographic and the Institut Francais Geographique National; and

(f) Such other information and documentation as A.I.D. may reasonably require.

SECTION 4.2. Additional Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for any purpose other than to finance the engineering consulting services referred to in Section 4.1., the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. evidence that GOSSD has assembled and catalogued all as built drawings.

SECTION 4.3. Additional Disbursement for Commodities or Services for Rehabilitation Activities. Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for commodities or services for a specific rehabilitation activity, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence that a detailed facility rehabilitation plan for such activity, acceptable to A.I.D., has been submitted to GOSSD by its consultant and approved by GOSSD.

(b) Evidence that the Ministry of Housing has included in its budget for Fiscal Year 1979 adequate local currency for the Grantee's contribution to the Project for operation of the project during Fiscal Year 1979.

SECTION 4.4. Additional Disbursement -- Training. Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for training, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a proposed training program showing the categories and identities of the trainees, and the nature, length and purpose of the training.

SECTION 4.5. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 4.1, 4.2, 4.3, and 4.4 have been met, it will promptly notify the Grantee.

SECTION 4.6. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants.

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Continuing Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties shall from time to time, at the request of any Party, exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and other matters realting to the Project. The Grantee and GOSSD shall specifically review and discuss with A.I.D. the recommendations of the management and tariff consultant under contract with the former Ministry of Housing and Reconstruction and shall implement those recommendations agreed to after such discussions.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source, origin and nationality in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by A.I.D. or the Grantee to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Ministry of Economy and Economic Cooperation 8, Adly Street Cairo, Egypt	or	General Organization for Sewerage and Sanitary Drainage Sixth Floor of Mogama Building Midan El Tahrir Cairo

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such other communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, Minister of Housing, Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and Chairman of the General Organization for Sewerage and Sanitary Drainage. A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt. Each, by written notcie, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee , with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] is attached to and forms part of this Agreement.

SECTION 8.4. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further

[1] See footnote 1, p. 6315.

approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : Mahmoud Salah El Din Hamed

NAME : Mahmoud Salah El Din Hamed

TITLE: Minister of Finance and Acting Minister of Economy and Economic Cooperation

UNITED STATES OF AMERICA

BY : Hermann F. Eilts

NAME : Hermann F. Eilts

TITLE: American Ambassador

GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE

BY : Abd El Monem Eshmawy

NAME : Abd El Monem Eshmawy

TITLE: Chairman

MINISTRY OF HOUSING

BY : A. Tewfik

NAME : Ahmed Talaat Tewfik

TITLE: Minister of Housing

ANNEX 1

Cairo Sewerage Project Description

This project is the initial stage of a longer range program for rehabilitation and overall improvement of Cairo's sewage collection, pumping, treatment and effluent disposal system. Major work on a Master Plan has been accomplished. From the planning undertaken to date, it is estimated that the overall rehabilitation and expansion program will involve the equivalent of not less than $400 million over a period of at least five years. The United States, the United Kingdom and the Government of Egypt have agreed to move forward on further elaboration of this longer term program as rapidly as possible, including examination of the possibility of the commitment of further funds on the part of all three parties in following fiscal years in support of the broad expansion program. A portion of the funds provided under this Project will be used in the collaborative engineering work to be undertaken between these three governments in support of this longer term expansion program, as indicated further below.

This FY78 Project will provide three main elements, as follows:

1. Rehabilitation

a. Removal of silt, sand, and debris from existing sewers, together with related repairs of sewer structures. Deposits in the sewers are extensive and have resulted in reducing the effective capacity of some major conduits by 50%.

b. Improvement of five major sewage pump stations and approximately 30 other pump stations which are in poor structural, mechanical, and electrical condition. Many of the existing pump stations do not have adequate wet wells for the amount of sewage being handled, have inadequate pumping capacity, and lack operative control systems. This situation results in the need to store sewage in the sewer system during peak flow hours, which in turn is the direct cause of the extensive deposition of sand and debris in the sewers mentioned in item a. above.

c. Rehabilitation of the four existing sewage treatment plants, which are presently ineffective due to severe equipment shortcomings.

d. Preparation of as-built drawings of the key existing facilities. The available plans of existing works, which have been constructed and modified over a 60 year period, are unreliable or missing. Accurate drawings are essential in order to design remedial facilities.

e. Preparation of detailed construction plans and specifications and of purchase specifications for the above mentioned sewer cleaning and repairs, pump station improvements, and treatment plants rehabilitation.

2. Training

Training of GOSSD technical personnel so that the rehabilitated sewerage system will be operated and maintained as effectively as possible. The training will be for both present employees and candidates for future positions. The program will be directed toward the existing and proposed future facilities, and will include dual language manuals for the use of GOSSD's staff. Training will be both on-site at major system facilities and in classroom.

3. Master Planning and Preliminary Designs

Review of certain conclusions of the recently completed Cairo Sewerage Master Plan and the refining of this plan to identify the nature, cost, and scheduling of specific improvements. The purpose of this review is to direct greater emphasis toward maximum use of the existing facilities to develop low capital cost interim solutions, to obtain early benefits of any improvements, and to defer major capital expenditures to the greatest practical extent. Following review of the master plan, preliminary engineering and design, to serve as the basis for further funding commitments to specific elements of the expansion program, will be undertaken.

It is planned that a joint venture of U.K. and U.S. architect/engineer consulting firms will be engaged by GOSSD to perform all planning and engineering work required. It is anticipated that the detailed design and supervision of construction of improvements contained in the finalized master plan will be accomplished by the same UK/US joint venture firms under amended or separate contracts with GOSSD. Such improvements, including the final design and supervision, are not included in this Project.

Because of the complex interrelationships between the rehabilitation of the existing system and the master planning of longer range improvements, and reflecting the interest of ODM and USAID in structuring future financing for implementation of the initial stages of the master plan, a Project Steering Committee will be formed with joint membership of GOSSD, ODM and USAID. The purpose of this Committee will be to provide executive level monitoring of consultant and contractor performance, to review important conceptual and technical matters, and to provide guidance and direction to the joint venture engineering consultant.

PHILIPPINES

Trade in Textiles and Textile Products

Agreement amending the agreement of August 22 and 24, 1978.
Effected by exchange of notes
Signed at Manila August 3 and 16, 1979;
Entered into force August 16, 1979.

The American Ambassador to the Philippine Minister of Foreign Affairs

No. 410 Manila, August 3, 1979

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973, and extended by a protocol adopted on December 14, 1977[1] at Geneva (The Arrangement). I also have the honor to refer to the United States - Philippine Agreement Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, with annexes, effected by exchange of notes dated August 11, 1978.[2] On behalf of the Government of the United States of America, I propose the following.

The specific limit for non-traditional apparel Category 434 (other wool coats, men's and boys') is changed to 15,968 dozens for 1979, the use of which shall be restricted to CPO Jackets.

If the foregoing is acceptable to the Government of the Republic of the Philippines, this note and your Excellency's note of confirmation on behalf of

His Excellency
Carlos P. Romulo,
Minister of Foreign Affairs,
Manila.

[1] TIAS 7840, 8939; 25 UST 1001; 29 UST 2287.
[2] Should read: "August 22 and 24, 1978". TIAS 9223; *ante*, p. 844.

the Government of the Republic of the Philippines shall constitute an agreement between the Governments of the United States of America and of the Republic of the Philippines amending the agreement accordingly.

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

Richard W. Murphy[1]

[1] Richard W. Murphy.

The Philippine Minister of Foreign Affairs to the American Ambassador

REPUBLIKA NG PILIPINAS
KAGAWARAN NG SULIRANING PANLABAS
MAYNILA[1]

No. 18476

Excellency:

I have the honor to acknowledge receipt of Your Excellency's Note No. 410 dated 3 August 1979 which reads as follows:

"Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973, and extended by a protocol adopted on December 14, 1977 at Geneva (The Arrangement). I also have the honor to refer to the United States - Philippine Agreement Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, with annexes, effected by exchange of notes dated August 11, 1978. On behalf of the Government of the United States of America, I propose the following.

The specific limit for non-traditional apparel Category 434 (other wool coats, men's and boys') is changed to 15, 968 dozens for 1979, the use of which shall be restricted to CPO Jackets.

If the foregoing is acceptable to the Government of the Republic of the Philippines, this note and your Excellency's note of confirmation on behalf of the Government of the Republic of the Philippines shall constitute an agreement between the Governments of the United States of America and of the Republic of the Philippines amending the agreement accordingly.

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

I have the honor to confirm on behalf of the Philippine Government that the proposal as contained in Your Excellency's Note is acceptable to the Philippine Government and this Note and your Note No. 410 of 3 August 1979 shall constitute an agree-

His Excellency Richard W. Murphy

Ambassador Extraordinaryand Plenipotentiary

United States of America

M a n i l a

[1] In translation reads: "Republic of Philippines
Department of Foreign Affairs
Manila"

ment between our two Governments thus amending the agreement effected by Exchange of Notes on 11 August 1978 accordingly.

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

C. P. R. [1]
Minister for Foreign Affairs

Manila, 16 August 1979

[1] C. P. Romulo.

EGYPT

Water and Sewerage Systems

Agreement signed at Cairo September 30, 1978,
Entered into force September 30, 1978.

A.I.D. Loan No. 263-K-050
Project No. 263-0048

PROJECT LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
UNITED STATES OF AMERICA,
THE MINISTRY OF HOUSING, SUEZ CANAL AUTHORITY
AND
THE GENERAL ORGANIZATION FOR SEWERAGE
AND SANITARY DRAINAGE
FOR
CANAL CITIES WATER AND SEWERAGE

Dated. SEPTEMBER 30, 1978

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ANNEX 1 – Project Description		

[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

PROJECT LOAN AGREEMENT DATED: SEPTEMBER 30, 1978 AMONG THE ARAB REPUBLIC OF EGYPT ("BORROWER"), THE MINISTRY OF HOUSING ("MOH"), THE GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE ("GOSSD"), SUEZ CANAL AUTHORITY ("SCA"), AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to the Government of the Arab Republic of Egypt for rehabilitation and expansion for the water and wastewater systems in the Suez Canal Cities of Port Said, Ismailia and Suez, to include: (1) improvements to water and wastewater treatment plants, (2) water distribution and wastewater collection systems (including sewer cleaning), (3) construction of new water and wastewater pumping stations, and (4) the construction of a water transmission pipeline to the Suez Cement Company, (hereinafter referred to as the "Project"). Funds made available under the Loan will be passed through the Ministry of Housing until such time that a reloan agreement, satisfactory to A.I.D., can be negotiated with the responsible successor organization(s) of the present Canal Cities' Water/Wastewater organizations.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2 without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to lend the Borrower under the terms of this Agreement not to exceed Sixty Million United States ("U.S.") Dollars ($60,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1 of goods and services required for the Project.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than Thirty-Nine Million One Hundred Fourteen Thousand Egyptian Pounds (LE 39,114,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is July 1, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan (1) in response to request received by A.I.D. after January 31, 1982, or (2) for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than five (5) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disburse-

ment of the Loan in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payed nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal.

Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.2 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.2, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the officer of Borrower's Minister of Economy and Economic Cooperation in the Arab Republic of Egypt.

SECTION 4.6. Termination of Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) An opinion of the Egyptian Minister of Justice, or other legal counsel satisfactory to A.I.D., that the Loan Agreement has been duly authorized by, and executed on behalf of the Arab Republic of Egypt, MOH, SCA, and GOSSD, and that it constitutes a valid and legally-binding obligation in accordance with its terms;

(2) A statement of the names of the persons who will act as the representatives of the Borrower, MOH, SCA and GOSSD together with a specimen signature of each;

(3) Evidence that the Loan funds will be administered by the MOH on behalf of the Borrower and made available to SCA, GOSSD and the Governorates of Port Said, Ismailia and Suez, until such time that reloan agreement(s) satisfactory to A.I.D. can be negotiated with the existing or successor organization(s) responsible for the Canal Cities' Water/Wastewater facilities;

(4) Executed contracts acceptable to A.I.D. with consulting engineering firms acceptable to A.I.D. for services relating to the Project; and

(5) Such other documentation as A.I.D. may require.

SECTION 5.2. Additional Conditions Precedent. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance any costs other than of consulting engineering services, GOE shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(1) A financial and physical plan for each of the project elements;

(2) A detailed implementation plan, CPM/PERT form, for the rehabilitation and expansion of the water treatment plants, water distribution systems, sewage collection systems, and sewage treatment plants of Port Said, Ismailia, and Suez; and

(3) Such other documentation as A.I.D. may require.

SECTION 5.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 5.1 and 5.2 have been met, it will promptly notify the Borrower.

SECTION 5.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties may otherwise agree in writing, the program will include, during the implemenation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Execution of the Project. The Borrower, MOH, GOSSD and SCA shall:

(1) Cause the project to be carried out with due diligence and efficiency, and in conformity with sound engineering, construction, financial and administrative practices.

(2) Cause the project to be carried out in conformance with all plans, specifications, contracts, and other arrangements, and with all modifications therein approved by A.I.D. pursuant to this Agreement.

(3) Submit for A.I.D. approval prior to implementation, issuance, or execution, all plans, specifications, construction schedules, bid documents concerning solicitation of proposals relating to eligible items, contracts, and all modifications in these documents.

SECTION 6.3. Funds and Other Resources to be Provided. The Borrower, MOH, GOSSD and SCA shall make available on a timely basis any Egyptian currency and any foreign currency in addition to the Loan, for the punctual and effective carrying out of construction, maintenance, repair and operation of the project.

SECTION 6.4. Operation and Maintenance. The Borrower, MOH, GOSSD and SCA shall operate, maintain and repair the project in conformity with sound engineering, financial and administrative practices and in such manner as to ensure the continuing and successful achievement of the purposes of the project.

SECTION 6.5. Management. The Borrower, MOH, GOSSD and SCA shall provide qualified and experienced management for the project and to train such staff as may be appropriate for the maintenance and operation of the project.

SECTION 6.6. Continuing Consultation. The Borrower, MOH, GOSSD and SCA shall cooperate fully with A.I.D. to assure that the purpose of the Loan will be accomplished. To this end, the Borrower, MOH, SCA, GOSSD and A.I.D. 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 of the Borrower, MOH, SCA and GOSSD of its obligations under the Loan Agreement, the performance of consultants, contractors, suppliers engaged on the project, and other matters relating to the project. The Borrower, MOH, SCA and GOSSD shall specifically review and

discuss with A.I.D. the relevant recommendations of the management and tariff consultant and shall implement the recommendations agreed as a result of such discussions.

SECTION 6.7. Financing. In form and substance satisfactory to A.I.D. the Borrower, MOH, SCA and GOSSD shall:

(a) Assure adequate long-term financing for SCA's and GOSSD's expansion program which has been authorized and modifications and adaptions to such program. No later than April 30, 1980, the financing so provided will be divided between equity contributions and loans in such a manner that after including the A.I.D. loan, the debt to equity ratio will be no greater than 1.5:1. Also, no later than April 30, 1978, SCA tariffs shall be set at a level high enough to produce a reasonable rate of return on average net fixed assets in operation, appropriately valued and revalued from time to time; and

(b) Execute at the earliest practicable time after the completion of the Management and Tariff Study a reloan agreement or agreements with the organization(s) who will be recipients of the reloan from the GOE containing the terms of payment including interest and repayment of interest acceptable to A.I.D.

SECTION 6.8. SCA Successor. In the event that either GOSSD, SCA or the Governorates of Port Said, Ismailia and Suez are succeeded by other entities having responsibilities for the Canal Cities' water/wastewater systems, either before or after the Project is completed, the then value of the A.I.D. Loan shall be re-lent and the facilities attributable to the Loan shall be made available to the successor organization(s) on terms and conditions acceptable to A.I.D.

SECTION 6.9. Raw Water Supply. The Borrower, MOH, GOSSD and SCA shall provide all physical and operational improvements, satisfactory to A.I.D., needed to assure that an adequate quantity and quality of raw water supply from the Ismailia-Port Said Sweetwater Canal system operated by the Ministry of Irrigation will be available for the purposes of this Project.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source, origin, and nationality in the U.S. (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursements for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Ex-

change Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or (b) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project, or

(2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (b) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contractor, or purchase order.

ARTICLE 9: Miscellaneous.

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

TO THE BORROWER:	Ministry of Economy and Economic Cooperation 8, Adly Street Cairo, Egypt Ministry of Housing 1 Ismail Abaza Street Cairo, Egypt
To A.I.D.:	A.I.D. U.S. Embassy Cairo, Egypt

All such communications will be in English, unless the Parties other-

wise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, Minister of Housing, Chairman of GOSSD, and Chairman, Suez Canal Authority, and Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [1] is attached and forms part of this Agreement.

IN WITNESS WHEREOF, the Parties, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: MAHMOUD SALAH EL-DIN HAMED

Name: Dr. Mahmoud Salah El-Din Hamed

Title: *Minister of Finance and Acting Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: HERMANN FR. EILTS

Name: Hermann Fr. Eilts

Title: *American Ambassador*

GOSSD

By: A. M. ASHMAWY

Name: Eng. A. M. Ashmawy

Title: *Chairman*

MINISTRY OF HOUSING

By: A. TALAAT

Name: Eng. Ahmed Talaat Tewfik

Title: *Minister*

SUEZ CANAL AUTHORITY

By: M. A. MASHHOUR

Name: Mashhour Ahmet Mashhour

Title: *Chairman*

[1] See footnote 1, p. 6340.

ANNEX 1

Project Description

The Project provides improvements to the public water and sewerage systems serving Port Said, Ismailia and Suez, which are now only partially operative. The improvements will include the repair and rehabilitation of the systems which were damaged and which deteriorated because of non-use during the way years of 1967–1973. The improvements also will correct the most serious design and construction deficiencies of the pre-war systems, and will provide modest extensions to serve the more rapidly developing areas of the canal cities.

At the Port Said Water Treatment Plant, improvements will include back-wash pumps, flow meters, chlorinators, finished water pumps, and minor equipment and repair items. The Port Said Water Distribution System will be strengthened by a major pipeline serving the northwestern portion of the city, and inoperative valves, fire hydrants, and water meters will be replaced.

The Port Said sewer system will be restored to reliable operation by cleaning, inspecting, and repairing clogged and broken sewers, and replacing several sewage pump stations which are undersized or inadequately equipped. A proposed new gravity sewer will eliminate seven of the existing pump stations.

Port Said's existing sewage treatment plant will be restored to operation by revising the flow pattern by means of piping changes, together with construction of a sludge lagoon and various minor improvements.

At Ismailia's water treatment plant, improvements will include equipment for applying coagulating chemicals and chlorine, finished water pumps, flow meters, and minor repairs and replacements. The Ismailia water distribution system will be strengthened by new water mains, a booster pumping station, a storage reservoir, and miscellaneous items.

Ismailia's sewer system will be cleaned, inspected and repaired. New sewers will be provided for certain populated areas which are presently unsewered. Five inadequate sewage pump stations will be replaced.

At Ismailia's sewage treatment plant, the project will restore the existing war-damaged trickling filter equipment and provide new pumps, laboratory, chlorination, sludge handling, and miscellaneous facilities.

At the Suez water treatment plant, the Project will provide flow meters, chlorinators, pumps, and related piping and electrical work. The Suez water system improvements will include replacement of a number of undersized distribution pipes, new pipelines to presently unserved areas, and a major transmission line extending from the water treatment plant to a large portland cement plant (an AID-supported project) now under construction about 42 kilometers

southwest of Suez. This transmission main will provide water to several developing areas along Suez Bay and the Gulf of Suez, as well as the cement plant.

The Suez sewerage system will be cleaned, inspected, and repaired. Sewers will be provided in several populated unsewered areas. Three existing sewage pump stations and their force mains will be rehabilitated and enlarged, and one new pump station constructed.

Suez's existing sewage treatment plant will be enlarged by additing two new clarifiers. Also, flow meters, control structures, laboratory equipment, an access road, and electrical service will be provided.

Exhibit A shows the foreign exchange and local currency costs associated with the various groups of project improvements. In general, the FY 1978 items are most of the water treatment plant improvements, the Suez southwest water transmission pipeline to the cement plant, and the sewers and sewage pump stations.

The multiple activities to be carried out under the Project will require project financing of architects and engineering services contracts, to include construction supervision services and extensive procurement of materials and equipment.

Exhibit A

FY 1978 Program
(000)

	LE	$US
Port Said		
Water Treatment	970	3, 035
Sewerage Collection	4, 203	6, 512
Sub-Total	5, 178	9, 547
Ismailia		
Water Treatment	2, 565	7, 421
Sewerage Collection	14, 172	17, 235
Sub-Total	16, 787	24, 656
Suez		
Water Treatment	945	2, 118
Water Distribution	4, 870	14, 796
Sewerage Collection	11, 389	8, 804
Sub-Total	17, 204	25, 718
TOTAL	39, 114	59, 921
Rounded To:	40, 000	60, 000

CANADA

Weather Modification: High Plains Cooperative Experiment

Memorandum of understanding signed at Ottawa and Washington June 11 and 20, 1979;
Entered into force June 20, 1979.

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE BUREAU OF RECLAMATION OF THE UNITED STATES OF AMERICA

THE ATMOSPHERIC ENVIRONMENT SERVICE AND

THE NATIONAL RESEARCH COUNCIL OF CANADA

ON COOPERATION IN THE 1979 HIGH PLAINS COOPERATIVE EXPERIMENT

The Bureau of Reclamation (BOR) of the United States Department of the Interior, the Atmospheric Environment Service (AES) and the National Research Council (NRC) of Canada affirm their mutual desire to cooperate in the field of weather modification research consistent with the spirit and applicable provisions of the Agreement Between the United States of America and Canada Relating to the Exchange of Information on Weather Modification Activities, signed March 26, 1975.[1]

Accordingly, AES, NRC and BOR agree that such cooperation will continue with Canadian participation in the 1979 High Plains cooperative Experiment (HIPLEX) conducted by BOR.

1. The objective of this cooperative research is to study methods of increasing rainfall on the High Plains. The experiment and measurements will take place in the vicinity of Miles City, Montana.

2. In conducting the 1979 HIPLEX, BOR will use its best efforts to carry out the following responsibilities:

(a) Involve AES and NRC in the research planning and data analysis for the 1979 HIPLEX.

[1] TIAS 8056; 26 UST 540.

(b) Provide Canadian scientists with Montana HIPLEX data stored in the project data bank on a request basis.

(c) Act as a liaison between Canadian scientists and the BOR contractors.

(d) Provide office and, subject to availability, aircraft hangar facilities for Canadian personnel stationed in Miles City during the field programme.

3. In participating in the 1979 HIPLEX, AES and NRC will use their best efforts to carry out the following responsibilities:

(a) Provide an NAE Twin Otter (CF-POK-X) equipped to make microphysical and dynamical measurements for cloud physics/weather modification research. The aircraft would be stationed in Miles City, Montana, for four weeks in June/July 1979.

(b) Provide a ground based minicomputer system in Miles City, Montana, for the field period. This system would enable preliminary analysis and equipment checks to be performed.

(c) Provide approximately five professional (scientific) and six technical personnel to direct the Canadian research component, operate equipment, and analyze data while the Twin Otter is stationed in Miles City.

(d) Provide a preliminary report summarizing the Twin

Otter data within three months of the completion of the field project and a detailed scientific analysis report within 18 months.

(e) Organize and host a workshop during the 1979/80 winter to discuss and analyze results of the programme.

(f) Provide data inventory information on data collected by the Canadian aircraft to the Bureau of Reclamation within 30 days following the end of the field season; provide, where possible, a copy of the final archived data, on 9-track magnetic tape in coded format with full documentation to the Bureau within 60 days following the end of the field season.

4. AES/NRC and BOR will use their best efforts to arrange free customs clearance for equipment required in this project, subject to the laws and regulations in force in their respective countries.

5. AES/NRC and BOR will cover the cost of their respective responsibilities including salaries, transportation of equipment and personnel travel. It is not envisaged that funds will be exchanged between the United States and Canadian sides.

6. Results of experimentation in this project will be made available in general through publication in appropriate journals or other established channels.

7. Each agency may release public information regarding its own portion of the project. With regard to portions of the project involving the other agencies, public information may be released only after suitable coordination amongst the agencies. Where possible, such releases will be exchanged prior to publication. It is understood that AES, NRC and BOR will each have the right to use, disclose or duplicate such releases for their own purposes.

8. It is understood that the ability of AES, NRC and BOR to carry out their responsibilities pursuant to this Memorandum is subject to the availability of appropriated funds.

9. The United States and Canadian sides will each designate an official who will coordinate participation in the 1979 HIPLEX.

10. This Memorandum will enter into force upon signature.

Signed at Wash.,DC on June 20, 1979, in two copies for the Bureau of Reclamation of the United States Department of the Interior.

Signature

Name R. Keith Higginson

Title Commissioner of Reclamation

Date June 20, 1979

Signed at Ottawa on June 11, 1979, in two copies for the Atmospheric Environment Service and the National Research Council of Canada.

Signature

Name A.E. Collin

Title Assistant Deputy Minister

Date June 11, 1979

For the National Research Council

Signature [1]

[1] F. R. Thurston.

HUNGARIAN PEOPLE'S REPUBLIC

Double Taxation: Taxes on Income

Convention, with exchange of notes, signed at Washington February 12, 1979;
Ratification advised by the Senate of the United States of America July 9, 1979;
Ratified by the President of the United States of America August 7, 1979;
Ratifications exchanged at Budapest September 18, 1979;
Proclaimed by the President of the United States of America November 28, 1979;
Entered into force September 18, 1979.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Convention between the Government of the United States of America and the Government of the Hungarian People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed at Washington on February 12, 1979, together with a related exchange of notes, the texts of which are hereto annexed;

The Senate of the United States of America by its resolution of July 9, 1979, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Convention and related exchange of notes;

The Convention and related exchange of notes were ratified by the President of the United States of America on August 7, 1979, in pursuance of the advice and consent of the Senate, and was approved on the part of the Hungarian People's Republic;

The parties notified one another at Budapest on September 18, 1979, that their respective constitutional requirements had been met, and accordingly the Convention, with related exchange of notes, entered into force on September 18, 1979, effective as specified in Article 25;

NOW, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Convention with related

exchange of notes, to the end that they be observed and fulfilled with good faith on and after September 18, 1979, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

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

DONE at the city of Washington this twenty-eighth day of November in the year of our Lord one thousand nine hundred seventy-nine and of the Independence of the United States of America the two hundred fourth.

[SEAL]

JIMMY CARTER

By the President:
CYRUS VANCE
Secretary of State

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of the Hungarian People's Republic, desiring to further expand and facilitate mutual economic relations, have resolved to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, and have agreed as follows:

Article 1

PERSONAL SCOPE

1. This Convention shall apply to persons who are residents of one or both of the Contracting States, except as otherwise provided in this Convention.

2. Notwithstanding any provision of this Convention except paragraph 3 of this Article, a Contracting State may tax its residents (as determined under Article 4 (Fiscal Domicile)) and citizens (including, in the case of the United States, former citizens) as if this Convention had not come into effect.

3. The provisions of paragraph 2 shall not affect:

a) the benefits conferred by a Contracting State under paragraph 2 of Article 15 (Pensions), Articles 20 (Relief from Double Taxation), 21 (Non-discrimination), and 22 (Mutual Agreement Procedure); and

b) the benefits conferred by a Contracting State under Articles 16 (Government Service), 17 (Teachers), 18 (Students and Trainees) and 24 (Effect of Convention on Diplomatic and Consular Officials, Domestic Laws, and Other Treaties), upon individuals who are neither citizens of, nor have immigrant status in, that State.

Article 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State.

2. The existing taxes to which this Convention shall apply are:

a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code [1] and the excise taxes imposed on insurance premiums paid to foreign insurers and with respect to private foundations, but excluding the accumulated earnings tax and the personal holding company tax.

b) In the case of the Hungarian People's Republic:

i) The general income tax,

ii) The income tax on intellectual activities,

iii) The profit tax,

iv) The profit tax on economic associations with foreign participation,

v) The enterprises special tax,

vi) The levy on dividends and profit distributions of commercial companies,

vii) The profit tax on state-owned enterprises, and

viii) The contribution to communal development, but only to the extent imposed in respect of income taxes covered by this Convention.

3. The Convention shall apply also to any identical or substantially similar taxes which are imposed by a Contracting State after the date of signature of this Convention in addition to, or in place of, the

[1] 68A Stat. 3; 26 U.S.C. §§ 1–8023.

existing taxes. The competent authorities of the Contracting States shall notify each other of any changes which have been made in their respective taxation laws and shall notify each other of any official published material concerning the application of this Convention, including explanations, regulations, rulings, or judicial decisions.

4. For the purpose of Article 21 (Non-discrimination), this Convention shall also apply to taxes of every kind and description imposed by a Contracting State or a political subdivision or local authority thereof. For the purpose of Article 23 (Exchange of Information), this Convention shall also apply to taxes of every kind imposed by a Contracting State.

Article 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:

   a) The term "person" includes an individual, a partnership, a company or juridical person, an estate, a trust, and any other body of persons;

   b) The term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

   c) The terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

d) The term "nationals" means:

i) All individuals possessing the citizenship of a Contracting State, and

ii) All legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State;

e) The term "international traffic" means any transport by a ship or aircraft, except where such transport is solely between places in the other Contracting State;

f) The term "competent authority" means:

i) In the case of the United States, the Secretary of the Treasury or his delegate, and

ii) In the case of the Hungarian People's Republic, the Minister of Finance or his delegate;

g) i) The term "United States" means the United States of America, and

ii) When used in a geographical sense, the term "United States" does not include Puerto Rico, the Virgin Islands, Guam, or any other United States possession or territory; and

h) The term "Hungarian People's Republic", when used in a geographical sense, means the territory of the Hungarian People's Republic.

2. As regards the application of this Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires and subject to the provisions of Article 22 (Mutual Agreement Procedure), have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Convention.

Article 4

FISCAL DOMICILE

1. For purposes of this Convention, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, citizenship, place of management, place of incorporation, or any other criterion of a similar nature; provided, however, that:

a) this term does not include any person who is liable to tax in that Contracting State in respect only of income from sources therein or capital situated in that State; and

b) in the case of income derived or paid by a partnership, estate, or trust, this term applies only to the extent that the income derived by such partnership, estate, or trust is subject to tax as the income of a resident of the Contracting State, either in its hands or in the hands of its partners or beneficiaries.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then the individual's tax status shall be determined as follows:

a) The individual shall be deemed to be a resident of the Contracting State in which the individual has a permanent home available to him. If the individual has a permanent home available to him in both Contracting States or in neither Contracting State, the individual shall be deemed to be a resident of the Contracting State in which the individual's center of vital interests is located;

b) If the Contracting State in which the individual's center of vital interests is located cannot be determined, the individual shall be deemed to be a resident of that Contracting State in which the individual has an habitual abode;

c) If the individual has an habitual abode in both Contracting States or in neither of them, the individual shall be deemed to be a resident of the Contracting State of which the individual is a national; and

d) If the individual is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a company is a resident of both Contracting States, then if it is created or organized under the laws of a Contracting State or a political subdivision thereof, it shall be treated as a resident of that State.

4. Where by reason of the provisions of paragraph 1 a person other than an individual or a company is a resident of both Contracting States, the competent authorities of the Contracting States shall by mutual agreement endeavor to settle the question and to determine the mode of application of the Convention to such person.

5. For purposes of this Convention, an individual who is a national of a Contracting State shall also be deemed to be a resident of that State if (a) the individual is an employee of that State or an instrumentality thereof in the other Contracting State or in a third State; (b) the individual is engaged in the performance of governmental functions for the first-mentioned State; and (c) the individual is

subjected in the first-mentioned State to the same obligations in respect of taxes on income as are residents of the first-mentioned State. The spouse and minor children residing with the employee and subject to the requirements of (c) above shall also be deemed to be residents of the first-mentioned State.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business or production through which the activities of an enterprise are wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop; and

f) a mine, an oil or gas well, a quarry, or any other place of extraction of natural resources.

3. A building site or construction or installation project, or an installation or drilling rig or ship used for the exploration or development of natural resources, shall constitute a permanent establishment only if it lasts more than 24 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely for the purpose of carrying on for the enterprise any other activity if it has a preparatory or auxiliary character; and

f) the maintenance of a fixed place of business solely for any combination of the activities mentioned in subparagraphs a) to e) of this paragraph.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises in a Contracting State, an authority to conclude contracts in the name of such enterprise, that enterprise shall be deemed to have a permanent establishment in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised at a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on

business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

INCOME FROM IMMOVABLE PROPERTY (REAL PROPERTY)

1. Income derived by a resident of a Contracting State from immovable property (real property) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

BUSINESS PROFITS

1. The business profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the business profits of the enterprise may be taxed in that other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the business profits which it might be expected to make if it were a distinct and independent enterprise engaged in the same or similar activities under the same or similar conditions.

3. In the determination of the business profits of a permanent establishment, there shall be allowed as deductions those expenses which are incurred for the purposes of the permanent establishment, including a reasonable allocation of executive and general administrative expenses, research and development expenses, interest, and other expenses incurred for the purposes of the enterprise as a whole (or the

part thereof which includes the permanent establishment), whether incurred in the State in which the permanent establishment is situated or elsewhere.

4. No business profits shall be attributed to a permanent establishment by reason of:

a) the mere purchase by that permanent establishment of goods or merchandise for the enterprise, or

b) the mere delivery to the permanent establishment of goods or merchandise for its use.

5. Where business profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

SHIPPING AND AIR TRANSPORT

1. Profits of an enterprise of a Contracting State from the operation in international traffic of ships or aircraft shall be taxable only in that State.

2. For purposes of this Article, profits from the operation of ships or aircraft in international traffic include profits derived from the rental on a full or bareboat basis of ships or aircraft operated in international traffic if such rental profits are incidental to other profits described in paragraph 1.

3. Profits of an enterprise of a Contracting State from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of

goods or merchandise in international traffic shall be taxable only in that State.

4. The provisions of this Article shall also apply where the enterprise has an agency in the other State for the transportation of goods or persons, but only to the extent of activities directly connected with the business of shipping and aircraft transportation, including auxiliary activities connected therewith.

Article 9

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

a) 5 percent of the gross amount of the dividends if the beneficial owner is a company which owns, directly or indirectly, at least 10 percent of the voting stock of the company paying the dividends;

b) in all other cases, 15 percent of the gross amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term "dividends" as used in this Article means income from

shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the taxation law of the State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State, of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

5. Where a company is a resident of a Contracting State, the other Contracting State may not impose any tax on the dividends paid by the company, except insofar as

a) such dividends are paid to a resident of that other State,

b) the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, or

c) such dividends are paid out of profits attributable to a permanent establishment which such company had in that other State, provided that at least 50 percent of such company's gross income from all sources was attributable to a permanent establishment which such company had in that other State.

Where subparagraph c) applies and subparagraphs a) and b) do not apply, any such tax shall be subject to the limitations of paragraph 2.

Article 10

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "interest" as used in this Convention means income from debt-claims of every kind, whether or not secured by mortgage, and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums or prizes attaching to bonds or debentures.

3. The provisions of paragraph 1 shall not apply if the person deriving the interest, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

Article 11

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematographic films or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or other like right or property, or for information concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the person deriving the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such a case the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

Article 12

CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, as defined in paragraph 2 of Article

6 (Immovable Property), situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains derived by an enterprise of a Contracting State from the alienation of ships, aircraft or containers operated by such enterprise in international traffic shall be taxable only in that State.

3. Gains from the alienation of any property other than those mentioned in paragraphs 1 and 2, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 13

INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State from the performance of personal services in an independent capacity shall be taxable only in that State unless such services are performed in the other Contracting State and

a) the individual is present in that other State for a period or periods aggregating more than 183 days in the taxable year concerned, or

b) the individual has a fixed base regularly available to him in that other State for the purpose of performing his activities, but only so much of the income as is attributable to that fixed base.

2. The term "personal services" includes, especially, independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, artistes, athletes and accountants.

Article 14

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 15 (Pensions) and 16 (Government Service), salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the taxable year concerned, and

b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment as a member of the regular complement of a ship or aircraft operated by an enterprise of a Contracting State in international traffic may be taxed only in that Contracting State.

Article 15

PENSIONS

Subject to the provisions of paragraph 2 of Article 16 (Government Services),

1. pensions and other similar remuneration beneficially derived by a resident of a Contracting State in consideration of past employment shall be taxable only in that State, and
2. social security payments and other public pensions paid by a Contracting State to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the first-mentioned Contracting State.

Article 16

GOVERNMENT SERVICE

1. a) Remuneration, other than a pension, paid by a Contracting State cr a political subdivision or a local authority thereof to any individual in respect of services rendered to

that State or subdivision or local authority thereof shall be taxable only in that State.

b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that other Contracting State who:

i) is a national of that State; or

ii) did not become a resident of that State solely for the purpose of performing the services.

2. a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or local authority thereof shall be taxable only in that State.

b) However, such pension shall be taxable only in the other Contracting State if the recipient is a national of and a resident of that State.

3. The provisions of Articles 13 (Independent Personal Services), 14 (Dependent Personal Services), and 15 (Pensions), as the case may be, shall apply to remuneration and pensions in respect of services rendered in connection with any business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 17

TEACHERS

1. Where a resident of one of the Contracting States is invited by the Government of the other Contracting State, a political subdivision

or a local authority thereof, or by a university or other recognized educational institution in that other Contracting State to come to that other Contracting State for a period not expected to exceed 2 years for the purpose of teaching or engaging in research, or both, at a university or other recognized educational institution, and such resident comes to that other Contracting State primarily for such purpose, his income from personal services for teaching or research at such university or educational institution shall be exempt from tax by that other Contracting State for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

2. This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

Article 18

STUDENTS AND TRAINEES

1. Payments which a student, apprentice or business trainee who is, or was immediately before visiting a Contracting State, a resident of the other Contracting State and who is present in the first-mentioned Contracting State for the purpose of his full-time education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State provided that such payments are made to him from sources outside that State.

2. An individual to whom paragraph 1 applies may elect to be treated for tax purposes as a resident of the first-mentioned State. The election shall apply to all periods during the taxable year of the election and subsequent taxable years during which the individual

qualifies under paragraph 1, and may not be revoked except with the consent of the competent authority of that State.

Article 19

ALL OTHER INCOME

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

Article 20

RELIEF FROM DOUBLE TAXATION

1. In the case of the United States, double taxation shall be avoided as follows: In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the general principle hereof), the United States shall allow to a resident or citizen of the United States as a credit against the United States tax on income the appropriate amount of tax paid to the Hungarian People's Republic; and, in the case of a United States company owning at least 10 percent of the voting stock of a company which is a resident of the Hungarian People's Republic from which it receives dividends in any taxable year, the United States shall allow as a credit against the United States tax on income the appropriate amount of income tax paid to the Hungarian People's Republic by that company with respect to the profits out of which such dividends are paid. Such appropriate amount shall be based upon the amount of income tax paid to the Hungarian People's Republic, but the

credit shall not exceed the limitations (for the purpose of limiting the credit to the United States tax on income from sources outside of the United States) provided by United States law for the taxable year. For purposes of applying the United States credit in relation to tax paid to the Hungarian People's Republic, the taxes referred to in paragraphs 2 b) and 3 of Article 2 (Taxes Covered) shall be considered to be income taxes.

2. In the case of the Hungarian People's Republic, double taxation shall be avoided as follows:

a) Where a resident of the Hungarian People's Republic:

i) derives income which, in accordance with the provisions of this Convention other than paragraph 2 of Article 1 (Personal Scope), may be taxed in the United States, or

ii) derives income from sources within the United States which may be taxed only by reason of paragraph 2 of Article 1 (Personal Scope),

the Hungarian People's Republic shall, subject to the provisions of subparagraphs b) and c), exempt such income from tax.

b) Where a resident of the Hungarian People's Republic derives items of income which, in accordance with the provisions of paragraph 2 of Article 9, may be taxed in the United States, the Hungarian People's Republic shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid in the United States. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such items of income derived from the United States.

c) Where in accordance with any provision of the Convention income derived by a resident of the Hungarian People's Republic is exempt from tax in the Hungarian People's Republic, the Hungarian People's Republic may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

Article 21

NON-DISCRIMINATION

1. The nationals of a Contracting State, whether or not they are residents of one of the Contracting States, shall not be subjected in the other State to any taxation or any requirement connected therewith, which is more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. For purposes of the preceding sentence, nationals who are subject to tax by a Contracting State on worldwide income are not in the same circumstances as nationals who are not so subject.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This Article shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

3. Interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State

shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5. In this Article the term "taxation" means taxes of every kind and description imposed by a Contracting State or a political subdivision or local authority thereof.

Article 22

MUTUAL AGREEMENT PROCEDURE

1. Where a resident or national of a Contracting State considers that the actions of one or both of the Contracting States result or will result for it in taxation not in accordance with this Convention, it may, notwithstanding the remedies provided by the national laws of those States, present its case to the competent authority of the Contracting State of which it is a resident or national.

2. The competent authority shall endeavor, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State with a view to the avoidance of taxation not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the national laws of the Contracting States.

3. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

5. The competent authorities of the Contracting States may prescribe regulations to carry out the purposes of this Convention.

Article 23

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention or of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is not contrary to this Convention. The exchange of information is not restricted by Article 1 (Personal Scope). Any information received by a Contracting State shall be treated as secret in the same manner as

information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes which are the subject of the Convention. Such persons or authorities shall use the information only for such purposes. These persons or authorities may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

3. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall obtain the information to which the request relates in the same manner and to the same extent as if the tax of the first-mentioned State were the tax of that other State and were being imposed by that other State. If specifically requested by the competent authority of a Contracting State, the competent authority of the other Contracting State shall provide information under this Article in the form of depositions of

witnesses and copies of unedited original documents (including books, documents, statements, records, accounts, or writings), to the same extent such depositions and documents can be obtained under the laws and administrative practices of such other State with respect to its own taxes.

Article 24

EFFECT OF CONVENTION ON DIPLOMATIC AND CONSULAR OFFICIALS, DOMESTIC LAWS, AND OTHER TREATIES

1. Nothing in this Convention shall affect the taxation privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

2. This Convention shall not restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded--

a) by the laws of either Contracting State, or

b) by any other agreement between the Contracting States.

Article 25

ENTRY INTO FORCE

1. This Convention shall be subject to ratification or approval in accordance with the applicable procedures of the Governments of the Contracting States and it shall enter into force as soon as the parties have notified one another that their respective constitutional requirements have been met.

2. The provisions of this Convention shall have effect:

a) In respect of tax withheld at the source, to amounts paid or credited on or after the first day of the second month next following the date on which this Convention enters into force,

b) In respect of other taxes, to taxable periods beginning on or after the first day of January next following the date on which this Convention enters into force.

Article 26

TERMINATION

This Convention shall remain in force until terminated by the Government of one of the Contracting States. The Government of either Contracting State may terminate the Convention at any time after 5 years from the date on which this Convention enters into force provided that at least 6 months' prior notice of termination has been given through diplomatic channels. In such event, the Convention shall cease to have effect:

1. In respect of tax withheld at the source, to amounts paid or credited on or after the first day of January next following the expiration of the 6 months' period;
2. In respect of other taxes, to taxable periods beginning on or after the first day of January next following the expiration of the 6 months' period.

DONE at Washington in duplicate, both in the English and Hungarian languages, the two texts having equal authenticity, this 12th day of February 1979.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

W. Michael Blumenthal
Secretary of the Treasury

FOR THE GOVERNMENT OF
THE HUNGARIAN PEOPLE'S REPUBLIC:

Lajos Faluvegi
Minister of Finance

E G Y E Z M É N Y

az Amerikai Egyesült Államok Kormánya és a Magyar Népköztársaság Kormánya között a kettős adóztatás elkerülésére és az adóztatás kijátszásának megakadályozására a jövedelemadók területén

Az Amerikai Egyesült Államok Kormánya és a Magyar Népköztársaság Kormánya,

attól az óhajtól vezetve, hogy kölcsönös gazdasági kapcsolataikat tovább bővítsék és megkönnyítsék, elhatározták, hogy Egyezményt kötnek a kettős adóztatás elkerülésére és az adóztatás kijátszásának megakadályozására a jövedelemadók területén, és megállapodtak a következőkben:

1. cikk

Személyi hatály

/1/ Az Egyezmény azokra a személyekre terjed ki, akik az egyik Szerződő Államban vagy mindkét Szerződő Államban illetőséggel bírnak, kivéve, ha az Egyezmény másképpen rendelkezik.

/2/ Tekintet nélkül az Egyezmény bármely rendelkezésére, kivéve a jelen cikk /3/ bekezdését, az egyik Szerződő Állam úgy adóztathatja az ebben az Államban - a 4. cikkben /Lakóhely az adó szempontjából/ foglalt meghatározás szerint - illetőséggel bíró személyeket és állampolgárait /ideértve, az Egyesült Államok esetében, a volt állampolgárokat is/, mintha az Egyezmény nem lépett volna hatályba.

/3/ A /2/ bekezdés rendelkezései nem érintik:

a/ az egyik Szerződő Állam által a 15. cikk /2/ bekezdése /Nyugdíj/, a 20. cikk /Mentesítés a kettős adóztatás alól/, a 21. cikk /Egyenlő elbánás/ és a 22. cikk /Egyeztető eljárás/ alapján nyújtott előnyöket; és

b/ az egyik Szerződő Állam által a 16. cikk /Közszolgálat/, a 17. cikk /Tanárok/, a 18. cikk /Tanulók és ipari, kereskedelmi tanulók/ és a 24. cikk /Az Egyezmény hatálya a diplomáciai és konzuli tisztviselőkre, a belső jogszabályokra és az egyéb szerződésekre/

alapján olyan természetes személyeknek nyújtott előnyöket, akik nem állampolgárai ennek az Államnak, és ott bevándorlóknak sem minősülnek.

2. cikk

Az Egyezmény alá eső adók

/1/ Az Egyezmény azokra az adókra terjed ki, amelyeket a jövedelem után a Szerződő Államok bármelyike beszed.

/2/ Azok a jelenleg létező adók, amelyekre az Egyezmény kiterjed, a következők:

a/ Az Egyesült Államok esetében, a Belföldi Állami Bevételek Törvénykönyve /Internal Revenue Code/ által előírt szövetségi jövedelemadók és a külföldi biztosítóknak kifizetett biztosítási díjak után és a magánalapítványokkal kapcsolatban kivetett közvetett adók, de kivéve a felhalmozott jövedelem adóját és a személyi "holding" társaság adóját.

b/ A Magyar Népköztársaság esetében:

i/ az általános jövedelemadó,
ii/ a szellemi tevékenységet folytatók jövedelemadója,
iii/ a nyereségadó,

iv/ a külföldi részvétellel müködő gazdasági társulások nyereségadója,

v/ a vállalati különadó,

vi/ a kereskedelmi társaságok osztalék és nyereség kifizetései utáni illeték,

vii/ az állami vállalatok nyereségadója, és

viii/ a községfejlesztési hozzájárulás, de csak az Egyezmény alá eső jövedelemadók tekintetében kivetett adó mértékéig.

/3/ Az Egyezmény alkalmazandó azokra az azonos vagy lényegében hasonló jellegü adókra is, amelyeket az egyik Szerződő Állam az Egyezmény aláírása után a jelenleg létező adók mellett vagy azok helyett bevezet. A Szerződő Államok illetékes hatóságai értesíteni fogják egymást az adójogszabályaikban végrehajtott bármely változásról és értesíteni fogják egymást bármely, az Egyezmény alkalmazására vonatkozóan közzétett hivatalos anyagról, ideértve a magyarázatokat, szabályozásokat, döntéseket vagy bírósági határozatokat.

/4/ A 21. cikk /Egyenlő elbánás/ céljaira az Egyezmény alkalmazandó az egyik Szerződő Állam vagy annak politikai egysége vagy helyi hatósága által kivetett minden fajtájú és elnevezésü adóra is. A 23. cikk /Tájékoztatáscsere/ céljaira az Egyezmény alkalmazandó az egyik Szerződő Állam által kivetett minden fajtájú adóra is.

3. cikk

Általános meghatározások

/1/ Az Egyezményben, ha a szövegösszefüggés mást nem kíván:

a/ a "személy" kifejezés magában foglalja a természetes személyt, a személyi társaságot, a társaságot vagy jogi személyt, a hagyatékot, a trösztöt és minden más személyi egyesülést;

b/ a "társaság" kifejezés jelenti a jogi személyeket vagy azokat a jogalanyokat, amelyeket az adóztatás szempontjából jogi személyeknek tekintenek;

c/ "az egyik Szerződő Állam vállalkozása" és "a másik Szerződő Állam vállalkozása" kifejezés az egyik Szerződő Államban illetőséggel bíró személy, illetőleg a másik Szerződő Államban illetőséggel bíró személy által folytatott vállalkozást jelent;

d/ az "állampolgár" kifejezés jelenti:

i/ mindazokat a természetes személyeket, akik az egyik Szerződő Állam állampolgárságával rendelkeznek, és

ii/ mindazokat a jogi személyeket, személyi társaságokat és társulásokat, amelyeknek ez a jogi helyzete az egyik Szerződő Állam jogszabályaiból származik;

e/ a "nemzetközi forgalom" kifejezés jelent minden olyan szállítást, amelyet hajó vagy légijármü bonyolít le, kivéve, ha az ilyen szállítás csak a másik Szerződő Államban levő helyek között bonyolódik le;

f/ az "illetékes hatóság" kifejezés

i/ az Egyesült Államok esetében a pénzügyminisztert vagy képviselőjét, és

ii/ a Magyar Népköztársaság esetében a pénzügyminisztert vagy képviselőjét

jelenti;

g/ i/ az "Egyesült Államok" kifejezés jelenti az Amerikai Egyesült Államokat, és

ii/ földrajzi értelemben az "Egyesült Államok" kifejezés nem foglalja magában Puerto Ricót, a Virgin-szigeteket, Guamot, vagy az Egyesült Államok egyéb birtokait vagy területeit; és

h/ a "Magyar Népköztársaság" kifejezés, földrajzi értelemben jelenti a Magyar Népköztársaság területét.

/2/ Az Egyezménynek az egyik Szerződő Állam által történő alkalmazásánál, ha a szövegösszefüggés mást nem kíván, és fenntartva a 22. cikk /Egyeztető eljárás/ rendelkezéseit, bármely, másképpen meg nem határozott

kifejezésnek olyan értelme van, mint amilyent arra nézve ennek az Államnak az Egyezmény által érintett adókra vonatkozó jogszabályai megállapítanak.

4. cikk

Lakóhely az adó szempontjából

/1/ Az Egyezmény értelmében az "egyik Szerződő Államban illetőséggel bíró személy" kifejezés olyan személyt jelent, aki, ennek az Államnak a jogszabályai szerint, ott lakóhelye, állandó tartózkodási helye, állampolgársága, üzletvezetésének helye, bejegyzésének helye vagy más hasonló ismérv alapján adóköteles, feltéve azonban, hogy:

a/ ez a kifejezés nem foglal magában olyan személyt, aki ebben a Szerződő Államban csak az ott levő forrásokból származó jövedelem vagy az ebben az Államban levő vagyon után adóköteles; és

b/ személyi társaság, hagyaték vagy tröszt által élvezett vagy fizetett jövedelem esetében ez a kifejezés csak annyiban nyer alkalmazást, amennyiben az ilyen személyi társaság, hagyaték vagy tröszt által élvezett jövedelem úgy adózik, mint az ebben a Szerződő Államban illetőséggel bíró személy akár saját kezénél, akár üzlettársainál vagy kedvezményezettjeinél adóköteles jövedelme.

/2/ Amennyiben egy természetes személy az /1/ bekezdés rendelkezései értelmében mindkét Szerződő Államban illetőséggel bír, úgy a természetes személy adójogi helyzete a következőképpen határozandó meg:

a/ a természetes személy abban a Szerződő Államban tekintendő illetőséggel bírónak, amelyben állandó lakóhellyel rendelkezik. Ha a természetes személy mindkét Szerződő Államban rendelkezik, vagy egyik Szerződő Államban sem rendelkezik állandó lakóhellyel, úgy a természetes személy abban a Szerződő Államban tekintendő illetőséggel bírónak, amelyben létérdekeinek központja van;

b/ amennyiben nem határozható meg, hogy a természetes személy létérdekeinek központja melyik Szerződő Államban van, úgy a természetes személy abban a Szerződő Államban tekintendő illetőséggel bírónak, amelyben szokásos tartózkodási helye van;

c/ amennyiben a természetes személynek mindkét Szerződő Államban van, vagy egyikben sincs szokásos tartózkodási helye, úgy a természetes személy abban a Szerződő Államban tekintendő illetőséggel bírónak, amelynek állampolgára; és

d/ amennyiben a természetes személy mindkét Szerződő Államnak, vagy egyiknek sem állampolgára, úgy a Szerződő Államok illetékes hatóságai egymással egyetértésben rendezik a kérdést.

/3/ Amennyiben az /1/ bekezdés rendelkezései szerint egy társaság mindkét Szerződő Államban illetőséggel bír, úgy az, ha az egyik Szerződő Állam vagy annak politikai egysége jogszabályai szerint hozták létre vagy szervezték meg, ebben az Államban tekintendő illetőséggel bírónak.

/4/ Amennyiben az /1/ bekezdés rendelkezései szerint egy személy, amely más, mint egy természetes személy vagy egy társaság, mindkét Szerződő Államban illetőséggel bír, úgy a Szerződő Államok illetékes hatóságai törekednek egymással egyetértésben rendezni a kérdést és meghatározni, hogy az Egyezmény milyen módon alkalmazandó az ilyen személyre.

/5/ Az Egyezmény értelmében egy természetes személy, aki az egyik Szerződő Állam állampolgára, egyúttal ebben az Államban illetőséggel bíró személynek is tekintendő, ha a/ ez a természetes személy ennek az Államnak az alkalmazottja vagy a másik Szerződő Államban vagy egy harmadik Államban levő megbízottja; b/ a természetes személy közszolgálatot végez az elsőként említett Állam részére; és c/ a természetes személy a

jövedelemadók területén ugyanolyan kötelezettségeknek van alávetve az először említett Államban, mint az először említett Államban illetőséggel bíró személyek. Az alkalmazottal együtt lakó és a fenti c/ pontban foglalt követelmények alá eső házastárs és kiskorú gyermekek szintén az először említett Államban illetőséggel bíróknak tekintendők.

5. cikk

Telephely

/1/ Az Egyezmény értelmében a "telephely" kifejezés állandó üzleti, illetőleg termelőberendezést jelent, amellyel a vállalkozás a tevékenységét egészben vagy részben kifejti.

/2/ A "telephely" kifejezés magában foglalja különösen:

a/ a vezetés helyét;
b/ a fiókot;
c/ az irodát;
d/ a gyártelepet;
e/ a műhelyt; és
f/ a bányát, az olaj- vagy földgázkutat, a kőfejtőt vagy a természeti kincsek kiaknázására szolgáló bármely más telepet.

/3/ Az építési kivitelezés vagy szerelés, vagy a természeti kincsek feltárására vagy kiaknázására

használt berendezés vagy mélyfúró-berendezés vagy hajó csak akkor képez telephelyet, ha időtartama 24 hónapot meghalad.

/4/ Tekintet nélkül e cikk előző rendelkezéseire, nem tekintendők "telephelynek":

a/ azok a berendezések, amelyeket kizárólag a vállalkozás javainak vagy áruinak raktározására, kiállítására vagy kiszolgáltatására használnak;

b/ a vállalkozás javainak vagy áruinak olyan készletei, amelyeket kizárólag raktározás, kiállítás vagy kiszolgáltatás céljából tartanak;

c/ a vállalkozás javainak vagy áruinak olyan készletei, amelyeket kizárólag abból a célból tartanak, hogy azokat egy másik vállalkozás feldolgozza;

d/ az állandó üzleti berendezés, amelyet kizárólag abból a célból tartanak fenn, hogy a vállalkozás részére javakat vagy árukat vásároljanak vagy információkat szerezzenek;

e/ az állandó üzleti berendezés, amelyet kizárólag abból a célból tartanak fenn, hogy a vállalkozás részére bármely más, előkészítő vagy kisegítő jellegü tevékenységet folytasson; és

f/ az állandó üzleti berendezés, amelyet kizárólag e bekezdés a/-e/ pontjaiban említett tevékenységek valamely kombinációjára tartanak fenn.

/5/ Tekintet nélkül az /1/ és /2/ bekezdések rendelkezéseire, ha egy személy - kivéve a független képviselőt, akire a /6/ bekezdés nyer alkalmazást - egy vállalkozás érdekében tevékenykedik és az egyik Szerződő Államban meghatalmazása van, amelyet ott rendszeresen felhasznál arra, hogy az ilyen vállalkozás nevében szerződéseket kössön, úgy ez a vállalkozás telephellyel bírónak tekintendő minden olyan tevékenység tekintetében, amelyet ez a személy a vállalkozás részére kifejt, kivéve, ha az ilyen személy tevékenysége a /4/ bekezdésben említett tevékenységekre korlátozódik, amelyek, ha azokat egy állandó üzleti, illetőleg termelőberendezésben fejtenék ki, az említett bekezdés rendelkezései értelmében nem tennék ezt az állandó üzleti, illetőleg termelőberendezést telephellyé.

/6/ A vállalkozást nem lehet úgy tekinteni, mintha annak az egyik Szerződő Államban telephelye lenne csupán azért, mert tevékenységét ebben az Államban alkusz, bizományos vagy más független képviselő útján fejti ki, feltéve, hogy ezek a személyek rendes üzleti tevékenységük keretében járnak el.

/7/ Az a tény, hogy az egyik Szerződő Államban illetőséggel bíró társaság egy olyan társaságot ural vagy azt egy olyan társaság uralja, amely a másik Szerződő Államban illetőséggel bír vagy ott /akár telephely útján, akár más módon/ fejti ki tevékenységét, önmagában még nem teszi egyik társaságot sem a másik telephelyévé.

6. cikk

Ingatlan vagyonból /ingatlantulajdon/ származó jövedelem

/1/ Az a jövedelem, amelyet az egyik Szerződő Államban illetőséggel bíró személy a másik Szerződő Államban fekvő ingatlan vagyonból /ingatlantulajdon/ élvez, ebben a másik Szerződő Államban adóztatható.

/2/ Az "ingatlan vagyon" kifejezést annak a Szerződő Államnak a jogszabályai szerint kell meghatározni, amelyben ez a vagyon fekszik. Ez a kifejezés minden esetben magában foglalja az ingatlan vagyon tartozékait, a mező- és erdőgazdasági üzemek élő és holt felszerelését, azokat a jogokat, amelyekre a földtulajdonra vonatkozó magánjogi rendelkezések nyernek alkalmazást, az ingatlan vagyon haszonélvezeti jogát és az ásványlelőhelyek, források és más természeti kicsek kiaknázásáért vagy kiaknázásának jogáért járó változó vagy

állandó térítésekre vonatkozó jogokat; hajók és légijárművek nem tekintendők ingatlan vagyonnak.

/3/ Az /1/ bekezdés rendelkezései alkalmazandók az ingatlan vagyon közvetlen használatából, bérbe adásából vagy használatának minden más formájából származó jövedelemre.

/4/ Az /1/ és /3/ bekezdések rendelkezései a vállalkozás ingatlan vagyonából származó jövedelemre és a szabad foglalkozás gyakorlására szolgáló ingatlan vagyonból származó jövedelemre is alkalmazandók.

7. cikk

Vállalkozási nyereség

/1/ Az egyik Szerződő Állam vállalkozásának nyeresége csak ebben az Államban adóztatható, kivéve, ha a vállalkozás tevékenységét a másik Szerződő Államban egy ott levő telephely útján fejti ki. Amennyiben a vállalkozás íly módon fejti ki tevékenységét, úgy a vállalkozás nyeresége ebben a másik Államban adóztatható, azonban csak olyan mértékben, amilyen mértékben az ennek a telephelynek tudható be.

/2/ A /3/ bekezdés rendelkezéseit fenntartva, ha az egyik Szerződő Állam vállalkozása tevékenységét a másik Szerződő Államban egy ott levő telephely útján fenti ki, úgy ennek a telephelynek mindegyik Szerződő

Államban azokat a nyereségeket kell betudni, amelyeket akkor érhetne el, ha azonos vagy hasonló tevékenységet azonos vagy hasonló feltételek mellett, mint önálló és független vállalkozás fejtene ki.

/3/ A telephely nyereségének megállapításánál levonhatók a telephely miatt felmerült költségek, beleértve az üzletvezetési és általános ügyviteli költségek ésszerü összegét, kutatási és fejlesztési költségeket, kamatot és a vállalkozás mint egész /vagy annak a telephelyet magában foglaló része/ miatt felmerült más költségeket, tekintet nélkül arra, hogy abban az Államban merültek-e fel, ahol a telephely fekszik, vagy máshol.

/4/ A telephelynek nem tudható be nyereség:

a/ javaknak vagy áruknak ezen telephely által a vállalkozás részére történő puszta vásárlása, vagy

b/ javaknak vagy áruknak a telephely részére, annak használatára történő puszta kiszolgáltatása

miatt.

/5/ Amennyiben a nyereség olyan jövedelemtételeket tartalmaz, amelyekkel az Egyezmény más cikkei külön foglalkoznak, úgy azoknak a cikkeknek a rendelkezéseit e cikk rendelkezései nem érintik.

8. cikk

Hajózás és légiforgalom

/1/ Az egyik Szerződő Állam vállalkozásának az a nyeresége, amely hajóknak vagy légijárműveknek a nemzetközi forgalomban való üzemeltetéséből származik, csak ebben az Államban adóztatható.

/2/ E cikk értelmében a hajók vagy légijárművek nemzetközi forgalomban való üzemeltetéséből származó nyereség magában foglalja az olyan nyereséget, amely a nemzetközi forgalomban üzemeltetett hajóknak vagy légijárműveknek személyzettel vagy anélkül való bérbe adásából származik, amennyiben ez a bérleti nyereség az /1/ bekezdésben említett más nyereséggel függ össze.

/3/ Az egyik Szerződő Állam vállalkozásának olyan nyeresége, amely javaknak vagy áruknak a nemzetközi forgalomban való szállítására használt konténerek /beleértve a vontatókat és a konténerek szállítására szolgáló, azokhoz kapcsolódó berendezést/ használatából, fenntartásából vagy bérbeadásából származik, csak ebben az Államban adóztatható.

/4/ E cikk rendelkezései alkalmazandók akkor is, ha a vállalkozásnak javak vagy személyek szállítására ügynöksége van a másik Államban, de csak a hajón vagy légijárműveken való szállítással közvetlenül összefüggő tevékenység erejéig, ide értve az azzal kapcsolatos, kisegítő jellegű tevékenységeket.

9. cikk

Osztalék

/1/ Az osztalék, amelyet az egyik Szerződő Államban illetőséggel bíró társaság a másik Szerződő Államban illetőséggel bíró személynek fizet, ebben a másik Államban adóztatható.

/2/ Mindazonáltal ez az osztalék abban a Szerződő Államban, amelyben az osztalékot fizető társaság illetőséggel bír, ennek az Államnak a jogszabályai szerint megadóztatható, de ha az osztalék haszonhúzója a másik Szerződő Államban bír illetőséggel, az így megállapított adó nem haladhatja meg:

a/ az osztalék bruttó összegének 5 százalékát, ha a haszonhúzó olyan társaság, amely közvetlenül vagy közvetve az osztalékot fizető társaság szavazásra jogosító tőkéjének legalább 10 százalékban tulajdonosa;

b/ minden egyéb esetben az osztalék bruttó összegének 15 százalékát.

Ez a bekezdés nem érinti a társaság adóztatását azon nyereség után, amelyből az osztalékot fizetik.

/3/ Az e cikkben használt "osztalék" kifejezés részvényekből, vagy nyereségrészesedést biztosító más jogokból - kivéve a követeléseket - származó jövedelmet, valamint egyéb társasági jogokból származó olyan jövedelmet jelent, amely annak az Államnak az adójoga

szerint, amelyben a nyereséget felosztó társaság illetőséggel bír, a részvényekből származó jövedelemmel azonos adóztatási elbírálás alá esik.

/4/ Az /1/ és /2/ bekezdés rendelkezései nem alkalmazandók, ha az osztalék egyik Szerződő Államban illetőséggel bíró kedvezményezettje a másik Szerződő Államban, amelyben az osztalékot fizető társaság illetőséggel bír, egy ott levő telephely útján tevékenységet fejt ki, vagy egy ott levő állandó berendezés segítségével szabad foglalkozást üz, és az érdekeltség, amely után az osztalékot fizetik, ténylegesen ehhez a telephelyhez vagy állandó berendezéshez tartozik. Ebben az esetben a 7. cikk /Vállalkozási nyereség/ vagy a 13. cikk /Szabad foglalkozás/ rendelkezései nyernek, az esettől függően, alkalmazást.

/5/ Ha egy társaság az egyik Szerződő Államban illetőséggel bír, úgy a másik Szerződő Állam nem adóztathatja meg a társaság által fizetett osztalékot, kivéve, ha

a/ az osztalékot ebben a másik Államban illetőséggel bíró személynek fizetik,

b/ az érdekeltség, amely után az osztalékot fizetik, ténylegesen ebben a másik Államban levő telephelyhez vagy állandó berendezéshez tartozik, vagy

c/ az osztalékot egy olyan telephelynek betudható nyereségből fizetik, amely a társaságé volt ebben a másik Államban, feltéve, hogy a társa-

ság valamennyi forrásból származó bruttó jövedelmének legalább 50 százaléka olyan telephelynek volt betudható, amely ebben a másik Államban a társaságé volt.

Ha a c/ pont alkalmazandó és az a/ és b/ pontok nem nyernek alkalmazást, bármely ilyen adó a /2/ bekezdésben foglalt korlátozások alá esik.

10. cikk

Kamat

/1/ A kamat, amely az egyik Szerződő Államból származik és amelyet a másik Szerződő Államban illetőséggel bíró személynek fizetnek, csak ebben a másik Államban adóztatható.

/2/ Az Egyezményben használt "kamat" kifejezés mindenfajta követelésből származó jövedelmet jelent, akár biztosítva van jelzálogjoggal, akár nem, és akár ad jogot az adós nyereségeiben való részesedésre, akár nem, különösen pedig állami kölcsönökből és kötvényekből vagy adóssághelevelekből származó jövedelmet jelent, beleértve a kötvényekhez vagy adóssághelevelekhez kapcsolódó prémiumot vagy jutalmat.

/3/ Az /1/ bekezdés rendelkezései nem alkalmazandók, ha a kamat egyik Szerződő Államban illetőséggel bíró kedvezményezettje a másik Szerződő Államban, egy ott levő telephely útján tevékenységet fejt ki, vagy egy

ott levő állandó berendezés segítségével szabad foglalkozást üz, és a követelés, amely után a kamatot fizetik, ténylegesen ehhez a telephelyhez vagy állandó berendezéshez tartozik. Ebben az esetben a 7. cikk /Vállalkozási nyereség/ vagy a 13. cikk /Szabad foglalkozás/ rendelkezései nyernek, az esettől függően, alkalmazást.

11. cikk

Licencdíj

/1/ A licencdíj, amely az egyik Szerződő Államból származik és amelyet a másik Szerződő Államban illetőséggel bíró személynek fizetnek, csak ebben a másik Államban adóztatható.

/2/ Az ebben a cikkben használt "licencdíj" kifejezés azt a bármilyen jellegü térítést jelenti, amelyet irodalmi, müvészeti vagy tudományos müvek, beleértve a mozgókép filmeket vagy rádió- vagy televíziós közvetítésre szolgáló filmeket vagy hangszalagokat, szerzői jogának, szabadalmak, védjegyek, minták vagy modellek, tervek, titkos formulák vagy eljárások vagy más hasonló jog vagy vagyoni érték használatáért vagy használati jogáért, vagy ipari, kereskedelmi vagy tudományos tapasztalatok közléséért fizetnek.

/3/ Az /1/ bekezdés rendelkezései nem alkalmazandók, ha a licencdíj egyik Szerződő Államban illetőséggel

bíró kedvezményezettje a másik Szerződő Államban, amelyből a licencdíj származik, egy ott levő telephely útján tevékenységet fejt ki, vagy egy ott levő állandó berendezés segítségével szabad foglalkozást üz, és a jog vagy vagyoni érték, amely után a licencdíjat fizetik, ténylegesen ehhez a telephelyhez vagy állandó berendezéshez tartozik. Ebben az esetben a 7. cikk /Vállalkozási nyereség/ vagy a 13. cikk /Szabad foglalkozás/ rendelkezései nyernek, az esettől függően, alkalmazást.

12. cikk

Elidegenítésből származó nyereség

/1/ Az a nyereség, amelyet az egyik Szerződő Államban illetőséggel bíró személy a másik Szerződő Államban fekvő, a 6. cikk /2/ bekezdésében /Ingatlan vagyon/ meghatározott ingatlan vagyon elidegenítéséből élvez, ebben a másik Államban adóztatható.

/2/ Az olyan ingó vagyon elidegenítéséből származó nyereség, amely az egyik Szerződő Állam vállalkozása másik Szerződő Államban levő telephelyének üzemi vagyona, vagy amely egy olyan állandó berendezéshez tartozik, amellyel az egyik Szerződő Államban illetőséggel bíró személy szabad foglalkozás gyakorlása céljából a másik Szerződő Államban rendelkezik, beleértve az olyan nyereséget, amelyet egy ilyen telephelynek /egyedül vagy az egész vállalkozással együtt

történő/ elidegenítéséből, vagy egy ilyen állandó berendezésnek az elidegenítéséből elérnek, a másik Államban adóztatható. Mindazonáltal az egyik Szerződő Állam vállalkozásának az a nyeresége, amely az ilyen vállalkozás által a nemzetközi forgalomban üzemeltetett hajók, légijárművek vagy konténerek elidegenítéséből származik, csak ebben az Államban adóztatható.

/3/ Az /1/ és /2/ bekezdésekben nem említett bármely vagyon elidegenítéséből származó nyereség csak abban a Szerződő Államban adóztatható, amelyben az elidegenítő illetőséggel bír.

13. cikk

Szabad foglalkozás

/1/ Az olyan jövedelem, amelyet az egyik Szerződő Államban illetőséggel bíró természetes személy szabad foglalkozás kifejtéséből élvez, csak ebben az Államban adóztatható, kivéve, ha az ilyen foglalkozást a másik Szerződő Államban fejti ki és

a/ a természetes személy a vonatkozó adózási évben összesen 183 napot meghaladó időszakot vagy időszakokat tölt el ebben a másik Államban, vagy

b/ a természetes személy tevékenységének kifejtéséhez ebben a másik Államban rendszeresen állandó berendezéssel rendelkezik, de a jöve-

delemből csak annyi, amennyi ennek az állandó berendezésnek tudható be.

/2/ A "szabad foglalkozás" kifejezés magában foglalja különösen az önállóan kifejtett tudományos, irodalmi, müvészeti, nevelési vagy oktatási tevékenységet, valamint az orvosok, ügyvédek, mérnökök, építészek, fogorvosok, müvészek, sportolók, könyvelők és könyvszakértők önálló tevékenységét.

14. cikk

Nem önálló munka

/1/ A 15. cikk /Nyugdíj/ és a 16. cikk /Közszolgálat/ rendelkezéseinek fenntartásával, a fizetés, a bér és más hasonló térítés, amelyet az egyik Szerződő Államban illetőséggel bíró személy nem önálló munkáért kap, csak ebben az Államban adóztatható, kivéve, ha a munkát a másik Államban végzik. Amennyiben a munkát ott végzik, úgy az ezért kapott térítés ebben a másik Államban adóztatható.

/2/ Tekintet nélkül az /1/ bekezdés rendelkezéseire, az a térítés, amelyet az egyik Szerződő Államban illetőséggel bíró személy a másik Szerződő Államban végzett nem önálló munkáért kap, csak az először említett Államban adóztatható, ha

a/ a kedvezményezett a másik Államban a vonatkozó adózási évben nem tartózkodik összesen 183

napot meghaladó időszakban vagy időszakokban, és

b/ a térítést olyan munkaadó fizeti vagy olyan munkaadó nevében fizetik, aki nem bír illetőséggel a másik Államban, és

c/ a térítést nem a munkaadónak a másik Államban levő telephelye vagy állandó berendezése viseli.

/3/ Tekintet nélkül e cikk előző rendelkezéseire, az a térítés, amely az egyik Szerződő Állam vállalkozása által a nemzetközi forgalomban üzemeltetett hajó vagy légijármü rendes állományának tagjaként végzett nem önálló munkáért jár, csak ebben a Szerződő Államban adóztatható.

15. cikk

Nyugdíj

A 16. cikk /Közszolgálat/ /2/ bekezdésében foglalt rendelkezések fenntartásával,

1/ a nyugdíj és más hasonló térítés, amelyet az egyik Szerződő Államban illetőséggel bíró személy korábbi, nem önálló munkáért maga élvez, csak ebben az Államban adóztatható, és

2/ a társadalombiztosítási fizetések és más állami nyugdíjak, amelyeket az egyik Szerződő Állam fizet olyan természetes személynek,

aki a másik Szerződő Államban bír illetőséggel vagy az Egyesült Államok állampolgára, csak az először említett Szerződő Államban adóztathatók.

16. cikk

Közszolgálat

/1/ a/ A nem nyugdíj jellegü térítés, amelyet az egyik Szerződő Állam vagy annak egyik politikai egysége vagy helyi hatósága fizet egy természetes személynek az ezen Államnak vagy politikai egységének vagy helyi hatóságának teljesített szolgálatért, csak ebben az Államban adóztatható.

b/ Mindazonáltal ez a térítés csak a másik Szerződő Államban adóztatható, ha a szolgálatot ebben az Államban teljesítették és a kedvezményezett ebben a másik Szerződő Államban illetőséggel bíró személy, aki:

i/ ennek az Államnak az állampolgára; vagy

ii/ nem kizárólag a szolgálat teljesítése céljából vált ebben az Államban illetőséggel bíró személlyé.

/2/ a/ A nyugdíj, amelyet az egyik Szerződő Állam vagy annak egyik politikai egysége vagy helyi hatósága fizet közvetlenül vagy az általa létesített alapból egy természetes személynek az ezen Államnak vagy politikai egységének vagy helyi hatóságának teljesített szolgálatért, csak ebben az Államban adóztatható.

b/ Mindazonáltal, ez a nyugdíj csak a másik Szerződő Államban adóztatható, ha a kedvezményezett annak az Államnak állampolgára és ott illetőséggel bír.

/3/ A 13. cikk /Szabad foglalkozás/, 14. cikk /Nem önálló munka/ és 15. cikk /Nyugdíj/ rendelkezései alkalmazandók, az esettől függően, az egyik Szerződő Állam vagy annak egyik politikai egysége vagy helyi hatósága által végzett üzleti, illetőleg termelőtevékenységgel kapcsolatos szolgálatért fizetett térítésre vagy nyugdíjra.

17. cikk

Tanárok

/1/ Ha az egyik Szerződő Államban illetőséggel bíró személyt a másik Szerződő Állam Kormánya, egyik politikai egysége vagy helyi hatósága, vagy ebben a másik

Szerződő Államban lévő egyetem vagy más elismert oktatási intézmény meghívja ebbe a másik Szerződő Államba előreláthatólag két évet nem meghaladó időszakra tanítás vagy kutatás folytatása vagy mindkettő céljából valamely egyetemen vagy más elismert oktatási intézménynél, és ez a személy elsősorban ezzel a céllal jön ebbe a másik Szerződő Államba, úgy az ilyen egyetemen vagy oktatási intézménynél végzett tanításból vagy kutatásból származó jövedelmét ennek a másik Szerződő Államnak mentesítenie kell az adó alól attól a naptól számított két évet meg nem haladó időszakra, amelyen ebbe a másik Szerződő Államba érkezett.

/2/ E cikk nem alkalmazandó a kutatásból származó jövedelemre, ha ezt a kutatást nem közérdekből, hanem elsősorban bizonyos személy vagy személyek magánérdekéből végzik.

18. cikk

Tanulók és ipari, kereskedelmi tanulók

/1/ Az az összeg, amelyet olyan tanuló, gyakornok vagy ipari, kereskedelmi tanuló kap ellátására, tanulmányaira vagy szakmai képzésére, aki közvetlenül az egyik Szerződő Államban tett látogatása előtt a másik Szerződő Államban illetőséggel bíró személy volt vagy most is az, és aki az először említett Szerződő Államban teljes idejü tanulmányi vagy szakmai képzési

célból tartózkodik, nem adóztatható ebben az Államban, feltéve, hogy ezeket a fizetéseket részére ezen az Államon kívül levő forrásokból teljesítik.

/2/ Az a természetes személy, akire az /1/ bekezdés alkalmazást nyer, választhatja azt, hogy az először említett Államban illetőséggel bíró személyként kezeljék. Ezt a választást alkalmazni kell a választás adózási évének és a következő adózási éveknek minden olyan időszakára, amelyek folyamán a természetes személy az /1/ bekezdés alá esőnek minősül és a választás csak ezen Állam illetékes hatóságának hozzájárulásával vonható vissza.

19. cikk

Minden egyéb jövedelem

Az egyik Szerződő Államban illetőséggel bíró személynek az Egyezmény előző cikkeiben nem tárgyalt jövedelme, bárhol keletkezzen is, csak ebben az Államban adóztatható.

20. cikk

Mentesítés a kettős adóztatás alól

/1/ Az Egyesült Államok esetében a kettős adóztatást a következőképpen kell elkerülni: Az Egyesült Államok jogszabályainak rendelkezései szerint és korlátozásait

fenntartva /amint azok időről időre módosulhatnak az itteni alapelv megváltoztatása nélkül/, az Egyesült Államok engedélyezni fogja az Egyesült Államokban illetőséggel bíró személynek vagy az Egyesült Államok állampolgárának, hogy a Magyar Népköztársaságnak fizetett adó megfelelő összegét beszámítsa az Egyesült Államok-beli jövedelemadóba; és abban az esetben, ha egy Egyesült Államok-beli társaság legalább 10 százalékban tulajdonosa egy olyan, a Magyar Népköztársaságban illetőséggel bíró társaság szavazásra jogosító tőkéjének, amelytől bármely adózási évben osztalékot kap, az Egyesült Államok engedélyezni fogja, hogy az Egyesült Államok-beli jövedelemadóba beszámítást nyerjen annak a jövedelemadónak a megfelelő összege, amelyet ez a társaság a Magyar Népköztársaságnak fizet olyan nyereség után, amelyből az osztalékot fizetik. A megfelelő összeg megállapításánál a Magyar Népköztársaságnak fizetett jövedelemadó összegét kell alapul venni, a beszámítás azonban nem haladhatja meg az Egyesült Államok jogszabályai által az adózási évre /az Egyesült Államokon kívüli forrásokból származó jövedelem Egyesült Államok-beli adójába történő beszámítás behatárolására/ megállapított korlátozásokat. A Magyar Népköztársaságnak fizetett adó vonatkozásában, az Egyesült Államok-beli beszámítás alkalmazása szempontjából a 2. cikk /Az Egyezmény alá eső adók/ /2/ b/ és /3/ bekezdéseiben említett adók tekintendők jövedelemadónak.

/2/ A Magyar Népköztársaság esetében a kettős adóztatást a következőképpen kell elkerülni:

a/ Amennyiben a Magyar Népköztársaságban illetőséggel bíró személy:

i/ olyan jövedelmet élvez, amely az Egyezmény rendelkezései szerint, kivéve az 1. cikk /Személyi hatály/ /2/ bekezdését, az Egyesült Államokban adóztatható, vagy

ii/ az Egyesült Államokban levő forrásokból származó jövedelmet élvez, amely csak az 1. cikk /Személyi hatály/ /2/ bekezdése alapján adóztatható,

úgy a Magyar Népköztársaság, a b/ és c/ pontokban foglalt rendelkezések fenntartásával, ezt a jövedelmet kiveszi az adóztatás alól.

b/ Amennyiben a Magyar Népköztársaságban illetőséggel bíró személy olyan jövedelmet élvez, amely a 9. cikk /2/ bekezdésének rendelkezései szerint az Egyesült Államokban adóztatható, úgy a Magyar Népköztársaság levonja ennek a személynek a jövedelme után beszedendő adóból azt az összeget, amely megfelel az Egyesült Államokban fizetett adónak. Az így levont összeg azonban nem haladhatja meg a levonás előtt megállapított adónak azt a részét, amely az Egyesült Államokból élvezett erre a jövedelemre esik.

c/ Amennyiben az Egyezmény bármely rendelkezése szerint valamely, a Magyar Népköztársaságban illetőséggel bíró személy által élvezett jövedelem ki van véve az adóztatás alól a Magyar Népköztársaságban, a Magyar Népköztársaság mindazonáltal ennek a személynek a többi jövedelmére történő adómegállapításnál figyelembe veheti a kivett jövedelmet.

21. cikk

Egyenlő elbánás

/1/ Az egyik Szerződő Állam állampolgárai, akár illetőséggel bírnak a Szerződő Államok egyikében, akár nem, a másik Államban nem vethetők sem olyan adóztatás, sem pedig azzal összefüggő olyan kötelezettség alá, amely terhesebb, mint az az adóztatás és azzal összefüggő kötelezettség, amelynek e másik Állam állampolgárai azonos körülmények között alá vannak vagy alá lehetnek vetve. Az előző mondat szempontjából az olyan állampolgárok, akik az egyik Szerződő Állam által az egész világról származó jövedelem után adóztatásnak vannak alávetve, nincsenek azonos körülmények között azokkal az állampolgárokkal, akik ilyen adóztatásnak nincsenek alávetve.

/2/ Az egyik Szerződő Állam vállalkozásának a másik Szerződő Államban levő telephelyét ebben a másik Államban nem lehet kedvezőtlenebbül adóztatni, mint ennek a

másik Államnak azonos tevékenységet folytató vállalkozásait. Ez a cikk nem értelmezendő akként, mintha az egyik Szerződő Államot arra kötelezné, hogy a másik Szerződő Államban illetőséggel bíró személyeknek személyi állapot vagy családi terhek alapján olyan egyéni levonásokat, adókedvezményeket és adómérsékléseket nyújtson, amelyeket a saját területén illetőséggel bíró személyeknek nyújt.

/3/ Az egyik Szerződő Állam vállalkozása által a másik Szerződő Államban illetőséggel bíró személynek fizetett kamat, a licencdíj és más költség ugyanolyan feltételek mellett levonható e vállalkozás adóztatható nyereségének megállapításánál, mintha azokat az először említett Államban illetőséggel bíró személy részére fizették volna. Hasonlóképpen az egyik Szerződő Állam vállalkozásának a másik Szerződő Államban illetőséggel bíró személyekkel szemben fennálló tartozásai ugyanolyan feltételek mellett levonhatók e vállalkozás adóztatható vagyonának megállapításánál, mintha ezek a tartozások az először említett Államban illetőséggel bíró személlyel szemben álltak volna fenn.

/4/ Az egyik Szerződő Állam vállalkozásai, amelyeknek tőkéje teljesen vagy részben, közvetlenül vagy közvetve a másik Szerződő Államban illetőséggel bíró egy vagy több személy tulajdonában vagy ellenőrzése alatt van, az először említett Államban nem vethetők sem olyan adóztatás, sem pedig azzal összefüggő olyan kötelezettség alá, amely terhesebb, mint az az adóztatás és azzal

összefüggő kötelezettség, amelynek az először említett Állam más hasonló vállalkozásai alá vannak vagy alá lehetnek vetve.

/5/ Az "adóztatás" kifejezés ebben a cikkben bármilyen fajtájú és megnevezésü adót jelent, amelyet az egyik Szerződő Állam vagy annak egyik politikai egysége vagy helyi hatósága kivet.

22. cikk

Egyeztető eljárás

/1/ Ha az egyik Szerződő Államban illetőséggel bíró személynek vagy ezen Állam állampolgárának véleménye szerint az egyik vagy mindkét Szerződő Állam intézkedései ránézve olyan adóztatáshoz vezetnek vagy fognak vezetni, amely nem felel meg az Egyezménynek, úgy, ezeknek az Államoknak a belső jogszabályai szerinti jogorvoslattól függetlenül, ügyét előterjesztheti annak a Szerződő Államnak az illetékes hatóságához, amelyben illetőséggel bír, vagy amelynek állampolgára.

/2/ Ha az illetékes hatóság a kifogást jogosnak találja és maga nincs abban a helyzetben, hogy kielégítő megoldást találjon, úgy törekedni fog az ügyet a másik Szerződő Állam illetékes hatóságával egyetértésben úgy rendezni, hogy az Egyezménynek meg nem felelő

adóztatás elkerülhető legyen. Az így létrejött megállapodást alkalmazni kell, bármilyen határidőket ír is elő a Szerződő Államok belső törvényhozása.

/3/ A Szerződő Államok illetékes hatóságai törekedni fognak arra, hogy a nehézségeket vagy kétségeket, amelyek az Egyezmény értelmezésénél vagy alkalmazásánál felmerülnek, egymással egyetértésben eloszlassák. Tanácskozhatnak arról is, hogy miként lehet a kettős adóztatást elkerülni olyan esetekben, amelyeket az Egyezmény nem tartalmaz.

/4/ A Szerződő Államok illetékes hatóságai az előző bekezdések értelmében létrehozandó egyetértés elérése céljából egymással közvetlenül érintkezhetnek.

/5/ A Szerződő Államok illetékes hatóságai szabályokat írhatnak elő az Egyezmény céljainak elérése érdekében.

23. cikk

Tájékoztatáscsere

/1/ A Szerződő Államok illetékes hatóságai ki fogják cserélni az Egyezmény vagy a Szerződő Államoknak az Egyezményben érintett adókra vonatkozó belső jogszabályai végrehajtásához szükséges tájékoztatásokat, amennyiben az általuk előirányzott adóztatás nem ellentétes az Egyezménnyel. A kölcsönös tájékoztatást

az 1. cikk /Személyi hatály/ nem korlátozza. A Szerződő Államnak a kapott tájékoztatást ugyanúgy kell titokban tartania, mint az Állam belső jogszabályai szerint nyert információkat és csak olyan személyeknek vagy hatóságoknak /beleértve a bíróságokat és az államigazgatási szerveket/ lehet hozzáférhetővé tenni, amelyek az Egyezmény hatálya alá eső adók kivetésével vagy beszedésével, ezen adók érvényesítésével és az azokra vonatkozó perléssel, vagy az ezekkel az adókkal kapcsolatos jogorvoslatra vonatkozó határozatokkal foglalkoznak. Ezek a személyek vagy hatóságok csak ilyen célokra használhatják fel a tájékoztatásokat. Ezek a személyek vagy hatóságok nyilvános bírósági tárgyalásokon vagy bírósági határozatokban a tájékoztatásokat hozzáférhetővé tehetik.

/2/ Az /1/ bekezdés rendelkezései semmi esetre sem értelmezhetők úgy, mintha azok a Szerződő Államok egyikét köteleznék:

a/ olyan államigazgatási intézkedések hozatalára, amelyek ennek vagy a másik Szerződő Államnak a jogszabályaitól és államigazgatási gyakorlatától eltérnek;

b/ olyan felvilágosítások adására, amelyek az egyik vagy a másik Szerződő Államnak a jogszabályai szerint vagy rendes államigazgatási gyakorlatában nem szerezhetők be;

c/ olyan tájékoztatás adására, amely szakmai, üzleti, ipari, kereskedelmi vagy foglalkozási titkot vagy üzleti eljárást tárna fel, vagy amelynek a közlése ellentmondana a közrendnek /ordre public/.

/3/ Ha e cikk szerint az egyik Szerződő Állam tájékoztatást kér, a másik Szerződő Állam a tájékoztatást, amelyre a kérelem vonatkozik, ugyanolyan módon és mértékben fogja beszerezni, mintha az először említett Állam adója ennek a másik Államnak az adója lenne és azt ez a másik Állam szedné be. Ha az egyik Szerződő Állam illetékes hatósága ezt kifejezetten kéri, úgy a másik Szerződő Állam illetékes hatósága e cikk alapján tanuvallomások és közzé nem tett eredeti okmányok /beleértve könyveket, okiratokat, nyilatkozatokat, feljegyzéseket, számlákat vagy iratokat/ másolatai formájában fog tájékoztatást nyújtani olyan mértékben, ahogyan ennek a másik Államnak a jogszabályai és államigazgatási gyakorlata szerint az ilyen tanuvallomások és okmányok a saját adóira vonatkozólag beszerezhetők.

24. cikk

Az Egyezmény hatálya a diplomáciai és konzuli tisztviselőkre, a belső jogszabályokra és az egyéb szerződésekre

/1/ Az Egyezmény nem érinti a diplomáciai vagy konzuli tisztviselők adózási kiváltságait, amelyek a nem-

zetközi jog általános szabályai szerint vagy külön egyezmények rendelkezései alapján őket megilletik.

/2/ Az Egyezmény semmilyen módon nem korlátozza azokat a kivételeket, mentességeket, levonásokat, beszámításokat vagy más engedményeket, amelyeket

a/ bármelyik Szerződő Állam jogszabályai, vagy

b/ a Szerződő Államok közti bármely más egyezmények

jelenleg nyújtanak, vagy a jövőben nyújtani fognak.

25. cikk

Hatálybalépés

/1/ Az Egyezményt a Szerződő Államok Kormányai eljárási rendjének megfelelően meg kell erősíteni vagy jóvá kell hagyni és az hatályba lép, mihelyt a felek értesítették egymást arról, hogy az alkotmányos követelményeiknek eleget tettek.

/2/ Az Egyezmény rendelkezései érvényesek lesznek:

a/ a forrásnál levont adók tekintetében az Egyezmény hatálybalépésének napját követő második hónap első napján vagy az után fizetett vagy beszámított összegekre,

b/ az egyéb adók tekintetében az Egyezmény hatálybalépésének napját követő január hónap első napján vagy az után kezdődő adózási időszakokra.

26. cikk

Felmondás

Az Egyezmény addig marad hatályban, ameddig az egyik Szerződő Állam Kormánya azt fel nem mondja. Az Egyezményt bármelyik Szerződő Állam Kormánya felmondhatja az Egyezmény hatálybalépésének napjától számított 5 év eltelte után bármikor, feltéve, hogy a felmondásról legalább 6 hónappal előbb diplomáciai úton értesítést ad. Ebben az esetben az Egyezmény hatályát veszti:

1/ a forrásnál levont adók tekintetében a 6 hónapos időszak lejáratát követő január hónap első napján vagy az után fizetett vagy beszámított összegekre;

2/ az egyéb adók tekintetében a 6 hónapos időszak lejáratát követő január hónap első napján vagy az után kezdődő adózási időszakokra.

KÉSZÜLT Washingtonban két példányban, mindkettő angol és magyar nyelven, a két szöveg egyaránt hiteles, 1979. február napján.

AZ AMERIKAI EGYESÜLT ÁLLAMOK KORMÁNYA NEVÉBEN

A MAGYAR NÉPKÖZTÁRSASÁG KORMÁNYA NEVÉBEN

[EXCHANGE OF NOTES]

Washington, 1979. február

Tisztelt Miniszter Ur!

A ma aláírt jövedelemadó Egyezménnyel kapcsolatban szeretném kifejezésre juttatni az Amerikai Egyesült Államok és a Magyar Népköztársaság delegációi által az Egyezmény egyes rendelkezéseinek alkalmazása tekintetében létrehozott megállapodásra vonatkozó egyetértésünket:

1. A 9. cikk /5/ c/ pontjával kapcsolatban megállapítást nyert, hogy Magyarország ilyen esetekben nem fog adót beszedni.

2. A jövedelmet /az ingatlan vagyonból származó jövedelem kivételével/ inkább a 7. cikk és a 13. cikk rendelkezései szerint kell megadóztatni, mint a 19. cikk rendelkezései szerint, ha a jövedelmet élvező személy, aki az egyik Szerződő Államban illetőséggel

Michael W. Blumenthal úrnak
az Amerikai Egyesült Államok
pénzügyminiszterének

Washington

bír, a másik Szerződő Államban egy ott levő telephely útján tevékenységet fejt ki, vagy ebben a másik Államban egy ott levő állandó berendezés segítségével szabad foglalkozást üz, és a jog vagy vagyoni érték, amely után a jövedelmet fizetik, ténylegesen ehhez a telephelyhez vagy állandó berendezéshez tartozik.

3. Az egyik Szerződő Állam vállalkozása és a másik Szerződő Államban levő kapcsolt vállalkozás közötti, a fennálló kapcsolatok miatt olyan feltételeket tartalmazó ügyletek tekintetében, amelyek eltérnek azoktól, amelyekben független vállalkozások egymással megállapodtak volna, mindegyik Szerződő Állam saját belső jogszabályait alkalmazhatja a jövedelemnek, levonásoknak, beszámításoknak és engedményeknek az egymással kapcsolatban álló vállalkozások közötti megosztásánál, kiutalásánál vagy odaítélésénél, annak a nyereségnek a megállapításához, amelyet a vállalkozások egyike e feltételek nélkül elért volna. A Szerződő Államok belső jogszabályai alkalmazhatók a 10. cikk /1/ bekezdésében említett kamat és a 11. cikk /1/ bekezdésében említett licencdíj mentesítésének olyan összegü kamatra és licencdíjra való korlátozására is, amelyben egymással kapcsolatban nem álló felek megállapodtak volna olyan esetekben, amikor az egyik Szerződő Állam vállalkozása kamatot és licencdíjat fizet a másik Szerződő Államban levő kapcsolt vállalkozásnak.

4. Megegyezés jött létre arra nézve, hogy a Szerződő Államok mindegyike törekedni fog a másik Szerződő Állam érdekében olyan összegeket behajtani, amelyek szükségesek lehetnek ahhoz, hogy az Egyezmény által nyújtott, e másik Szerződő Állam által megállapított adókötelezettségre vonatkozó adókedvezmények ne érvényesüljenek olyan személyek javára, akik arra nem jogosultak. Ez a megállapodás egyik Szerződő Államot sem kötelezi olyan adminisztratív intézkedések megtételére, amelyek különböznek a saját adójának beszedésénél alkalmazott intézkedésektől, vagy amelyek ellentétesek lennének szuverenitásukkal, biztonságukkal vagy a közrenddel.

Van szerencsém Önnek azt javasolni, hogy a jelen jegyzék és Excellenciád arra adott válasza képezzen kormányaink közti megállapodást ezekben a kérdésekben.

Kérem, Miniszter Ur, fogadja nagyrabecsülésem kifejezését.

Kiváló tisztelettel

Faluvégi Lajos

English Text of the Hungarian Note

February 12, 1979

Excellency:

In connection with the Income Tax Convention signed today, I should like to state our understanding of the agreement reached by the delegations of the United States of America and of the Hungarian People's Republic concerning the application of certain provisions of the Convention:

1. In connection with Article 9, subparagraph 5 c), it is understood that Hungary will not impose a tax in such cases.

2. Income (other than income from immovable property) will be taxed in accordance with the provisions of Article 7 and Article 13, rather than in accordance with the provisions of Article 19, if the person deriving the income, being a resident of one Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base.

3. In the case of dealings between an enterprise of one Contracting State and a related enterprise of the other Contracting State that involve conditions that differ from those that would have been made between independent enterprises, each Contracting State may apply its internal law to distribute, apportion or allocate income, deductions,

His Excellency
W. Michael Blumenthal
Secretary of the Treasury
United States of America

credits and allowances between the related enterprises, to reflect any profits which would, but for those conditions, have accrued to one of the enterprises. The internal law of each Contracting State may also be applied to restrict the exemption of interest provided in paragraph 1 of Article 10 and of royalties provided in paragraph 1 of Article 11 to the amount of interest and royalties that would have been agreed upon between unrelated parties in cases where interest and royalties are paid by an enterprise of one Contracting State to a related enterprise in the other Contracting State.

4. It is agreed that each of the Contracting States shall endeavor to collect on behalf of the other Contracting State such amounts as may be necessary to ensure that relief granted by the present Convention from taxation imposed by such other Contracting State does not enure to the benefit of persons not entitled thereto. This agreement shall not impose upon either of the Contracting States the obligation to carry out administrative measures which are of a different nature from those used in the collection of its own tax, or which would be contrary to its sovereignty, security, or public policy.

I have the honor to propose to you that the present note and Your Excellency's reply thereto constitute the agreement of our two Governments on these points.

Accept, Excellency, the assurances of my highest consideration.

Sincerely yours,

Lajos Faluvegi
Minister of Finance
Hungarian People's Republic

February 12, 1979

Excellency:

I have the honor to refer to your letter of today's date concerning the Income Tax Convention signed today reading as follows:

In connection with the Income Tax Convention signed today, I should like to state our understanding of the agreement reached by the delegations of the United States of America and of the Hungarian People's Republic concerning the application of certain provisions of the Convention:

1. In connection with Article 9, subparagraph 5 c), it is understood that Hungary will not impose a tax in such cases.

2. Income (other than income from immovable property) will be taxed in accordance with the provisions of Article 7 and Article 13, rather than in accordance with the provisions of Article 19, if the person deriving the income, being a resident of one Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base.

3. In the case of dealings between an enterprise of one Contracting State and a related enterprise of the other Contracting State that involve conditions that differ from those that would have been made between independent

His Excellency
Lajos Faluvegi
Minister of Finance
Hungarian People's Republic

enterprises, each Contracting State may apply its internal law to distribute, apportion or allocate income, deductions, credits and allowances between the related enterprises, to reflect any profits which would, but for those conditions, have accrued to one of the enterprises. The internal law of each Contracting State may also be applied to restrict the exemption of interest provided in paragraph 1 of Article 10 and of royalties provided in paragraph 1 of Article 11 to the amount of interest and royalties that would have been agreed upon between unrelated parties in cases where interest and royalties are paid by an enterprise of one Contracting State to a related enterprise in the other Contracting State.

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I wish to inform you that I agree with the contents of your letter.

Accept, Excellency, the assurance of my highest consideration.

Sincerely yours,

W. Michael Blumenthal

W. Michael Blumenthal

Hungarian Text of the U.S. Note

Washington, 1979. február

Tisztelt Miniszter Ur!

Van szerencsém hivatkozni a ma aláírt jövedelemadó Egyezményre vonatkozó, következő szövegü mai levelére:

"A ma aláírt jövedelemadó Egyezménnyel kapcsolatban szeretném kifejezésre juttatni az Amerikai Egyesült Államok és a Magyar Népköztársaság delegációi által az Egyezmény egyes rendelkezéseinek alkalmazása tekintetében létrehozott megállapodásra vonatkozó egyetértésünket:

1. A 9. cikk /5/ c/ pontjával kapcsolatban megállapítást nyert, hogy Magyarország ilyen esetekben nem fog adót beszedni.

2. A jövedelmet /az ingatlan vagyonból származó jövedelem kivételével/ inkább a 7. cikk és a 13. cikk rendelkezései szerint kell megadóztatni, mint a 19. cikk rendelkezései szerint, ha a jövedelmet élvező személy, aki az egyik Szerződő Államban illetőséggel

Faluvégi Lajos úrnak
a Magyar Népköztársaság
pénzügyminiszterének

Washington

bír, a másik Szerződő Államban egy ott levő telephely útján tevékenységet fejt ki, vagy ebben a másik Államban egy ott levő állandó berendezés segítségével szabad foglalkozást üz, és a jog vagy vagyoni érték, amely után a jövedelmet fizetik, ténylegesen ehhez a telephelyhez vagy állandó berendezéshez tartozik.

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Szeretném tájékoztatni Önt, hogy egyetértek levelének tartalmával.

Kérem, Miniszter Ur, fogadja nagyrabecsülésem kifejezését.

Kiváló tisztelettel

W. Michael Blumenthal

Michael W. Blumenthal

REPUBLIC OF CHINA

Trade Matters

Agreement effected by exchange of letters
Signed at Washington December 29, 1978;
Entered into force December 29, 1978.

The Special Representative for Trade Negotiations to the Chinese Political Vice Minister, Ministry of Economic Affairs

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
December 29, 1978

Political Vice Minister Yi-ting Wong
Ministry of Economic Affairs
Taipei, Taiwan
Republic of China

Excellency:

I have the honor to refer to recent discussions concerning our bilateral trade. During those discussions, it was noted that we expect to implement agreements resulting from the Tokyo Round trade negotiations that will benefit your exports, and it was agreed that in consideration of these concessions you will implement measures that will benefit our exports. This letter describes these reciprocal actions more fully.

We expect to include among our Tokyo Round concessions and to implement domestically, on a most-favored-nation basis, tariff concessions that have been discussed between us and that will benefit your exports. We further expect to extend to your exports the benefits of several non-tariff agreements that we may enter into in the Tokyo Round, including agreements on subsidies and countervailing duties, customs valuation, licensing, government procurement, commercial counterfeiting, and technical barriers to trade.

In consideration of the implementation of the above actions on our part, we understand that you will implement the tariff and non-tariff concessions listed in Annexes I and II to this letter, at the same time that we implement our measures described above. We further understand that you will observe obligations substantially the same as those applicable to developing countries set forth in non-tariff agreements concluded in the Tokyo Round, including agreements on subsidies and countervailing duties, customs valuation, licensing, government procurement, commercial counterfeiting, and technical barriers to trade. It is understood that neither your concessions nor ours will be nullified or impaired by actions inconsistent with the provisions of the General Agreement on Tariffs and Trade[1] or the agreements referred to above.

[1] TIAS 1700; 61 Stat., pts. 5 and 6.

We acknowledge that you and we will continue to grant most-favored nation treatment to each other's products.

We are confident that amicable adjustments will be made if necessary to ensure that the bilateral undertakings described in these letters remain appropriately balanced. We understand that only those articles for which you supplied ten percent or more of total U.S. imports in 1976 will be considered in establishing the initial bilateral balance. Thereafter, each side shall have the same rights as those of a GATT Contracting Party with respect to articles referred to in this exchange of letters for which it becomes, or ceases to be, a principal or substantial supplier. Every effort will be made to consult through appropriate channels on any trade matters including those covered by this letter.

It is further understood that both sides will consider favorably incorporating matters covered by this letter into other arrangements at an appropriate time.

Accept Excellency, renewed assurances of my highest esteem.

Sincerely,

Robert S. Strauss

Robert S. Strauss

ANNEX I

Republic of China's Tariff Concessions

Tariff Number	Description of Goods	Current Duty	Offered Duty
0103	Live swine livestock breeding	13%	10% free
0105	Live poultry, that is to say, fowls, ducks, geese, turkeys and guinea fowls livestock breeding	13%	10% free
0201	(1) Meat of bovine animals	30%	Change from ad valorem duty to specific duty US$ 0.30/lb (=NT$ 23.80/kg)
0202 Ex.	(1) Fowls, turkeys Turkeys	65%	35%
0202 Ex.	(2) Other Ducks	75%	40%
0402	(2) (c) Whey powder solely for fodder use, unfit for human consumption	5%	Bind
0405	Birds' eggs and egg yolks, fresh, dried, or otherwise preserved, sweetened or not (1) Eggs (a) Fresh (b) Other (2) Egg yolks	 52% 78% 78%	 40% 65% 65%
0406	Natural honey	91%	75%
0504	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof	33%	30%
0507	(2) Feather or parts of feathers and down	20%	free
0705	Dried Leguminous vegetables (3) Other	 20%	 10%
0802	(1) Lemons (a) Fresh	 78%	 25% for Mar. 1 - Sept. 30. 75% for other period
0802	(2) Oranges (a) Fresh	 78%	 25% for Mar. 1 - Sept. 30. 75% for other period

Tariff Number	Description of Goods	Current Duty	Offered Duty
0802	(3) Grapefruit (a) Fresh	78%	25% for Mar. 1 - Sept. 30. 75% for other period
0804	Grapes, fresh or dried (1) Fresh	78%	50% for Oct. 1 - Feb. 28. 75% for other period
0804	(2) Dried (a) In bulk (b) Packed in boxes	 NT$ 30/kg NT$ 33/kg	 NT$ 15/kg NT$ 17/kg
0805	(2) Walnuts (including shelled) (a) Shelled	78%	40% Change from ad valorem duty to specific duty
0806	(1) Apples	78%	75%
0807 Ex.	Stone fruit, fresh (3) Other Fresh cherries	78%	50% Change from ad valoren duty to specific duty
0812	(2) Prunes, dried (a) Packed in boxes	78%	45% Change from ad valorem duty to specific duty
0901	(1) Coffee (b) Roasted	55%	35%
1001	Wheat and meslin (mixed wheat and rye)	13%	Bind at 6.5%
1005	Maize	6%	Bind at 3%
1007	Buckwheat, millet, canary seed and grain sorghum; other cereals (1) Kao-liang for feed only	 5%	 3%
1201	(4) Soya beans	13%	Bind at 7%
1208	(2) Seed, apricot (a) Sweet	78%	40%
1302	(1) Gum arabic	20%	10%
1303	Vegetable saps and extracts: (10) Other	46%	25%

Tariff Number	Description of Goods	Current Duty	Offered Duty
1505	Wool grease and fatty substances derived therefrom (including lanolin)	20%	10%
1507	(1) Soya bean oil	39%	20%
1513	Margarine, imitation lard and other prepared edible fats		
	(1) Shortening	55%	35%
1602	Other prepared or preserved meat or meat offal	78%	60%
1702	(3) Caramel	33%	25%
1702	(5) Other	130%	70%
1908	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion		
	(2) Other fine bakers' wares	130%	75%
2002	(3) Tomato juice (with dry weight content of 7% or more)	78%	50%
2005	Jams, fruit jellies, marmalades, fruit purée and fruit pastes	91%	60%
2006	(1) Fruit, table and pie, preserved, in bottles or cans	85%	45%
2006	(2) Ground nuts, roasted	85%	60%
2006	(7) Other	85%	45%
2007	(1) Fruit juice		
	(b) Other	91%	75%
2102	(1) Extracts, essences or concentrates of coffee and preparations thereof	78%	50%
2102	(2) Extracts of tea or mate and preparations thereof	130%	65%
2105	Soups and broths, in liquid, solid or powder form		
	(2) For use as infant food	39%	20%
2105	(3) Other	78%	40%
2107	Food preparations not elsewhere specified or included		
	(6) Other	75%	60%
2208	(2) Denatured alcohol	52%	45%

Tariff Number	Description of Goods	Current Duty	Offered Duty
3504	Peptones and other protein substances and their derivatives; hide powder, whether or not chromed		
	(2) Other	26%	20%
4101	(1) Bovine and equine hides, other than calf skins	13%	Change from ad valorem duty to specific duty
	(a) Bovine hides (including buffalo and cow hides)		
	(i) Buffalo hides, salted, wet		NT$ 2.50/kg
	(ii) Buffalo hides, dried		NT$ 4.50/kg
	(iii) Cow hides, salted, wet		NT$ 3.00/kg
	(iv) Cow hides, dried		NT$ 6.00/kg
	(v) Inner hides, cow and buffalo, dried		NT$ 0.80/kg
5501	Cotton, not carded or combed		
	(1) Raw, uncleaned, including cotton with seeds	16%	Bind at free
0301	(4) Fish roe, edible	65%	35%
0301	(9) Other	65%	
Ex.	Croaker		50%
0303	(1) (e) (i) Squid	65%	Change from ad valorem duty to specific duty US$ 0.42/kg (=NT$ 15.00/kg)
2107	Food preparations not elsewhere specified or included		
	(3) Non-alcoholic compound preparations for making beverages	39%	25%
2507	(1) Kaolin	5%	2.5%
2507	(2) Bentonite	5%	2.5%
2512	Infusorial earths, siliceous fossil meals and similar ciliceous earths, of an apparent specific gravity of 1 or less. (2) Calcined	10%	Bind
2710	(6) (a) Oil, lubricating (containing mineral oil not less than 70%)	26%	15%
2710	(b) Grease, lubricating (containing mineral oil not less than 70%)	26%	15%
2812	(2) Boric acid (boracic acid)	23%	15%
2817	(1) Sodium hydroxide (caustic soda)	30%	20%
2821	(1) Chromic acid	26%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
2835	Sulphides, polysulphides		
	(4) Other	26%	15%
2840	(1) Calcium phosphate	7%	Bind at 7.5%
2842	(1) Soda ash (the crude sodium carbonate of commerce), sodium carbonate neutral	35%	25%
2846	(1) Borax (sodium borate), refined	20%	15%
2850	Fissile chemical elements and isotopes; other radioactive chemical elements and radioactive isotopes; compounds, inorganic or organic, of such elements or isotopes, whether or not chemically defined; alloys, dispersions and cermets, containing any of these elements, isotopes or compounds	Free	Bind
2901	(1) Styrene	26%	20%
2901	(5) Normal hexane	39%	20%
2902	Halogenated derivatives of hydrocarbons		
	(2) Vinyl chloride	26%	20%
2902	(4) Other	25%	20%
2906	Phenols and phenol-alcohols		
	(2) Phenol-alcohol		
	(a) For perfumery purposes	39%	25%
2906	(b) Other	26%	20%
2907	Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol-alcohols	26%	20%
2910	Acetals and hemiacetals and single or complex oxygen-function acetals and hemiacetals, and their halogenated, sulphonated, nitrated or nitrosated derivatives		
	(2) Other	26%	15%
2915	Polyacids and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives		
	(5) Other	25%	20%

Tariff Number	Description of Goods	Current Duty	Offered Duty
2916	Alcohol-acids, aldehyde-acids, ketone-acids, phenol-acids and other single or complex oxygen-function acids, and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives		
	(3) Other	26%	20%
2932	Organo-arsenic compounds		
	(2) Other	25%	15%
2936	Sulphonamides	26%	15%
2938	Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent	29%	20%
2942	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives		
	(5) Others (for medicinal use) such as emetine, yohimbine alkaloids, strychnine, quinine, ephedrine, caffeine, etc.	29%	20%
2944	Antibiotics (non-medicaments)	15%	10%
3002	(1) Antisera and microbial vaccines	Free	Bind
3003	(1) Antibiotics	35%	20%
3003	(2) Sulpha drugs	35%	20%
3004	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in retail packings for medical or surgical purposes, other than goods specified in Note 3 to this Chapter		
	(2) Other	20%	15%
3005	Other pharmaceutical goods		
	(3) Sterile absorbable surgical haemostatics		
	(a) Of cotton	52%	30%
3005	(b) Other	20%	10%
3005	(8) Other	20%	10%

Tariff Number	Description of Goods	Current Duty	Offered Duty
3103	Mineral or chemical fertilizers, phosphatic		
	(2) Other	7%	Bind
3209	(2) Enamels	52%	35%
3209	(7) Prepared water pigments of the kind used for finishing leather	39%	25%
3209	(9) Stamping foils		
	(b) Of synthetic resin base	59%	40%
3211	Prepared driers	33%	25%
3304	Mixtures of two or more odoriferous substances (natural or artificial) and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in the perfumery, food, drink or other industries		
	(1) For the preparation of non-alcoholic beverages, no sweetening agent having been added	39%	30%
3306	Perfumery, cosmetics and toilet preparations		
	(1) Not perfumed and not for immediate use	52%	40%
3306	(2) Dental cream (toothpaste)	156%	85%
3306	(8) Other	156%	100%
3401	Soap, including medicated soap		
	(1) Toilet soap	65%	40%
3401	(2) Other (including medicated soap)	65%	40%
3402	(3) Washing preparations (whether or not containing soap)	65%	40%
3403	(1) Oil, lubricating	26%	15%
3403	(2) Grease, lubricating	26%	15%
3702	Film in rolls, sensitised, unexposed, perforated or not		
3702	(2) Cinematograph	26%	15%
3702	(3) X-ray	20%	10%
3705	Plates, unperforated film and perforated film (other than cinematograph film), exposed and developed, negative or positive		
	(4) Other	65%	40%

Tariff Number	Description of Goods	Current Duty	Offered Duty
3707	Other cinematograph film, exposed and developed, whether or not incorporating sound track, negative or positive		
	(3) Other television film	20%	10%
3808	(1) Rosin	25%	15%
3809	(2) Pine tar	20%	10%
3811	(4) Pesticides, prepared and ready for immediate use	30%	Bind at 10%
3811	(7) Insecticides		
	(a) B.H.C. (powder and emulsion)	30%	Bind at 10%
3811	(b) Other	30%	Bind at 10%
3811	(8) Weed killers	30%	Bind at 10%
3814	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils		
	(1) Anti-knock preparations, prepared additives for mineral oils	20%	10%
3816	Prepared culture media for development of microorganisms	26%	15%
3819	(6) Plaster specially prepared for use in dentistry	39%	20%
3819	(13) Hydraulic brake fluid	26%	15%
3819	(14) Flotation reagent, n.e.s. (as aerofloat, etc.)	20%	10%
3819	(21) Deodorants (excluding medicaments, disinfectants, and toilet preparations)	39%	20%
3901	Condensation, polycondensation and polyaddition products, whether or not modified or polymerized, and whether or not linear (for example, phenoplasts, aminoplasts, alkyds, polyallyl esters and other unsaturated polyesters, silicones)		
	(5) Other	33%	
Ex.	Nylon resin and reflectorized plastic sheeting		20%

Tariff Number	Description of Goods	Current Duty	Offered Duty
3902	Polymerization and copolymerization products (for example, polyethylene, polytetrahaloethylene, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate, and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins)		
	(4) Other	33%	25%
3903	Regenerated cellulose; cellulose nitrate, cellulose acetate and other cellulose esters, cellulose ethers and other chemical derivatives of cellulose, plasticised or not (for example, collodions, celluloid); vulcanized fiber		
	(1) Copper covered forming plates	20%	15%
3903	(5) Other	33%	25%
3906	(4) Alginic salts and esters	26%	20%
3907	(3) Watch glass	20%	10%
4006	(2) Adhesives of unvulcanized rubber or rubber compounds	39%	25%
4011	Rubber tyres, tyre cases, interchangeable tyre threads, inner tubes and tyre flaps for wheels of all kinds		
	(3) Aircraft tyres and inner tubes	59%	30%
4011	(5) Other	59%	45%
4102	(1) Upper leather of cattle and calf	52%	35%
4103	Sheep and lamb skin leather except leather falling within heading No. 4106, 4107 or 4108	52%	30%
4203	Articles of apparel and clothing accessories, of leather or of composition leather		
	(2) Gloves and clothing for industrial use	30%	15%
4205	Other articles of leather or of composition leather	91%	60%
4403	Wood in the rough, whether or not stripped of its bark or merely roughed down		
	(12) Other	39%	20%

Tariff Number	Description of Goods	Current Duty	Offered Duty
4405	(1) Of coniferous species (a) Laths	20%	10%
4413	Wood (including blocks, strips and friezes for parquet or wood block flooring, not assembled), planed, tongued, grooved, rebated, chamfered, V-jointed, center V-jointed, beaded, center-beaded or the like, but not further manufactured (2) Other	46%	25%
4414	Wood sawn lengthwise, sliced or peeled but not further prepared, of a thickness not exceeding 5mm; veneer sheets and sheets for plywood, of a thickness not exceeding 5 mm	46%	25%
4701	Pulp derived by mechanical or chemical means from any fibrous vegetable material	13%	10%
4702	(1) Paper cuttings and paper waste, blank; paper boxes and paper bags, waste; and the like (fit only for remanufacture)	13%	10%
4801	Paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets (1) Paper (b) Other printing and writing paper (iii) Paper, stamp printing and banknote	Free	Bind
4801	(iv) Paper, printing and/or writing, glazed or unglazed, white or colored, plain or laid (including antique wove, uncoated art printing paper and the like), n.e.s.	45%	35%
4801	(2) Paperboard (a) Boxboard, leather board, Manila board, Jacquard or silk board (chip board), wood-pulp board, duplex or triplex	52%	40%
4801	(b) Matrix board (dry flong)	33%	20%
4801	(d) Tagboard, tabulating card-stock	26%	15%
4801	(f) Other (including Kraft paperboard)	40%	30%
4807	Paper and paperboard, impregnated, coated, surface-colored, surface-decorated or printed (not being merely ruled, lined or squared and not constituting printed matter within Chapter 49), in rolls or sheets		

Tariff Number	Description of Goods	Current Duty	Offered Duty
4807	(1) Printing paper and writing paper (a) Paper, coated and/or enamelled on one or both sides, white or colored (including coated art printing paper) (i) Release paper, plain	59%	45%
4819	Paper or paperboard labels, whether or not printed or gummed (2) Other	52%	35%
4821	Other articles of paper pulp, paper, paperboard or cellulose wadding (4) Recording dials, sheets and rolls, for self-recording	20%	10%
4821	(9) Continuous electronic computor forms and cards	39%	20%
4901	Printed books, booklets, brochures, pamphlets and leaflets (2) Other	Free	Bind
5801	Carpets, carpeting and rugs, knotted (made up or not) (4) Of synthetic or regenerated fiber	104%	75%
5802	Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not) (3) Of synthetic or regenerated fiber	104%	75%
5903	(1) Bonded synthetic or regenerated fiber fabric	104%	75%
5911	Rubberized textile fabrics, other than rubberized knitted or crocheted goods (6) Adhesive tape with backing of textile fabric	52%	35%
6006	(3) Of synthetic or regenerated fiber (b) Clothing and articles of personal wear	104%	70%
6101	Men's and boys' outer garments (3) Of synthetic or regenerated fiber	104%	70%
6202	(1) Bed linen, table linen, toilet linen and kitchen linen (d) Of synthetic or regenerated fiber	104%	70%

Tariff Number	Description of Goods	Current Duty	Offered Duty
6204	Tarpaulins, sails, awnings, sunblinds, tents and camping goods		
	(3) Other		
	(d) Of synthetic or regenerated fiber	104%	65%
6813	(2) Asbestos mixtures and articles thereof		
	(b) Articles		
	(i) For building purposes	39%	20%
6813	(ii) Packings	26%	20%
6902	Refractory bricks, blocks, tiles and similar refractory constructional goods, other than goods falling within heading No. 6901		
	(2) Other	46%	35%
6910	Sinks, wash basins, bidets, water closet pans, urinals, baths and like sanitary fittings	78%	45%
6912	Tableware and other articles of a kind commonly used for domestic or toilet purposes, or other kinds of pottery		
	(1) Tableware	65%	45%
7009	Glass mirrors (including rear-view mirrors), unframed, framed or backed		
	(1) Glass, plate or sheet, silvered (including float glass, plate or sheet, silvered)	65%	45%
7009	(2) Mirrors (framed or backed)	70%	50%
7013	Glassware (other than articles falling in heading No. 7019) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or for similar uses		
	(6) Other	70%	50%
7016	Bricks, tiles, slabs, paving blocks, squares and other articles of pressed or molded glass, of a kind commonly used in building; multicellular glass in blocks, slabs, plates, panels and similar forms	78%	40%
7017	Laboratory, hygienic and pharmaceutical glassware, whether or not graduated or calibrated; glass ampoules		
	(1) Glass ampoules	33%	25%
7017	(2) Other	19%	10%
7018	Optical glass and elements of optical glass, other than optically worked elements;		
	(7) Blanks for corrective spectacle lenses	25%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
7020	Glass fiber (including wool), yarns, fabrics, and articles made therefrom		
	(3) Other		
	(f) Other	75%	50%
7107	Gold, including platinum-plated gold, unwrought or semi-manufactured		
	(3) Other		
	(b) Semi-manufactured metals	26%	20%
7303	Waste and scrap metal of iron or steel	10%	Bind
7313	(4) Tinned plates and sheets		
	(c) Old (including box linings)	39%	20%
7318	Tubes and pipes and blanks therefor, of iron (other than of cast iron) or steel, excluding high-pressure hydro-electric conduits		
	(1) Blanks for tubes and pipes	33%	30%
7318	(3) Other	39%	35%
7320	Tube and pipe fittings (for example, joints, elbows, unions and flanges), of iron or steel	33%	25%
7329	Chain and parts thereof, of iron or steel		
	(4) Other	52%	35%
7330	Anchors and grapnels and parts thereof, of iron or steel	33%	20%
7336	(2) Cooking apparatus and parts thereof		
	(b) Gas burning		
	(i) Complete	60%	40%
7336	(c) Other	52%	35%
7338	(2) Builders' sanitary ware for indoor use and parts thereof		
	(a) Sanitary ware, iron, enamelled (as bath tubs, lavatory ware, etc., with or without fittings)	91%	55%
7338	(b) Other	52%	40%
7340	Other articles of iron or steel		
	(7) Containers, of a capacity not exceeding 300 liters	33%	25%
7340	(10) Rudders, ships'	Free	Bind

Tariff Number	Description of Goods	Current Duty	Offered Duty
7401	Copper matte; unwrought copper (refined or not); copper waste and scrap		
	(3) Copper waste and scrap		
	(a) Copper	10%	Bind
7401	(b) Brass	10%	Bind
7408	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper		
	(2) Brass	26%	20%
7410	Stranded wire, cables, cordage, ropes, plaited bands and the like, of copper wire, but excluding insulated electric wires and cables		
	(1) Stranded wire, cables, cordage and ropes	26%	20%
7418	Other articles of a kind commonly used for domestic purposes, builders' sanitary ware for indoor use, and parts of such articles and ware, of copper		
	(1) Domestic articles and parts thereof		
	(b) Household utensiles	52%	40%
7418	(2) Builder's sanitary ware for indoor use and parts thereof	52%	40%
7506	Other articles of nickel		
	(7) Other	52%	40%
7603	Wrought plates, sheets and strip, of aluminum		
	(1) Sheets and plates	40%	30%
7616	Other articles of aluminum		
	(14) Other	52%	40%
7801	Unwrought lead (including argentiferous lead), lead waste and scrap		
	(1) Lead waste and scrap	13%	10%
7802	Wrought bars, rods, angles, shapes and sections, of lead; lead wire		
	(2) Wire	26%	20%
7804	(1) Foil (including varnished)	39%	20%
7901	Unwrought zinc; zinc waste and scrap		
	(1) Zinc waste and scrap	10%	5%
8004	(1) Foil	26%	15%
8102	Molybdenum, unwrought or other		
	(5) Other	26%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
8202	(5) Chain saw blades	19%	15%
8301	(1) Locks and padlocks	52%	30%
8303	Safes, strong boxes, armoured or reinforced strong-rooms, strong-room linings and strong-room doors, and cash and deed boxes and the like, of base metal	65%	35%
8307	(5) Explosion-proof lamps, electric	20%	10%
8313	(1) Stoppers, crown corks, bottle caps, capsules, bung covers, seals and plombs	39%	25%
8315	(1) Welding rods (a) Carbon steel	45%	30%
8401	Steam and other vapor generating boilers (excluding central heating hot water boilers capable also of producing low pressure steam) (1) Steam and other vapor generating boilers (a) Working pressure 50 kgs per square centimeter and under	32%	20%
8401	(b) Other	13%	10%
8401	(3) Boiler fittings and mountings	32%	20%
8402	Auxiliary plant for use with steam and other vapor generating boilers (for example, economizers, superheaters, soot removers, gas recoverers and the like); condensers for vapor engines and power units	32%	20%
8405	Steam and other vapor power units, not incorporating boilers	13%	10%
8406	(1) Aircraft engines (a) Engine	Free	Bind
8406	Internal combustion piston engines (2) (c) For other motor vehicle use, including parts	46%	30%
8408	Other engines and motors (1) Aircraft engines (as turbo-jets, ram-jets, pulse-jets)	Free	Bind
8408	(2) Gas turbines other than for aircraft	13%	10%
8408	(3) Other	13%	10%
8410	(1) Pumps	26%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
8410	(2) Liquid elevators	26%	15%
8410	(4) Injection pumps for diesel engines		
	(b) Other	13%	10%
8411	(1) Air pumps, vacuum pumps, and turbo-pumps	16%	10%
8411	(2) Air or gas compressors, motor and turbo-compressors	19%	15%
8411	(5) Refrigerating compressors	35%	20%
8412	Air conditioning machines, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity of air		
	(1) Complete	45%	30%
8415	(1) Refrigerators and refrigerating equipment, other than domestic refrigerators		
	(a) Freezers and refrigerating equipments	25%	15%
8415	(b) Cold drink machinery, ice cream machinery and the like	46%	25%
8415	(3) Domestic refrigerators, electrical		
	(a) Complete	46%	30%
8417	(1) (c) Distillation apparatus, laboratory	19%	10%
8417	(h) Sterilizers and pasteurizers	19%	10%
8417	(k) Chlorinator	16%	10%
8418	(1) Cream separators	16%	10%
8418	(2) Centrifuges for oil refinery	16%	10%
8418	(8) Liquid or gas filters for internal combustion engines		
	(c) For industrial and ships' use	13%	10%
8418	(9) Electric air filters and purifiers	50%	30%
8419	(1) Dish washing machines	46%	30%
8420	Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight-operated counting and checking machines; weighing machine weights of all kinds	19%	15%
8421	(4) Steam or sand blasting machines and similar jet projecting machines	19%	10%
8422	Lifting, handling, loading or unloading machinery, telphers and conveyors (for example, lifts, hoists, winches, cranes, transporter cranes, jacks, pulley tackle, belt conveyors and teleferics), not being machinery falling within heading No. 8423		

Tariff Number	Description of Goods	Current Duty	Offered Duty
8422	(6) Other	20%	15%
8423	(3) Oil well drilling machinery	Free	Bind
8423	(4) Stone mining machines	13%	10%
8435	Other printing machinery; machines for uses ancillary to printing		
	(2) Other	19%	15%
8440	(1) (d) Printing machines for leather, wallpaper, wrapping paper and other materials	19%	15%
8440	(2) Domestic washing machines		
	(a) Electric	46%	30%
8444	Rolling mills and rolls therefor	13%	10%
8445	(2) Machine-tools for changing the shape or form of the metal (without removing metals or carbides)		
	(a) Forging, stamping and die stamping machines	13%	10%
8445	(b) Metal working presses	13%	10%
8445	(c) Extruding machines	13%	10%
8452	(1) Electronic computers		
	(a) Central processing unit with an input/output unit and a memory unit of capacity not less than 32,000 Bits, for data processing purpose	10%	5%
8452	(2) Electronic control equipments for specially use with machine (including digital controller, programmed controller, computer and the like)	20%	10%
8452	(4) Other	40%	30%
8453	Statistical machines of a kind operated in conjunction with punched cards (for example, sorting, calculating and tabulating machines); accounting machines operated in conjunction with similar punched cards; auxiliary machines for use with such machines (for example, punching and checking machines)	39%	25%
8455	Parts and accessories		
	(2) For heading No. 8452 (1) (a)	10%	7.5%
8455	(3) For heading No. 8454 (3) and 8454(4)	52%	30%
8459	(2) Road making machines	13%	10%
8459	(5) Oil refining machinery	13%	10%
8459	Machinery and mechanical appliances, not falling within any other heading of this Chapter		
	(9) Other	19%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
8461	Taps, cocks, valves and similar appliances, for pipes, boiler shells, tanks, vats and the like, including pressure reducing valves and thermostatically controlled valves		
	(5) Other	19%	15%
8462	Ball, roller or needle roller bearings		
	(2) Parts		
	(b) Steel race for bearings (unfinished)	33%	20%
8463	Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gear-boxes and other variable speed gears), flywheels, pulleys and pulley blocks, clutches and shaft couplings		
	(6) Shaft, transmission, for motor driven hand tools	19%	15%
8464	Gaskets and similar joints of metal sheeting combined with other material (for example, asbestos, felt and paperboard) or of laminated metal foil; sets or assortments of gaskets and similar joints, dissimilar in composition, for engines, pipes, tubes and the like, put up in pouches, envelopes or similar packings		
	(3) Gaskets and similar joints for machinery	19%	10%
8465	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features and not falling within any other heading in this Chapter		
	(1) Oil seal rings		
	(c) For other machinery	19%	10%
8465	(6) Other	19%	15%
8501	Electrical goods of the following descriptions: generators, motors, converters (rotary or static), transformers, rectifiers and rectifying apparatus, inductors		
	(4) Battery chargers	32%	20%
8501	(11) Generators, turbine	13%	10%
8501	(12) Generators, kerosene or diesel		
	(a) 1,000 H.P. and under	19%	15%
8501	(b) Over 1,000 H.P.	13%	10%
8502	(3) Electromagnetic and permanent magnet chucks, clamps, vices and similar work holders	19%	15%
8503	Primary cells and primary batteries		
	(2) Other primary cells and batteries	46%	30%

Tariff Number	Description of Goods	Current Duty	Offered Duty
8506	Electro-mechanical domestic appliances, with self-contained electric motor		
	(2) Electric food grinders, food mixers, juice extractors, floor polishers, meat slicers and the like for domestic use	65%	35%
8506	(3) Other	65%	35%
8511	(1) Electric furnaces, ovens and induction and dielectric heating equipment (b) For laboratory use	19%	10%
8511	(3) Electric brazing and soldering machines	13%	10%
8511	(4) Electric machines and apparatus for cutting	13%	10%
8512	Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances (for example, hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro-thermic domestic appliances; electric heating resistors, other than those of carbon		
	(4) Other	50%	30%
8513	(2) Transmitters and receivers, tele-typewriter, line telegraphic	20%	10%
8514	Microphones and stands therefor; loud-speakers; audio-frequency electric amplifiers		
	(2) Repeaters, voice, telephones	26%	15%
8515	(5) Radio telephonic transmission and reception apparatus	26%	15%
8515	(7) Radio broadcasting apparatus	26%	15%
8515	(10) Radio facsimile apparatus	26%	15%
8517	Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar and fire alarms), other than those of heading No. 8509 or 8516		
	(2) Indicator panels	65%	35%
8518	Electrical capacitors, fixed or variable		
	(5) Capacitors, n.e.s.	33%	30%
8519	(1) Switches (except fuse cut-outs), relays, fuses, terminals, resistors, fixed or variable, surge suppressors, switchboards and control panels, circuit breakers, regulators, remote controls, rheostats, compensators, etc. for high voltage use	19%	

Tariff Number	Description of Goods	Current Duty	Offered Duty
Ex.	Resistors and wire potentiometers		10%
8519	(2) Low voltage regulators	32%	20%
8519	(7) Rheostats and potentiometers (resistors) for radio apparatus		
	(a) Complete	33%	
Ex.	Wire potentiometers		20%
8519	(b) Parts	26%	
Ex.	Wire potentiometer parts		15%
8519	(11) Other	33%	20%
8521	Thermionic, cold cathode and photo-cathode valves and tubes (including vapor or gas filled valves and tubes, cathode-ray tubes, television camera tubes and mercury arc rectifying valves and tubes); photocells; mounted transistors and similar mounted devices incorporating semi-conductors; mounted piezo-electric crystals		
	(2) Integrated circuits	20%	10%
8521	(3) Other	20%	
Ex.	Module, diodes, transistors		10%
8522	Electrical goods and apparatus (except those suitable for use solely or principally as parts of other machines or apparatus), not falling within any other heading of this Chapter		
	(12) Other	19%	15%
8523	Insulated (including enamelled or anodised) electric wire, cable, bars, strip and the like (including coaxial cable), whether or not fitted with connectors		
	(1) Solely for telecommunication use		
	(a) Coaxial cable	26%	15%
8523	(b) Other	39%	30%
8524	Carbon brushes, arc-lamp carbons, battery carbons, carbon electrodes and other carbon articles of a kind used for electrical purposes		
	(1) Carbon brushes		
	(a) For motors of 1 H.P. or over and generator use	19%	10%
8528	Electrical parts of machinery and apparatus, not being goods falling within any of the preceding headings of this Chapter		
	(3) Other	33%	25%

Tariff Number	Description of Goods	Current Duty	Offered Duty
8606	Railway and tramway rolling-stock, the following: workshops, cranes and other service vehicles (1) Railway (a) Self-propelled	7%	5%
8609	Parts of railway and tramway locomotives and rolling-stock (2) Parts of diesel locomotives	7%	5%
8610	Railway and tramway track fixtures and fittings; mechanical equipment, not electrically powered, for signalling to or controlling road, rail or other vehicles, ships or aircraft; parts of the foregoing fixtures, fittings or equipment (2) Railway and tramway track fixtures and fittings	7%	5%
8701	(1) Tractors other than road tractors for semi-trailers (e) Other	46%	
Ex.	Crawler, wheeled tractors		35%
8702	Motor vehicles for the transport of persons, goods or materials (including sports motor vehicles, other than those of heading No. 8709) (1) Motor cars (a) Sedan (including taxi), convertible, sports	75%	65%
8703	(2) Road sweeper lorries, spraying lorries	33%	30%
8703	(3) Crane lorries (a) Fitted with lifting device for lifting purpose solely (without cargo space)	19%	15%
8714	Other vehicles (including trailers), not mechanically propelled, and parts thereof (3) Other vehicles (a) Vehicles (i) Trailers specially constructed for conveyance of cargo vans	33%	30%
8802	Flying machines, gliders and kites; rotochutes	Free	Bind
8803	Parts of goods falling in heading No. 8801 or 8802 (for airships, flying machines, gliders, kites and rotochutes)	Free	Bind

Tariff Number	Description of Goods	Current Duty	Offered Duty
9001	Lenses, prisms, mirrors and optical elements, of any material, unmounted, other than such elements of glass not optically worked; sheets or plates, of polarizing material		
	(1) For eyeglasses, binoculars, telescopes, etc.	39%	35%
9008	Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles		
	(4) Other	39%	25%
9009	Image projectors (other than cinematographic projectors); photographic (except cinematographic) enlargers and reducers		
	(2) Microfilm readers	33%	20%
9010	(1) Apparatus and equipment of a kind used in photographic or cinematographic laboratories, not falling within any other heading in this Chapter		
	(b) Used in cinematographic laboratories	35%	20%
9010	(4) Projection screens	39%	20%
9010	(5) Film editor	26%	15%
9017	Medical, dental, surgical and veterinary instruments and appliances (including electro-medical apparatus and ophthalmic instruments)		
	(1) Electro-medical apparatus		
	(b) Other	19%	10%
9018	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; artificial respiration, ozone therapy, oxygen therapy, aerosol therapy or similar apparatus; breathing appliances (including gas masks and similar respirators)		
	(2) Breathing appliances (including gas masks, oxygen breathing apparatus, hose masks, filter respirators and the like)	10%	5%
9018	(5) Other	19%	10%
9019	Orthopedic appliances, surgical belts, trusses and the like; artificial limbs, eyes, teeth and other artificial parts of the body; deaf aids; splints and other fracture appliances		
	(1) Deaf aids, hemodialysis	Free	Bind
9019	(2) Orthopedic appliances, surgical belts, trusses and the like; splints and other fracture appliances	19%	10%

Tariff Number	Description of Goods	Current Duty	Offered Duty
9019	(5) Other	Free	Bind
9020	Apparatus based on the use of X-rays or of the radiations from radioactive substances (including radiography and radiotherapy apparatus); X-ray generators; X-ray tubes; X-ray screens; X-ray high tension generators; X-ray control panels and desks; X-ray examination or treatment tables, chairs and the like		
	(2) Other	19%	10%
9021	Instruments, apparatus or models, designed solely for demonstrational purposes (for example, in education or exhibition), unsuitable for other uses		
	(2) Other	19%	10%
9024	Instruments and apparatus for measuring, checking or automatically controlling the flow, depth, pressure or other variables of liquids or gases, or for automatically controlling temperature, (for example, pressure gauges, thermostats, level gauges, flow meters, heat meters, automatic oven-draught regulators), not being articles falling within heading No. 9014		
	(2) Thermostats, non-electrical	19%	15%
9024	(3) Automatic oven-draught regulators	20%	15%
9025	Instruments and apparatus for physical or chemical analysis (such as polarimeters, refractometers, spectrometers, gas analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like (such as viscometers, porosimeters, expansion meters); instruments and apparatus for measuring or checking quantities of heat, light or sound (such as photometers, including exposure meters, calorimeters); microtomes		
	(3) Other	19%	Bind at free
9026	Gas, liquid and electricity supply or production meters; calibrating meters therefor		
	(1) Electricity supply meters	20%	15%
9026	(2) Other		
	(a) Gas or liquid supply meters as gas meters, water meters, etc.	20%	15%

Tariff Number	Description of Goods	Current Duty	Offered Duty
9028	(2) Electrical or electronic instruments or apparatus for measuring non-electric quantities, or for checking, analyzing or automatically controlling		
	(d) Electrical or electronic instruments or apparatus whose non-electrical counterparts fall in heading No. 9014, 9015, 9016, 9022, 9023, 9024, 9025, 9027		
	(i) Instruments or apparatus falling within heading No. 9016 (2), 9022 or 9025 (2) and (3) whose operation depends on electrical phenomenon	19%	Bind at free
9028	(ii) Other	19%	15%
9028	(e) Other	19%	15%
9028	(3) Instruments and apparatus for detecting or measuring radiations	19%	15%
9029	Parts or accessories suitable for use solely or principally with one or more of the articles falling within heading No. 9023, 9024, 9026, 9027 or 9028		
	(7) Sensitive elements for various instruments	19%	15%
9029	(9) Thermocouples	19%	15%
9029	(15) Parts for electricity supply meters	20%	15%
9111	Other clock and watch parts	20%	10%
9205	Other wind musical instruments	52%	35%
9206	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets)	52%	35%
9212	(2) Record blanks (plain wax-discs for recording sound)	25%	15%
9305	Arms of other descriptions, including air, spring and similar pistols, rifles and guns		
	(3) Other	130%	65%
9306	Parts of arms, including roughly sawn gun stock blocks and gun barrel blanks, but not including parts of side-arms		
	(2) (b) Parts for other firearms	130%	65%
9402	Medical, dental, surgical or veterinary furniture (for example, operating tables, hospital beds with mechanical fittings); dentists' and similar chairs with mechanical elevating, rotating or reclining movements; parts of the foregoing articles		

Tariff Number	Description of Goods	Current Duty	Offered Duty
9402	(2) Other	19%	15%
9508	(2) Worked, unhardened gelatin (except gelatin falling within Heading No. 3503) and articles thereof		
	(b) Capsules for pharmaceutical products	33%	30%
9704	Equipment for parlour, table and funfair games for adults or children (including billiard tables and pintables and table tennis requisites)		
	(2) Other	78%	40%

ANNEX II

REPUBLIC OF CHINA'S NON-TARIFF MEASURE CONCESSIONS

1. Best efforts will be made to secure the legislative authority to eliminate the 20 percent customs valuation uplift within 5-6 years.

2. Favorable consideration will be given to taking appropriate liberalization measures regarding all non-tariff measures applied to imports of apples and automobiles.

3. Favorable consideration will be given to allowing imports of products containing ingredients acceptable in the United States, but currently not admitted to the Republic of China, subject to appropriate health and sanitary safeguards.

4. U.S. firms will be allowed to open branch offices to sell life insurance policies to all U.S. nationals in Taiwan.

5. U.S. firms will be allowed to open branch offices to sell property insurance policies, except marine, for property of U.S. nationals and entities. The joint ventures with American investment are to be excluded due to the fact that they are incorporated under Chinese laws and consequently to be regarded as Chinese firms.

6. The following measures are being taken and to be enforced to prevent the imitation of foreign trademarks:

   a. Manufacturers who copy foreign trademarks registered in our country shall be referred to the court for prosecution in accordance with Article 62 of the Trademark Law, and Articles 253, 254, and 255 of the Criminal Law of the Republic of China. The Board of Foreign Trade will prohibit the manufacturers from exporting the products in question.

   b. Those who imitate foreign trademarks not yet registered in this country shall also be conveyed to the court if they are suspected of committing the crime of illegally showing the trademark and the place of origin. If the place of origin is not shown, they cannot be prosecuted because our laws provide no penalty for the said counterfeiting. Under the circumstances, however, the National Bureau of Standards will still notify and admonish the counterfeiters not to use the trademark.

   c. The Republic of China will encourage its manufacturers to create their own trademarks and apply for registration in foreign countries.

   d. The Republic of China will ask industry associations to advise their members of their responsibilities under Government regulations on trademarks, above all those in the Criminal Law, and voluntarily to inform the authorities concerned of any unlawful act.

e. Whenever the National Bureau of Standards finds an application for a trademark which is closely similar to a foreign trademark, it will, without hesitation, reject the application according to the relevant articles of the Trademark Law. In addition, if an applicant is found suspected of imitating a trademark intentionally, the case will be referred to the court for prosecution.

f. In the forthcoming revision of the Trademark Law the following stipulation will be added in order to prevent crimes on trademark piracy:

> Those who are accessories to copying foreign trademarks registered in this country will be punished; and more severe punishment shall be inflicted for trademark counterfeiters, and the products in question shall be confiscated.

The Chinese Political Vice Minister, Ministry of Economic Affairs, to the Special Representative for Trade Negotiations

Embassy of the Republic of China
2311 Massachusetts Avenue, N.W.
Washington, D.C. 20008
December 29, 1978

Ambassador Robert S. Strauss
Special Representative for Trade Negotiations
Executive Office of the President
Washington, D.C.

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's letter of today's date, which reads as follows:

"Excellency:

'I have the honor to refer to recent discussions concerning our bilateral trade. During those discussions, it was noted that we expect to implement agreements resulting from the Tokyo Round trade negotiations that will benefit your exports, and it was agreed that in consideration of these concessions you will implement measures that will benefit our exports. This letter describes these reciprocal actions more fully.

'We expect to include among our Tokyo Round concessions and to implement domestically, on a most-favored-nation basis, tariff concessions that have been discussed between us and that will benefit your exports. We further expect to extend to your exports the benefits of several non-tariff agreements that we may enter into in the Tokyo Round, including agreements on subsidies and countervailing duties, customs valuation, licensing, government procurement, commercial counterfeiting, and technical barriers to trade.

'In consideration of the implementation of the above actions on our part, we understand that you will implement the tariff and non-tariff concessions listed in Annexes I and II to this letter, at the same time that we implement our measures described above. We further understand that you will observe obligations substantially the same as those applicable to developing countries set forth in non-tariff agreements concluded in the Tokyo Round, including agreements on subsidies and countervailing duties, customs valuation, licensing, government procurement, commercial counterfeiting, and technical barriers to trade. It is understood that neither your concessions nor ours will be nullified or impaired by actions inconsistent with the provisions of the

General Agreement on Tariffs and Trade or the agreements referred to above.

'We acknowledge that you and we will continue to grant most-favored-nation treatment to each other's products.

'We are confident that amicable adjustments will be made if necessary to ensure that the bilateral undertakings described in these letters remain appropriately balanced. We understand that only those articles for which you supplied ten percent or more of total U.S. imports in 1976 will be considered in establishing the initial bilateral balance. Thereafter, each side shall have the same rights as those of a GATT Contracting Party with respect to articles referred to in this exchange of letters for which it becomes, or ceases to be, a principal or substantial supplier. Every effort will be made to consult through appropriate channels on any trade matters including those covered by this letter.

'It is further understood that both sides will consider favorably incorporating matters covered by this letter into other arrangements at an appropriate time.

'Accept, Excellency, renewed assurances of my highest esteem.

Sincerely,

(signed)

Robert S. Strauss'"

I have the further honor to inform you, on behalf of the Government of the Republic of China, that it concurs with the contents of your letter.

Please accept, Excellency, the renewed assurances of my highest esteem.

Sincerely,

Yi-ting Wong
Political Vice Minister
Ministry of Economic Affairs

REPUBLIC OF KOREA

Agricultural Commodities

Agreement signed at Seoul June 7, 1979;
Entered into force June 7, 1979.

AGREEMENT BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE REPUBLIC OF KOREA

FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Korea:

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 Korea (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.

[1] 68 Stat. 455; 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 the 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 trans-shipment 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, trans-shipment 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 amount 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 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/Bales)	Maximum Export Market Value ($ Millions)
Wheat/Wheat Flour (Wheat Basis)	1979	140,000	19.3
Feedgrains (Corn)	1979	80,000	8.6
Cotton (Upland)	1979	35,000	12.1
Total			$40.0

Item II. Payment Terms:

Convertible Local Currency Credit (CLCC)

A. Initial payment - Five (5) Percent.

B. Currency use payment - Forty (40) Percent for 104(A) purposes.

C. Number of installment payments - Thirty-one (31).

D. Amount of installment payment - Approximately equal annual amounts.

E. Due date of first installment payment - Ten (10) years after date of last delivery of commodities in each calendar year.

F. Initial interest rate - Two (2) Percent.

G. Continuing interest rate - Three (3) Percent.

Item III - Usual Marketing Table:

Commodity	Import Period (US CY)	UMR (MT/Bales)
Wheat/Wheat Flour (Wheat Basis)	1979	1,515,000
Feedgrains	1979	825,000
Cotton	1979	801,000 bales of which at least 773,000 bales shall be imported from the United States of America.

Item IV - Export Limitations:

A. Export Limitation Period

The export limitation period shall be the U.S. calendar year 1979 or any subsequent U.S. calendar year in which the 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, the commodities which may not be exported are: for wheat/wheat flour - wheat, wheat flour, rolled wheat, semolina, farina and bulgur (or same products under a different name); for feedgrains - corn, cornmeal, barley, sorghum, rye and oats, including mixed feeds containing predominantly such grains; and, for cotton - upland cotton and cotton textiles (including yarn and waste).

C. Permissible Exports

Commodity	Quantity and Conditions	Period Exports Permitted
Cotton Textiles	Raw cotton content equivalent in weight to 70,000 bales (480 pounds net). If this export quantity is exceeded, the raw cotton equivalent in weight of such cotton textile exports will, in addition to the UMR provided in Item III, be imported from the United States into the Republic of Korea and paid for with the resources of the importing country, but such offset purchase requirement need not exceed the level of total Title I, P.L. 480 imports during the supply period.	During U.S. CY 1979 and any subsequent comparable supply period during which cotton purchased under this agreement is being imported or utilized.

Item V - Self-Help Measures:

The Government of Republic of Korea continues to accord high priority to increasing production of food. In implementing the following self-help measures, the Government will place specific emphasis on their 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 Government will:

A. Continue to strengthen the underlying foundation of the agricultural sector by providing additional capital to train more agricultural specialists in both basic and applied sciences and by providing adequate research and training facilities to carry out experimentation and to extend results to users.

B. Continue the basic and applied research efforts directed toward:

1. increasing production of major food grains, especially rice;

2. facilitating the expansion and improvement of agricultural mechanization and irrigation; and,

3. improving land utilization patterns for rice and other commodity production.

C. Increase and improve storage facilities for food grains in port areas, at regional terminals, and at local markets.

D. Expand and improve family planning programs and service to help further reduce population growth, especially in the rural areas.

E. Further expand the analysis of investment alternatives to enable decisions on their possible impacts on the production and/or agribusiness sector as well as the effects of existing agricultural policies on various policy proposals.

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 the commodities financed under this agreement will be used for financing the self-help measures set forth in the agreement in accordance with Paragraph B below.

B. In the use of the 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. All of the proceeds from the sale of the commodities financed under this agreement will be used in support of the specific projects or programs described below. These projects or programs are included in the progress report of the ROKG on self-help activities dated November 30, 1979.

Project or Program	Summary of How it will Benefit Intended Beneficiaries
(1) Control of Disease and Insect Damage	Needy small farmers will be assisted in order to increase their food grain production and farm household incomes through the timely provision of agricultural chemicals at stable prices.
(2) Irrigation	Food grain production by needy small farmers will be increased through additional irrigation programs.

(3) Agricultural Development	Additional agricultural production and farm household income of needy small farmers will be increased through financing program for the cultivation of special crops.

C. The Government of the importing country shall provide reports on how the proceeds are used for the purposes set forth herein in accordance with the provisions of Article II F of this Agreement.

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 Seoul, in duplicate, this 7th day of June 1979.

For the Government of the United States of America	For the Government of the Republic of Korea
Thomas Stern Chargé d'Affaires ad interim	Shin Hyon Hwack Deputy Prime Minister and Minister, Economic Planning Board

BERMUDA

Express Mail Service

Agreement, with detailed regulations, signed at Hamilton and Washington July 31 and August 13, 1979;
Approved and ratified by the President of the United States of America September 6, 1979;
Entered into force September 1, 1979.

INTERNATIONAL EXPRESS

MAIL AGREEMENT

BETWEEN

THE UNITED STATES POSTAL SERVICE

AND

THE POSTAL ADMINISTRATION

OF

BERMUDA

Preamble

The undersigned, by virtue of the authority vested in them, have concluded the following Agreement.

Article 1. Purpose of the Agreement

This Agreement shall govern the exchange of International Express Mail between the United States and Bermuda, including any areas for which the postal administrations of the United States and Bermuda exercise International Express mail responsibilities.

Article 2. Definitions

As used herein the following terms shall have the indicated meanings:

1. Administration - an abbreviated form used to refer to one of the postal administrations signatory to this Agreement;
2. Articles and sections - articles and sections of this Agreement, except when the context indicates an article which is or can be inserted into an item;
3. Convention - the Universal Postal Convention [1] adopted by the Congress of the Universal Postal Union from time to time;
4. Detailed Regulations of the Convention - the Detailed Regulations of the Universal Postal Convention enacted by the Congress of the Universal Postal Union from time to time;

[1] TIAS 5881, 7150, 8231; 16 UST 1291; 22 UST 1056; 27 UST 345.

5. International Express Mail service - the service established by this Agreement.

6. References to the regulations of either administration or to its internal legislation are to the general regulations or legislation governing the matter in question which are applicable regardless of the administration of origin;

7. Scheduled service - an International Express Mail service option which allows a sender to enter into a contractual arrangement to mail items on a designated schedule to designated addressees.

Article 3. Scheduled service

1. Each administration shall offer scheduled service on a contractual basis to customers who agree to use the service on a designated schedule to send items to designated addressees.

2. Each administration shall provide the other administration with a schedule of approximate delivery times to each city or other location to which scheduled service is available, based upon the time schedules of the international flights used to carry scheduled items.

3. For each scheduled service contract, the administration of origin shall provide the administration of destination with the following information at least ten days prior to commencing service pursuant to such contract:

(i) the identification number of the customer contract, which number shall be indicated on each item sent;

(ii) the name and address of the designated addressee;

(iii) the days of the week designated by the customer as scheduled dispatch days;

(iv) the time of day delivery is requested; and

(v) the airline and flight number to be used.

Article 4. Charges to be collected from the sender

Each administration shall fix the charges to be collected from senders for sending items in the service.

Article 5. Charges and fees to be collected from the addressee

Each administration shall be authorized to collect from the addressee the customs duty and other applicable non-postal fees, if any, payable on each item it delivers and a charge for the collection of such fees.

Article 6. Conditions of acceptance

Provided that the contents do not come within the prohibitions listed in article 7, each item, to be admitted into the International Express Mail service shall:

(a) be packed in a manner adapted to the nature of the contents and the conditions of transport;

(b) bear the name and address of the addressee and of the sender; and

(c) satisfy the conditions of weight and size fixed by article 8.

Article 7. Prohibitions

1. The provisions of the Convention governing prohibitions shall be applicable to the insertion of articles in International Express Mail items.

2. Each administration shall communicate to the other the necessary information concerning customs or other regulations, as well as the prohibitions or restrictions governing entry of postal items in its service.

Article 8. Limits of size and weight

1. An item of International Express Mail: (a) shall not exceed 900 millimeters for any one dimension nor 2 meters for the sum of the length and the greatest circumference measured in a direction other than that of the length; and (b) shall not exceed 15 kilograms in weight.

2. The administrations may agree by exchange of correspondence to change the size and weight limits established in section 1; however, the maximum weight limit shall in no event be increased in excess of 20 kilograms.

Article 9. Treatment of items wrongly accepted

1. When an item containing an article prohibited under article 7 has been wrongly admitted to the post, the prohibited article shall be dealt with according to the legislation of the administration establishing its presence.

2. When the weight or the dimensions of an item exceed the limits established under article 8, it shall be returned to the administration of origin if the regulations of the administration of destination do not permit delivery.

3. When a wrongly admitted item is neither delivered to the addressee nor returned to origin, the administration of origin shall be informed how the item has been dealt with and of the restriction or prohibition which required such treatment.

Article 10. General rules for delivery and customs clearance

1. Each administration shall, in accordance with its regulations for the type of service used, make every effort to effect delivery of each item of International Express Mail by the fastest means available.

2. Each administration shall make every effort to expedite the customs clearance of International Express Mail items.

Article 11. Undeliverable items.

1. After every reasonable effort to deliver an item has proven unsuccessful, the item shall be held at the disposal of the addressee for the period of retention provided by the regulations of the administration of destination.

2. An item refused by the addressee shall be returned immediately to the administration of origin.

3. Each undeliverable item shall be returned to the administration of origin through the International Express Mail service.

4. Neither administration shall charge the other for the return of undeliverable items.

Article 12. Items arriving out of course and to be redirected

1. Each item arriving out of course shall be redirected to its proper destination by the most direct route used by the administration which has received the item.

2. Neither administration shall charge the other for the redirection of items arriving out of course.

Article 13. Inquiries

1. Each administration shall answer in the shortest possible time, not to exceed one month, inquiries relating to any International Express Mail item posted by the other administration.

2. Inquiries shall be accepted only within a period of four months from the day after that on which the item was posted.

3. This article does not authorize routine requests for confirmation of delivery.

Article 14. Allocation of surface costs for traffic imbalances

1. At the end of each year of this Agreement, the administration which has received a larger quantity of International Express Mail than it has sent during that year shall have the right to collect from the other administration, as compensation, an imbalance charge for the surface handling and delivery costs it has incurred for each additional item received.

2. Each administration shall establish an imbalance charge per item which shall correspond to the costs of services.

3. Modifications of the imbalance charge may be made as follows:

a. Each administration may increase its imbalance charge when such an increase is necessary due to an increase in the costs of services.

b. To be applicable, any such modification of the imbalance charge must:

(i) be communicated to the other administration at least three months in advance;

(ii) remain in force for at least one year.

4. No imbalance charge shall be collected if the difference in the number of items exchanged is less than one thousand.

Article 15. Internal air conveyance dues

Each administration which provides for conveyance of items within its country shall be entitled to reimbursement of internal air conveyance dues at rates established in the provisions of the Convention which govern internal air conveyance dues.

Article 16. Onward air conveyance

1. The administrations may agree, by exchange of correspondence, to provide onward air conveyance services under the terms of this article.

2. Each administration shall, upon agreement under section 1 of this article, provide onward air conveyance service to or from any country with which it exchanges International Express Mail items, for items addressed to or originating in the other administration and shall provide approximate onward air conveyance times.

3. For each item forwarded pursuant to this article, the administration providing onward air conveyance services shall be authorized to collect from the other administration the onward air conveyance rates applicable to airmail under the Convention.

Article 17. No additional rates, charges, or fees

The administrations may collect only the rates, charges, and fees established under this Agreement.

Article 18. Application of the Convention

The Convention or its Detailed Regulations shall be applicable, where appropriate, by analogy, in all cases not expressly governed by this Agreement or its Detailed Regulations.

Article 19. Temporary suspension of service

1. Should extraordinary circumstances justify it, either administration may suspend temporarily its operation of the service.

2. Notice of such suspension shall be given immediately to the other administration.

Article 20. Detailed Regulations

1. Details of implementation of this Agreement shall be governed by its Detailed Regulations.

2. The provisions of the Detailed Regulations may be amended not inconsistently with this Agreement, by mutual consent by means of correspondence between officials of each administration who have been authorized to make such amendments.

Article 21. Arbitration

Any dispute which arises between the administrations concerning the interpretation or application of this Agreement which cannot be resolved by the administrations to their mutual satisfaction, shall be settled by arbitration, following the arbitration procedures of the Universal Postal Union at the time that the dispute is submitted by an administration for arbitration. The arbitrator shall be chosen from the administrations which provide a service analogous to International Express Mail service.

Article 22. Additional rules and regulations

Each administration is authorized to adopt implementing rules and regulations for its internal operation of the service not inconsistent with this Agreement or its Detailed Regulations.

Article 23. Entry into force and duration of the Agreement.

1. This Agreement shall enter into force on the date mutually agreed upon by the administrations, after it is signed by the authorized representatives of both administrations. [1]

2. This Agreement shall expire twelve months after either administration notifies the other in writing of termination.

[1] Sept. 1, 1979.

Done in duplicate and signed at Washington, D. C.,
on the 13th day of August, 1979, and at Hamilton
on the 31st day of July, 1979.

FOR THE UNITED STATES OF AMERICA:

[1]
Postmaster General

FOR BERMUDA:

[2]
Postmaster General

[1] W. F. Bolger.
[2] Sydney B. Corbett.

DETAILED REGULATIONS OF THE INTERNATIONAL

EXPRESS MAIL AGREEMENT

BETWEEN

THE UNITED STATES POSTAL SERVICE

AND

THE POSTAL ADMINISTRATION

OF

BERMUDA

The undersigned, by virtue of the authority vested in them, have drawn up the following Detailed Regulations for implementation of the International Express Mail Agreement between the United States Postal Service and the Postal Administration of Bermuda.

Article 101. Information to be supplied by the administrations

1. Each administration shall notify the other administration of:

(a) the necessary information concerning customs or other regulations, as well as the prohibitions or restrictions governing the entry of International Express Mail items in the territory for which it has International Express Mail responsibility;

(b) the provisions of its laws or regulations applicable to the conveyance of International Express Mail items;

(c) the rates and dues established under the Agreement; and,

(d) the forms, labels, and other documentation which it requires in the service.

2. Any change of the information mentioned in section 1 shall be communicated in writing immediately to the other administration.

Article 102. Address of the sender and of the addressee

To be admitted for mailing, each item of International Express Mail shall bear, in roman letters and arabic figures on the item

itself or on a label firmly attached to it, the names and complete addresses of the sender and of the addressee.

Article 103. Items containing merchandise

1. Each item containing merchandise or any other article subject to customs duty shall be accompanied by a customs declaration on Universal Postal Union form C2/CP3 or a similar form. The customs declaration shall be securely attached to each such item.

2. The contents of each such item shall be shown in detail on the customs declaration.

3. Although the administrations assume no responsibility for the accuracy of customs declarations, they shall inform senders of the correct way to complete these declarations.

4. The aggregate value of all items a sender may send to the United States of America in one day for the same addressee shall not exceed $250.

Article 104. Packing requirements

1. Each item shall be packed and closed in a manner befitting the weight, the shape, and the nature of the contents as well as the mode and duration of conveyance.

2. Each item shall be packed and closed so as not to present any danger if it contains articles of a kind likely to injure officials called upon to handle it or to soil or damage other mail or postal equipment.

3. Each item shall have, on its packing or wrapping, sufficient space for service instructions and for affixing labels.

4. Each item which requires special packing shall be made up in accordance with the packing provisions in the Detailed Regulations of the Convention.

Article 105. General make-up of mails

1. International Express Mail dispatches shall be made up in closed mails, and shall be accompanied by the air mail delivery bill and manifest forms required by these regulations.

2. The items in each dispatch shall be enclosed in blue and orange International Express Mail bags.

3. Items containing merchandise or other dutiable articles shall be placed in separate bags from non-dutiable items, and shall be dispatched separately accompanied by a separate manifest.

4. Each bag shall bear a label, showing the blue and orange chevron which has been adopted as the International Express Mail identification symbol. Each bag label shall clearly indicate:

a. the exchange office of destination; and

b. whether the bag contains merchandise or other dutiable items.

Article 106. Manifests

An International Express Mail manifest, on a form acceptable to each administration, shall accompany each dispatch.

2. Each item sent through the scheduled service shall be listed separately on the manifest. If no items are sent under a scheduled service contract, the contract number and the fact that no items were sent shall be entered on the manifest.

3. The manifest shall clearly indicate that the dispatch contains International Express Mail items.

Article 107. Air mail delivery bills

1. An air mail delivery bill, on Universal Postal Union form AV 7, shall accompany each dispatch.

2. The air mail delivery bill shall be marked so as to indicate clearly that the dispatch contains International Express Mail.

Article 108. Exchange offices

1. The exchange of dispatches of International Express Mail shall be carried out by the designated exchange offices of each administration.

2. Each administration shall designate its International Express Mail exchange offices to be used in the service and inform the other administration of the location of each such exchange office.

3. Each administration shall give the other administration advance notice of redesignation of or addition to its exchange offices.

Article 109. Check of International Express Mail

1. Upon receipt of an International Express Mail dispatch, the administration of destination shall check the dispatch to confirm its conformity with the air mail delivery bill.

2. The contents of each dispatch shall be checked as soon as possible, at an office designated by the administration of destination, to confirm their conformity with the manifest.

Article 110. Notification of irregularities

1. Any evidence of missing or damaged bags or items shall be reported to the administration of origin by telex or telegraph and confirmed in writing.

2. All other actions taken in connection with any irregularity shall be governed by the regulations of the administration of destination.

Article 111. Redirection of items arriving out of course

The redirecting administration shall notify the administration of origin, by telex, telegraph, or telephone, of the details concerning the arrival and redirection of each item or bag arriving out of course.

Article 112. Return of items to origin

Each administration which returns an item for any reason whatsoever shall give, either written by hand or by means of a stamped impression or a label on the item and on the manifest which accompanies it, the reason for non-delivery.

Article 113. Accounting, settlement of accounts

1. The procedures for accounting and for the settlement of accounts for internal air conveyance shall be governed by by the provisions covering accounting for air mail in the Detailed Regulations of the Convention.

2. The procedures for accounting and settlement of accounts for allocation of surface costs for traffic imbalances shall be as follows:

(a) The settlement shall take place annually. The annual period shall begin on the date agreed upon under the provisions of Article 24 of the Agreement.

(b) Each administration shall prepare quarterly a statement of items received on a mutually acceptable form which indicates the number of items received in each dispatch based upon the particulars of the International Express Mail manifests. These forms shall be forwarded to the administration of origin within two months from the end of the quarter.

(c) After verifying the statement of items received, the origin administration shall advise the destination administration by correspondence of its acceptance. If the verification reveals any discrepancies, a corrected statement shall be returned to the destination administration duly amended and accpeted. If the destination administration disputes the amend ments, it shall confirm the actual data by sending photocopies

of relevant International Express Mail manifests and notices of irregularities to the administration of origin. If the destination administration has received no notice of amendment within two months from the date of forwarding the quarterly statement of items received, the account shall be regarded as fully accepted.

(d) After each administration has accepted the statement of items received prepared by the other, the creditor administration shall prepare annually a detailed account and statement of charges on a mutually acceptable form which indicates the total number of items recieved and dispatched, the imbalance, the imbalance charge per item, and the total amount due.

(e) Accounts shall be closed within 6 months after the last day of the settlement period.

Article 114. Definitions

The definitions set forth in article 2 of the Agreement shall be applicable to these Detailed Regulations.

Article 115. Period of retention of documents

1. Documents of the service shall be kept for a minimum period of four months from the day following the date to which they refer.

2. A document concerning a dispute or an inquiry shall be kept until the matter has been settled. If the inquiring administration, duly informed of the result of an inquiry, allows six months to elapse from the date of communication without raising any objections, the matter shall be regarded as settled.

Article 116. Alterations or amendments

These Detailed Regulations may be altered or amended, not inconsistently with the Agreement, by mutual consent of the administrations by means of correspondence between officials of each administration who have been authorized to make such amendments.

Article 117. Entry into force and duration of these Detailed Regulations

1. These Detailed Regulations shall come into force the same date as the International Express Mail Agreement to which they refer.

2. These Detailed Regulations, and any amendments hereto pursuant to article 116, shall have the same duration as the International Express Mail Agreement to which they refer.

Done in duplicate and signed at Washington, D. C.,
on the 13th day of August, 1979, and at Hamilton
on the 31st day of July, 1979.

FOR THE UNITED STATES OF AMERICA:

Postmaster General

FOR BERMUDA:

Postmaster General

The foregoing Agreement between the United States of America and Bermuda for the exchange of Express Mail items and the Detailed Regulations of the Agreement have been negotiated and concluded with my advice and consent and are hereby approved and ratified.

IN TESTIMONY WHEREOF I have caused the seal of the United States of America to be hereunto affixed.

[SEAL]

JIMMY CARTER

By the President
CYRUS VANCE
Secretary of State
WASHINGTON, D.C., *September 6, 1979.*

JAPAN

Trade in Textiles

Arrangement effected by exchange of notes
Signed at Washington August 17, 1979;
Entered into force August 17, 1979;
Effective January 1, 1979.
With related notes.

The Japanese Ambassador to the Secretary of State

EMBASSY OF JAPAN
WASHINGTON

August 17, 1979

Excellency,

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done in Geneva on December 20, 1973 and extended by the Protocol done in Geneva on December 14, 1977[1] (hereinafter referred to as "the Arrangement Regarding International Trade in Textiles").

I have further 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 trade in cotton, wool and man-made fiber textiles between Japan and the United States of America and to confirm, on behalf of the Government of Japan, the understanding reached between the two Governments that, pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles and with a view to providing for orderly development of trade in cotton, wool, and man-made fiber textiles between Japan and the United States of America, the arrangement attached hereto will be applied by the two Governments.

I have further the honor to request Your Excellency to be good enough to confirm the foregoing understanding on behalf of the Government of the United States of America.

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

Fumihiko Togo[2]
Ambassador Extraordinary and
Plenipotentiary of Japan

The Honorable
Cyrus R. Vance
The Secretary of State

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[1] TIAS 7840, 8939; 25 UST 1001; 29 UST 2287.
[2] Fumihiko Togo.

Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-made Fiber Textiles between Japan and the United States of America.

Pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles permitting bilateral agreements consistent with the basic objectives and principles thereof "on mutually acceptable terms in order, on the one hand, to eliminate real risks of market disruption in importing countries and disruption to the textile trade of exporting countries, and on the other hand, to ensure the expansion and orderly development of trade in textiles...", the following provisions will be applied by the two Governments.

1. The provisions of this Arrangement will be implemented by the two Governments in accordance with the laws and regulations applicable in their respective countries.

2. The two Governments recognize that their rights and obligations under the General Agreement on Tariffs and Trade[1] are not affected by this Arrangement.

3. For the period beginning-January 1, 1979 and extending through December 31, 1981, existing cotton categories 300 through 369, existing wool categories 400 through 469, and existing man-made fiber categories 603 through 669, as specified in the U.S. Correlation of January 1979

[1] TIAS 1700; 61 Stat., pts. 5 and 6.

(Textile and Apparel Categories with Tariff Schedules of the United States Annotated) and any subsequent technical modifications thereof, will not be subject to numerical limits other than those arising under the provisions of paragraph 4 hereof.

4. (1) If the Government of the United States of America considers that imports from Japan of one or more of the categories referred to in paragraph 3 hereof are increasing so as to cause a real risk of market disruption in the United States of America, the Government of the United States of America may request consultations with the Government of Japan regarding the category or categories affected.

(2) When the Government of the United States of America requests such consultations, the Government of Japan will meet promptly with the Government of the United States of America to work out a mutually satisfactory solution to such problems as may exist with the category or categories affected. The consultations will be concluded within thirty days from the date of the request for such consultations by the Government of the United States of America unless the two Governments agree otherwise.

(3) In the event that such consultations do not result in a mutually satisfactory solution, the Government of the United States of America may request the Government of Japan to limit the exports of the category or categories affected. In that case, the Government of Japan will limit the exports

of such category or categories, for the twelve-month period ending December 31 of the year in which the request for such consultations is made, at levels in no case lower than 120 percent for cotton and man-made fiber categories or 106 percent for wool categories of the greater of:

(i) the levels of imports into the United States of America from Japan of such category or categories during the first twelve months of the fourteen months preceding the month in which the request for such consultations is made, or

(ii) the levels of the average annual imports into the United States of America in such category or categories from Japan during the first four calendar years of the five calendar years preceding the year in which the request for such consultations is made.

(4) If, in requesting the consultations referred to in subparagraph (1) above, the Government of the United States of America considers that unusual and exceptional market conditions exist in the United States of America where imports in the category or categories in question will cause serious disruption, the Government of Japan will, notwithstanding the provisions of sub-paragraph (3) above, limit the exports of the category or categories in question by applying the provisions of sub-paragraph (3) (i) above.

(5) Consultations under the provisions of this paragraph 4 will not be requested for any category when imports from Japan in such category are at annual levels not more than 1,000,000 square yards equivalent for each man-made fiber or cotton category other than apparel, 700,000 square yards equivalent for each man-made fiber or cotton apparel category, and 100,000 square yards equivalent for each wool category.

(6) The Government of the United States of America will provide a detailed factual statement of the reasons and justification for its request for consultations, including data similar to those contemplated in paragraphs I and II of Annex A of the Arrangement Regarding International Trade in Textiles as well as available relevant data on imports from third countries.

(7) The provisions of this paragraph 4 will be implemented in such a manner as to achieve the principles and objectives set out in the Arrangement Regarding International Trade in Textiles, and will only be resorted to sparingly.

(8) In case such consultations take place, the two Governments agree that full and sympathetic consideration will be given to such treatment as specific level, growth rate and flexibility including interfiber flexibility accorded to the similar category or categories in question under the arrangement effected by the Exchange of Notes of September 27, 1974[1] between the two Governments and to the

[1] TIAS 7934, 8181, 8644, 9226, 9227; 25 UST 2499; 26 UST 2648; 28 UST 5450; *ante*, pp. 916, 926.

evidence presented by the Government of the United States of America as to the real risk of market disruption. If the Government of Japan indicates that the level of restraint requested by the Government of the United States of America would result in undue hardship or inequity, the two Governments will examine such problems on the basis of relevant materials with a view to clarifying the situation and to developing a solution to such problems in a spirit of mutual confidence and cooperation and in a manner consistent with the objectives of the Arrangement Regarding International Trade in Textiles.

5. If the Government of Japan considers that as a result of the application of this Arrangement, Japan is, or is threatened to be, placed in an inequitable position vis-à-vis a third country whose exports to the United States of America of cotton, wool and man-made fiber textiles are subject to restraint, or that Japan is, or is threatened to be, put in a substantially disadvantageous position compared with any other exporting country because of such factors as a remarkable increase of exports by such country to the United States of America, the Government of Japan may request consultations with the Government of the United States of America. Such consultations will be held and concluded promptly with a view to taking appropriate remedial action such as a reasonable modification of this Arrangement. The Government of the United States of America will take such appropriate remedial measures as may be deemed satisfactory by the two Governments in the consultations.

6. During the period referred to in paragraph 3 hereof, the two Governments will exchange current data monthly on exports and imports between Japan and the United States of America of the textiles covered by this Arrangement as rapidly as possible.

7. The representatives of the two Governments will meet at the request of either Government and at least once a year for a general overall review of this Arrangement and its implementation. Such review will include consideration of changing conditions in the industries, markets and trade of the two countries in the textile field, as well as any particular proposals which may be made under sub-paragraph (2) of paragraph 13 hereof.

8. The Government of Japan will endeavor to space exports as evenly as practicable on a quarterly basis, taking seasonal factors into account.

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

10. (1) For the purposes of this Arrangement, the word "textiles" means tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in

combination represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product.

(2) In the implementation of this Arrangement, the system of textile categories and the rates of conversion are set forth in the U.S. Correlation of January 1979 and any subsequent technical modifications thereof. The assignments of products to categories listed in the Correlation will be determined in accordance with the United States Customs classification and definitions, subject to further clarification where necessary.

(3) Any question arising out of the implementation of the provisions of this paragraph 10 will be subject to consultations between the two Governments which will be promptly held with a view to finding a mutually satisfactory solution. These consultations will take into account the marketing of the textiles in question in the United States of America.

(4) The representatives of the two Governments will meet as necessary to discuss the application of the above definitions for cotton, wool and man-made fiber textiles to certain articles which the Government of Japan considers to be products of industries other than the textile and apparel industries, and not to be textile or apparel products.

(5) The contents of the letters exchanged between the two Governments on September 27, 1974 concerning the so-called "Japan Items" will be respected by the two Governments.

11. Matters concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America which are not governed by this Arrangement will be governed by the provisions of the Arrangement Regarding International Trade in Textiles. The Government of the United States of America agrees that, insofar as the exports from Japan of the products governed by this Arrangement are conducted within the framework thereof, the Government of the United States of America will not invoke the provisions of Article 3 of the Arrangement Regarding International Trade in Textiles with respect to such products.

12. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under this Arrangement, either Government may, after notification to the other Government, refer such problems to the Textiles Surveillance Body in accordance with the provisions of Article 11 of the Arrangement Regarding International Trade in Textiles.

13. (1) Either Government may, on or before the thirty-first day of October in any year, give to the other Government, through diplomatic channels, written notice of termination and, in such event, this Arrangement will cease to be effective at the end of the year in which the notice of termination is given.

(2) Each Government may at any time propose modifications of this Arrangement. The other Government will give sympathetic consideration to such proposal.

The Secretary of State to the Japanese Ambassador

AUGUST 17, 1979

EXCELLENCY:

I have the honor to acknowledge receipt of Your Excellency's Note of today's date enclosing the Arrangement attached thereto concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America which reads as follows:

> Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-made Fiber Textiles between Japan and the United States of America.

Pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles, permitting bilateral agreements consistent with the basic objectives and principles thereof "on mutually acceptable terms in order, on the one hand, to eliminate real risks of market disruption in importing countries and disruption to the textile trade of exporting countries, and on the other hand, to ensure the expansion and orderly development of trade in textiles. . .", the following provisions will be applied by the two Governments.

1. The provisions of this Arrangement will be implemented by the two Governments in accordance with the laws and regulations applicable in their respective countries.

2. The two Governments recognize that their rights and obligations under the General Agreement on Tariffs and Trade are not affected by this Arrangement.

3. For the period beginning January 1, 1979 and extending through December 31, 1981, existing cotton categories 300 through 369, existing wool categories 400 through 469, and existing man-made fiber categories 603 through 669, as specified in the U.S. Correlation of January 1979 (Textile and Apparel Categories with Tariff Schedules of the United States Annotated) and any subsequent technical modifications thereof, will not be subject to numerical limits other than those arising under the provisions of paragraph 4 hereof.

4. (1) If the Government of the United States of America considers that imports from Japan of one or more of the categories referred to in paragraph 3 hereof are increasing so as to cause a real risk of market disruption in the United States of America, the Government of the United States of America may request consultations with the Government of Japan regarding the category or cagtegories affected.

(2) When the Government of the United States of America requests such consultations, the Government of Japan will meet promptly with the Government of the United States of America to work out a mutually satisfactory solution to such problems as may exist with the category or categories affected. The consultations will be

concluded within thirty days from the date of the request for such consultations by the Government of the United States of America, unless the two Governments agree otherwise.

(3) In the event that such consultations do not result in a mutually satisfactory solution, the Government of the United States of America may request the Government of Japan to limit the exports of the category or categories affected. In that case, the Government of Japan will limit the exports of such category or categories, for the twelve-month period ending December 31 of the year in which the request for such consultations is made, at levels in no case lower than 120 percent for cotton and man-made fiber categories or 106 percent for wool categories of the greater of:

(i) the levels of imports into the United States of America from Japan of such category or categories during the first twelve months of the fourteen months preceding the month in which the request for such consultations is made, or

(ii) the levels of the average annual imports into the United States of America in such category or categories from Japan during the first four calendar years of the five calendar years preceding the year in which the request for such consultations is made.

(4) If, in requesting the consultations referred to in subparagraph (1) above, the Government of the United States of America considers that unusual and exceptional market conditions exist in the United States of America where imports in the category or categories in question will cause serious disruption, the Government of Japan will, notwithstanding the provisions of sub-paragraph (3) above, limit the exports of the category or categories in question by applying the provisions of sub-paragraph (3)(i) above.

(5) Consultations under the provisions of this paragraph 4 will not be requested for any category when imports from Japan in such category are at annual levels not more than 1,000,000 square yards equivalent for each man-made fiber or cotton category other than apparel, 700,000 square yards equivalent for each man-made fiber or cotton apparel category, and 100,000 square yards equivalent for each wool category.

(6) The Government of the United States of America will provide a detailed factual statement of the reasons and justification for its request for consultations, including data similar to those contemplated in paragraphs I and II of Annex A of the Arrangement Regarding International Trade in Textiles, as well as available relevant data on imports from third countries.

(7) The provisions of paragraph 4 will be implemented in such a manner as to achieve the principles and objectives set out in the Arrangement Regarding International Trade in Textiles, and will only be resorted to sparingly.

(8) In case such consultations take place, the two Governments agree that full and sympathetic consideration will be given to such

treatment as specific level, growth rate and flexibility including inter-fiber flexibility accorded to the similar category or categories in question under the arrangement effected by the Exchange of Notes of September 27, 1974 between the two Governments, and to the evidence presented by the Government of the United States of America as to the real risk of market disruption. If the Government of Japan indicates that the level of restraint requested by the Government of the United States of America would result in undue hardship or inequity, the two Governments will examine such problems on the basis of relevant materials with a view to clarifying the situation and to developing a solution to such problems in a spirit of mutual confidence and cooperation and in a manner consistent with the objectives of the Arrangement Regarding International Trade in Textiles.

5. If the Government of Japan considers that as a result of the application of this Arrangement, Japan is, or is threatened to be, placed in an inequitable position vis-a-vis a third country whose exports to the United States of America of cotton, wool, and man-made fiber textiles are subject to restraint, or that Japan is, or is threatened to be, put in a substantially disadvantageous position compared with any other exporting country because of such factors as a remarkable increase of exports by such country to the United States of America, the Government of Japan may request consultations with the Government of the United States of America. Such consultations will be held and concluded promptly with a view to taking appropriate remedial action such as a reasonable modification of this Arrangement. The Government of the United States of America will take such appropriate remedial measures as may be deemed satisfactory by the two Governments in the consultations.

6. During the period referred to in paragraph 3 hereof, the two Governments will exchange current data monthly on exports and imports between Japan and the United States of America of the textiles covered by this Arrangement as rapidly as possible.

7. The representatives of the two Governments will meet at the request of either Government and at least once a year for a general overall review of this Arrangement and its implementation. Such review will include consideration of changing conditions in the industries, markets and trade of the two countries in the textile field, as well as any particular proposals which may be made under subparagraph (2) of paragraph 13 hereof.

8. The Government of Japan will endeavor to space exports as evenly as practicable on a quarterly basis, taking seasonal factors into account.

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

10. (1) For the purposes of this Arrangement, the word "textiles" means tops, yarns, piece-goods, made-up articles, garments and other

textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in combination represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product.

(2) In the implementation of this Arrangement, the system of textile categories and the rates of conversion are set forth in the U.S. Correlation of January 1979 and any subsequent technical modifications thereof. The assignments of products to categories listed in the Correlation will be determined in accordance with the United States Customs classification and definitions, subject to further clarification where necessary.

(3) Any question arising out of the implementation of the provisions of this paragraph 10 will be subject to consultations between the two Governments which will be promptly held with a view to finding a mutually satisfactory solution. These consultations will take into account the marketing of the textiles in question in the United States of America.

(4) The representatives of the two Governments will meet as necessary to discuss the application of the above definitions for cotton, wool and man-made fiber textiles to certain articles which the Government of Japan considers to be products of industries other than the textile and apparel industries, and not to be textile or apparel products.

(5) The contents of the letters exchanged between the two Governments on September 27, 1974 concerning the so-called "Japan Items" will be respected by the two Governments.

11. Matters concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America which are not governed by this Arrangement will be governed by the provisions of the Arrangement Regarding International Trade in Textiles. The Government of the United States of America agrees that, insofar as the exports from Japan of the products governed by this Arrangement are conducted within the framework thereof, the Government of the United States of America will not invoke the provisions of Article 3 of the Arrangement Regarding International Trade in Textiles with respect to such products.

12. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under this Arrangement, either Government may, after notification to the other Government, refer such problems to the Textiles Surveillance Body in accordance with the provisions of Article 11 of the Arrangement Regarding International Trade in Textiles.

13. (1) Either Government may, on or before the thirty-first day day of October in any year, give to the other Government, through diplomatic channels, written notice of termination and, in such event,

this Arrangement will cease to be effective at the end of the year in which the notice of termination is given.

(2) Each Government may at any time propose modifications of this Arrangement. The other Government will give sympathetic consideration to such proposal.

I have further the honor to confirm the foregoing Arrangement on behalf of the Government of the United States of America.

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

For the Secretary of State:

ERNEST JOHNSTON

His Excellency
FUMIHIKO TOGO,
Ambassador of Japan.

[RELATED NOTES]

EMBASSY OF JAPAN
WASHINGTON

August 17, 1979

Excellency,

With reference to the Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-made Fiber Textiles between Japan and the United States of America effected by the Exchange of Notes today, I wish to confirm the Record of Understanding attached hereto which contains the views and intentions expressed by the representatives of the two Governments in the discussions leading to the conclusion of the said Arrangement.

I further wish to request Your Excellency to be good enough to confirm the Record of Understanding referred to above.

Sincerely yours,

Fumihiko Togo
Ambassador Extraordinary and
Plenipotentiary of Japan

Attachment

The Honorable
Cyrus R. Vance
The Secretary of State

TIAS 9564

RECORD OF UNDERSTANDING

With respect to paragraph 4 of this Arrangement:

1. The Government of the United States of America, when invoking the provisions of sub-paragraph (4) of paragraph 4, will give full and sympathetic consideration to the views presented by the Government of Japan.

2. As paragraph 4 is implemented in the form of export restraint, the Government of the United States of America will honor, in principle, the export licenses already issued, while the Government of Japan will endeavor to avoid exceptionally large issuance of export licenses, particularly extraordinary concentration in one category.

3. If the consultations referred to in sub-paragraph (1) of paragraph 4 would result in an immediate and complete stoppage of issuance of export licenses, a certain reasonable degree of further issuance of export licenses will be considered in such consultations. The contracts which have been entered into by the time of the request for consultations will be duly taken into account in such consultations.

4. If requested, the Government of Japan will provide to the Government of the United States of America, promptly, information on export licenses and, as soon as practicable, information on license applications for any category during the year in question, and such additional information on contracts for exports in such category as may be available. Such information may be requested prior to the making of a formal request for consultations, and a request for such information will not constitute a request for consultations.

AUGUST 17, 1979

EXCELLENCY:

I have the honor to acknowledge receipt of your Excellency's letter of August 17, 1979 and the Record of Understanding attached thereto relating to the discussions leading to the conclusion of the Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-made Fiber Textiles between Japan and the United States of America effected by the Exchange of Notes today.

I wish to confirm the Record of Understanding referred to above.

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

For the Secretary of State:

ERNEST JOHNSTON

His Excellency
FUMIHIKO TOGO,
Ambassador of Japan.

JAPAN

Trade in Textiles

Record of discussion signed at Washington August 22, 1979;
Entered into force August 22, 1979.

DEPARTMENT OF STATE
WASHINGTON

August 22, 1979

Record of Discussion

1. During the course of talks between the representatives of the Government of Japan and the United States of America on trade in textile products held in Tokyo in January 1979, Japanese exports to the United States of America of eleven items in the list attached were discussed.

2. The representative of the Government of the United States of America explained the overall import situation with respect to the said items, and requested Japanese cooperation by limiting exports from Japan of these items. The representative of the Government of Japan expressed the Government's readiness and intention to see to it that the exports of the said items from Japan to the United States of America not exceed the respective levels set forth in the list, and the representative of the Government of the United States of America concurred.

Enclosures:

List of Eleven Items

For the delegation of Japan:

H. Masago [1]

For the delegation of the United States of America:

E. Johnston [2]

[1] H. Masago.
[2] E. Johnston.

Japan's export restraints on specific categories

	Category	Level of limit, growth	Swing and Others
(1)	TQ348	Total of 4.6 million dozens, over 4 years (1978 - 81).	Orderly spacing
(2)	TQ435	Total of 1,125,000 units, over 4 years (1978 - 81), of which not more than 468,000 units in 1979.	No swing among these three categories in 1979. Subject concerning swing among these three categories with respect to 1980 and 1981 will be raised during consultations late in 1979.
(3)	TQ442	Total of 825,000 units, over 4 years (1978 - 81), of which not more than 296,000 units in 1979.	
(4)	TQ448	Total of 1,260,000 units, over 4 years (1978 - 81), of which not more than 365,000 units in 1979.	
(5)	TQ331	Not more than 1,646,816 dozen pairs in 1979. Standstill in 1980, 1981. The USG shall consult with the GOJ when the latter requests the consultations on the size of quotas for 1980 and 1981.	

Japan's export restraints on specific categories

	Category	Level of limit, growth	Swing and Others
(6)	TQ339	Not more than 1,967,300 dozens in 1979. 3% annual growth shall be given to the limits for 1980 and 1981.	———
(7)	TQ612	Not more than 206,040,000 syds in 1979. The two governments will consult on quotas for 1980 and 1981 during 1979 and 1980, respectively.	The GOJ will make every effort to ensure that monthly shipments will not exceed 20 million syds during the period of any restraint.
(8)	TQ410	Not more than 14 million syds in 1979. 1% annual growth in 1980 and 1981. Annual export level will not exceed 6 million syds over previous year's export level during the period of 1979 - 81.	5% swing from the part of TQ614 (TSUSA 338-3010, 338-3015) during the period of 1979 - 81.
(9)	Part of TQ614 (TSUSA 338- 10, 338- 15)	Not more than 17 million syds, 6% annual growth in 1980 and 1981.	7% swing from TQ410 during the period of 1979 - 81.

Japan's export restraints on specific categories

	Category	Level of limit, growth	Swing and Others
(10)	Part of TQ604 (TSUSA 310-5049)	Not more than 7,750,000 lbs. in 1979.	———
(11)	TQ335	Total of 522,000 dozens over three years. (1979 - 1981).	Orderly spacing. Swing from other categories under restrictions will be raised if necessary.

REPUBLIC OF KOREA

Trade in Textiles and Textile Products

Agreement amending the agreement of December 23, 1977, as amended.
Effected by exchange of notes
Signed at Seoul August 24, 1979;
Entered into force August 24, 1979.
With related letter.

The American Ambassador to the Korean Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Seoul, August 24, 1979

No. 323

Excellency:

I have the honor to refer to the Agreement of December 23, 1977 regarding Trade in Cotton, Wool, and Man-made Fiber Textiles and Textile Products, with Annexes, as amended and corrected, [1] between the Government of the United States of America and the Government of the Republic of Korea (the Agreement), and to consultations between representatives of the Government of the United States of America and the Government of the Republic of Korea in Seoul on January 29 - February 1, 1979 and in Washington on February 26 - March 3, 1979 pursuant to paragraphs 6 and 20(a) of the Agreement.

On the basis of those consultations I have the honor to propose, on behalf of the Government of the United States of America, that the Agreement be amended as follows:

1. Annex C to the Agreement is amended by changing the consultation levels for the 1979 agreement year for the following categories to the amounts set out below.

336	44,150 DOZ.
351	76,923 DOZ.
(605 cordage--TSUSA 316.6020)	1,428,171 LBS.
612	21,000,000 SYE.
649	240,625 DOZ.
651	60,000 DOZ.
652	337,500 DOZ.
669	2,243,590 LBS.
(Fishnets)	320,513 LBS.
(Tents)	1,538,462 LBS.

Annex C to the Agreement is amended by the deletion of categories 338/339 and 341.

His Excellency

Park Tong Jin,

Minister of Foreign Affairs of the

Republic of Korea

[1] TIAS 9039, 9350; 29 UST 3835; *ante*, p. 2510.

2. Annex B is amended to include the following new and changed specific limits.

Category	Description	Units	2nd Year	3rd Year	4th Year	5th Year
338/339	Knit Tops	DOZ.	444,444	473,333	504,099	536,866
341	Blouses	DOZ.	89,655	95,486	101,689	108,299
633/634/635	Coats	DOZ.	1,248,442	1,297,131	1,347,719	1,400,280
635	Coats (WG and I)	DOZ.	551,558	573,069	595,418	618,640
638/639	Knit Tops	DOZ.	4,972,238	5,166,155	5,367,635	5,576,973
645/646	Sweaters	DOZ.	2,896,114	3,009,062	3,126,416	3,248,346

3. In addition to the adjustments permitted under paragraphs 8 and 9 of the Agreement, beginning in the second agreement year and for the duration of the Agreement, during each agreement year the specific limit for either category 640 (Dress Shirts) or category 640 (Other Shirts) may be exceeded by an amount up to 10 percent of the specific limit for that category provided that the specific limit for the other category (as adjusted pursuant to paragraphs 8 and 9) is decreased by an equal amount.

4. Exports from the Republic of Korea to the United States of America of laminated fabric of man-made fiber woven strips, included within category 627, shall not exceed 5 million square yards equivalent during the second agreement year; the consultation level for all other products included in category 627 for the second agreement year shall be one million square yards equivalent. During the third and subsequent agreement years, laminated fabric of man-made fiber strips shall not be subject to quantitative limits under the Agreement; notwithstanding the provisions of paragraph 15 of the Agreement, the United States of America maintains its rights under Article 3 of the arrangement (as defined in the Agreement) with respect to laminated fabric of man-made fiber strips. During the term of the Agreement, the Government of the Republic of Korea will continue to issue visas for exports of such laminated fabric to the United States and will promptly, on a monthly basis, provide statistics on such visa issuance to the Government of the United States of America.

If the foregoing is acceptable to the Government of the Republic of Korea, this note and your Excellency's note of confirmation on

behalf of the Government of the Republic of Korea shall constitute an agreement between our two Governments.

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

William H. Gleysteen [1]

[1] William H. Gleysteen.

The Korean Minister of Foreign Affairs to the American Ambassador

MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF KOREA

24 August 1979

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

"I have the honor to refer to the Agreement of December 23, 1977, regarding Trade in Cotton, Wool, and Man-made Fiber Textiles and Textile Products, with Annexes, as amended and corrected, between the Government of the United States of America and the Government of the Republic of Korea (the Agreement), and to consultations between representatives of the Government of the United States of America and the Government of the Republic of Korea in Seoul on January 29 - February 1 and in Washington on February 26 - March 3, 1979 pursuant to paragraph 6 and 20 (a) of the Agreement.

On the basis of those consultations I have the honor to propose, on behalf of the Government of

His Excellency
William H. Gleysteen Jr.
Ambassador of the
United States of America
Seoul

the United States of America, that the Agreement be amended as follows:

1. Annex C to the Agreement is amended by changing the consultation levels for the 1979 agreement year for the following categories to the amounts set out below.

336	44,150 DOZ.
(605 cordage--TSUSA 316.6020)	1,428,171 LBS.
351	76,923 DOZ.
612	21,000,000 SYE.
649	240,625 DOZ.
651	60,000 DOZ.
652	337,500 DOZ.
669	2,243,590 LBS.
(Fishnets)	320,513 LBS.
(Tents)	1,538,462 LBS.

Annex C to the Agreement is amended by the deletion of categories 338/339 and 341.

2. Annex B is amended to include the following new and changed specific limits.

Category	Description	Units	2nd Year	3rd Year	4th Year	5th Year
338/339	Knit Tops	DOZ.	444,444	473,333	504,099	536,866
341	Blouses	DOZ.	89,655	95,486	101,689	108,299
633/634/635	Coats	DOZ.	1,248,442	1,297,131	1,347,719	1,400,280
635	Coats (WG and I)	DOZ.	551,558	573,069	595,418	618,640
638/639	Knit Tops	DOZ.	4,972,238	5,166,155	5,367,635	5,576,973
645/646	Sweaters	DOZ.	2,896,114	3,009,062	3,126,416	3,248,346

3. In addition to the adjustments permitted under paragraphs 8 and 9 of the Agreement, beginning in the second agreement year and for the duration of the Agreement, during each agreement year the specific limit for either category 640 (Dress Shirts) or category 640 (Other Shirts) may be exceeded by an amount up to 10 percent of the specific limit for that category provided that the specific limit for the other category (as adjusted pursuant to paragraphs 8 and 9) is decreased by an equal amount.

4. Exports from the Republic of Korea to the United States of America of laminated fabric of man-made fiber woven strips, included within category 627,

shall not exceed 5 million square yards equivalent during the second agreement year; the consultation level for all other products included in category 627 for the second agreement year shall be one million square yards equivalent. During the third and subsequent agreement years, laminated fabric of man-made fiber strips shall not be subject to quantitative limits under the Agreement; notwithstanding the provisions of paragraph 15 of the Agreement, the United States of America maintains its rights under Article 3 of the arrangement (as defined in the Agreement) with respect to laminated fabric of man-made fiber strips. During the term of the Agreement, the Government of the Republic of Korea will continue to issue visas for exports of such laminated fabric to the United States and will promptly, on a monthly basis, provide statistics on such visa issuance to the Government of the United States of America.

If the foregoing is acceptable to the Government of the Republic of Korea, this note and

your Excellency's note of confirmation on behalf of the Government of the Republic of Korea shall constitute an agreement between our two Governments."

I have further the honour to inform Your Excellency that the foregoing amendment proposals are acceptable to the Government of the Republic of Korea and to confirm that Your Excellency's Note and this Note in reply thereto constitute an Agreement between our two Governments in this matter, which enters into force on the date of this reply.

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

[1]

Minister of Foreign Affairs

[1] T. Jin Park.

[RELATED LETTER]

EMBASSY OF THE
UNITED STATES OF AMERICA

Seoul

August 24, 1979

Kim Chulsu
Deputy Director General
Bureau of International Trade
Promotion
Ministry of Commerce and Industry
Government of the Republic of Korea

Dear Dr. Kim:

Pursuant to the bilateral textile consultations in Seoul July 23 to July 27 and to paragraph 11 of the Memorandum of Understanding dated March 3, 1979, the Government of the United States will use the export figures of the Government of the Republic of Korea for wool felt boot liners (category 459 part) for the 1977 and 1978 agreement years. As previously agreed, these figures are: 1977 agreement year - 1,599,937 pounds and 1978 agreement year - 1,316,014 pounds.

With every good wish,

Sincerely,

Anthony Geber
Counselor for Economic and
Commercial Affairs

EGYPT

Technical and Feasibility Studies

Agreements signed at Cairo June 2, 1977;
Entered into force June 2, 1977.
And amending agreement
Signed at Cairo July 10, 1977;
Entered into force July 10, 1977.

A.I.D. Project Number 263-0025

PROJECT

GRANT AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

TECHNICAL AND FEASIBILITY STUDIES II

DATED: June 2, 1977

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

A.I.D. Project No. 263-0026

Project Grant Agreement

Dated June 2, 1977

Between

The Arab Republic of Egypt, acting through the Ministry of Economy and Economic Cooperation ("Grantee")

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project will help the Grantee prepare development projects for financing by funding the U.S. dollar costs of project feasibility and technical studies and to identify and prepare development projects which could be considered for A.I.D. financing. In addition, a portion of the resources made available for the Project will fund the U.S. dollar costs of evaluating projects, as appropriate, and of supporting the accelerated implementation of the

A.I.D. program in Egypt by (a) preparing projects and programs for implementation, (b) carrying out pre-implementation and implementation actions or (c) strengthening the operations of Grantee organizations concerned with implementation of A.I.D. programs. In general, the Grant will finance the U.S. dollar costs of technical services and of such commodities as are necessary and directly related either to these services or to strengthening the operations of relevant Grantee organizations.

Some prospective uses of the Grant have been identified, although some may not require funding from the Grant or at the estimated levels. Such prospective uses are:

1.	Suez Port Study	$ 1,606,670
2.	Cairo Water Study	2,971,000
3.	East of Maadi Cement Plant Study	611,660
4.	Canal Cities Water and Sewer System	6,700,000
5.	Water & Sewage Management & Tariff Study	1,000,000
6.	Flat Glass Plant	500,000
7.	Port Said Salt Plant Study	350,000
8.	Citrus Project Study	250,000
9.	Development Industrial Bank	30,000
10.	Bagasse Pulp and Paper Plant	500,000

11.	Suez Power Plant	$ 750,000
12.	Oceanographic Surveys for Alexandria Wastewater Development Program	300,000
13.	Oceanographic Surveys for Canal Cities Water and Sewer System Studies	500,000
14.	Soils Investigations and Hydrographic Surveys for Ports	400,000
15.	Technical Studies and Contingencies	1,530,670
	TOTAL	$18,000,000

It is expected that the large majority of Grant resources will be used for technical services, although commodity purchases and other costs are also expected to be significant.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed two million United States ("U.S.") Dollars ($2,000,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project. The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner. Without affecting the generality of the foregoing, the Grantee covenants that it will provide on a timely basis all necessary local logistic support as may be required to ensure effective utilization of services and goods financed under the Grant, not otherwise financed by A.I.D. under its Local Cost Project Support grant.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is May 31, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement accompanied by necessary supporting documentation prescribed in Project implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement; and

(b) Such other documents or information as A.I.D. may reasonably request.

SECTION 4.2. Additional Disbursement. Prior to any disbursement, or the issuance of any commitment documents under the Project to finance a particular activity proposed under the Grant, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D., an identification of the activity, its purposes, the organization in charge of its implementation, and its estimated cost, including both the amounts proposed for A.I.D. financing and for financing from other sources.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1. have been met, it will promptly notify the Grantee. Written agreement by A.I.D. to fund any particular activity under the project shall constitute notification that the condition precedent specified in Section 4.2. has been met with respect to disbursement for such activity.

SECTION 4.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1. have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may

agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant

Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) U.S. Dollar banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

(c) After satisfaction of conditions precedent, in the case of an emergency requirement for services or commodities in which there is not sufficient time for completion of the procedures described in Section 7.1.(a), A.I.D. from time to time may disburse funds available from this Grant to pay directly the costs of furnishing such services and commodities in connection with the program. Upon taking any action pursuant to this Section 7.1.(c), A.I.D. shall promptly notify the Government of such action, the circumstances requiring such action and the amount of funds involved.

SECTION 7.2. Other Forms of Disbursement. Disbursements of Grant may also be made through such other means as the Parties may agree to in writing.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail address:	Ministry of Economy and Economic Cooperation 8 Adly Street Cairo, Arab Republic of Egypt
Alternate address for cables:	8 Adly Street Cairo

To A.I.D.:

Mail address:	USAID/Egypt c/o Embassy of the United States of America 5 Latin America Street Cairo, Arab Republic of Egypt
Alternate address for cables:	A.I.D. U.S. Embassy Cairo

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation and the Undersecretary of State for Economic Cooperation, and A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID/Egypt, Cairo, Egypt, each of whom, by written notice, may designate additional representatives. The names of the representatives of the Grantee, with specimen signatures, will be provided to

A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 1)[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

The Arab Republic of Egypt	United States of America
By: A. G. El-Nazer	By: Donald S. Brown
Name: A. G. El-Nazer	Name: Donald S. Brown
Title: Deputy Chairman for the Investment Authority	Title: Director, USAID

[1] See footnote 1, p. 6553.

[AMENDING AGREEMENT]

A.I.D. Project Number 263-0025

FIRST AMENDMENT TO

PROJECT

GRANT AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

TECHNICAL AND FEASIBILITY STUDIES II

DATED: July 10, 1977

TIAS 9567

Project Grant Agreement Amendment dated July 10, 1977, between the Arab Republic of Egypt, acting through the Ministry of Economy and Economic Cooperation, ("Government") and the Government of the United States of America, acting through the Agency for International Development ("A.I.D.")

SECTION 1. Section 3.1 of the Project Grant Agreement dated June 2, 1977, between the Government and A.I.D. for Technical and Feasibility Studies II is hereby amended by deleting "Two Million United States ("U.S.") Dollars ($2,000,000)" and substituting "Eighteen Million United States ("U.S.") Dollars ($18,000,000) "

SECTION 2. This Project Grant Agreement Amendment shall enter into force when signed by both parties hereto.

SECTION 3. Except as specifically amended hereby, the Project Grant Agreement dated June 2, 1977 between the Government and A.I.D. shall remain in full force and effect.

IN WITNESS WHEREOF, the Government 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.

ARAB REPUBLIC OF EGYPT		UNITED STATES OF AMERICA	
BY	Hamed A. El-Sayeh	BY	Joseph C. Wheeler
NAME	Hamed A. El-Sayeh	NAME	Joseph C. Wheeler
TITLE	Minister of Economy and Economic Cooperation	TITLE	Assistant Administrator

DOMINICAN REPUBLIC

Agricultural Commodities

Agreement signed at Santo Domingo January 11, 1979;
Entered into force January 11, 1979.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Dominican Republic agree to the sale of Agricultural commodities specified below. This Agreement shall consist of the Preamble and Parts I and III of the Agreement signed September 28, 1977,[1] together with the following Part II.

PART II - PARTICULAR PROVISIONS

Item I. Commodity Table

Commodity	Supply Period (United States Fiscal Year)	Approximate Maximum Quantity (Metric Tons)	Maximum Export Market Value (Millions)
Wheat/Wheat Flour (Wheat Basis)	1979	28,000	US$4.2
Corn/Sorghum	1979	36,000	US$3.9
Soybean/Cottonseed Oil	1979	10,000	US$6.5
	TOTAL		US$14.6

Item II. Payment Terms	Dollar Credit
1. Initial Payment	five (5) percent
2. Currency Use Payment	ten (10) percent for Section 104(a) purposes
3. Number of Installment Payments	nineteen (19)
4. Amount of Each Installment Payment	approximately equal annual amounts

[1] TIAS 8944, 29 UST 2377.

5.	Due Date of First Installment Payment	two (2) years after date of last delivery of commodities in each calendar year
6.	Initial Interest Rate	two (2) percent
7	Continuing Interest Rate	three (3) percent

Item III. Usual Marketing Table

Commodity	Import Period (United States Fiscal Year)	Usual Marketing Requirements
Wheat/Wheat Flour (Wheat Basis)	1979	107,000 metric tons
Feed Grains	1979	54,000 metric tons
Edible Vegetable Oil and/or Oil Bearing Seeds (Oil Equivalent Basis)	1979	30,000 metric tons of which at least 23,000 metric tons shall be imported from the United States

Item IV. Export Limitations

A. Export Limitation Period -

The export limitation period shall be the United States fiscal year 1979, or any subsequent United States fiscal year during 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, the commodities which may not be exported are: for wheat/wheat flour - wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name); for corn/sorghum - corn, cornmeal, barley, grain sorghum, rye, oats, and any other feed grains, including mixed feeds containing predominantly such grains; and for

soybean/cottonseed oil - all edible vegetable oils including peanut oil, soybean oil, cottonseed oil, rapeseed oil, sunflower oil, sesame oil, and any other edible vegetable oil or oil bearing seeds from which these oils are produced.

Item V Self-Help Measures

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

B. The Government of the Dominican Republic agrees to:

1. Increase overall investment in agriculture and agricultural development with particular concern for the rural poor and the small farmer.

2. Provide increased access to markets for small farmers and increased employment opportunities for rural workers through an expanded feeder road construction program.

3. Improve and expand the Government of the Dominican Republic and AID program of agricultural credit with emphasis on lending to small farmers, which will provide access by the small farmer on a nationwide basis to farm inputs such as seed, fertilizer, pesticides, and hand tools.

4. Increase productivity of land under cultivation for food crop production through an expanded irrigation program which will also make new land available for landless laborers.

5. Increase small farmer production through adaptation of high yielding varieties of food crops to Dominican Republic conditions.

6. Expand training programs for small farmers in modern cultivation and production techniques.

7 Make available to the poor rural population on a nationwide basis through the Secretariat of Health, rudimentary health services, including inoculations against prevailing contagious diseases and family planning services.

8. Undertake measures designed to eradicate African Swine Fever in the Dominican Republic

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 programmed jointly by the Government of the Dominican Republic and the Agency for International Development and used for financing the self-help measures set forth in Item V, above, and for local costs in the Dominican Republic of priority development projects approved by the Carribean Group for Cooperation in Economic Development, for support under the Caribbean Development Facility.

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 Santo Domingo, in duplicate, the eleventh day of January, 1979.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

BY: Robert L. Yost

TITLE: Ambassador

FOR THE GOVERNMENT OF THE DOMINICAN REPUBLIC

BY: Antonio Guzmán

TITLE: President

ACUERDO ENTRE EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA Y EL GOBIERNO DE LA REPUBLICA DOMINICANA PARA LA VENTA DE PRODUCTOS AGRICOLAS

El Gobierno de los Estados Unidos de América y el Gobierno de la República Dominicana acuerdan la venta de los productos agrícolas especificados mas abajo. Este Acuerdo consistirá del Preámbulo y Partes I y III del Acuerdo suscrito el 28 de septiembre de 1977, conjuntamente con la siguiente Parte II.

PARTE II - DISPOSICIONES ESPECIALES

Punto I. Tabla de Productos

Producto	Período Entrega (Año Fiscal de los Estados Unidos)	Cantidad Máxima Aproximada (Toneladas Métricas)	Valor Máximo en Mercado de Exportación (Millones)
Trigo/Harina de Trigo (base de trigo)	1979	28,000	US$4.2
Maiz/Sorgo	1979	36,000	US$3.9
Aceite de Soya/Semilla de algodón	1979	10,000	US$6.5
TOTAL			US$14.6

Punto II. Condiciones de Pago	Crédito en Dólares
1. Pago Inicial	cinco (5) porciento
2. Pago en Fondos de Contrapartida	diez (10) porciento para los propósitos de la Sección 104(a)

3.	Numero de Pagos a Plazos	diez y nueve (19)
4.	Cantidad de Cada Pago a Plazo	aproximadamente iguales cantidades anuales
5.	Fecha de Vencimiento del Primer Pago a Plazos	dos (2) años a partir de la fecha de la última entrega de productos en cada año calendario
6.	Tasa Inicial de Interés	dos (2).porciento
7	Tasa Contínua de Interés	tres (3) porciento

Punto III. Cuadro para Compras Normales en Mercados Comerciales

Producto	Período Entrega (Año Fiscal EE.UU.)	Requerimientos Normales de Mercadeo
Trigo/Harina de Trigo (Base de Trigo)	1979	107,000 toneladas métricas
Granos para alimentación de animales	1979	54,000 toneladas métricas
Aceite Vegetal Comestible y/o Semillas Portadoras de Aceite (Base equivalente de aceite)	1979	30,000 toneladas métricas de las cuales por lo menos 23,000 toneladas métricas serán importadas desde los Estados Unidos.

Punto IV. Limitación de Exportación

A. Período de Limitación de Exportaciónes

El período de limitación de exportaciones será el año fiscal 1979 de los Estados Unidos, o cualquier año fiscal de los Estados Unidos subsiguiente en el cual los productos financiados bajo este Acuerdo estén siendo importados o utilizados.

B. Productos a los cuales se aplican las limitaciones de Exportación

Para los fines de la Parte I, Artículo III A (4) de este Acuerdo, los productos que no podrán ser exportados son: para trigo/harina de trigo - trigo, harina de trigo, copo de trigo, semolina, fécula, y bulgar (o los mismos productos bajo distintos nombres); para maíz/sorgo - maíz, harina de maíz, cebada, sorgo en grano, centeno, avena, y cualquier otro grano para alimentación de animales incluyendo alimentos mezclados conteniendo predominantemente tales granos; y para aceite de soya/semilla de algodón - todos los aceites vegetales comestibles incluyendo aceite de maní, aceite de soya, aceite de semilla de algodón, aceite de semilla de colza, aceite de semilla de girasol, aceite de ajonjolí, y cualquier otro aceite vegetal comestible o semillas conteniendo aceite de donde dichos aceites se producen.

Punto V Medidas de Ayuda Propia

A. Al llevar a cabo estas medidas de ayuda propia se hará especial énfasis en contribuir directamente al progreso del desarrollo en las regiones rurales de escasos recursos y en hacer posible que las personas de escasos recursos participen activamente en el aumento de la producción agrícola a través de programas de pequeños fincas.

B. El Gobierno de la República Dominicana se compromete a:

1. Aumentar la inversión global en agricultura y el desarrollo agrícola con especial preocupación hacia las personas rurales de escasos recursos y los pequeños agricultores.

2. Suministrar mayor acceso de los pequeños agricultores a los mercados y mayores oportunidades de empleo a los trabajadores rurales mediante un programa de construcción de caminos vecinales ampliado.

3. Mejorar y ampliar el programa de crédito agrícola del Gobierno de la República Dominicana y de la A.I.D. con énfasis en préstamos a pequeños agricultores, que proporcionará al pequeño agricultor a todo lo largo del país acceso a insumos agrícolas tales como semillas, fertilizantes, pesticidas, y herramientas manuales.

4. Aumentar la productividad de los terrenos que están siendo cultivados para producción de cosechas alimenticias mediante la ampliación del programa de irrigación que tambien pondrá nuevos terrenos a disposición de los trabajadores sin tierras.

5. Aumentar la producción de los pequeños agricultores mediante la adaptación de variedades de alto rendimiento de cultivos alimenticios a las condiciones de la República Dominicana.

6. Ampliar los programas de adiestramiento de pequeños agricultores en las técnicas modernas de cultivo y producción.

7 Poner a disponibilidad de la población rural de escasos recursos en todo el país a través de la Secretaría de Estado de Salud Pública, servicios de salud rudimentarios incluyendo inmunizaciones contra enfermedades transmisibles endémicas y servicios de planificación familiar.

8. Intentar medidas para erradicar la Fiebre Porcina Africana en la República Dominicana.

Punto VI. Propósitos de Desarrollo Económico para los cuales se Utilizarán los Fondos Provenientes de la Venta de los Productos del País Importador

A. Los fondos acumulados por el país importador mediante la venta de productos financiados bajo este Acuerdo serán programados conjuntamente por el Gobierno de la República Dominicana y la Agencia para el

Desarrollo Internacional y utilizados para financiar las medidas de ayuda propia establecidas en el Punto V, más arriba, y para costos en moneda local en la República Dominicana de proyectos de desarrollo prioritarios aprobados por el Grupo del Caribe para Cooperación en Desarrollo Económico como apoyo bajo el Instrumento del Desarrollo del Caribe.

B. Al usar los fondos para estos propósitos, se pondrá especial énfasis en mejorar directamente las vidas de las personas de más escasos recursos del país beneficiado y la capacidad de las mismas de participar en el desarrollo de su país.

EN FE DE LO CUAL, los respectivos representantes, debidamente autorizados al efecto, han firmado el presente Acuerdo. Hecho en Santo Domingo, en duplicado, el día once de enero de 1979.

POR EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA

POR: Robert L. Yost

TITULO: Embajador

POR EL GOBIERNO DE LA REPUBLICA DOMINICANA

POR: Antonio Guzmán

TITULO: Presidente

EGYPT

Port of Suez Facilities

Agreement signed at Cairo September 30, 1978;
Entered into force September 30, 1978.

A.I.D. Loan Number 263-K-049

Project Number 263-0047

PROJECT

LOAN AGREEMENT

AMONG

THE ARAB REPUBLIC OF EGYPT,

THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF MARITIME TRANSPORT

FOR

THE PORT OF SUEZ PROJECT

Dated: September 30, 1978

TIAS 9569

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[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

Project Loan Agreement

Dated: September 30, 1978

Among

The Arab Republic of Egypt ("Borrower")
The Ministry of Maritime Transport ("MMT")

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to the Government of the Arab Republic of Egypt to increase the capacity and efficiency of cargo operations at Ports Ibrahim and Adabiyah, located at Port Suez, in order to alleviate port congestion, stimulate expansion of commercial traffic and reduce related Egyptian local currency and foreign exchange expenditures. The Loan will be used to fund rehabilitation, modernization and expansion of marine and civil works, cargo handling equipment and associated services for engineering, management and training. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2., without formal amendment of this Agreement.

Article 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend the Borrower under the terms of this Agreement not to exceed Thirty Million United States ("U.S.") Dollars ($30,000,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal."

The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1., of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Borrower for the Project will be not less than Fifty Three Million Twenty Thousand Egyptian Pounds (L.E. 53,020,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1984, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9-1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment

of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms. (a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.1 the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement. the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

Article 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of

documentation pursuant to which disbursement will be made, Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) An opinion of the Egyptian Minister of Justice or other legal counsel acceptable to A.I.D., that the Loan Agreement and the Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower and MMT and that they constitute valid and legally binding obligations in accordance with all of their terms.

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.2. and of any additional representatives, together with a specimen signature of each person specified in such statement.

(c) An executed contract acceptable to A.I.D. for the consulting engineering services for the Project with a firm acceptable to A.I.D.

(d) A Reloan Agreement satisfactory to A.I.D. for the Project between the GCE and MMT.

e. Evidence that a Project Unit has been established in the General Authority for the Red Sea Ports ("Port Authority") and that the members of that Unit will have as their full-time responsibility the monitoring and implementing of the Project.

f. Evidence of MMT plans to seek or provide the necessary authority for the Port Authority pursuant to the Covenant in Section 6.3. below.

g. Evidence of MMT plans to remove sunken and other destroyed vessels from Suez Port pursuant to the Covenant in Section 6.4. below.

h. Such other documentation as A.I.D. may reasonably require.

SECTION 5.2. Additional Disbursement for Rehabilitation and Modernization of the Existing Port. Prior to any disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the rehabilitation and modernization of the existing port, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

a. A detailed implementation plan for rehabilitation and modernization of the existing port in CPM/PERT format specifying items to be procured and the proposed contracting procedures for goods and services.

b. Evidence that all Egyptian currency for the first fiscal year in which funds will be required for rehabilitation and modernization, in an amount based on the estimate by the Consulting Engineer and as approved by MMT, has been budgeted by the Borrower and is available for expenditure by the Port Authority.

c. Evidence that the Port Authority is staffed and fully operational and that the Chairman of the Board of Directors and a full-time Director General have been appointed.

SECTION 5.3. Additional Disbursement for Expansion of Port Adabiyah. Prior to any disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for expansion of Port Adabiyah, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

a. A detailed implementation plan for expansion of Port Adabiyah in CPM/PERT format specifying the items to be procured and the proposed contracting procedure for goods and services.

b. Evidence that all Egyptian currency required for the first fiscal year in which funds will be required for expansion of Port Adabiyah, in an amount based on the estimate by the Consulting Engineer, and as approved by MMT,

has been budgeted by the Borrower and is available for expenditure by the Port Authority.

c. An executed contract for the dredging, piling and construction work related to the expansion of Port Adabiyah.

SECTION 5.4. Additional Disbursement for Training. Prior to disbursement under the Loan, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for training, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a proposed training program to be implemented in the succeeding year with particular emphasis on mid-level management and operations showing the categories and identities of trainees, and the nature, length and purpose of the training.

SECTION 5.5. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1., 5.2. and 5.3. have been met, it will promptly notify the Borrower.

SECTION 5.6. Terminal Date for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1. have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement

by written notice to Borrower.

(b) If all of the conditions specified in Section 5.2. have not been met within 180 days, or if all the conditions specified in Section 5.3. have not been met within twenty-four months, from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Loan to the extent not irrevocably committed to third parties and may terminate this Agreement by written notice to the Borrower. In the event of such termination, the Borrower will repay immediately the Principal then outstanding and any accrued interest; on receipt of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Reloan Agreement. In order to assist MMT in carrying out the Project, the Borrower shall, except as A.I.D. may otherwise agree in writing, relend to MMT the proceeds of the Loan under a reloan agreement ("Reloan Agreement") to be entered into between the Borrower and MMT under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, a repayment period not to exceed twenty-five (25) years, including a 5-year grace period, and an interest rate of eight and one-half per cent (8-1/2%) per annum, with principal amount and schedule of repayments, including interest, denominated in U.S. dollars, repayments to be made in Egyptian Pounds calculated at the highest rate prevailing and declared

for foreign currency by the competent authorities of the Borrower in effect on the date of each repayment.

SECTION 6.3. Port Authority. The Borrower and MMT agree to take all necessary action within their power to take, or seek all necessary action not within their power to take, to provide the Port Authority with authority for all port related functions (other than fire and policy protection) including, without limitation:

(a) Authority to establish harbor rules and regulations within the Suez Port.

(b) Authority to establish and publish a tariff of port charges.

(c) Authority to develop its own employment standards, wage scales and regulations outside the Government Civil Service System in order that it may provide qualified and experienced management for the port.

(d) Control of the Suez branches of the Canal Stevedoring Co. and the Storage and Silos Co.

(e) Control of placement of cargo in transit sheds, warehouses and open storate areas and assessment and collection of storage charges.

(f) Assignment of tugs and pilots for the docking and undocking of vessels.

SECTION 6.4. Clearing of Port. The Borrower and MMT agree to take all necessary steps to clear Suez Port of all sunken and other destroyed vessels.

SECTION 6.5. Organization. The Borrower and MMT agree that MMT will establish a finance and accounting department within the Port Authority concurrently with the establishment of financial and accounting systems in order to generate financial and statistical data pertinent to the Suez Port for planning, management and control purposes.

SECTION 6.6. Tariffs. The Borrower and MMT agree that MMT will:

(a) Prepare and complete within one year from the date of execution of this Agreement a study of its port tariff policy.

(b) Establish a port tariff policy pursuant to the recommendations of such study to insure all services and facilities provided by the Authority are covered by revenues not later than January 1, 1980.

SECTION 6.7. Equipment. The Borrower and MMT agree that the Port Authority will procure all general and containerized cargo handling equipment for the first stage of development beginning in 1984, and shall be provided with all necessary funds to effect such procurement.

SECTION 6.8. Shipping Agent's Services. The Borrower and MMT agree to take all necessary action to permit private sector shipping agency companies to compete with the Canal Shipping Agency Company for the provision of shipping agent's services for vessels over 400 tons.

Article 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

Article 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement

for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a letter of Commitment, contract, or purchase order.

Article 9: Miscellaneous.

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Ministry of Economy and Economic Cooperation 8, Adly Street Cairo, Egypt	or	Ministry of Maritime Transport 7, Abdel Khalek Sarwat Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Maritime Transport, Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under

Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [1] is attached and forms part of this Agreement.

SECTION 9.4. Investment Guaranty Project Approval.

Construction work to be financed under this Agreement is agreed to be a project approved by the Arab Republic of Egypt pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Arab Republic of Egypt will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that project.

[1] See footnote 1, p. 6582.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : Mahmoud Salah El Din Hamed

NAME : Mahmoud Salah El Din Hamed

TITLE: Minister of Finance and Acting Minister of Economy and Economic Cooperation

UNITED STATES OF AMERICA

BY : Hermann Fr. Eilts

NAME : Hermann Fr. Eilts

TITLE: American Ambassador

MINISTRY OF MARITIME TRANSPORT

BY : Y. H. Ramadan

NAME : Yehia Ramadan

TITLE: Deputy Minister of Maritime Transport

ANNEX 1

PROJECT DESCRIPTION

The purpose of this Project is to provide Egypt with port facilities at Port of Suez capable of handling the projected increase in Port of Suez cargo during the next decade.

The Project will have three elements:

1. Rehabilitation and Modernization. The rehabilitation and modernization of the existing Port Ibrahim and Port Adabiyah will increase cargo throughput capacity from the existing 644,000 metric ton a year to 1,135,000 metric tons a year

2. Expansion. The expansion of the Port at Adabiyah by constructing four deepwater multi-purpose berths capable of handling 480,000 metric tons a year of cargo will increase total Port of Suez capacity to 1,615,000 metric tons a year.

3. Port Authority. Financing will be provided to create an efficient, financially viable Port Authority with full autonomy and control.

To achieve these results inputs will consist of capital, equipment, services, technical assistance and training.

The following provides additional details with respect to the above elements of the Project.

Rehabilitation and Modernization

(1) Port Ibrahim

(a) Demolish, dismantle and remove:

All buildings and structures around the present entrance gate, except the existing residence,

Buildings Nos. 3, 4 and 12,

Abandoned structure and small building between Buildings No. 1 and 2,

All buildings between Buildings No. 6 and 8,

All buildings between Buildings No. 16 and 19,

All military installations within contract area,

All wire fencing and other types of fencing and their supports within the contract area, exclusive of perimeter fencing,

All abandoned vehicles, boats, equipment, rubble, debris, and trash within contract area,

Double spur railroad along north side of the North Mole up to the turnout leading to the spur along south side of the Mole,

Paving stones west of Building No. 1 in the North Mole,

Unsound bituminous paving in the contract area,

Electrical materials and equipment from all areas and facilities and from all buildings except Buildings No. 9 and 20,

Damaged and inoperative plumbing fixtures and piping in all areas and facilities.

(b) Rehabilitate:

Existing Buildings No. 1, 2, 15, 16, 17, 18 and 19.

Patch all floors in transit sheeds.

(c) Construct New Buildings:

Port Services Building,

Gate Control Building,

Generator Control Building,

Fire Station,

Garage,

Public Toilets,

Fire Pump Buildings,

(d) Earthwork, Roads, Pavements:

Excavate/fill, grade, pave and/or resurface roadways and storage areas.

(e) Fencing:

New chain link and wall fences.

(f) Water Storage and Supply:

Provide new saltwater fire fighting system including seawater intake, pump house, fire pump and distribution system with hydrants.

Connect existing water supply system to new piping in buildings.

(g) Ventilation:

Provide turbine ventilators in the roofs of Warehouses No. 6, 9 and 10.

(h) Sanitary Drainage Facilities:

Repair existing and install new septic tank sewage systems for all buildings.

(i) Electrical Work:

New electrical system complete with transformers, switchgear and underground distribution system throughout the port.

Rewire and relamp all facilities and buildings, except Buildings No. 9 and 20.

(j) Dock Fenders:

Fendering for the quay wall on the south side of the North Mole.

(2) Adabiyah

(k) Demolish/dismantle and remove from the pier area:

Cranes on rails,

Crane rails and hardware,

Railtracks, ties and hardware, except for one line,

Electrical installations, equipment and poles,

Abandoned equipment,

Paving, rubble and debris,

(l) Relocate or remove:

Military installations in contract area.

(m) Rehabilitate Buildings:

Generator Building for new electrical equipment.

(n) Construct New Buildings:

Pump House,

Fire Station,

Change House,

Gate Control Building

(o) Rehabilitation of Existing Pier:

Create a rock, gravel, sand and rubble-faced berm on the north side and east end of the existing pier,

Construct a concrete anchor wall in the existing earth filled piers to anchor the south sheet pile wall,

Drive piles and construct a new reinforced concrete deck 25 meters wide over the fill slope on the north side of the existing pier for a length of 200 meters starting from the eastern end,

Dredge in front of the dock to provide a toe for the berm and to facilitate future dredging to 13m.

(p) Dock Fenders:

Fender both the existing south side of the pier and the new concrete dack on the north side.

(q) Earthwork, Roads, Pavements:

Fill/excavate, grade, compact and pave and/or resurface the pier and storage areas.

(r) Fencing and Gates:

New chain link gates and wall fences.

(s) Electrical Work:

New electrical system complete with generator, transformers, switchgear and underground distribution system throughout the port,

Rewire and relamp all facilities and buildings,

New exterior area and security lighting,

Telephone panel board in the new power house building and empty conduits to all buildings.

(t) Fire Fighting:

Provide new saltwater fire fighting system including seawater intake, pump house, fire service and distribution system with hydrants.

Cargo Handling Equipment

Cargo handling equipment selected for procurement on the basis of existing fleet and proposed operations is as follows:

	No. (Approx.)
Forklift Trucks, 4t	19
Forklift Trucks, 15t	2
Cranes, 30t	2
Cranes, 70t	1
Tractors, Highway	3
Trailers, Container 20 ft.	6
Trailers, Container 40 ft.	4
Trailers, Low Bed	1
Service Equipment	
Fire Trucks	3
Service Trucks (Maintenance)	1
Tank Truck	1
Cotton Bale	7
Pallets	4,000

Expansion of Port Adabiyah

Major new facilities to be constructed at Adabiyah during the first stage of development include the following:

(1) A marginal wharf consisting of a reinforced concrete deck supported on concrete piling.

(2) A storage area totalling about 30 hectares to be located between the marginal wharf and the administration zone. Berths 5 and 6 each have a transit shed.

(3) The existing scale house will be relocated to a new location near the main entrance gate to become more accessible to entering and departing trucks.

(4) New buildings, consisting of two transit sheds, a port services building, terminal office, gear shed, electrical sub-station, water tank and pump house.

(5) The present highway will be retained as far as practical, however, the alignment needs to be slightly shifted to provide a larger radius curve near the main entrance gate to the port.

Attachment A to Annex 1

PROJECT FINANCIAL PLAN
(Source and Application of Funding)
(000)

As of September 1978

Project No. 263-K-0047

Project Inputs	Loan ($)		Amount for a Fully Funded Project: Borrower/Grantee (L.E.)	
Rehabilitation/Modernization				
Wheat Handling System	2,396		1,588	
Cargo Handling Equipment	2,866		4	
Maintenance Equipment	783			
Structures	3,265		6,356	
Spare Parts	36			
ST		9,346		7,948
First Stage Development				
Structures	9,560		22,370	
Training	107			
Working Capital	43		180	
ST		9,710		22,550
Engineering		5,080		690
Escalation		5,864		21,832
GRANT TOTAL		30,000		53,020

SOCIALIST REPUBLIC OF ROMANIA

Trade in Textiles

Agreement amending the agreement of January 6 and 25, 1978, as amended.
Effected by exchange of notes
Signed at Washington July 24 and August 27, 1979;
Entered into force August 27, 1979.

The Secretary of State to the Romanian Economic Counselor

July 24, 1979

Dear Mr. Fodor:

I refer to the Agreement between the United States of America and the Socialist Republic of Romania Relating to Trade in Cotton Textiles, with Annex, effected by exchange of notes dated January 6 and 25, 1978, as amended [1] (the Agreement) and to consultations held in Washington on July 18, 1979 between representatives of the Government of Romania and representatives of the Government of the United States.

I propose that paragraph 5(B) of the Agreement be further amended to establish new levels as follows:

Category	Level (in dozens) Second, Third, Fourth, and Fifth Agreement Years (1979-1982)
334 - Other Coats, Men's and Boys'	257,153 annually
(334 - Part, Other than Zippered Sweatshirts Currently in TSUSA 380.0611)	(36,320 annually)
338 - Knit Shirts, Men's and Boys'	256,000 annually
(338 - Part, Other than T-shirts and Sweatshirts)	(97,222 annually)
347 - Trousers, Men's and Boys'	167,282 annually

Mr. Napoleon Fodor

Economic Counselor

Embassy of the Socialist

Republic of Romania

[1] TIAS 9166, 9211, 9212; 29 UST 5975; *ante*, pp. 685, 688.

I also propose that the Agreement be amended to add the following paragraph as paragraph 18:

"18. Textiles and textile products which are exported from Romania during 1978 are subject to the 1978 limits or levels; exports during 1979 and subsequent years are subject to limits or levels for the year in which exported."

If the foregoing proposals are acceptable to the Government of the Socialist Republic of Romania, this letter and your letter of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an amendment to the Agreement, effective on the date of your letter of confirmation.

For the Secretary of State:

Ernest Johnston

The Romanian Economic Counselor to the Deputy Assistant Secretary of State for International Trade

EMBASSY OF THE
SOCIALIST REPUBLIC OF ROMANIA
OFFICE OF THE ECONOMIC COUNSELOR
573-577 THIRD AVENUE
NEW YORK, N. Y. 10016
PHONES (212) 682-9120-23

No.8991 August 27,1979

Mr.Ernest Johnston,
Deputy Asst.Secretary of State
for International Trade
DEPARTMENT OF STATE
Washington,D.C.20520

Dear mr.Johnston,

I refer to the diplomatic note of July 24,1979 related to the Agreement between our two countries relating to Trade in Cotton Textiles and are pleased to hereby confirm that the proposed amendments for categories 334,334-part,338,338-part and 347,as well as to paragraph 18 of the same Agreement are acceptable to our authorities.
The above confirmations are contained in our letters nos.8067 of July 23,1979 and 8638 of August 10,1979.[1]

Sincerely,
Napoleon Fodor,
Economic Counselor

[1] Not printed.

TURKEY

Balance-of-Payments Financing

Agreement signed at Ankara December 5, 1978;
Entered into force December 5, 1978.

LOAN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF TURKEY

Agreement, dated the fifth day of December, 1978 between the Government of the Republic of Turkey (Borrower) and the United States of America acting through the Agency for International Development (A.I.D.).

WHEREAS, the Government of the United States, acting through the Agency for International Development, is desirous of supporting the Government of the Republic of Turkey's efforts to stabilize its economy;

NOW, THEREFORE the parties hereto agree as follows:

ARTICLE I

The Loan

A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend the Borrower, under the terms of this Agreement, not to exceed fifty million United States Dollars (Dollars 50,000,000) for balance-of-payments financing to support and promote the financial stability and economic recovery of the Borrower. The aggregate amount of disbursements under the loan is referred to as principal.

ARTICLE II

Loan Terms

SECTION 2.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of 8.77 percent per annum following the date of disbursement of the loan on the outstanding balance of principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date of disbursement (as defined in

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

Section 4.2) and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after disbursement of the loan.

SECTION 2.2. Repayment. The Borrower will repay to A.I.D. the principal within ten (10) years from the date of disbursement of the loan in fifteen (15) approximately equal semi-annual installments of principal and interest. The first installment of principal will be payable two and one-half (2½) years after the date on which the first interest payment is due in accordance with Section 2.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after disbursement of the loan.

SECTION 2.3. Application, Currency, and Place of Payment. All payments of interest and principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTIOM 2.4. Prepayment. Upon payment of all interest due, the Borrower may prepay, without penalty, all or any part of the principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of principal in the inverse order of their maturity.

SECTION 2.5. Termination on Full Payment. Upon payment in full of the principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.1. Disbursement. Prior to disbursement under the loan, the Borrower will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(A) An opinion of the Chief Legal Advisor of the Ministry of Finance that this Agreement has been duly authorized, or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid 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 6.2.

SECTION 3.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 3.1 have been met, it will promptly notify the Borrower.

SECTION 3.3. Terminal Date for Conditions Precedent. If all the conditions specified in Section 3.1 have not been met within ninety (90)

days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

ARTICLE IV

Disbursements

SECTION 4.1. Deposit of Disbursements. After satisfaction of conditions precedent, A.I.D. will deposit the proceeds of the loan, in a bank or banks in the United States designated in writing by the Borrower.

SECTION 4.2. Date of Disbursement. Disbursement by A.I.D. will be deemed to occur on the date A.I.D. makes disbursement to the bank or banks to be named in Section 4.1.

SECTION 4.3. Terminal Date for Requesting Disbursement. Except as A.I.D. may otherwise agree in writing, the terminal date for requesting disbursement of the loan proceeds shall be six months from the date of this Agreement.

ARTICLE V

Use of Funds

SECTION 5.1. The Borrower agrees that the proceeds of the loan will be used for balance-of-payments financing and will not be used for financing military requirements of any kind, including the procurement of commodities or services for military purposes.

ARTICLE VI

Miscellaneous

SECTION 6.1. Communications. The Borrower undertakes to provide to A.I.D. such information relating to the economic and financial situations and related problems of the Borrower as may be necessary. Any notice, request, document, or other communication submitted by either party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

TO THE BORROWER:

Ministry of Finance
Government of the Republic of Turkey
Ankara, Turkey

To A.I.D.:

Director
Office of Project Development
Near East Bureau
A.I.D.
Washington, D.C. 20523

All such communications will be in English, unless the parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Borrower, in addition, will provide the U.S. Embassy in Ankara with a copy of each communication sent to A.I.D.

SECTION 6.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the U.S. Ambassador, each of whom, by written notice, may designate additional representatives. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

FOR THE UNITED STATES OF AMERICA:

RONALD I. SPIERS

Ronald I. Spiers
Ambassador

FOR THE REPUBLIC OF TURKEY:

Z. MUEZZINOGLU

Ziya Muezzinoglu
Minister of Finance

JORDAN

Economic Stability

Agreement signed at Amman December 10, 1978;
Entered into force December 10, 1978.

GRANT AGREEMENT

Dated Dec. 10, 1978

Between

The Hashemite Kingdom of Jordan ("Grantee")

AND

The United States of America, acting through The Agency for International Development ("A.I.D.")

SECTION 1. The Grant: In accordance with the General Agreement effective July 1, 1957 between the United States of America and the Hashemite Kingdom of Jordan[1] and subject to the terms and conditions of this Agreement, A.I.D. hereby agrees to grant the Grantee pursuant to the Foreign Assistance Act of 1961 as amended,[2] up to Thirty Million U.S. Dollars ($30,000,000) as budgetary assistance for 1979 to support and promote the economic stability of the Grantee.

SECTION 2. Conditions Precedent: Except as A.I.D. may otherwise agree in writing, prior to the disbursement or request therefor, Grantee shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion satisfactory to A.I.D. of Grantee's Minister of Justice or other counsel satisfactory to A.I.D. that this Agreement has been duly authorized or ratified by, and executed on behalf of, Grantee and constitutes a valid and legally binding obligation of Grantee in accordance with its terms; and

(b) The name or names of the person or persons who will act as the representatives of Grantee pursuant to Section 7 hereof together with the evidence of his or their authority and a specimen signature of each person, certified as to its authenticity.

SECTION 3. Terminal Date for Conditions Precedent: Except as A.I.D. may otherwise agree in writing, if the conditions of Section 2 have not been satisfied within thirty (30) days of the date of this Agreement, A.I.D. at any time thereafter, but prior to the satisfaction of the applicable conditions, may at its option, terminate this Agreement by written notice to Grantee.

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[1] TIAS 3870; 8 UST 1073.
[2] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 4. General Covenants:

(a) Taxation: This Agreement and the amount to be granted hereunder shall be free from any taxation or fees imposed under any laws in effect within Jordan.

(b) Use of Funds: Grantee agrees that the funds provided hereunder shall be used exclusively for non-military items needed to meet development and recurring civilian requirements within the official Jordanian 1979 calendar year budget.

SECTION 5. Disbursements: Upon showing to A.I.D. of satisfactinn of the conditions precedent noted hereinabove, A.I.D. will deposit to the account of the Grantee in a to-be-named bank in the United States or Jordan up to Thirty Million U.S. Dollars ($30,000,000) in two equal installments, the First within 30 days of signing this agreement and the Second in April of 1979 in amounts of Fifteen Million U.S. Dollars ($15,000,000) each installment.

SECTION 6. Reports: Grantee shall furnish A.I.D. with such information and reports relating to this grant and such inspection of records or audit as A.I.D. may reasonably request.

SECTION 7. Use of Representatives:

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

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

SECTION 8. Communications: Any notice, request or other communication or any document given, made or sent 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, or telegram, cable or radiogram to such party at the following address:

To Grantee	
Mail Address	National Planning Council P.O. Box 555, Amman, Jordan
Cable Address	NPC, Amman, Jordan
To A.I.D.	
Mail Address	USAID Mission c/o American Embassy Amman, Jordan
Cable Address	A.I.D. Washington, D.C., USA.

Other addresses may be substituted for the above upon giving of notice as provided herein.

All communications submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

The HASHEMITE KINGDOM OF JORDAN

By: Hanna Odeh
Title: President
National Planning Council

The UNITED STATES OF AMERICA

By: Nicholas A. Veliotes
Title: Ambassador

EGYPT

Water and Sewerage Systems

Agreement signed at Cairo June 27, 1979;
Entered into force June 27, 1979.

Project No. 263-0048

PROJECT GRANT AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
UNITED STATES OF AMERICA,
THE MINISTRY OF HOUSING, SUEZ CANAL AUTHORITY
AND
THE GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE
FOR
CANAL CITIES WATER AND SEWERAGE

Dated: JUNE 27, 1979

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[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

PROJECT GRANT AGREEMENT JUNE 27, 1979 AMONG THE ARAB REPUBLIC OF EGYPT ("GRANTEE") THE MINISTRY OF HOUSING ("MOH"), THE GENERAL ORGANIZATION FOR SEWERAGE AND SANITARY DRAINAGE ("GOSSD"), SUEZ CANAL AUTHORITY ("SCA"), AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to the Government of the Arab Republic of Egypt for rehabilitation and expansion for the water and wastewater systems in the Suez Canal Cities of Port Said, Ismailia and Suez, to include: (1) improvements to water and wastewater treatment plants, (2) water distribution and wastewater collection systems including sewer cleaning), (3) construction of new water and wastewater pumping stations, and (4) the construction of a water transmission pipeline to the Suez Cement Company, (hereinafter referred to as the "Project"). Assistance for the Project will consist of this Grant and a Loan, the Agreement for which was executed by the Parties on September 30, 1978.[1] Funds made available under the Grant will be passed through the Ministry of Housing until such time that a loan agreement, satisfactory to A.I.D., can be negotiated with the responsible successor organization(s) of the present Canal Cities' Water/Wastewater organizations.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [2] agrees to grant the Grantee under the terms of this Agreement not to exceed Thirty Six Million United States Dollars ($36,000,000) ("Grant").

The Grant may be used only to finance foreign exchange costs, as defined in Section 6.1 of goods and services required for the Project.

[1] TIAS 9558; *ante*, p. 6338.
[2] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than Fifty Million Four Hundred Twenty-Eight Thousand Egyptian Pounds (L.E. 50,428,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is July 1, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant (1) in response to request received by A.I.D. after January 31, 1982, or (2) for services performed subsequent to the PACD or for goods finished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than five (5) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) A statement of the names of the persons who will act as the representatives of the Grantee, MOH, SCA and GOSSD together with a specimen signature of each;

(2) Evidence that the Grant funds will be administered by the MOH on behalf of the Grantee and made available to SCA, GOSSD and the Governorates of Port Said, Ismailia and Suez, until such time that loan agreement(s) satisfactory to A.I.D. can be negotiated with

the existing or successor organization(s) responsible for the Canal Cities' Water/Wastewater facilities;

(3) Executed contracts acceptable to A.I.D. with consulting engineering firms acceptable to A.I.D. for services relating to the Project; and

(4) Such other documentation as A.I.D. may require.

SECTION 4.2. Additional Conditions Precedent. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance any costs other than of consulting engineering services, GOE shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(1) A financial and physical plan for each of the project elements:

(2) A detailed implementation plan, CPM/PERT form, for the rehabilitation and expansion of the water treatment plants, water distribution systems, sewage collection systems, and sewage treatment plants of Port Said, Ismailia, and Suez; and

(3) Such other documentation as A.I.D. may require.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

ARTICLE 5: Special Covenants.

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties may otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Execution of the Project. The Grantee, MOH, GOSSD and SCA shall:

(1) Cause the project to be carried out with due diligence and efficiency, and in conformity with sound engineering, construction, financial and administrative practices.

(2) Cause the project to be carried out in conformance with all plans, specifications, contracts, and other arrangements, and with all modifications therein approved by A.I.D. pursuant to this Agreement.

(3) Submit for A.I.D. approval prior to implementation, issuance, or execution, all plans, specifications, construction schedules, bid documents concerning solicitation of proposals relating to eligible items, contracts, and all modifications in these documents.

SECTION 5.3. Funds and Other Resources to be Provided. The Grantee, MOH, GOSSD and SCA shall make available on a timely basis any Egyptian currency and any foreign currency in addition to the Grant, for the punctual and effective carrying out of construction, maintenance, repair and operation of the project.

SECTION 5.4. Operation and Maintenance. The Grantee, MOH, GOSSD and SCA shall operate, maintain and repair the project in conformity with sound engineering, financial and administrative practices and in such manner to ensure the continuing and successful achievement of the purposes of the project.

SECTION 5.5. Management. The Grantee, MOH, GOSSD and SCA shall provide qualified and experienced management for the project and to train such staff as may be appropriate for the maintenance and operation of the project.

SECTION 5.6. Continuing Consultation. The Grantee, MOH, GOSSD and SCA shall cooperate fully with A.I.D. to assure that the purpose of the Grant will be accomplished. To this end, the Grantee, MOH, SCA, GOSSD and A.I.D. 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 of the Grantee, MOH, SCA and GOSSD of its obligations under the Grant Agreement, the performance of consultants, contractors, suppliers engaged on the project, and others matter relating to the project. The Grantee, MOH, SCA and GOSSD shall specifically review and discuss with A.I.D. the relevant recommendations of the management and tariff consultant and shall implement the recommendations agreed as a result of such discussions.

SECTION 5.7. Financing. In form and substance satisfactory to A.I.D. the Grantee, MOH, SCA and GOSSD shall:

(a) Assure adequate long-term financing for SCA's and GOSSD's expansion program which has been authorized and modifications and adaptions to such program. No later than April 30, 1980, the financing so provided will be divided between equity contributions and loans in a manner that after including the A.I.D. loan and grant, the debt to equity ratio will be no greater than 1.5.:1. Also, no later than April 30, 1980, SCA tariffs shall be set at a level enough to produce a reasonable rate of return on average net fixed assets in operation, appropriately valued and revalued from time to time; and

(b) Execute at the earliest practicable time after the completion of the Management and Tariff Study a loan agreement or agreements with the organization(s) who will be recipients of the loan from the GOE containing the terms of payment including interest and repayment of interest acceptable to A.I.D.

SECTION 5.8. SCA Successor. In the event that either GOSSD, SCA or the Governorates of Port Said, Ismailia and Suez are succeeded by other entities having responsibilities for the Canal Cities' water/wastewater systems, either before or after the Project is completed, the then value of the A.I.D. Grant shall be lent and the facilities attributable to the Grant shall be made available to the successor organization(s) on terms and conditions acceptable to A.I.D.

SECTION 5.9. Raw Water Supply. The Grantee, MOH, GOSSD and SCA shall provide all physical and operational improvements, satisfactory to A.I.D., needed to assure that an adequate quantity and quality of raw water supply from the Ismailia-Port Said Sweetwater Canal system operated by the Ministry of Irrigation will be available for the purposes of this Project.

ARTICLE 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source, origin, and nationality in the U.S. (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

ARTICLE 7: Disbursements.

SECTION 7.1. Disbursements for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or (b) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project, or

(2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks, satisfactory to A.I.D. committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (b) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant

unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Grantee or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment, contractor, or purchase order.

ARTICLE 8: Miscellaneous.

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

TO THE GRANTEE:	Ministry of Economy and Economic Cooperation 8, Adly Street Cairo, Egypt
	Ministry of Housing 1 Ismail Abaza Street Cairo, Egypt
To A.I.D.:	A.I.D. U.S. Embassy Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, Minister of Housing, Chairman of GOSSD, and Chairman, Suez Canal Authority, and Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any documents signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] is attached and forms part of this agreement.

IN WITNESS WHEREOF, the Parties, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By: HAMED A. EL-SAYEH

Name: Dr. Hamed El Sayeh

Title: *Minister of Economy, Foreign Trade and Economic Affairs*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS, JR.

Name: H. Freeman Matthews, Jr.

Title: *Charge d'Affaires, a.i.*

SUEZ CANAL AUTHORITY

By: M. A. MASHHOUR

Name: Mashhour Ahmed Mashhour

Title: *Chairman*

MINISTRY OF HOUSING

By: M. M. EL HEFNAWI

Name: Eng. Moustafa El Hefnawi

Title: *Minister*

GOSSD

By: M. A. ASHMAWY

Name: Eng. M. A. Ashmawy

Title: *Minister*

ANNEX 1

Project Description

The Project provides improvements to the public water and sewerage systems serving Port Said, Ismailia and Suez, which are now only partially operative. The improvements will include the repair and rehabilitation of the systems which were damaged and which deteriorated because of non-use during the war years of 1967–1973. The improvements also will correct the most serious design and construction deficiencies of the pre-war systems, and will provide modest extensions to serve the more rapidly developing areas of the canal cities.

At the Port Said Water Treatment Plant, improvements will include back-wash pumps, flow meters, chlorinators, finished water pumps,

[1] See footnote 1, p. 6624.

and minor equipment and repair items. The Port Said Water Distribution System will be strengthened by a major pipeline serving the northwestern portion of the city, and inoperative valves, fire hydrants, and water meters will be replaced.

The Port Said sewer system will be restored to reliable operation by cleaning, inspecting, and repairing clogged and broken sewers, and replacing several sewage pump stations which are undersized or inadequately equipped. A proposed new gravity sewer will eliminate seven of the existing pump stations.

Port Said's existing sewage treatment plant will be restored to operation by revising the flow pattern by means of piping changes, together with construction of a sludge lagoon and various minor improvements.

At Ismailia's water treatment plant, improvements will include equipment for applying coagulating chemicals and chlorine, finished water pumps, flow meters, and minor repairs and replacements. The Ismailia water distribution system will be strengthened by new water mains, a booster pumping station, a storage reservoir, and miscellaneous items.

Ismailia's sewer system will be cleaned, inspected and repaired. New sewers will be provided for certain populated areas which are presently unsewered. Five inadequate sewage pump stations will be replaced.

At Ismailia's sewage treatment plant, the project will restore the existing war-damaged trickling filter equipment and provide new pumps, laboratory, chlorination, sludge handling, and miscellaneous facilities.

At the Suez water treatment plant, the Project will provide flow meters, chlorinators, pumps, and related piping and electrical work. The Suez water system improvements will include replacement of a number of undersized distribution pipes, new pipelines to presently unserved areas, and a major transmission line extending from the water treatment plant to a large portland cement plant (an AID-supported project) now under construction about 42 kilometers southwest of Suez. This transmission main will provide water to several developing areas along Suez Bay and the Gulf of Suez, as well as the cement plant.

The Suez sewerage system will be cleaned, inspected, and repaired. Sewers will be provided in several populated unsewered areas. Three existing sewage pump stations and their force mains will be rehabilitated and enlarged, and one new pump station constructed.

Suez's existing sewage treatment plant will be enlarged by adding two new clarifiers. Also, flow meters, control structures, laboratory equipment, an access road, and electrical service will be provided.

Exhibit A shows the foreign exchange and local currency costs associated with the various groups of project improvements.

The multiple activities to be carried out under the Project will require project financing of architects and engineering services contracts, to include construction supervision services and extensive procurement of materials and equipment.

REVISED

EXHIBIT A FY 1978/1979 PROGRAM

Applications	Port Said		Ismailia		Suez		Total	
	$	LE	$	LE	$	LE	$	LE
Water:								
Treatment 1978	3, 035	970	7, 421	2, 565	2, 118	945	12, 574	4, 480
1979	--------	--------	3, 851	170	--------	--------	3, 851	170
Total	3, 035	970	11, 272	2, 735	2, 118	945	16, 425	4, 650
Distribution 1978	--------	--------	--------	--------	14, 796	4, 870	14, 796	4, 870
1979	1, 428	619	6, 189	3, 567	11, 239	3, 384	18, 856	7, 570
Total	1, 428	619	6, 189	3, 567	26, 035	8, 254	33, 652	12, 440
Sub-Total	4, 463	1, 589	17, 461	6, 302	28, 153	9, 199	50, 077	17, 090
Sewrage								
Collection 1978	6, 512	4, 203	17, 235	14, 172	8, 804	11, 389	32, 551	29, 764
1979	--------	--------	--------	--------	--------	--------	--------	--------
Total	6, 512	4, 203	17, 235	14, 172	8, 804	11, 389	32, 551	29, 764
Treatment 1978	--------	--------	--------	--------	--------	--------	--------	--------
1979	687	584	12, 178	2, 451	183	539	13, 048	3, 574
Total	687	584	12, 178	2, 451	183	539	13, 048	3, 574
Sub-Total	7, 199	4, 787	29, 413	16, 623	8, 987	11, 928	45, 599	33, 338
Grand Total	11, 662	6, 376	46, 874	22, 925	37, 140	21, 127	95, 676	50, 428

EGYPT

Small Farmer Production

Agreement signed at Cairo July 25, 1979;
Entered into force July 25, 1979.

A.I.D. Project Number 263-0079

PROJECT

GRANT AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

and the

UNITED STATES OF AMERICA

for

SMALL FARMER PRODUCTION

DATED: July 25, 1979

TIAS 9574

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Annex 1 - Project Description

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Project Grant Agreement

Dated: July 25, 1979

Between

The Arab Republic of Egypt ("Grantee"),

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of the Project. The Project, which is further described in Annex 1, will consist of assistance to the Principal Bank for Development and Agricultural Credit ("The Bank") to develop an improved system for providing credit and production inputs to small farmers and to apply the improved system on a trial basis in three governorates: Sharkia, Kalyubia and Assiut.

The five principal components of assistance to be provided under the Project include:

(a) Improvement of the Bank's administrative and management and service capabilities including the upgrading of physical facilities and equipment;

(b) Increase the availability of short-, medium- and long-term credit funds in each of the three governorates included in the project area;

(c) Improvement of small farmer management and production through coordination and improvement of credit and extension services, and establishment of cooperating farmer groups to test and demonstrate the production-increasing potential of increased credit and inputs together with new technologies;

(d) Improvement of farm input delivery and handling capabilities at the local level; and

(e) Improvement of the Bank's training methods and capabilities, including the upgrading of physical facilities and equipment, and limited training in support of governorate programs.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, [1] agrees to grant the Grantee under the terms of this Agreement not to exceed Twenty-Five Million United States ("U.S.") Dollars ($25,000,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1. and local currency costs, as defined in Section 6.2. of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound equivalent of Seventeen Million Seven Hundred Thousand U.S. Dollars ($17,700,000).

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than Six Million One Hundred Eighty-Two Thousand Egyptian pounds (LE 6,182,000), including costs borne on an "in-kind" basis.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1984 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any U. S. bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement.

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2 and of any additional representatives, together with a specimen signature of each person specified in such statement;

(b) Evidence of the appointment of a Project Director who will be principally responsible for the administration of the implementation of the Project, and Project Directors for each of the governorates in which the Project will operate;

(c) Evidence of the establishment of an advisory coordinating committee which will be responsible for coordination among the various agencies and organizations participating in the Project whose membership shall include representatives of the Ministry of Agriculture, the Agriculture Extension Service, and the participating Governorates;

(d) Evidence of the source and availability of funds or other resources to be provided by the Grantee as its contribution to the Project; and

(e) Such other documentation as A.I.D. may require.

SECTION 4.2. Additional Disbursements. Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for each of the types of disbursements referred

to below in this section, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) For Subsequent Disbursement for Consultant Services:

(1) An executed contract for consultant services with a firm or institution acceptable to A.I.D;

(b) For Subsequent Disbursement for Construction of Storage Facilities:

(1) A detailed model engineering plan including specifications and cost estimates for the construction of storage facilities which plan shall be followed in the construction of all such facilities financed under the Project;

(c) For Subsequent Disbursement for Renovation of Bank Facilities:

(1) List of criteria which will be applied in determining the general nature and extent of renovations eligible for financing under the Project along with an estimated budget for all renovation work to be financed under the Project; and

(d) For Subsequent Disbursement for Capitalization of the First Credit Fund:

(1) A credit implementation plan for each type of credit fund to be financed under the Project covering standards for reviewing loan applications, basic borrower eligibility criteria, types of goods or services eligible for financing under each type of loan, applicable loan terms including interest rates, grace periods, and loan repayment schedules; and

(2) Procedures for management of the credit funds.

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SECTION 4.3. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 4.1 and 4.2 have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants.

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Consultations with A.I.D. The Grantee agrees that it will examine with A.I.D. on an annual basis the lending rates and other policies applicable to the operations of the Principal Bank for Development and Agricultural Credit ("Bank") and to enter into discussions with A.I.D. at appropriately high levels should this examination result in a finding by A.I.D. that the Bank is operating in an economically unfavorable manner. The examination will be based upon a formal study up-dated annually by the Bank. The details and objectives of the study will be agreed upon in implementation letters.

SECTION 5.3. Commercial Operations. The Grantee agrees to support Bank efforts to carry out its operations on a commercial basis and to take such measures as may be necessary to make the Bank an economically viable lending institution. To this end it is agreed that:

(a) Project loans financed under the Grant agreement shall be made at a rate of at least 8% for short-term loans up to 14 months, and at 10% for medium and long-term loans or at the prevailing rate, whichever is higher;

(b) inputs funded under the credit program shall be sold at prices approximately FOB Alexandria, CIF Alexandria, or free market prices as determined to be appropriate in consultation with A.I.D.;

(c) the short-term loan funds shall be kept in a revolving fund and repayments of loans made to farmers under the credit component of the Project shall be reloaned to farmers and not utilized to amortize the debts of the Bank or the Governorate level Banks for Development and Agricultural Credit ("BDAC's");

(d) storage facilities constructed with funds made available under the Grant shall be rented by the Bank at fair market rates;

(e) lending activities in the Project areas shall be continued at levels no lower than those which were achieved in 1978; and

(f) in implementation of Article 17 of Law 117 of 1976, the Grantee shall promptly reimburse the Bank for any unrecoverable costs which the Bank may incur in carrying out policy decisions of the Grantee.

SECTION 5.4. Adequate Supplies of Project Inputs. The Grantee shall assure the availability of adequate supplies of fertilizers and agricultural inputs needed to carry out the Project.

SECTION 5.5. Annual Audit. The Grantee shall assure that the annual audit required by the World Bank as well as audits of each participating village banks, be carried out and made available to A.I.D.

SECTION 5.6. Pesticides. The Grantee agrees that none of the funds made available under the Grant shall be used to finance the procurement or use of any pesticide.

Article 6: Procurement Source.

SECTION 6.1. Foreign Exchange Costs. Disbursement pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs.

(a) Disbursement pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as provided in (b) and (c) below and except as A.I.D. may otherwise agree in writing, their origin in Egypt ("Local Currency Costs").

(b) Shelf items, as defined in paragraph 18.A.4 of A.I.D. Handbook 1, Supplement B, shall have their source in Egypt but may have their origin in A.I.D. Geographic Code 935. Shelf items financed under this Agreement shall not be subject to the unitary or total value limitations otherwise established by A.I.D.

(c) Farm tractors, trailers and similar farm vehicles purchased by farmers with funds made available under the farmer credit component of the Project and motorcycles shall have their source and origin in A.I.D. Geographic Code 935.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the foreign exchange costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may mutually be agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods and services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursement shall be obtained by acquisition by A.I.D. with U.S. Dollars by purchase of local currency owned by the Arab Republic of Egypt.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into the Arab Republic of Egypt by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Arab Republic of Egypt at the highest rate prevailing and declared for foreign currency by the competent authorities of the Arab Republic of Egypt.

Article 8. Miscellaneous:

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by A.I.D. or the Grantee to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Ministry of Agriculture
Dokki, Giza
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addressees may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Agriculture, and the Minister of Economy and Economic Cooperation. A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., Cairo, Egypt. Each, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) [1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : Mahmoud M. Dawood

NAME : Dr. Mahmoud M. Dawood

TITLE: Minister of Agriculture

UNITED STATES OF AMERICA

BY : Alfred J. Atherton, Jr.

NAME : Alfred J. Atherton, Jr.

TITLE: American Ambassador

[1] See footnote 1, p. 6637.

ANNEX I

PROJECT DESCRIPTION

The project will assist the Principal Bank for Development and Agricultural Credit to develop an improved system for providing credit and production inputs to the small farmer and to apply it on a pilot basis in three governorates: Sharkia, Kalyubia and Assiut. Within the three governorates, activities will be initiated in nine villages located in eight markazes. Activities will be expanded over the 5 years of the project to cover an additional 18 villages within the same markazes.

Project outputs will upgrade the operations of these banks in the areas of bank administration and management, medium- and short-term lending, farm management support, storage and handling of inputs, and training, as follows:

a. Bank administration and management. The project will develop and implement an improved management system, upgrade bank facilities and equipment, improve public awareness of the Bank's services, and strengthen the savings program.

In the management area, the project will develop a system permitting the delegation of greater authority to the Village Bank manager. The participating Village Banks will be reorganized as profit center, giving the manager a greater understanding of what his costs and resources are, in order to help him plan needed changes in his operations and provide middle and upper management with a better basis for planning and evaluation.

Participating Banks will be provided with calculators and other office equipment needed to function effectively. The physical plant will be renovated to raise employee morale, improve the work environment, and create a positive image for the Bank and the project. (Where applicable, calculations will be mechanized and the forms used will be redesigned to take advantage of the easier calculations.)

A third output in this area will be an improved image for the Bank. Signs and the Bank symbol will be used on all Bank documents, facilities, and vehicles to promote client recognition of Bank facilities and build a sense of pride in the institution. As part of the project, a modest public relations campaign will be conducted to increase client awareness of the services available from the Bank.

Finally, the project will develop programs to increase the mobilization of local capital through the savings program, utilizing various kinds of promotional campaigns.

b. Medium- and short-term lending. The project will increase the

availability of medium- and long-term loans in the project area by $3,000,000 in each of the three governorates. Funds will be loaned at an interest rate of at least 10%. The project will also develop and implement a medium-term loan procedure based on need and ability to repay, rather than collateral. (Loan approval authority up to pre-determined amounts will be delegated to the Village Bank manager, rather than all medium- and long-term loans being routed through the Governorate manager, as at present. In the area of short-term loans, the project will develop and implement within the confines of the law a streamlined procedure to reduce the number of times an individual farmer must go to the Bank.)

The project will address the shortage of short-term funds and the need for greater flexibility by providing groups of "cooperating farmers" with access to additional credit and inputs at prices to be determined in accordance with Section 5.3(b), plus increased extension assistance, in return for serving as demonstration farmers, assisting in the formation of additional groups, and providing farm management information. Initially, one group of approximately 25 farmers will be organized in each of the nine villages. This will be expanded as the project progresses to a projected total of 150 farmers in each of the 27 villages (4,050 farmers, roughly 3 percent of the total number of farmers). If the system proves acceptable and effective in raising farmer incomes, more groups will be formed. $3,375 million in additional short-term credit will be provided to meet the needs of the cooperating farmers and others. These funds will supplement those funds currently being made available to farmers under the existing short-term loan program of the Bank. The additional amounts offered to cooperating farmers under this project in excess of amounts made available under the Bank's existing programs will be loaned out at a rate of at least 8%. Funds made available by the Bank under its existing program will continue to be loaned out on terms to be determined by the Bank in accordance with its procedures.

c. Farm management support. To meet the need for assistance to the farmer in financial planning and coordination of credit and extension services, the project will establish closer working relations between the Extension Service and the Bank, as well as improving communications between local extension workers and researchers in relevant areas. An agricultural financial analyst will be attached to the staff of each Village Bank, with appropriate support at higher levels in the organization. Together with the Bank manager, the cooperative agriculturist, and local extension agents, the analysts will form a farm management team. The extension agents will continue to provide the technical support, while the Bank will now add support in financial planning and analysis and in evaluation the economic feasibility of proposed investments. The Extension Service agents will also be provided with motorcycles.

Initially, the principal focus for the team's activities will be the cooperating farmer groups. In each village the initial group of approximately 25 farmers will demonstrate the production-increasing potential of increased credit and inputs together with new technologies. The basic criterion for selection will be the operation of a farm unit of 5 feddans or less.

It is anticipated that different means of selection will be tried to determine which is most effective in identifying good farmer candidates. Self-selection, nomination by the farmers, selection by village leaders or a combination of these may be tried and/or participants may be chosen from the Extension Service Village Agricultural Councils.

Cooperating farmers will be assisted in increasing their output through the use of higher input levels, improved seeds and other technological changes. Services such as soil testing and land levelling will be made available to them at the prevailing price.

The results obtained by the cooperating farmers will be spread to others by field days and informal contacts. The initial 9 groups will be replicated to form a total of at least 162 groups by the end of the project.

d. Storage and handling of inputs. To address the need for improved input storage at the local level, the project will introduce three major improvements in the storage and handling system, as follows:

First, an improved procedure to control flow of inputs will be designed and implemented. Where possible, deliveries to district shounas will be eliminated in favor of direct deliveries to agencies. Greater supplies will be kept at the agency to ensure that supplies are available to farmers when needed. Improved handling procedures will be introduced and the quality and quantity of handling equipment will be upgraded.

Second, agency facilities will be upgraded in the approximately 150 agencies serving the project villages. The construction of these facilities, where required, or expansion of existing facilities will be funded. Approximately 50,000 square meters of storage space will be constructed. The project will construct some agencies to be owned directly by the Bank. The remainder will be constructed by the private sector, for rental to the Bank. A special loan fund will be set up to finance this activity. The proportion to be constructed under each system will be determined during implementation, based on early experience with the two approaches, private sector interest, and negotiations with the Bank. In both cases, a standard design using local building materials will be used. The structures will be simple, single-story buildings with natural ventilation.

Third, local transport capacity available for delivery of goods to the agencies will be upgraded. A loan fund will be established to finance the purchase by local farmer groups or entrepreneurs of an estimated 54 transport units, each consisting of a tractor and two trailers.

e. Training. Under the proposed project, the PBDAC's training facilities and equipment in the central facility in Cairo will be upgraded, course content will be reviewed and strengthened, and new training aids will be developed. Unlike other project activities, assistance in this area will be concentrated at the central level. The project will also provide some support to governorate programs, mainly in the form of technical assistance.

Project Inputs

The principal inputs needed to achieve the Project outputs are technical assistance and credit or "loan" funds. Technical assistance will consist of a nine-person technical assistance team including six individuals in the three governorates (48 work-months each over 5 years) and 28 months of short-term assistance. Loan funds will be provided to fund a total of $12.4 million in credit (3.4M in short term credit and $9M in medium and long-term credit). The technical assistance and $7.875M of loan fund requirements will be financed by AID.

Other AID funded project inputs include:

(a) Equipment and supplies for farmer presentations and motorcycles for extension agents;

(b) Renovation or new construction of storage facilities and new transportation equipment and handling equipment;

(c) Short term training for Bank personnel as well as supplies for and refurbishing and renovation of Bank training facilities; and

(d) Renovation of 27 village banks.

The Grantee shall provide the following inputs:

(a) Refurbishing and renovation of 3 Governorate banks and 8 district banks;

(b) An estimated 264 work-months of counterpart time for the technical assistance team and an estimated 9600 work-months of full and part-time personnel in the Governorates including agricultural financial analysts; and

(c) $4.5M in loan funds for the credit program.

A summary cost estimate and financial plan is provided in Appendix 1 to this Annex. The figures in this summary of project inputs are subject to inflation factors.

Project Implementation

The administrative responsibility for the Project will be vested in the Project Director, who will be a Bank official with the rank of General Manager or equivalent. The contract team leader will serve as co-director. A bank official will be named as Project Director for each governorate where the Project operates, and the team members assigned to that governorate will be his or her co-directors.

Coordination among the agencies participating in the Project will be accomplished by an advisory coordinating committee. The committee will include

representatives of the Extension Service, the Agriculture Ministry participating governorates, and others as appropriate, and its powers will be strictly advisory, reporting to the Project Manager.

Contracting will be accomplished according to A.I.D. procedures. A.I.D. will assist the Grantee in implementing the contracting process, monitoring project progress and providing informal assistance to the contract team and will provide Project Officer support where required.

Appendix 1 to Annex 1

Summary Cost Estimate
and Financial Plan
(US $ 000)

Source	AID			GOE	TOTAL	%
	$	LE-eq	TOTAL	LE-eq		
Use						
Technical Assistance	4176	702	4878	--	4878	21.7
Training	181	85	266	--	266	1.2
Loan Funds	--	7875	7875	4500	12375	55.0
Storage	337	2652	2989	23	3012	13:4
Farm Management Extension	54	10	64	50	114	.5
Building Renovation	155	108	263	177	440	2.0
Team Support and Evaluation	114	100	214	338	552	2.4
GOE Staff	--	50	50	814	864	3.8
Subtotal	5017	11582	16599	5902	22501	100.0
Contingency (15%)	1099	556	1655	210	1865	8.3
Inflation	1181	5565	6746	2719	9465	42.1
TOTAL	7297	17703	25000	8831	33831	150.4

Detail of Project Expenditures by Fiscal Year

	79			80			81			82			83			84			Total			GRAND TOTAL
	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	
	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	
TA	-	-	-	764	132	-	1013	168	-	1013	168	-	1013	168	-	373	66	-	4176	702	-	4878
Leader	-	-	-	74	12	-	110	18	-	110	18	-	110	18	-	37	6	-	441	72	-	513
Credit	-	-	-	221	36	-	331	54	-	331	54	-	331	54	-	110	18	-	1324	216	-	1540
Farm Mgmt.	-	-	-	221	36	-	331	54	-	331	54	-	331	54	-	110	18	-	1324	216	-	1540
Mgmt. Training	-	-	-	74	12	-	110	18	-	110	18	-	110	18	-	37	6	-	441	72	-	513
Storage	-	-	-	74	12	-	110	18	-	110	18	-	110	18	-	37	6	-	441	72	-	513
Logistics	-	-	-	37	6	-	-	-	-	-	-	-	-	-	-	-	-	-	37	6	-	43
Short-Term	-	-	-	63	18	-	21	6	-	21	6	-	21	6	-	42	12	-	168	48	-	216
Training	66	27	-	78	40	-	37	18	-	-	-	-	-	-	-	-	-	-	181	85	-	266
ST (US)	66	27	-	66	27	-	-	-	-	-	-	-	-	-	-	-	-	-	132	54	-	186
In-Country	-	-	-	-	-	-	25	5	-	-	-	-	-	-	-	-	-	-	25	5	-	30
PBDAC Supplies	-	-	-	12	13	-	12	13	-	-	-	-	-	-	-	-	-	-	24	26	-	50
Loan Funds	-	-	-	-	275	250	-	650	500	-	1400	1000	-	2250	1250	-	3300	1500	-	7875	4500	12375
Short-Term	-	-	-	-	25	-	-	150	-	-	400	-	-	1000		-	1800	-	-	3375	-	3375
Med.- & Long Term	-	-	-	-	250	250	-	500	500	-	1000	1000	-	1250	1250	-	1500	1500	-	4500	4500	9000
Storage	-	-	-	20	50	-	110	765	10	107	923	13	100	914	-	-	-	-	337	2652	23	3012
New Construction	-	-	-	-	-	-	60	540	-	92	828	-	100	900	-	-	-	-	252	2268	-	2520
Transport	-	-	-	-	30	-	-	175	-	-	25	-	-	-	-	-	-	-	-	230	-	230
Handling Eqpt.	-	-	-	20	-	-	50	-	-	15	-	-	-	-	-	-	-	-	85	-	23	85
Land	-	-	-	-	-	-	-	-	10	-	-	13	-	-	-	-	-	-	-	-	-	23
Repairs and Renovations	-	-	-	-	20	-	-	50	-	-	70	-	-	14	-	-	-	-	-	154	-	154
Farm Management Extension	-	-	-	12	-	3	6	5	5	16	4	10	20	1	16	-	-	16	54	10	50	114
Equipment and Supplies	-	-	-	-	-	-	-	5	-	-	4	-	-	1	-	-	-	-	-	10	-	10
Motorcycles	-	-	-	12	-	-	6	-	-	16	-	-	20	-	-	-	-	-	54	-	-	54
Motorcycle Ops.	-	-	-	-	-	3	-	-	5	-	-	10	-	-	16	-	-	16	-	-	50	50

	79			80			81			82			83			84			Total			GRAND TOTAL
	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	US		GOE	
	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	$	LE	LE	
Bldg. Renovation	-	-	-	35	24	39	60	12	126	60	32	12	-	40	-	-	-	-	155	108	177	440
3 Governorate Banks	-	-	-	-	-	6	-	-	66	-	-	-	-	-	-	-	-	-	-	-	72	72
8 District Banks	-	-	-	-	-	8	-	-	60	-	-	12	-	-	-	-	-	-	-	-	80	80
27 Village Banks	-	-	-	-	24	-	-	12	-	-	32	-	-	40	-	-	-	-	-	108	-	108
Furniture and Equipment	-	-	-	35	-	-	60	-	-	60	-	-	-	-	-	-	-	-	155	-	-	155
Public Relations	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25	25
Team Support and Evaluation	-	-	-	114	23	38	-	19	75	-	19	75	-	19	75	-	20	75	114	100	338	552
Local Contract	-	-	-	-	10	-	-	5	-	-	5	-	-	5	-	-	5	-	-	30	-	30
Control Farmers	-	-	-	-	3	-	-	4	-	-	4	-	-	4	-	-	5	-	-	20	-	20
Autos	-	-	-	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114	-	-	114
Auto Operating	-	-	-	-	-	21	-	-	42	-	-	42	-	-	42	-	-	42	-	-	189	189
Office Space	-	-	-	-	-	12	-	-	25	-	-	25	-	-	25	-	-	25	-	-	112	112
Secretarial	-	-	-	-	-	3	-	-	6	-	-	6	-	-	6	-	-	6	-	-	27	27
Office Supplies	-	-	-	-	-	2	-	-	2	-	-	2	-	-	2	-	-	2	-	-	10	10
Local Travel and Per Diem	-	-	-	-	10	-	-	10	-	-	10	-	-	10	-	-	10	-	-	50	-	50
GOE Staff	-	-	8	-	10	57	-	10	89	-	10	220	-	10	220	-	10	220	-	50	814	864
Counterparts	-	-	8	-	-	24	-	-	24	-	-	24	-	-	24	-	-	24	-	-	128	128
Village Banks	-	-	-	-	-	25	-	-	50	-	-	150	-	-	150	-	-	150	-	-	525	525
Staff Support	-	-	-	-	-	8	-	-	15	-	-	46	-	-	46	-	-	46	-	-	161	161
Local Travel and Per Diem	-	-	-	-	10	-	-	10	-	-	10	-	-	10	-	-	10	-	-	50	-	50
Subtotal	66	27	8	1023	554	387	1226	1647	805	1196	2556	1330	1133	3402	1561	373	3396	1811	5017	11582	5902	22501
Contingency	12	4	1	180	42	21	240	150	45	257	173	49	270	173	47	140	14	47	1099	556	210	1865
Inflation	-	-	-	82	101	63	205	579	244	311	1125	516	408	1832	775	175	1928	1121	1181	5565	2719	9465
Total	78	31	9	1285	697	471	1671	2376	1094	1764	3854	1895	1811	5407	2383	688	5338	2979	7297	17703	8831	33831
Total AID		109			1982			4047			5618			7218			6026			25000		
Grand Total			118			2453			5141			7513			9601			9005			33831	

EGYPT

Telecommunications System Improvement

Agreement signed at Cairo August 28, 1978;
Entered into force August 28, 1978.

A.I.D. Loan Number 263-K-047
Project Number 263-0054

PROJECT
LOAN AGREEMENT
AMONG
THE ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA,
THE MINISTRY OF COMMUNICATIONS
AND
THE ARAB REPUBLIC OF EGYPT TELECOMMUNICATIONS
ORGANIZATION
FOR
TELECOMMUNICATIONS

Dated: August 28, 1978

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ANNEX 1—PROJECT DESCRIPTION

[1] Not printed herein. For text, see TIAS 9458; *ante*, p. 4265.

A.I.D. Project No. 263-0054

PROJECT LOAN/AGREEMENT DATED: AUGUST 28, 1978 AMONG THE ARAB REPUBLIC OF EGYPT ("BORROWER"), THE MINISTRY OF COMMUNICATIONS, THE ARAB REPUBLIC OF EGYPT TELECOMMUNICATIONS ORGANIZATION ("ARETO") AND THE UNITED STATES OF AMERICA, ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1: The Agreement.

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project.

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, attached, will consist of the provision of materials, equipment and services in order to improve ARETO's telecommunication system and strengthen its management, operations, planning, training and financial functions. The Borrower will relend the funds to ARETO which will be the implementing agency for the Project. Annex 1 amplifies the above definition of the Project.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2, without formal amendment of this Agreement.

ARTICLE 3: Financing.

SECTION 3.1. The Loan. To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to lend to the Borrower under the terms of this Agreement not to exceed Forty Million United States ("U.S.") Dollars ($40,000,000.00) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan may be used only to finance foreign exchange costs, as defined in Section 7.1, of goods and services required for the Project.

SECTION 3.2. Borrower Resources for the Project.

(a) The Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

(b) The resources provided by the Borrower for the Project will not be less than Seven Million Nine Hundred and Fifty Thousand Egyptian Pounds (L.E. 7,950,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is March 31, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Loan (1) in response to requests received by A.I.D. after September 30, 1981, or (2) for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than six (6) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Borrower, may at any time or times reduce the amount of the Loan by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Loan Terms.

SECTION 4.1. Interest. The Borrower will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.3) of each respective disbursement, and will be payable semiannually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 4.2. Repayment. The Borrower will repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement of the Loan in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization

schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 4.3. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder will be made in U.S. Dollars and will be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

SECTION 4.4. Prepayment. Upon payment of all interest and any refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Arab Republic of Egypt, which enable the Borrower to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1 and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under Subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of Borrower's Minister of Economy and Economic Development in the Arab Republic of Egypt.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under it will cease.

ARTICLE 5: Conditions Precedent to Disbursement.

SECTION 5.1. First Disbursement. Prior to the first disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this Agreement and the Reloan Agreement have been duly authorized and/or ratified by, and executed on behalf of, the Borrower and ARETO, and that they constitute valid and legally binding obligations of the Borrower and ARETO, in accordance with all of their terms;

(b) A statement of the names of the persons holding or acting in the offices of the Borrower specified in Section 9.2. and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A Reloan Agreement satisfactory to A.I.D. for the Project between the Borrower and ARETO pursuant to the covenant described in section 6.2.; and

(d) An executed contract acceptable to A.I.D. for the consulting services for the Project with a firm acceptable to A.I.D.

SECTION 5.2. Additional Disbursement—Equipment. Prior to any disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for equipment, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. a Procurement Plan, approved by the U.S. consultant funded under the Loan, for all procurement planned by ARETO through the end of calendar year 1981, showing specific items, quantities, estimated prices and timing of such procurement.

SECTION 5.3. Additional Disbursement—Training. Prior to disbursement under the Loan, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for training, the Borrower will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a proposed training program showing the categories and identities of the trainees, and the nature, length and purpose of the training.

SECTION 5.4. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 5.1, 5.2 and 5.3 have been met, it will promptly notify the Borrower.

SECTION 5.5. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 5.1 have not been met by January 31, 1979, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or con-

straints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 6.2. Reloan by Borrower to ARETO. In order to assist ARETO in carrying out the Project, the Borrower shall relend to ARETO the proceeds of the Loan under a reloan agreement ("Reloan Agreement") to be entered into between the Borrower and ARETO under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, a repayment period not to exceed fifteen (15) years, including a 5-year grace period and an interest rate of seven and one-half per cent (7½%) per annum, with principal amount and schedule of repayments, including interest, denominated in U.S. dollars, repayments to be made in Egyptian Pounds calculated at the highest rate prevailing and declared for foreign currency by the competent authorities of the Borrower in effect on the date of each repayment.

SECTION 6.3. Payment for Telecommunication Service. The Borrower shall take such steps as may be necessary to assure that its Ministries and other Governmental organizations make prompt payment to ARETO for telecommunication services rendered to them.

SECTION 6.4. Tariff Rate Structure. Except as A.I.D. may otherwise agree in writing, within one year from the date of the Loan Agreement, Borrower and ARETO agree that ARETO shall prepare a tariff rate structure for the 1980–1985 period, taking into account the observations of A.I.D. and the IBRD on the subject. The proposed rate structure should show that the projected local currency and foreign exchange generations are sufficient to cover the costs of future operations, service local and foreign debt and provide an acceptable contribution to capital investment.

SECTION 6.5. Reorganization of ARETO. Except as A.I.D. may otherwise agree in writing, within one year from the date of the Loan Agreement, the Borrower and ARETO shall take the necessary legal action to reorganize ARETO under its own special charter as an autonomous entity, with the following authorities and rights:

(a) To establish subsidiary companies able to participate in joint ventures under the provisions of Investment Law No. 43.

(b) To establish a reasonable rate/tariff structure.

(c) To establish a reasonable wage rate structure.

(d) To be free from Egyptian Government employment quotas.

(e) To discharge unproductive workers.

(f) To eliminate the ARETO legal obligation to turn over all its profits to the Ministry of Finance and to depend upon the Government budgetary process to gain necessary operating and investment funds.

(g) To appoint top managers, without prior Governmental approval.

(h) To establish accounting, financial reporting and inventory disposal systems designed to serve the telecommunications industry, free of Governmental requirements.

SECTION 6.6. ARETO Assets. Except as A.I.D. may otherwise agree in writing, within one year from the date of this Agreement, Borrower and ARETO shall take all necessary actions such that ARETO will revalue the following asset accounts using replacement value less depreciation: (1) the assets acquired from the Borrower either as a donation or for nominal amounts, and (2) the assets acquired and recorded at the official exchange rate.

SECTION 6.7. ARETO Staffing. Except as A.I.D. may otherwise agree in writing, within one year from the date of this Agreement, ARETO shall freeze the number of its staff at its then present level, and adopt a policy that the number of new hires cannot exceed the annual turnover rate.

SECTION 6.8. ARETO Equity. Except as A.I.D. may otherwise agree in writing, within one year from the Date of this Agreement, Borrower and ARETO agree that ARETO will transfer LE 20 million of the monies owed by ARETO to the Borrower from a liability account to an equity account.

SECTION 6.9. ARETO Debt to Equity Ratio. Except as A.I.D. may otherwise agree in writing, within one year from the date of this Agreement, Borrower and ARETO agree that ARETO will maintain a debt to equity ratio no greater than 70:30.

SECTION 6.10. Actions of Borrower. The Borrower shall not take or permit any of its political sub-divisions, or any of its agencies or instrumentalities, or any agency or instrumentality of any of its political sub-divisions, to take any action which would prevent or materially interfere with the performance by ARETO of any of its obligations under this Agreement or the Reloan Agreement, and shall take or cause to be taken all reasonable actions which shall be required on its part in order to enable ARETO to perform such obligations.

SECTION 6.11. Service Improvement Plan. ARETO will take all reasonable steps to implement the Service Improvement Plan (SIP) as detailed in the Telecommunications Sector Study Report.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. Disbursements pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source, origin, and nationality in the United States (Code 000 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as pro-

vided in the Project Loan Standard Provisions Annex, Section C.1 (b) with respect to marine insurance.

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Borrower's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letter of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Borrower in connection with Letters of Commitment and Letters of Credit will be financed under the Loan unless the Borrower instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan.

SECTION 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.3. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a letter of Commitment, contract, or purchase order.

ARTICLE 9: Miscellaneous:

SECTION 9.1. Communications. Any notice, request, document, or other communication submitted by either Borrower or A.I.D. to the other under this Agreement will be in writing or by telegram or cable, and will be deemed given or sent when delivered to such party at the following address:

To THE BORROWER:

Ministry of Economy and Economic Cooperation
8, Adly St.
Cairo, Egypt

or

ARETO
28, Ramses St.
Cairo, Egypt

Ministry of Communications
28, Ramses Street
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals holding or acting in the offices of Minister of Economy and Economic Cooperation, Minister of Communications, Chairman of ARETO and Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and A.I.D. will be represented by the individual holding or acting in the office of Director, U.S.A.I.D., each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) [1] is attached and forms part of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

[1] See footnote 1, p. 6663.

ARAB REPUBLIC OF EGYPT

By: HAMED A. EL-SAYEH

Name: Dr. Hamed El-Sayeh
Title: *Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS

Name: H. Freeman Matthews
Title: *Charge d'Affaires a.i.*

MINISTRY OF COMMUNICATIONS

By: NAIM ABU TALEB
Name: Naim Abu Taleb
Title: *Minister*

THE ARAB REPUBLIC OF EGYPT TELECOMMUNICATIONS ORGANIZATION

By: M. M. ABDALLAH
Name: Eng. Mahmoud M. Abdallah
Title: *Chairman*

ANNEX 1

Project Description

This project consists of activities designed to improve the telecommunications system of Egypt by strengthening the planning, management, operating and training functions of The Arab Republic of Egypt Telecommunications Organization (ARETO) and by rehabilitating some and replacing other obsolete components of the system. ARETO is the implementing agent for carrying out the project, and will be advised and assisted on all phases by a U.S. consultant. The loan will finance the services of the U.S. consultant and the foreign exchange costs of the telecommunications replacement, operating, maintenance, and related equipment required for the project.

The design of the project, which is based upon the recommendations contained in the Arab Republic of Egypt Telecommunications Sector Study of Continental Telephone Holdings Corporation, dated April 30, 1978 (CTC Study), consists of the following three principal elements:

A. Management, Operations and Training Programs.

1. Development of a revised organizational structure for ARETO and establishment of a schedule for implementing proposed changes.
2. Establishment of a central planning office and project control group.
3. Strengthening of financial management systems.
4. Improvement of commercial operations, i.e., activities involving contracts and relationships with customers.

5. Strengthening of purchasing and inventory management capabilities.

6. Establishment of organization, procedures and priorities for the standardization of purchased equipment, materials and services.

7. Technical and management training for ARETO personnel.

8. Preparation of an EDP plan for ARETO and the design and implementation of computer-based systems for the Telephone Research Center.

B. Service Improvement Programs.

1. Repair, modification, rehabilitation and replacement, as necessary, of air-conditioning and other equipment in Cairo exchange buildings in order to provide suitable operating environment for modern telecommunications switching and transmission equipment. Institution of practices and procedures to provide continuous effective maintenance of such facilities.

2. Improvements in the overall administration, maintenance and performance of Cairo local exchange equipment.

3. Installation of measures to improve operation in the national toll center and to improve service on international toll calls.

4. Establishment of a central organization and the necessary records and procedures to improve the maintenance and utilization of Cairo junction facilities, and the implementation of a program to verify, test and repair junction cable facilities.

5. Replacement of the obsolete rotary exchange in e.g. Zamalek with a 20,000-line electronic exchange, including equipment and installation for subscriber toll dialing and international telephone service. This will be accomplished under a "turnkey" contract and will serve as a discrete model of exchange modernization and training exercise for ARETO personnel.

6. Establishment of an organization and implementation of a program to improve service to major business and government telecommunication users.

C. Systems Expansion and Modernization.

1. Procurement and installation of PABX's (approximately 3,000 lines), and microwave links to the Cairo airport and other locations. Subject to the U.S. consultants' recommendation, it is anticipated that this work will be accomplished on a "turnkey" basis.

2. Rehabilitation or replacement, as appropriate, of exchange outside plant.

3. Procurement of mobile exchange station vans, initially to maintain customer service during Zamalek modernization.

PROJECT FINANCIAL PLAN

(Source and Application of Funding 000s L.E. and U.S. $)

As of August 1978 — Project No. 263-0054

PROJECT INPUTS		U.S. $ (AID)	L.E. (A.R.E.)
Technical Services		$7, 500	L.E. 1, 500
Planning			
Training			
Procurement			
Accounting, Financial & Administrative			
SIP			
Equipment & Equipment-Related Services		28, 500	3, 750
a. Replacement of e.g. Zamalek Exchange			
(i) Exchange Equipment	8, 000		
(ii) Outside Plant	10, 000		
b. PABXs (3,000 Lines)	2, 000		
c. Microwave Links	1, 000		
d. Mobile Exchange Station Vans (3,000 Lines)	1, 500		
e. Relief Equipment for Customers Using Rotary Exchanges	3, 000		
f. Air-Conditioning, Vehicles, Tools, Test Equipment and Miscellaneous Hardware	3, 000		
A.R.E.T.O. Personnel		0	1, 950
Contingency & Escalation		4, 000	750
TOTALS		$40, 000	L.E. 7, 950